B&K CORPORATION LIMITED
華芯生物科技(青島)股份有限公司

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

Stock Code : 2396

GLOBAL OFFERING

Joint Sponsors, Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

华泰国际 HUATAI INTERNATIONAL

中信证券 CITIC SECURITIES

Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

CMS 招商證券國際

民銀資本 CMBC CAPITAL HOLDINGS LIMITED

IMPORTANT

If you are in any doubt about any of the contents of this prospectus, you should seek independent professional advice.

B&K CORPORATION LIMITED
華芒生物科技（青島）股份有限公司

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

GLOBAL OFFERING

Number of Offer Shares under the Global Offering	**:**	**17,648,800 H Shares (Subject to the Over-allotment Option)**
Number of Hong Kong Offer Shares	**:**	**1,765,000 H Shares (subject to reallocation)**
Number of International Offer Shares	**:**	**15,883,800 H Shares (Subject to the Over-allotment Option and reallocation)**
Maximum Offer Price	**:**	**Not more than HK$51.0 per H Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015%, and Hong Kong Stock Exchange trading fee of 0.00565% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal value	**:**	**RMB1.00 per H Share**
Stock code	**:**	**2396**

Joint Sponsors, Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

华泰国际 HUATAI INTERNATIONAL　　中信证券 CITIC SECURITIES

Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

CMS 招商證券國際　　民銀資本 CMBC CAPITAL HOLDINGS LIMITED

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

中國銀河國際 CHINA GALAXY INTERNATIONAL　　國聯證券國際 GUOLIAN SECURITIES INTERNATIONAL　　CMBI 招銀国际

Joint Bookrunners and Joint Lead Managers

中州國際　　富途證券　　華福國際 HUAFU INTERNATIONAL　　利弗莫尔证券 LIVERMORE HOLDINGS LIMITED　　浦銀國際 SPDB INTERNATIONAL

Joint Lead Managers

富強證券 FORTUNE (HK) SECURITIES　　尊嘉证券　　盈寶證券 WINBULL

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

A copy of this prospectus, having attached thereto the documents specified in "Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display" in Appendix V to this prospectus, has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility for the contents of this prospectus or any other documents referred to above.

The Offer Price is expected to be determined by agreement between the Overall Coordinators, for themselves and on behalf of the Underwriters, and our Company on or before Thursday, December 18, 2025 or such later time as may be agreed between the parties, but in any event, no later than 12:00 noon on Thursday, December 18, 2025. If, for any reason, the Overall Coordinators, for themselves and on behalf of the Underwriters, and our Company are unable to reach an agreement on the Offer Price by 12:00 noon on Thursday, December 18, 2025, the Global Offering will not proceed and will lapse immediately. The Offer Price will be no more than HK$51.0 per Offer Share and is expected to be not less than HK$38.2 per Offer Share, unless otherwise announced. Investors applying for the Hong Kong Offer Shares may be required to pay, on application (subject to application channels), the maximum Offer Price of HK$51.0 for each Offer Share together with a brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015%, and Hong Kong Stock Exchange trading fee of 0.00565%, subject to refund if the Offer Price is lower than HK$51.0 per Offer Share.

The Overall Coordinators, for themselves and on behalf of the Underwriters, may, with the consent of our Company, reduce the number of Offer Shares being offered under the Global Offering and/or the indicative Offer Price range below that stated in this prospectus at any time prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, notices of such reduction will be published on the websites of the Stock Exchange at **www.hkexnews.hk** and the Company at **huarenshengwu.com** as soon as practicable but in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offering. Further details are set out in the sections headed "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" in this prospectus.

Prior to making an investment decision, prospective investors should carefully consider all of the information set out in this prospectus, in particular, the risk factors set out in the section headed "Risk Factors." Pursuant to the termination provisions contained in the Hong Kong Underwriting Agreement in respect of the Offer Shares, the Overall Coordinators, for themselves and on behalf of the Hong Kong Underwriters, have the right in certain circumstances, in their absolute discretion, to terminate the obligations of the Hong Kong Underwriters pursuant to the Hong Kong Underwriting Agreement at any time prior to 8:00 a.m. on the Listing Date. Further details of the terms of the termination provisions are set out in the section headed "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Hong Kong Underwriting Agreement — Grounds For Termination."

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities law in the United States and may not be offered, sold, pledged or transferred within the United States, except that Offer Shares may be offered, sold or delivered outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act.

ATTENTION

We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide printed copies of this prospectus to the public in relation to the Hong Kong Public Offering. This prospectus is available at the website of the Hong Kong Stock Exchange at www.hkexnews.hk and our website at huarenshengwu.com. If you require a printed copy of this prospectus, you may download and print from the website addresses above.

December 12, 2025

IMPORTANT NOTICE TO INVESTORS: FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide printed copies of this prospectus to the public in relation to the Hong Kong Public Offering.

This prospectus is available at the website of the Hong Kong Stock Exchange at www.hkexnews.hk under the "HKEXnews > New Listings > New Listing Information" section, and our website at huarenshengwu.com. If you require a printed copy of this prospectus, you may download and print from the website addresses above.

To apply for the Hong Kong Offer Shares, you may use one of the following application channels:

Application Channel	Platform	Target Investors	Application Time
HK eIPO White Form service	**www.hkeipo.hk**	Investors who would like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in your own name.	From 9:00 a.m. on Friday, December 12, 2025 to 11:30 a.m. on Wednesday, December 17, 2025, Hong Kong time. The latest time for completing full payment of application monies will be 12:00 noon on Wednesday, December 17, 2025, Hong Kong time.
HKSCC EIPO channel	Your **broker** or **custodian** who is a HKSCC Participant will submit an EIPO application on your behalf through HKSCC's FINI system in accordance with your instruction	Investors who would not like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant's stock account.	Contact your **broker** or **custodian** for the earliest and latest time for giving such instructions, as this may vary by **broker** or **custodian**.

We will not provide any physical channels to accept any application for the Hong Kong Offer Shares by the public. The contents of the electronic version of this prospectus are identical to the printed document as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

If you are an **intermediary**, **broker** or **agent**, please remind your customers, clients or principals, as applicable, that this prospectus is available online at the website addresses above.

Please refer to the section headed "How to apply for Hong Kong Offer Shares" for further details of the procedures through which you can apply for the Hong Kong Offer Shares electronically.

Your application through the **HK eIPO White Form** service or the HKSCC EIPO channel must be for a minimum of 200 Hong Kong Offer Shares and in one of the numbers set out in the table. If you are applying through the **HK eIPO White Form** service, you may refer to the table below for the amount payable for the number of H Shares you have selected. You must pay the respective maximum amount payable on application in full upon application for Hong Kong Offer Shares. If you are applying through the HKSCC EIPO channel, you are required to prefund your application based on the amount specified by your broker or custodian, as determined based on the applicable laws and regulations in Hong Kong.

No. of Hong Kong Offer Shares applied for	Maximum Amount payable[2] on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable[2] on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable[2] on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable[2] on application/ successful allotment
	HK$		*HK$*		*HK$*		*HK$*
200	10,302.88	4,000	206,057.35	60,000	3,090,860.10	450,000	23,181,450.76
400	20,605.73	5,000	257,571.68	70,000	3,606,003.46	500,000	25,757,167.50
600	30,908.61	6,000	309,086.01	80,000	4,121,146.80	600,000	30,908,601.00
800	41,211.47	7,000	360,600.35	90,000	4,636,290.16	700,000	36,060,034.50
1,000	51,514.34	8,000	412,114.68	100,000	5,151,433.50	882,400[1]	45,456,249.20
1,200	61,817.20	9,000	463,629.01	150,000	7,727,150.26		
1,400	72,120.07	10,000	515,143.36	200,000	10,302,867.00		
1,600	82,422.93	20,000	1,030,286.70	250,000	12,878,583.76		
1,800	92,725.81	30,000	1,545,430.06	300,000	15,454,300.50		
2,000	103,028.66	40,000	2,060,573.40	350,000	18,030,017.26		
3,000	154,543.00	50,000	2,575,716.76	400,000	20,605,734.00		

(1) Maximum number of Hong Kong Offer Shares you may apply for and this is approximately 50% of the Hong Kong Offer Shares initially offered.

(2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) or to the **HK eIPO White Form** Service Provider (for applications made through the application channel of the **HK eIPO White Form** service) while the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy will be paid to the SFC, the Stock Exchange and the AFRC, respectively.

No application for any other number of Hong Kong Offer Shares will be considered and any such application is liable to be rejected.

*If there is any change in the following expected timetable[1] of the Hong Kong Public Offering, we will issue an announcement in Hong Kong to be published on the Company's website at **huarenshengwu.com** and the website of the Stock Exchange at **www.hkexnews.hk**.*

Hong Kong Public Offering commences . . . . . 9:00 a.m. on Friday, December 12, 2025

Latest time to complete electronic applications under the **HK eIPO White Form** service through the designated website at **www.hkeipo.hk**[2] . . . . . 11:30 a.m. on Wednesday, December 17, 2025

Application lists open[3] . . . . . 11:45 a.m. on Wednesday, December 17, 2025

Latest time for completing payment of **HK eIPO White Form** applications by effecting internet banking transfers(s) or PPS payment transfer(s) and giving **electronic application** instructions to HKSCC[4] . . . . . 12:00 noon on Wednesday, December 17, 2025

If you are instructing your **broker** or **custodian** who is a HKSCC Participant to give **electronic application instructions** via HKSCC's FINI system to apply for the Hong Kong Offer Shares on your behalf, you are advised to contact your **broker** or **custodian** for the latest time for giving such instructions which may be different from the latest time as stated above.

Application lists close[3] . . . . . 12:00 noon on Wednesday, December 17, 2025

Expected Price Determination Date[5] . . . . . Thursday, December 18, 2025

Announcement of the Offer Price, the indication of level of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares to be published and on the website of the Stock Exchange at **www.hkexnews.hk** and the Company's website at **huarenshengwu.com**[6] at or before . . . . . 11:00 p.m. on Friday, December 19, 2025

The results of allocations in the Hong Kong Public Offering (with successful applicants' identification document numbers, where appropriate) to be available through a variety of channels, including:

- in the announcement to be posted on our website and the website of the Stock Exchange at **huarenshengwu.com** and **www.hkexnews.hk** respectively at or before . . . . . 11:00 p.m. on Friday, December 19, 2025

- from the "Allotment Results" page at **www.hkeipo.hk/IPOResult** (or **www.tricor.com.hk/ipo/result**) with a "search by ID" function from . . . . . 11:00 p.m. on Friday, December 19, 2025 to 12:00 midnight on Thursday, December 25, 2025

- from the allocation results telephone enquiry line by calling +852 3691 8488 between 9:00 a.m. and 6:00 p.m. from . . . . . Monday, December 22, 2025 to Monday, December 29, 2025 (excluding Saturday, Sunday and public holiday in Hong Kong)

For those applying through HKSCC EIPO channel, you may also check with your broker or custodian from . . . . . 6:00 p.m. on Thursday, December 18, 2025

H Share certificates in respect of wholly or partially successful applications to be dispatched or deposited into CCASS on or before[7] . . . . . Friday, December 19, 2025

HK eIPO White Form e-Auto Refund payment instructions/refund checks in respect of wholly or partially successful applications if the final Offer Price is less than the maximum Offer Price per Offer Share initially paid on application (if applicable) or wholly or partially unsuccessful applications to be dispatched on or before[8][9] . . . . . Monday, December 22, 2025

Dealings in the H Shares on the Hong Kong Stock Exchange expected to commence at . . . . . 9:00 a.m. on Monday, December 22, 2025

(1) Unless otherwise stated, all times and dates refer to Hong Kong local times and dates.

(2) You will not be permitted to submit your application under the **HK eIPO White Form** service through the designated website at **www.hkeipo.hk** after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained an application reference number from the designated website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.

(3) If there is/are a "black" rainstorm warning or a tropical cyclone warning signal number 8 or above and/or Extreme Conditions, collective ("**Bad Weather Signals**") in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Wednesday, December 17, 2025, the application lists will not open or close on that day. For further details, please see the section headed "How to Apply for Hong Kong Offer Shares — E. Bad Weather Arrangements" in this prospectus.

(4) Applicants who apply for Hong Kong Offer Shares by giving electronic application instructions to HKSCC should refer to the section headed "How to Apply for Hong Kong Offer Shares — A. Application for Hong Kong Offer Shares" in this prospectus.

(5) The Price Determination Date is expected to be on or about Thursday, December 18, 2025. If, for any reason, the Offer Price is not agreed between the Overall Coordinators (for themselves and on behalf of the Underwriters) and us by 12:00 noon on Thursday, December 18, 2025, the Global Offering will not proceed and will lapse.

(6) None of the websites or any of the information contained on the websites forms part of this prospectus.

(7) H Share certificates will only become valid at 8:00 a.m. on the Listing Date provided that the Global Offering has become unconditional and the right of termination described in the section headed "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for Termination" in this prospectus has not been exercised. Investors who trade H Shares on the basis of publicly available allocation details prior to the receipt of H Share certificates or prior to the H Share certificates becoming valid evidence of title do so entirely at their own risk.

(8) e-Auto Refund payment instructions/refund cheques will be issued in respect of wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering and in respect of wholly or partially successful applications in the event that the final Offer Price is less than the price payable per Offer Share on application. Part of the applicant's identification document number, or, if the application is made by joint applicants, part of the identification document number of the first-named applicant, provided by the applicant(s) may be printed on the refund check, if any. Such data would also be transferred to a third party for refund purposes. Banks may require verification of an applicant's identification document number before encashment of the refund check. Inaccurate completion of an applicant's identification document number may invalidate or delay encashment of the refund check.

(9) Applicants who have applied through the **HK eIPO White Form** service for 500,000 or more Hong Kong Offer Shares may collect any H Share certificates in person from our H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong from 9:00 a.m. to 1:00 p.m. on Monday, December 22, 2025 or such other date as notified by us as the date of dispatch/collection of H Share certificates/e-Auto Refund payment instructions. Applicants being individuals who are eligible for personal collection may not authorize any other person to collect on their behalf. If you are a corporate applicant which is eligible for personal collection, your authorized representative must bear a letter of authorization from your corporation stamped with your corporation's chop. Both individuals and authorized representatives must produce evidence of identity acceptable to our H Share Registrar at the time of collection.

Applicants who have applied for Hong Kong Offer Shares through the HKSCC EIPO channel should refer to the section headed "How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of H Share Certificates and Refund of Application Monies" in this prospectus for details.

Applicants who have applied through the **HK eIPO White Form** service and paid their applications monies through single bank account may have refund monies (if any) dispatched to the bank account in the form of e-Auto Refund payment instructions. Applicants who have applied through the **HK eIPO White Form** service and paid their application monies through multiple bank accounts may have refund monies (if any) dispatched to the address as specified in their application instructions in the form of refund checks in favor of the applicant (or, in the case of joint applications, the first-named applicant) by ordinary post at their own risk.

H Share certificates and/or refund checks for applicants who have applied for less than 500,000 Hong Kong Offer Shares and any uncollected H Share certificates will be dispatched by ordinary post, at the applicants' risk, to the addresses specified in the relevant applications.

Further information is set out in the sections headed "How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of H Share Certificates and Refund of Application Monies."

The above expected timetable is a summary only. You should read carefully the sections headed "Underwriting," "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" in this prospectus for details relating to the structure of the Global Offering, procedures on the applications for Hong Kong Offer Shares and the expected timetable, including conditions, effect of bad weather and the dispatch of H Share certificates.

If the Global Offering does not become unconditional or is terminated in accordance with its terms, the Global Offering will not proceed. In such case, the Company will make an announcement as soon as practicable thereafter.

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IMPORTANT NOTICE TO PROSPECTIVE INVESTORS

This prospectus is issued by our Company solely in connection with the Hong Kong Public Offering and the Hong Kong Offer Shares and does not constitute an offer to sell or a solicitation of an offer to subscribe for or buy any security other than the Hong Kong Offer Shares. This prospectus may not be used for the purpose of, and does not constitute, an offer to sell or a solicitation of an offer to subscribe for or buy any security in any other jurisdiction or in any other circumstances. No action has been taken to permit a public offering of the Offer Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong. The distribution of this prospectus and the offering and sale of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

You should rely only on the information contained in this prospectus to make your investment decision. We have not authorized anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not included in this prospectus must not be relied on by you as having been authorized by us, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Underwriters, any of our or their respective directors or advisors, or any other person or party involved in the Global Offering. Information contained on our website, located at ***huarenshengwu.com****, does not form part of this prospectus.*

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This summary aims to give you an overview of the information contained in this prospectus. As it is a summary, it does not contain all the information that may be important to you. You should read the whole prospectus before you decide to invest in the Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in "Risk Factors" in this prospectus. You should read that section carefully in full before you decide to invest in the Offer Shares. ***In particular, we are a biopharmaceutical company seeking to list on the Main Board of the Stock Exchange under Chapter 18A of the Listing Rules on the basis that we are unable to meet the requirements under Rule 8.05(1), (2) or (3) of the Listing Rules. There are unique challenges, risks and uncertainties associated with investing in companies like ours. Our Core Products are the products for the purpose of satisfying the eligibility requirements under Chapter 18A. We only have two Core Products, namely, Pro-101-1 and Pro-101-2. We may continue to incur substantial costs and expenses in relation to R&D activities for the Core Products, and the Core Products may not be successfully developed or marketed. Your investment decision should be made in light of these considerations.***

OVERVIEW

Founded in 2012, we are a China-based biopharmaceutical company committed to developing therapies with an emphasis on protein drugs for indications with medical needs and market opportunities. We primarily focus on the discovery, development and commercialization of therapies for wound healing, currently platelet-derived growth factor ("**PDGF**") drugs. As of the Latest Practicable Date, our pipeline comprised two Core Products: (i) Pro-101-1 for the treatment of deep second-degree thermal burns, which has completed the statistical data analysis for Phase IIb clinical trial, and for the treatment of superficial second-degree thermal burns, which has reached last-patient-out but no statistical data was yet available; and (ii) Pro-101-2 for the treatment of diabetic foot ulcers ("**DFUs**"), which is currently in Phase II clinical trial. We also have eight other product candidates.

WE MAY NOT BE ABLE TO SUCCESSFULLY DEVELOP AND/OR MARKET OUR CORE PRODUCTS. WE ONLY HAVE TWO CORE PRODUCTS, NAMELY, PRO-101-1 and PRO-101-2. FOR PRO-101-1, CERTAIN CLINICAL TRIAL DATA INDICATES NO STATISTICAL SIGNIFICANCE (THERE IS NOT STRONG ENOUGH EVIDENCE TO CONCLUDE THAT THE OBSERVED EFFECT IS CERTAIN RATHER THAN DUE TO RANDOM CHANCE) BETWEEN THE TREATMENT GROUP AND PLACEBO GROUP. IN ADDITION, THE SUBJECT ENROLLMENT FOR THE PRO-101-2 CLINICAL TRIALS IS SLOW SINCE FEBRUARY 2022 AND THEN DELAY OUR PRODUCT SCHEDULE.

For Pro-101-1 for the treatment of deep second-degree thermal burns, based on FAS, there is no significant statistical difference. We agreed with the CDE to extend evaluation of the Phase IIb clinical trial results and to commence a Phase IIIa clinical trial, which is an exploratory evaluation of the Phase IIb clinical trial, and after the completion of which we will communicate with the CDE to seek the guidance on Pro-101-1. If allowed by the CDE, we will commence a Phase IIIb clinical trial, which is expected to be a confirmatory clinical trial and if not allowed by the CDE to commence a Phase IIIb clinical trial due to unfavorable Phase IIIa clinical trial result, this will in turn reject Pro-101-1 from progressing to file for NDA Approval in China. Consequently, the market potential of our Pro-101-1 for the treatment of deep second-degree burns would be significantly limited.

For Pro-101-1 for the treatment of superficial second-degree thermal burns, the Phase IIb clinical trial has reached last-patient-out in April 2025 but no statistical data was yet available because data review was still ongoing and the database had not been locked. The data processing progress of this cohort is behind that of the cohort of deep second-degree burns, because it involves a larger number of enrolled subjects and consequently requires additional time to complete the related work. We expect to complete the database lock and statistical analysis in the first quarter of 2026. The lengthy database lock process is consistent with our internal standards and fully compliant with Good Clinical Practice (GCP) requirements. We have not communicated with CDE regarding the clinical trial data or the progress of the clinical trial, and further communications with the CDE is required to determine progression to Phase III. According to Frost & Sullivan, communications with the CDE are typically conducted based on the availability of clinical data, and this aligns with established industry practices. Progression to Phase III clinical trials of Pro-101-1 for the treatment of superficial second-degree burns will depend on the statistical outcomes from the Phase IIb trial and subsequent communications with the CDE. As of the Latest Practicable Date, we have no plans to progress to the Phase III trial for this indication, as our strategy is to focus the clinical development of Pro-101-1 on the treatment of deep second-degree burns.

See "Business — PDGF — Summary of Clinical Trial Results — The preliminary results of Phase IIb Clinical Trial of Pro-101-1 for the treatment of deep second-degree burns," "Business — Our Candidates — PDGF — Material Communications with Competent Authorities," "Business PDGF — Summary of Clinical Trial Results — Phase IIa Clinical Trial of Pro-101-1 — Time to complete healing of target wound surface in subjects with superficial second-degree burns (FAS)," "Risk Factors — Risks Relating to the Research and Development of Our Candidates — Our business and financial prospects depend substantially on the success of our clinical-stage and pre-clinical-stage candidates. If we are unable to successfully complete clinical development, obtain regulatory approvals or achieve commercialization for our candidates, or if we experience significant delays or cost overruns in doing any of the foregoing, our business and competitive position could be materially and adversely affected," and "Risk Factors — Risks Relating to the Research and Development of Our Candidates — If we encounter difficulties in enrolling patients for our clinical trials, our clinical development activities could be delayed or otherwise materially and adversely affected."

PDGF is one of the growth factors secreted by platelets after injury. It promotes the development of new blood vessels, regulation of inflammation, and stimulation of cell proliferation and migration, among other things, which eventually leads to wound closure and healing. PDGF-BB is one of the five dimeric isoforms of PDGF, and rhPDGF-BB is a clinically utilized version of PDGF-BB, which is a recombinant form of the naturally occurring PDGF-BB. Pro-101-1 is the most advanced PDGF drug candidate in terms of clinical development progress for the treatment of thermal burns in China, according to the Frost & Sullivan report. In addition, our other PDGF candidates also share the same active substance as our Core Products, rhPDGF-BB. PDGF drugs have been clinically used as growth factor therapeutic products in DFUs for more than 20 years mainly in the U.S. PDGF is the sole recombinant growth factor that has received approval from the FDA for topical use, specifically in treating DFUs. PDGF drugs have demonstrated notable efficacy with a favorable safety profile in treating DFUs across multiple clinical studies over the years. See "Industry Overview — China and Global PDGF Drug Market — The Advantages of PDGF Drugs" for details. Meanwhile, as of the Latest Practicable Date, due to the high barriers in research and development and production of PDGF drugs, including (i) challenge of improving PDGF gene sequences for manufacturing purposes, (ii) complexity of

producing purified PDGF, (iii) stringent requirements for quality control to avoid protein aggregation and misfolding, and (iv) proper formulation and storage conditions to maximize protein activity, there were no PDGF drugs commercially available in China.

We had filed five patent applications with respect to our Core Products as of the Latest Practicable Date, which were currently under review. We acquired two PDGF-related patents and technical information in relation to the research on PDGF in DFUs (which later became Pro-101-2) (the "**Project**") from JinBang and the Institute of Bioengineering of AMMS in 2013. These patents are co-owned by our Company and the AMMS and we do not have any other patent co-owned with the AMMS. We co-developed Pro-101-2 with the Institute of Bioengineering of AMMS until July 2021, when we received the IND approval for Pro-101-2, which was an umbrella approval for all phases of the clinical development of Pro-101-2. Although the AMMS remains as a co-sponsor of Pro-101-2, it has not been involved in the clinical research and related pharmaceutical research of Pro-101-2 since July 2021. We are expected to be the sole MAH licensee of Pro-101-2 once the clinical development is complete. In addition, since the AMMS has transferred the technical information relating to the Project to us and we enjoy the exclusive right to use and commercialize the two PDGF-related patents, it is not in a position to license out such technical information or PDGF-related patents relating to the Project to third parties without our consent. To the best knowledge of our Directors, the AMMS is not engaged in any R&D work on PDGF in DFUs, either within or outside the Project. See "Business — Collaboration, Licensing and Transfer Arrangements — Collaboration with the Institute of Bioengineering of AMMS and JinBang." In addition, the AMMS has not been involved in any clinical development or communications with competent authorities relating to Pro-101-1 or other PDGF product candidates. We have independently completed the clinical trials of our Core Products throughout the clinical development of our Core Products, and we are expected to independently complete the subsequent clinical trials for our Core Products. We have also independently developed our pipeline of early-stage mRNA candidate and ASO candidates.

OUR PIPELINE

Our pipeline consisted of ten candidates with market potential covering a wide range of indications, comprising two Core Products, namely Pro-101-1 and Pro-101-2. As of the Latest Practicable Date, our Pro-101-1 for the treatment of deep second-degree thermal burns and superficial second-degree thermal burns had reached last patient out for Phase IIb clinical trial in China and was in the process of finalizing the Phase IIb clinical trial report, and our Pro-101-2 for the treatment of DFUs was undergoing the Phase II clinical trial in China. We expect that the primary market for our PDGF candidates, once commercialized, will be the PRC. In addition, we plan to commence the Phase III clinical trials of Pro-101-1 for the treatment of deep second-degree burns in the U.S. and Japan, and launch the product in the U.S. and Japan; we plan to commence the Phase III clinical trials of Pro-101-2 in the U.S. and Japan, and launch the product in the U.S. and Japan. The following chart summarizes our pipeline and the development status of each pipeline candidate as of the same date:

Candidate	Mechanism/ Target	Indication	Form	Clinical Trial Region	Development Phase	Upcoming Milestone	Competent or Regulatory Authorities	Commercial Rights	Self-developed or Co-developed
					Pre-Clinical / Phase I / Phase II (IIa, IIb) / Phase III (IIIa, IIIb)				
★Pro-101-1	PDGF receptor	Thermal burns	Topical gel	China	(1)	Expected to initiate Phase IIIa clinical trial for the treatment of deep second-degree burns in 2026Q1 and complete Phase IIb clinical trial report for the treatment of superficial second-degree burns in 2026Q2	NMPA	Global	Self-developed
				U.S.	(2)	Expected to submit IND filing to start Phase III clinical trials for Pro-101-1 for the treatment of deep second-degree burns in 2026Q1	FDA	Global	
				Japan	(3)	Expected to apply for pre-application consultation meeting to discuss our plan to commence a Phase III clinical trial for Pro-101-1 for the treatment of deep second-degree burns in 2026Q3	PMDA	Global	
★Pro-101-2		DFUs	Topical gel	China	(4)	Expected to complete Phase II in 2027Q2 and initiate Phase III in 2027Q3	NMPA	Global	Co-developed with the Institute of Bioengineering of AMMS[6]
				U.S.		Expected to submit IND filing to start Phase III clinical trials in 2027Q1	FDA	Global	
				Japan		Expected to submit CTN filing to start a Phase III clinical trial in 2027Q1	PMDA	Global	
Pro-101-3		Fresh wounds, Pressure ulcers, Radiation ulcers, Photodermatitis, Alopecia, Hemorrhoids	Topical gel	China	(5)	For indications of fresh wounds, pressure ulcers and radiation ulcers, IND submission in China expected in December 2025; For indications of photodermatitis, alopecia and hemorrhoids, IND submission in China expected in 2026.	NMPA	Global	Self-developed
Pro-102		Fresh wounds, Photodermatitis	Spray	China		IND submission in China expected in 2028	NMPA	Global	
Pro-103		Dry eye syndrome, Corneal injury	Eye drops	China		IND submission in China expected in 2026	NMPA	Global	
Pro-104		Alopecia	Drug-device combination product[7]	China		IND submission in China expected in 2029	NMPA	Global	
Pro-105		Gastric ulcers	Oral	China		IND submission in China expected in 2027	NMPA	Global	
Mes-201 (mRNA)	TSAs	Solid tumor	Injection	China		IND submission in China expected in 2027	NMPA	Global	Self-developed
Oli-101 (ASO)	lncRNA	Brain glioma	Injection	China		IND submission in China expected in 2028	NMPA	Global	Self-developed
Oli-201 (ASO)		TNBC	Injection	China		IND submission in China expected in 2029	NMPA	Global	

★ **Core Products**

Notes:

1. Phase I clinical trial data of Pro-101-2 for the indication of DFUs are shared with indications of thermal burns and fresh wounds. In March 2022, we submitted application materials of clinical trial of Pro-101-1 based on the Phase I clinical trial results of Pro-101-2. NMPA issued an IND approval for the clinical trial of Pro-101-1 in June 2022, which was an umbrella approval for Phase IIa, Phase IIb and Phase III clinical trials. Considering that the technical aspects of the trials are relatively independent, in the interest of resource efficiency and effective management, and per the recommendations set out in the IND approval for the clinical trial obtained in June 2022, which sets fourth ". . . the applicant shall consider the clinical characteristics of different wounds, standardized treatment plans, and similarities and differences in prognosis, among other things, discuss with researchers and statistical experts, and stratify superficial second-degree and deep second-degree burns, while making overall plans for subsequent clinical research, including carrying out separate clinical trials if necessary. . .," we conducted the Phase IIb clinical trial with two cohorts for the treatment of deep second-degree burns and superficial second-degree burns, respectively. This approach ensures scientific rigour and compliance with regulatory guidance, while also allowing for efficient use of resources and streamlined trial management.

   The last patient out for Phase IIb clinical trial of Pro-101-1 for the treatment of deep second-degree burns and superficial second-degree burns was reached in April 2025. We are finalizing the trial report, and expect the trial report for the treatment of deep second-degree burns to be completed in December 2025, and the trial report for the treatment of superficial second-degree burns to be completed in the second quarter of 2026, as the latter involves a larger number of enrolled subjects and consequently requires additional time to complete the related work. For details, see "Business — Our Candidates — PDGF — Material Communications with Competent Authorities."

2. We submitted a pre-IND communication application to the FDA in December 2021 with respect to Pro-101-1 for thermal burns. In lieu of a meeting, the FDA provided written responses in February 2022. The FDA replied that whether the Phase I clinical trial of Pro-101-2 in the treatment of DFUs and our current non-clinical studies are sufficient to support the initiation of the US IND-opening trial will be determined after the FDA's review of the complete initial IND submission, including the product quality and non-clinical components. The FDA also provided useful guidance on CMC process and the design of our Phase II clinical trial of Pro-101-1 in the treatment of thermal burns. We expect to submit the IND filing to the FDA in the first quarter of 2026 to directly start Phase III clinical trials for Pro-101-1 for the treatment of deep second-degree burns. Such plan is based on a comprehensive analysis of our resources and clinical trial progresses.

3. We expect to apply for pre-application consultation meeting with PMDA in the third quarter of 2026 to discuss our plan to commence a Phase III clinical trial for Pro-101-1 for the treatment of deep second-degree burns in Japan. Such meeting aims to clarify requirements, address the need for local data and adapt our trial protocols to Japanese clinical practice, among others.

4. Even though the Phase II clinical trial of Pro-101-2 for DFUs began in February 2022, we expect to complete the same in the second quarter of 2027, mainly because (i) we had made registration of new product specification and certain revision to the existing clinical trial protocol since we entered the Phase II clinical trial of Pro-101-2 in DFUs; (ii) the strict enrollment criteria for subjects have resulted in a relatively slow enrollment pace. We have commenced the patient enrollment process in the third quarter of 2024, and had completed the enrollment of 83 subjects as of Latest Practicable Date; and (iii) the dosing cycle is 20 weeks, necessitating a prolonged follow-up period. In particular, the revision in the clinical trial protocol is mainly related to our intention to rely on the clinical evidence obtained from immunogenicity studies in the Phase IIa clinical trial of Pro-101-1 in thermal burns, as the enrollment process of thermal burn patients is faster than that of DFU patients. Such revision has been confirmed by the CDE in October 2023.

5. In December 2021, after the completion of the Phase I clinical trial of Pro-101-2, we submitted application materials for a pre-IND meeting with the CDE to discuss the IND application, the plan to directly conduct Phase Ib clinical trial based on the results of the Phase I clinical trial of Pro-101-2 in the treatment of DFUs and the design of the Phase Ib clinical trial. In lieu of a meeting, the CDE provided written responses in March 2022. The CDE provided useful guidance on the design of the Phase Ib clinical trial of Pro-101-3 in the treatment of fresh wounds and suggested that whether additional safety studies are necessary should depend on the mechanism of action ("**MOA**"), dosage, administration timing and systemic/local exposure of the result of Pro-101-2 in the treatment of DFUs. Meanwhile, as we believe conducting studies to evaluate the safety, tolerability, pharmacokinetics and immunogenicity of Pro-101-1 on thermal burn patients can render more representative results compared to subjects in other indications, we have decided to conduct the Phase IIa clinical trial of Pro-101-1 in thermal burns first. Then, depending on the actual results, we plan to share the relevant results of pharmacokinetics and

immunogenicity of Pro-101-1 with clinical studies of Pro-101-3 in fresh wounds, and directly proceed with the Phase II clinical trial on the efficacy and safety of Pro-101-3 in fresh wounds. We have completed the Phase IIa clinical trial of Pro-101-1 in thermal burns in May 2023 and reached last patient out for Phase IIb clinical trial for the treatment of superficial second-degree burns and deep second-degree burns in April 2025. We plan to submit the IND application for Pro-101-3 in fresh wounds to the NMPA in the fourth quarter of 2025 based on the Phase IIa and Phase IIb clinical trial results of the Pro-101-1 in deep second-degree burns and the Phase I clinical trial results of the Pro-101-2 in DFUs. We expect to directly initiate the Phase II clinical trial of Pro-101-3 in fresh wounds upon obtaining the IND approval from the NMPA.

6. Both the Company and the Institute of Bioengineering of AMMS are holders of the Relevant Patents. Nevertheless, according to its written confirmation dated October 8, 2023, the Institute of Bioengineering of AMMS acknowledged that the rights to commercialize and use such patents belong exclusively to the Company. We cooperated with the Institute of Bioengineering of AMMS in pre-clinical development of Pro-101-2 for DFUs, which we have independently researched and developed after the IND approval. However, since the Institute of Bioengineering of AMMS has not registered a change of ownership for the Relevant Patents, both the Company and the Institute of Bioengineering of AMMS remain co-owners of the Relevant Patents. For details on our arrangements with the Institute of Bioengineering of AMMS, see "Business — Collaboration, Licensing and Transfer Arrangements — Collaboration with the Institute of Bioengineering of AMMS and JinBang." Other than the Relevant Patents, we do not have any other patent co-owned with the AMMS.

7. Pro-104 is a PDGF microneedle candidate product for the treatment of hair loss. According to the "Notice on Matters Related to the Registration of Drug-Device Combination Products (No. 52 of 2021)" (藥械組合產品註冊有關事宜的通告(2021年第52號)), a drug-device combination product refers to a medical product produced as a single entity composed of both a drug and a medical device. Pro-104, being a PDGF microneedle, is a product composed of PDGF (drug) and microneedles (medical device), which meets the definition of a "drug-device combination product" as per the above regulation.

Core Products

Our Core Products comprise Pro-101-1 and Pro-101-2, which are PDGF candidates for the treatment of thermal burns and DFUs, respectively. Our Core Products are expected to serve as adjunct therapy for the targeted indications. See "Industry Overview" for details. The active substance of our Core Products is rhPDGF-BB, which is a form of PDGF-BB manufactured in laboratories using recombinant DNA technology and used for clinical treatments. Despite sharing the same active substance, Pro-101-1 and Pro-101-2 are expected to be regulated as two separate drug products by the NMPA. For details, see "Business — Our Candidates."

We acquired the PDGF-related technology, patents and know-how in relation to the treatment of DFUs at a pre-clinical stage in 2013 and have been developing PDGF candidates for the treatment of other indications since then, including fresh wounds, pressure ulcers, radiation ulcers, photodermatitis, alopecia, hemorrhoids, dry eye syndrome, corneal injuries and gastric ulcers. We completed the Phase I clinical trial of Pro-101-2 in DFUs in October 2021 in China. As Pro-101-2 demonstrated safety and tolerability profile in the Phase I clinical trial in DFUs, we applied for NMPA approval to directly commence the clinical trial of Pro-101-1 in thermal burns from the Phase IIa clinical trial based on such clinical results and received the approval for the clinical trial of Pro-101-1 in June 2022, which was an umbrella approval for Phase IIa, Phase IIb and Phase III clinical trials. We completed the Phase IIa clinical trial of Pro-101-1 in thermal burns in May 2023, and commenced the Phase IIb clinical trial in December 2023. Considering that the technical aspects of the trials are relatively independent, in the interest of resource efficiency and effective management, and per the recommendations set out in the IND approval for the clinical trial obtained in June 2022, we conducted the Phase IIb clinical trials with two cohorts for the treatment of deep second-degree burns and superficial second-degree burns, respectively. This approach ensures scientific rigour and compliance with regulatory guidance, while also allowing for efficient use of resources and streamlined trial management. We reached last patient out for

Phase IIb clinical trial of Pro-101-1 for the treatment of superficial second-degree burns and deep second-degree burns in April 2025. We are finalizing the Phase IIb clinical trial report, which is expected to be completed in December 2025 for the treatment of deep second-degree burns and in the second quarter of 2026 for the treatment of superficial second-degree burns. We have commenced the patient enrollment process for the Phase II clinical trial of Pro-101-2 in DFUs in the third quarter of 2024, and had completed the enrollment of 83 subjects as of the Latest Practicable Date. For details of our Core Products, see "Business — Our Candidates — PDGF."

We may not be able to successfully develop and/or market our Core Products. To the best of our knowledge, when approving progression to a new clinical trial phase, the CDE typically considers multiple factors, including the safety profile of the investigational product, the strength of its efficacy data, and its comparative advantages over existing marketed therapies. In terms of statistical analysis, the FAS is reviewed as the primary basis for efficacy evaluation, followed by the PPS. If discrepancies arise between FAS and PPS results, the CDE closely examines the underlying reasons for these inconsistencies, as they may indicate issues with trial conduct or data integrity. An endpoint is a specific outcome or measurement used to assess whether the drug treatment is safe and effective. The primary endpoint represents the main result the trial is designed to evaluate, while secondary endpoints represent additional outcomes that provide further insights into the drug treatment.

- Regarding the Phase IIb clinical trial results of our Core Product Pro-101-1 for the treatment of deep second-degree thermal burns, based on PPS, the high-dose group achieved the Phase IIb trial objectives for both primary and secondary endpoints, whereas the medium-dose group did not reach either the primary or secondary endpoints; and based on FAS, neither the high-dose group nor the medium-dose group reached the primary or secondary endpoints. Not meeting the primary or secondary endpoints means our drug did not meet the primary predefined success criteria for effectiveness (the healing time), nor did it meet the secondary predefined success criteria on safety and effectiveness (the proportion of subjects with complete healing and the condition of target wound healing). The CDE noted that the current evidence is insufficient to support the direct initiation of confirmatory clinical trials for Pro-101-1 for the treatment of deep second-degree thermal burns. We were therefore advised to carefully evaluate the results of previous clinical studies and to conduct further exploratory research prior to proceeding with confirmatory clinical trials. Accordingly, we intend to initiate a Phase IIIa clinical trial (the exploratory research) to provide a comprehensive assessment of efficacy to support the subsequent confirmatory Phase IIIb clinical trial. The CDE expressed no objections to the initiation of a Phase III clinical trial of Pro-101-1 for the treatment of deep second-degree burns in China. See "Business — PDGF — Summary of Clinical Trial Results — The preliminary results of Phase IIb Clinical Trial of Pro-101-1 for the treatment of deep second-degree burns" and "Business — Our Candidates — PDGF — Material Communications with Competent Authorities." See "Risk Factors — If our 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 candidates."

- For the Phase IIa clinical trial of Pro-101-1 for the treatment of superficial second-degree thermal burns, based on the FAS, there is no significant statistical difference. We did not communicate with the CDE before progressing to the Phase IIb clinical trial. As of the Latest Practicable Date, there was no available statistical data of the Phase IIb clinical trial for Pro-101-1 for the treatment of superficial second-degree burns because the data review was still ongoing and the database had not been locked. Especially, even preliminary data is unavailable because, as a clinical trial of double-blind design, neither participants nor investigators know who is receiving the treatment or placebo, and thus sharing early results can lead to speculation about which group is performing better, increasing the risk of bias or inadvertent unblinding. The data processing progress of this cohort is behind that of the cohort of deep second-degree burns, because it involves a larger number of enrolled subjects (82 subjects for the deep second-degree burns cohort and 270 subjects for the superficial second-degree burns cohort) and consequently requires additional time to complete the related work. As no trial data is yet available, we have not communicated with the CDE regarding this cohort. Following the availability of Phase IIb clinical trial data, we will initiate communications with the CDE regarding the progression to Phase III clinical trial, which is the confirmatory clinical trial. The IIb clinical trial results are expected to be finalized in the second quarter of 2026. Progression to Phase III clinical trials of Pro-101-1 for the treatment of superficial second-degree burns will depend on the statistical outcomes from the Phase IIb trial and subsequent communications with the CDE. As of the Latest Practicable Date, we have no plans to progress to the Phase III trial for this indication, as our strategy is to focus the clinical development of Pro-101-1 on the treatment of deep second-degree burns.

- Regarding the progress of the Phase II clinical trial of our Core Product Pro-101-2 for DFUs, although the clinical trial began in February 2022, we expect to complete the trial in the second quarter of 2027. For the reasons of the lengthy trial, see note 4 to our pipeline chart. See "Risk Factors — Risks Relating to the Research and Development of Our Candidates — We may not be able to obtain regulatory approval for our product candidates in the United States and Japan in a timely manner, or at all" and "— Our business and financial prospects depend substantially on the success of our clinical-stage and pre-clinical-stage candidates. If we are unable to successfully complete clinical development, obtain regulatory approvals or achieve commercialization for our candidates, or if we experience significant delays or cost overruns in doing any of the foregoing, our business and competitive position could be materially and adversely affected," and "— If we encounter difficulties in enrolling patients for our clinical trials, our clinical development activities could be delayed or otherwise materially and adversely affected."

The clinical trial efficacy results of our Core Products have minimal influence on the development of other PDGF pipelines, despite sharing rhPDGF-BB as the active ingredient, because their pathogenesis differs from that of the Core Products. We take internal control measures to ensure the authenticity, accuracy and completeness of clinical trial data, including monitoring plans before trial, monitoring during the trial and safeguarding the clinical trial reports and pharmacological and toxicological study results against any modifications, see "Business — Internal Control and Risk Management — Clinical Trial Data Management." We also strictly

prohibit bribery or other improper payments in any of our business operations, including in conducting the clinical trials. See "Business — Internal Control and Risk Management — Anti-bribery and Anti-kickback."

Other Product Candidates

In addition to our Core Products, we are developing PDGF candidates for several other indications in multiple formulations, as well as one pre-clinical mRNA candidate and two pre-clinical ASO candidates in our pipeline. In particular, our PDGF candidates other than the Core Products are currently being developed for a broad spectrum of wound healing indications comprising fresh wounds, pressure ulcers, radiation ulcers, dry eye syndrome, corneal injury, photodermatitis, alopecia, hemorrhoids and gastric ulcers. They share the same active substance, rhPDGF-BB, with our Core Products. Despite sharing the same active substance, drug candidates labeled with "Pro-101-" and those with the prefix "Pro-10" differ as to the forms of medications. They are not expected to be considered or regulated by the NMPA as the same drug product. For details, see "Business — Our Candidates." Meanwhile, we are developing an mRNA candidate targeting solid tumors, and two ASO candidates targeting brain glioma and triple-negative breast cancer ("**TNBC**"). As of the Latest Practicable Date, we were intensively researching the continuous optimization of PDGF in application, developing new PDGF formulations and expanding PDGF indications. At the same time, we were conducting pre-clinical biological, cytological and pharmacological researches on mRNA and ASO molecules. Our other product candidates are expected to serve as adjunct therapy for the targeted indications. See "Industry Overview" for details.

BUSINESS MODEL

Our business model primarily consists of pipeline candidate development. Our future success will substantially depend on the success of our pipeline candidate development business, comprising research and development and subsequent commercialization upon receipt of marketing authorization of our pipeline candidates. Under pipeline candidate development, we plan to employ a strategic marketing model to increase our market penetration, to promote our products and to achieve geographical and channel coverage. To complement our internal efforts, we may also collaborate with third parties on the clinical development, commercialization and marketing of our candidates to better capture market opportunities. See "Business — Commercialization."

TECHNOLOGY PLATFORMS

We have established systematic and well-integrated biomolecular therapeutic drug development platforms, including a protein/polypeptide pharmaceutical platform and a nucleic acid pharmaceutical platform. Our protein/polypeptide pharmaceutical platform is fortified by a combination of technologies, including eukaryotic expression technology, prokaryotic expression technology and recombinant DNA technology. Meanwhile, our nucleic acid pharmaceutical platform is underpinned by mRNA molecular design technology and LNP delivery technology. In particular, the protein/polypeptide pharmaceutical platform is integral to the advancement of our product portfolio, particularly that of our Core Products. Its capabilities in both prokaryotic and eukaryotic expression technologies have been instrumental in the creation and refinement of recombinant proteins and peptide drugs. For details of our technology platforms, see "Business — Research and Development — Our Research and Development Platforms."

ADDRESSABLE MARKET AND COMPETITION

There are currently no PDGF products in the China biopharmaceutical market. According to the Frost & Sullivan report, there were three PDGF drug pipelines in China as of the Latest Practicable Date, comprising one pipeline focusing on the treatment of skin ulceration of lower extremity in chronic diabetes, especially DFUs, one pipeline focusing on the treatment of DFUs and one pipeline focusing on the treatment of thermal burns. As of the same date, no PDGF drugs had been approved in China. All of the PDGF pipelines are based on the isoform of PDGF-BB. The PDGF-BB drug candidate of Tasly Pharmaceutical entered Phase III clinical trial in 2014 and as of the Latest Practicable Date, there had been no further update in relation to the status of Tasly Pharmaceutical's drug pipeline. The other two PDGF-BB pipelines belong to us, which have entered Phase II clinical trial in February 2022 for DFUs and reached last patient out for Phase IIb clinical trial for deep and superficial second-degree thermal burns in April 2025, respectively.

The following table sets forth the details of market and competition of our Core Products:

Core Product	Patient Number	Market Size	Approved Drugs	Comparison with Core Product
Pro-101-1	**Thermal burns:** *In China* **2028E:** 31.3 million **2033E:** 33.1 million *In Japan* **2028E:** 1.4 million **2033E:** 1.5 million *In the U.S.* **2028E:** 5.5 million **2033E:** 5.8 million	**Thermal burn therapy market** *In China* **2028E:** RMB1.6 billion **2033E:** RMB1.8 billion *In Japan* **2028E:** US$88.5 million **2033E:** US$97.5 million *In the U.S.* **2028E:** US$562.9 million **2033E:** US$621.2 million *PDGF drugs for thermal burns in China:* **2028E:** RMB38.4 million **2033E:** RMB66.2 million	*In China* Growth Factor Drugs: mainly including EGF and FGF drugs; approximately 16 drugs. Non-growth Factor Drugs: mainly including TCM and chemical drugs; approximately 300 ~ 500 drugs. *In Japan and the U.S.* As of the Latest Practicable Date, there was no PDGF drug approved by the relevant regulatory authority in Japan and the U.S. for the treatment of thermal burns.	Pro-101-1 is the most advanced PDGF drug candidate in terms of clinical development progress for the treatment of thermal burns in China, according to the Frost & Sullivan report. It is expected to be effective in treating superficial and deep second-degree burns and serve as an adjunct therapy for thermal burn. **Comparison of Growth Factor Drugs for Thermal Burns** • Effectiveness of EGF and FGF in chronic or non-healing wounds may not be as prominent as PDGF. • EGF and FGF have a less pronounced impact on inflammation and immune modulation. • PDGF can stimulate the chemotaxis of various cells, including macrophages, to the wound site, supporting the wound healing process by enhancing the inflammatory response, clearing necrotic tissue, and promoting tissue repair. • In terms of therapeutic applications, while EGF and FGF have been approved for treating thermal burns, PDGF's unique efficacy in chronic wounds has broadened its application to include DFUs, chronic skin ulcers, and other hard-to-heal wounds. • EGF and FGF drugs generally have more affordable prices. **Comparison of Non-growth Factor Drugs for Thermal Burns** • PDGF drugs can precisely target deep tissue injury, promote wound healing by stimulating fibroblast regeneration, and are effective in treating patients with varying severities of burns, particularly those with difficult-to-heal deep wounds. • Non-growth factor drugs generally have more affordable prices.

Core Product	Patient Number	Market Size	Approved Drugs	Comparison with Core Product
Pro-101-2	**DFUs:** *In China* **2028E:** 9.5 million **2033E:** 10.7 million *In Japan* **2028E:** 0.7 million **2033E:** 0.9 million *In the U.S.* **2028E:** 1.9 million **2033E:** 2.4 million	**DFUs therapy market** *In China*(1) **2028E:** RMB43.3 billion **2033E:** RMB48.5 billion *In the U.S.* **2028E:** US$5.7 billion **2033E:** US$7.3 billion *In Japan* **2028E:** US$1.8 billion **2033E:** US$2.3 billion *PDGF drugs for DFUs in China* **2030E:** RMB225.2 million **2033E:** RMB582.4 million	*In China* No PDGF drug or other growth factor drug was approved as of the Latest Practicable Date. FESPIXON cream was the only approved non-growth factor drug as of the Latest Practicable Date, having received NMPA approval in November 2023 to commercialize in mainland China. *In Japan* As of the Latest Practicable Date, there was no drug approved by the relevant regulatory authority in Japan for the treatment of DFUs. *In the U.S.* As of the Latest Practicable Date, there was only one PDGF drug approved by the FDA for the treatment of DFUs.	Pro-101-2 is also a PDGF drug, which is expected to serve as an adjunct therapy for DFUs. **Comparison of FESPIXON cream for DFUs** • Direct mechanism of action: Pro-101-2 directly promotes cell proliferation by targeting fibroblasts, leading to faster and more efficient wound healing, stimulating granulation tissue and epithelial cell proliferation, significantly accelerating tissue repair with road-spectrum application with clear and direct efficacy for chronic wounds and deep ulcers. • Wide range of indications: Pro-101-2 is suitable for Wagner grades 1-3 DFUs, particularly effective for moderate to severe DFUs, including chronic refractory ulcers and deep wounds, and also applicable for challenging healing cases where immune modulation is less effective.

Note:

(1) Given that diabetic foot ulcers are a prevalent complication of diabetes, the DFUs therapy market in China typically encompasses a segment of the broader diabetes therapy market.

The pharmaceutical industry is highly competitive and subject to rapid and significant changes. While we believe that our strong research and development capability, integrated research and development platform and seasoned leadership team provide us with competitive advantages, we encounter competition from international and China-based biopharmaceutical companies and specialty pharmaceutical and biotechnology companies of various sizes, as well as academic institutions and research institutions. Any candidates that we successfully develop and commercialize will compete with existing drugs and products or any new drugs or products that may become available in the future.

OUR STRENGTHS

We believe the following competitive strengths have contributed to our success and distinguished us from our competitors: (i) a biopharmaceutical company of PDGF drugs in China in a wound healing market of opportunities with a significant medical need; (ii) competitive edge achieved in PDGF drugs through overcoming multi-dimensional barriers in research and development and production; (iii) clinical data of our Core Products demonstrating safety profile with notable increases in wound healing rates; (iv) capabilities to continually develop new products; and (v) seasoned management team and strong support from Shareholders. For details, see "Business — Our Strengths."

OUR STRATEGIES

We plan to pursue the following opportunities and execute our key strategies accordingly: (i) continually advance the research and development of our Core Products to reach commercialization; (ii) rapidly establish production and commercialization systems of Core Products and well-rounded capabilities encompassing research, manufacture and sales; (iii) further enhance our research and development capabilities and collaborations, and continually upgrade and launch product pipelines leveraging our core technology platforms; and (iv) continue to explore potential business development opportunities overseas, deepen international development strategy and reinforce global partnerships. For details, see "Business — Our Strategies."

RESEARCH AND DEVELOPMENT

We focus on utilizing our systematic and well-integrated biomacromolecule therapeutic drug development platforms to develop innovative biopharmaceutical drugs for a wide variety of diseases, including thermal burns, DFUs, pressure ulcers, hemorrhoids, photodermatitis, radiation ulcers, fresh wounds, gastric ulcers, dry eye syndrome, corneal injury and alopecia. We believe research and development is critical to our future growth and our ability to remain competitive in the global biopharmaceutical market. We are dedicated to building a product pipeline with a focus on PDGF- and RNA-based therapeutics by leveraging our in-house research and development capabilities, which span internal discovery, CMC, pre-clinical and clinical development.

Our research and development team are divided into teams of early detection, clinical development, regulatory affairs and quality assurance, which can be further divided into nine functional areas, including protein/nucleic acid molecule construction, functional evaluation, fermentation, purification, formulation, clinical trial, clinical registration, quality assurance and quality control, and each functional area is headed by experienced professionals. As of the Latest Practicable Date, we had 17 members in the early detection team, six members in the clinical

development team, 11 members in the regulatory affairs team and 14 members in the quality assurance team. As of the Latest Practicable Date, our research and development department in China had six members holding doctorate degrees and nine members holding master's degrees.

We incurred research and development expenses of approximately RMB39.9 million, RMB91.3 million, RMB69.8 million and RMB61.2 million in 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively, accounting for 48.7%, 43.9%, 43.8% and 45.4%, respectively, of our total operating expenses in the same periods. We incurred research and development expenses of RMB33.3 million, RMB56.6 million, RMB43.6 million and RMB31.8 million attributable to our Core Products in 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively, accounting for 40.6%, 27.2%, 32.4% and 23.6% of our total operating expenses and 83.4%, 61.9%, 62.5% and 52.0% of our total research and development expenses in the same periods, respectively. The total fees incurred by use with respect to all CROs, CDMOs and CMOs and research and medical institutions amounted to RMB15.1 million, RMB23.7 million and RMB8.4 million in 2023, 2024 and the nine months ended September 30, 2025, respectively, accounting for 37.8%, 26.0% and 13.7% of our research and development expenses for the same periods, respectively.

For details, see "Business — Research and Development."

COLLABORATION WITH THE INSTITUTE OF BIOENGINEERING OF AMMS

We collaborated with the Institute of Bioengineering of AMMS in the research and development of PDGF, particularly Pro-101-2, up until when we have obtained the IND approval for Pro-101-2 in July 2021, which was an umbrella approval for all phases of the clinical development of Pro-101-2. The Institute of Bioengineering of AMMS initiated the pre-clinical pharmacodynamics studies of Pro-101-2 in May 2005. We started cooperating with the Institute of Bioengineering of AMMS in the pre-clinical development of Pro-101-2 for DFUs in August 2013, when the Institute of Bioengineering of AMMS, JinBang and we entered into a statement of amendment to contract implementation entity. After obtaining the IND approval of Pro-101-2 from NMPA in July 2021, we have independently conducted and will continue to independently conduct R&D on Pro-101-2 and other PDGF candidates. For details on our arrangements with the Institute of Bioengineering of AMMS, see "Business — Collaboration, Licensing and Transfer Arrangements — Collaboration with the Institute of Bioengineering of AMMS and JinBang."

We are independently facilitating the clinical development of Pro-101-2 towards commercialization; and AMMS as a sponsor of the IND application has not been involved in the clinical development of Pro-101-2, and accordingly will not participate in the commercialization of this candidate. We are expected to be the sole MAH licensee of Pro-101-2 once the clinical development is complete. In particular, (i) there are no strict requirements on the work allocation of sponsors of an IND application pursuant to the relevant PRC laws and regulations; (ii) we and the Institute of Bioengineering of AMMS have entered into legally binding agreements and the Institute of Bioengineering of AMMS provided written confirmation in October 2023 in relation to Pro-101-2, which specify the work allocation between the two parties; (iii) after the receipt of the IND approval of Pro-101-2, we have independently undertaken all sorts of work relating to Pro-101-2 including pharmaceutical research, clinical trial research, industrialization research and quality research; and (iv) we have borne all relevant costs of the clinical development of Pro-101-2, and are expected to be the sole MAH licensee of Pro-101-2 once the clinical development is complete.

In March 2024, we (in collaboration with the Institute of Bioengineering at AMMS) entered into an agreement on the the project "the Research and Development of Ophthalmic Drugs Based on Biosynthesis Human Thymosin β4 (基於生物合成人胸腺素β4的眼科藥物研發)" (the "**Demonstration Project**") with the Qingdao Municipal Science and Technology Bureau and the Qingdao Laoshan District Science and Technology Bureau. Concurrently, we and the Institute of Bioengineering of AMMS entered into an agreement to define our respective roles and responsibilities, and allocation of supporting funds with respect to the Demonstration Project. See "Business — Collaboration, Licensing and Transfer Arrangements — Demonstration Project Agreement in Relation to Tβ4."

Our General Manager, Dr. ZHAI Junhui, our Chief R&D Officer, Dr. ZHAO Xinghui, and our R&D consultant, Dr. SUN Shihui obtained their doctorate degree from AMMS and had prior working experience as researchers at AMMS. Dr. ZHAI Junhui, Dr. ZHAO Xinghui and Dr. SUN Shihui worked at AMMS from July 1995 to October 2010, from August 2000 to December 2017 and from August 2005 to June 2021, respectively, during which period, they were not involved in the Company's collaboration with AMMS involving PDGF-related technology, patents and know-how. For details, see "Directors, Supervisors and Senior Management."

INTELLECTUAL PROPERTY

We have a portfolio of patents to protect our candidates and technologies. As of the Latest Practicable Date, we owned 25 granted patents and had 29 pending patent applications. Our granted patents and any patents to be granted from our pending patent applications are scheduled to expire on various dates from October 2030 through October 2045, without taking into account any possible patent term adjustments or extensions and assuming payment of all appropriate maintenance, renewal, annuity and other governmental fees.

With regard to our PDGF candidates, as of the Latest Practicable Date, we owned one granted patents and filed 16 patent applications in China. The expected expirations for the granted patents and any patents that may issue from the pending patent application range from November 2041 to July 2045, without taking into account any possible patent term adjustments or extensions and assuming payment of all appropriate maintenance, renewal, annuity and other government fees. As of the Latest Practicable Date, with respect to our Core Products, we had filed five patent applications, currently under review. Meanwhile, we had (i) one registered patent that expired in July 2024 with respect to our Core Products, which concerns a recombinant human platelet-derived growth factor and its encoding gene and expression method; and (ii) one registered patent that expired in November 2025 with respect to our Pro-101-3 pipeline, which concerns a recombinant human platelet-derived growth factor gel. As advised by our PRC Legal Advisor, we believe that the patents that expired in July 2024 and November 2025, respectively, will not have a material impact on our subsequent R&D and commercialization activities regarding the Core Products and other PDGF candidates. For details of such expiration and its impact on the development and commercialization of our Core Products, see "Risk Factors — Risks Relating to Our Intellectual Property Rights — Even if we are able to obtain patent protection for our candidates, the term of such protection, if any, is limited, and third parties could develop and commercialize products and technologies similar or identical to ours and compete directly against us after the expiration of our patent rights, if any, and it would have a material adverse effect on our ability to successfully commercialize any product or technology" and "Business — Intellectual Property Rights."

We have conducted a freedom-to-operate analysis ("**FTO Analysis**") for rhPDGF-BB drugs in China, the U.S. and Japan, respectively. Based on the FTO Analyses, as of the Latest Practicable Date, we are not aware of any issued patents that may affect our rights to conduct R&D or commercialize rhPDGF-BB drugs in China, the U.S. or Japan.

Our Directors confirm that during the Track Record Period and up to the Latest Practicable Date, we were not involved in any proceedings in respect of, and we had not received notice of any claims of infringements of, any third-party intellectual property that are threatened or pending, in which the Group may be a claimant or a respondent, that would result in material adverse impact on our business, financial condition and results of operations.

SUPPLIERS

Our suppliers are primarily reputable CROs, CMOs, CDMOs and research and medical institutions, as well as providers of raw materials for biological products and housing rental services. We collaborate with CROs, CMOs, CDMOs and research and medical institutions on pre-clinical and clinical trials in China. We primarily procure raw materials, equipment, research and development services and other professional services from our suppliers to support the development and manufacturing of our candidates. We select our suppliers by taking into account a number of factors, including their qualifications, industry reputation, cost competitiveness and compliance with relevant laws and regulations. In 2023, 2024 and the nine months ended September 30, 2025, our purchases from our five largest suppliers in each period during the Track Record Period in the aggregate accounted for 50.4%, 39.0% and 35.7% of our total purchases in the respective periods, respectively, while purchases from our largest supplier in each period accounted for 17.3%, 17.9% and 11.0% of our total purchases in the respective periods, respectively. For details, see "Business — Suppliers."

MANUFACTURING

We currently work with qualified CMOs and CDMOs to manufacture product candidates for pre-clinical and clinical supply. We also cooperate with CDMOs in the refinement of product candidates. We have adopted procedures to ensure that the production qualifications, facilities and processes of our CMOs and CDMOs comply with the relevant regulatory requirements and our internal guidelines.

As of the Latest Practicable Date, we were exploring effective strategies to initiate the large-scale production of our product candidates upon commercialization. Options under consideration include leasing production facilities, constructing our own manufacturing sites, and collaborating with CMOs to ensure GMP-compliant production of such candidates, including the fermentation, crude extraction and purification of bulk solutions, as well as formulation, filling and packaging of dosages. We will ascertain in due course the most appropriate option for the Company in light of subsequent developments and the interests of the Shareholders. To ensure a reliable supply of our products and to accommodate potential growth in business demand, we may consider implementing a hybrid manufacturing model, which would integrate our internal manufacturing capabilities with those of CMOs. In addition, we expect such approach to support our clinical trials in China, and potentially to support our clinical trials globally in the future. The facilities are expected to be equipped with systems and equipment from leading, highly reputable manufacturers and suppliers of the industry. For details, see "Business — Manufacturing and Quality Control."

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Ms. Jia, Mr. Wang, Ms. Zhang and Mr. Li, through the Concert Party Agreement, were collectively interested in approximately 66.99% of our total issued share capital, comprising (i) 19.54% of our total issued share capital directly held by Ms. Jia; (ii) 17.98% of our total issued share capital directly held by Mr. Wang; (iii) 17.47% of our total issued share capital directly held by Ms. Zhang; and (iv) 12.00% of our total issued share capital directly held by Mr. Li. Immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised), Ms. Jia, Mr. Wang, Ms. Zhang and Mr. Li will continue to control in aggregate approximately 56.94% of our total issued share capital. Therefore, Ms. Jia, Mr. Wang, Ms. Zhang and Mr. Li will remain as a group of our Controlling Shareholders upon Listing. See "Relationship with Our Controlling Shareholders."

PRE-IPO INVESTMENTS

We have completed three rounds of Pre-IPO Investments raising over RMB400 million in 2021 and 2023. Our Pre-IPO Investors include Mr. Zhang Hong, CDH Investors and Qingdao Hitech, among which CDH Investors being our Sophisticated Investor, will hold approximately 4.11% of the total issued Shares of the Company upon the completion of the Global Offering (assuming the Over-allotment Option has not been exercised). We utilize the proceeds from the Pre-IPO Investments to finance our research and development activities and fund our daily operations. For details, see "History, Development and Corporate Structure — Pre-IPO Investments."

SUMMARY OF KEY FINANCIAL INFORMATION

The following tables set forth summary financial data from our consolidated financial information for the Track Record Period, extracted from Appendix I to this prospectus. The summary financial data set forth below should be read together with our consolidated financial statements and the accompanying notes, as well as "Financial Information."

Summary of Results of Operations

The following table sets forth a summary of our consolidated statements of profit or loss and other comprehensive loss for the periods indicated:

	Year ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
	(RMB in thousands)			
			(unaudited)	
Revenue	472	261	—	—
Cost of sales	(255)	(20)	—	—
Gross profit	217	241	—	—
Other income and gains	271	1,827	996	1,348
Administrative expenses	(42,117)	(116,781)	(89,496)	(73,562)
Research and development expenses	(39,915)	(91,326)	(69,763)	(61,219)
Other expenses	(62)	(202)	(40)	(104)
Finance costs	(23,582)	(6,009)	(5,797)	(931)
Loss before tax	**(105,188)**	**(212,250)**	**(164,100)**	**(134,468)**
Income tax expense	—	—	—	—
Loss for the year/period	**(105,188)**	**(212,250)**	**(164,100)**	**(134,468)**
Total comprehensive loss for the year/period	**(105,235)**	**(212,147)**	**(164,150)**	**(134,523)**

Note:

(1) Our revenue in 2023 was generated from the provision of research services to a single customer in relation to a project on medical devices for wound healing. Our revenue in 2024 was generated from sales of PDGF-BB reagent to another single customer for research and experiment. Neither the provision of research services nor the sale of PDGF-BB reagent is part of our core business. For details, see "Financial Information — Description of Major Components of Our Results of Operations — Revenue."

We had not generated any revenue from commercialization of our candidates during the Track Record Period, and had incurred significant research and development expenses and administrative expenses related to our ongoing operations. As a result, we are not profitable and have incurred net losses throughout the Track Record Period. For details, see "Financial Information — Description of Major Components of Our Results of Operations."

Summary of Consolidated Statements of Financial Position

The following table sets out selected data from our consolidated balance sheet as of the dates indicated:

	As of December 31,		As of September 30,
	2023	2024	2025
		(RMB in thousands)	
Total non-current assets	18,185	47,934	48,850
Total current assets	244,904	142,678	79,106
Total assets	**263,089**	**190,612**	**127,956**
Total non-current liabilities	383,231	22,961	23,982
Total current liabilities	11,732	17,116	19,438
Total liabilities	**394,963**	**40,077**	**43,420**
Net current assets	**233,172**	**125,562**	**59,668**
Net (liabilities)/assets	**(131,874)**	**150,535**	**84,536**
Equity attributable to owners of the parent:			
Paid-in capital/share capital	91,806	100,009	100,009
Reserves	(223,680)	50,526	(15,473)
Total (deficit)/equity	**(131,874)**	**150,535**	**84,536**

Our net current assets decreased from RMB233.2 million as of December 31, 2023 to RMB125.6 million as of December 31, 2024, mainly due to a decrease in cash and cash equivalents as a result of our purchase of time deposits, and increased cash used in operating activities.

Our net current assets decreased from RMB125.6 million as of December 31, 2024 to RMB59.7 million as of September 30, 2025, mainly due to a decrease in cash and cash equivalents as a result of increased cash used in operating activities and an increase in other payables and accruals in relation to accrued listing expenses.

Our total non-current liabilities decreased significantly from RMB383.2 million as of December 31, 2023 to RMB23.0 million as of December 31, 2024, primarily due to a decrease in other financial liabilities as the financial instruments issued to Pre-IPO Investors have been reclassified as equity following the termination of their redemption rights. Our total non-current liabilities remained relatively stable at RMB23.0 million as of December 31, 2024 and RMB24.0 million as of September 30, 2025. Pursuant to the supplemental agreement to the shareholders agreement dated February 23, 2024 entered into between us and the Shareholders, the redemption right granted to the Pre-IPO Investors has been terminated on the date of such supplemental agreement. See "History, Development and Corporate Structure — Pre-IPO Investments." As such, our net liabilities position as of December 31, 2023 changed to net assets of RMB150.5 million as of December 31, 2024 as the financial instruments issued to Pre-IPO Investors have been reclassified from other financial liabilities to equity.

We had total equity of RMB150.5 million as of December 31, 2024 compared to total deficit of RMB131.9 million as of December 31, 2023, primarily due to total comprehensive loss for the year of RMB212.1 million, partially offset by (i) derecognition of financial liabilities for termination of preferential rights issued to investors of RMB386.2 million, (ii) equity-settled share award arrangements of RMB100.2 million, and (iii) capital contribution by shareholders of RMB8.2 million. Our total equity decreased from RMB150.5 million as of December 31, 2024 to RMB84.5 million as of September 30, 2025, primarily due to total comprehensive loss for the period of RMB134.5 million, partially offset by equity-settled share award arrangements of RMB68.5 million. See "Appendix I Accountants' Report — Consolidated Statements of Changes in Equity."

Summary of Consolidated Statements of Cash Flows

The following table sets out our cash flows for the periods indicated:

	Year ended December 31,		Nine months ended September 30,	
	2023	**2024**	**2024**	**2025**
	(RMB in thousands)		*(Unaudited)*	
Operating cash flows before movements in working capital	(59,720)	(99,510)	(79,829)	(58,814)
Movements in working capital	1,540	8,231	6,045	(1,302)
Interest received	237	1,178	776	688
Net cash flows used in operating activities	(57,943)	(90,101)	(73,008)	(59,428)
Net cash flows used in investing activities	(3,123)	(13,913)	(11,171)	(2,893)
Net cash flows from/(used in) financing activities	286,812	1,708	3,205	(3,086)
Net increase/(decrease) in cash and cash equivalents	225,746	(102,306)	(80,974)	(65,407)
Cash and cash equivalents at the beginning of the year/period	15,765	241,512	241,512	139,213
Effects of foreign exchange rate changes, net	1	7	—	(12)
Cash and cash equivalents at the end of the year/period	**241,512**	**139,213**	**160,538**	**73,794**

We had net cash outflows from our operating activities during the Track Record Period. Substantially all of our operating cash outflows resulted from research and development expenses and administrative expenses. Our primary uses of cash during the Track Record Period were funding our research and development of our Core products, purchase of raw materials, as well as other working capital needs. For details, see "Financial Information — Liquidity and Capital Resources — Cash Flow."

Working Capital

While we had net operating cash outflows and net losses during the Track Record Period, we believe our liquidity requirements will be satisfied by using funds from a combination of our cash and cash equivalents, net proceeds from the Global Offering and other funds raised from the capital markets from time to time. As of September 30, 2025, we had cash and cash equivalents of RMB73.8 million. We currently do not have any plans for material external debt financing. Taking into account the above, together with the estimated net proceeds from the Global Offering, our Directors are of the view that we have sufficient working capital to cover at least 125% of our costs, including research and development expenses, administrative expenses, finance costs and other expenses for at least the next 12 months from the date of this prospectus.

Our cash burn rate refers to the average monthly aggregate amount of (i) net cash used in operating activities; (ii) capital expenditures; and (iii) lease payments. Assuming that the average cash burn rate going forward of 2.3 times the level in nine months ended September 30, 2025, we estimate that our total cash balance as of September 30, 2025 will be able to maintain our financial viability for approximately 4 months or, if taking into account the estimated net proceeds (based on the mid-point of the indicative Offer Price of HK$40.50 per Offer Share and assuming the Over-allotment Option is not exercised) from the Global Offering, for at least 40 months. Our Directors and our management team 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.

Key Financial Ratio

The following table sets out our key financial ratio as of the dates indicated:

	As of December 31,		As of September 30,
	2023	2024	2025
Current ratio[(1)]	20.9	8.3	4.1

Note:

(1) Represents current assets divided by current liabilities as of the same date.

For details, see "Financial Information — Key Financial Ratio."

OFFERING STATISTICS

The statistics in the following table are based on the assumptions that 17,648,800 H Shares are issued pursuant to the Global Offering, 65,373,345 H Shares are converted from Unlisted Shares, 34,635,377 Unlisted Shares were in issue and the Over-allotment Option is not exercised:

	Based on an Offer Price of HK$38.20	Based on an Offer Price of HK$51.00
Market capitalization of our Shares[(1)]	HK$4,494.5 million	HK$6,000.5 million
Unaudited pro forma adjusted consolidated net tangible assets per Share[(2)]	HK$5.93 RMB5.39	HK$7.78 RMB7.08

Notes:

(1) The calculation of market capitalization is based on 17,648,800 H Shares that will be issued pursuant to the Global Offering, 65,373,345 Unlisted Shares that will be converted into H Shares (without taking into account H Shares that may be issued upon the exercise of the Over-allotment Option) and 34,635,377 Unlisted Shares that were in issue.

(2) The unaudited pro forma adjusted consolidated net tangible assets per Share as of September 30, 2025 is calculated after making the adjustments referred to in Appendix II to this prospectus and on the basis that 117,657,522 Shares are expected to be in issue immediately upon completion of the Global Offering.

For the calculation of the unaudited pro forma adjusted consolidated net tangible assets per Share attributable to our Shareholders, see "Unaudited Pro Forma Financial Information" in Appendix II to this prospectus.

DIVIDEND

No dividend was paid or declared by our Company or other entities comprising our Group during the Track Record Period.

Any future declarations and payments of dividends will be at the absolute discretion of our Directors and will depend on our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors which our Directors consider relevant. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. In view of our accumulated losses, as advised by our PRC Legal Advisors, we shall not declare or pay dividend until the accumulated losses are covered by our after-tax profits and sufficient statutory common reserve is drawn in accordance with the relevant laws and regulations. According to relevant PRC laws, 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 until such fund has reached more than 50% of our registered capital. As a result, we may not have sufficient or any distributable profits to make dividend contributions to our Shareholders, even if we become profitable. As of September 30, 2025, we did not have any formal dividend policy or pre-determined dividend payout ratio.

USE OF PROCEEDS

Assuming that the Over-allotment Option is not exercised, after deducting the underwriting commissions and other estimated offering expenses paid and payable by us in connection with the Global Offering, and assuming an Offer Price of HK$44.60 per Share (being the mid-point of the indicative Offer Price range of HK$38.20 to HK$51.00), we estimate that we will receive net proceeds of approximately HK$708.8 million from the Global Offering. We intend to use the proceeds from the Global Offering for the purposes and in the amounts set forth below:

- approximately 61.8% of the net proceeds, or HK$437.6 million, will be used for funding the continual clinical development and commercialization of our Core Products, Pro-101-1 and Pro-101-2.

- approximately 18.8% of the net proceeds, or HK$133.5 million, will be used for enhancing our research and development capabilities by purchasing specialized equipment and instruments related to our research and development and quality control activities.

- approximately 6.3% of the net proceeds, or HK$44.5 million, will be used for payment of the expenses of third-parties' services, R&D personnel costs and raw materials costs of the continual pre-clinical research and development of our PDGF products other than the Core Products for other indications, such as fresh wounds, pressure ulcers and radiation ulcers.

- approximately 3.1% of the net proceeds, or HK$22.3 million, will be used for payment of the expenses of third-parties' services, R&D personnel costs and raw materials costs of pre-clinical research and development activities of our Mes-201, Oli-101 and Oli-201.

- approximately 10.0% of the net proceeds, or HK$70.9 million, as working capital and for general corporate uses.

For details, see "Future Plans and Use of Proceeds."

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 "Risk Factors" in this prospectus. Some of the major risks we face include:

- Our business and financial prospects depend substantially on the success of our clinical-stage and pre-clinical-stage candidates. An endpoint is a specific outcome or measurement used to assess whether the drug treatment is safe and effective. The primary endpoint represents the main result the trial is designed to evaluate, while secondary endpoints represent additional outcomes that provide further insights into the drug treatment. In the Phase IIa clinical trial for Pro-101-1 in thermal burns, the difference for the primary endpoint between the treatment group and placebo group is not statistically significant (there is not strong enough evidence to conclude that the observed effect of low-dose or high-dose Pro-101-1 is certain rather than due to random chance) for low dose group and the high dose group for patients with superficial second-degree burns. Based on the preliminary clinical trial data from the Phase IIb clinical trial for Pro-101-1 for the treatment of deep second-degree thermal burns, the medium-dose group did not reach either the primary or secondary endpoints based on PPS, and neither the high-dose group nor the medium-dose group reached the primary or secondary endpoints based on FAS. Not meeting the primary or secondary endpoints means our drug did not meet the primary predefined success criteria for effectiveness (the healing time), nor did it meet the secondary predefined success criteria on safety and effectiveness (the proportion of subjects with complete healing and the condition of target wound healing). Due to the above, the CDE noted that the current evidence is insufficient to support the direct initiation of confirmatory clinical trials for Pro-101-1 for the treatment of deep second-degree thermal burns. We were therefore advised to carefully evaluate the results of previous clinical studies and to conduct further exploratory research prior to proceeding with confirmatory clinical trials. Accordingly,

we intend to initiate a Phase IIIa clinical trial (the exploratory research) to provide a comprehensive assessment of efficacy to support the subsequent confirmatory Phase IIIb clinical trial.

As a result, when the clinical trial results of our Core Products show no statistical significance or do not reach either the primary or secondary endpoints, we may experience delays in completing, or may ultimately be unable to complete, the development of our candidates, and incur additional costs. Furthermore, we may not be able to obtain regulatory approvals or achieve commercialization for our Core Products. If we are unable to successfully complete clinical development, obtain regulatory approvals or achieve commercialization for our candidates, or if we experience significant delays or cost overruns in doing any of the foregoing, our business and competitive position could be materially and adversely affected;

- If we encounter difficulties in enrolling patients for our clinical trials, our clinical development activities could be delayed or otherwise materially and adversely affected; For the Phase II clinical trial of our core product Pro-101-2 for the treatment of DFUs is lengthy. The clinical trial began in February 2022 and is still ongoing;

- If we encounter difficulties in data read-out, data cleaning and data processing for our clinical trials, our clinical development activities could be delayed or otherwise materially and adversely affected. We are currently in the process of locking the database for our Phase IIb clinical trial for Pro-101-1 for the treatment of superficial second-degree burns, which is a lengthy process that can be delayed or unsuccessful. Any such delay or failure might negatively impact the progress of our other PDGF pipelines targeting indications under the same pathogenesis, reducing the likelihood of obtaining regulatory approval and slowing overall development timelines;

- Most of the candidates in our pipelines, including our Core Products, rely on rhPDGF-BB as the sole active ingredient. As of the Latest Practicable Date, we had researched and developed three pipelines consisting of ten candidates covering 14 indications. Seven of the ten candidates are PDGF candidates, including two Core Products, and they rely on rhPDGF-BB as their sole active ingredient. In particular, apart from our core products, our other PDGF candidates are still at an early stage of clinical development;

- We face intense competition and rapid technological change and the possibility that our competitors may develop products and therapies that are similar, more advanced, or more effective than ours, or launch biosimilar products and therapies ahead of us, which may adversely affect our financial condition and our ability to successfully commercialize our candidates;

- Clinical drug development involves a lengthy and expensive process with uncertain outcomes, and we may encounter unexpected difficulties executing our clinical trials. Results of earlier studies and trials may not be predictive of later-stage clinical trial results;

- We may not be able to obtain regulatory approval for our product candidates in the United States and Japan in a timely manner, or at all;

- Our candidates may cause undesirable AEs or have other properties that could delay or affect the granting of regulatory approvals, limit the commercial profile of an approved label, or result in significant negative consequences following regulatory approval;

- If our 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 candidates; and

- We may not be able to enhance our research and development platforms or develop new platforms as expected to advance the development of innovative biopharmaceutical products.

For details, see "Risk Factors."

LISTING EXPENSES

Listing expenses represent professional fees, underwriting commission and other fees incurred in connection with the Global Offering. We expect to incur listing expenses of approximately RMB71.3 million (HK$78.3 million), comprising: (i) underwriting fees of RMB25.1 million (HK$27.5 million); and (ii) non-underwriting-related expenses of RMB46.2 million (HK$50.8 million), which are further categorized into: (a) fees and expenses of legal advisors and accountants of RMB30.8 million (HK$33.9 million); and (b) other fees and expenses of RMB15.4 million (HK$16.9 million), assuming the Over-allotment Option is not exercised and based on the Offer Price of HK$44.6 per Offer Share (being the mid-point of the indicative Offer Price range), approximately RMB37.4 million (HK$41.1 million) of which has been and will be charged to our consolidated statements of profit or loss (including RMB347 thousand (HK$316 thousand), RMB3,007 thousand (HK$2,735 thousand), RMB1,324 thousand (HK$1,204 thousand), RMB21,248 thousand (HK$19,329 thousand) and RMB7,350 thousand (HK$6,686 thousand) has been charged, in 2020, 2022, 2023, 2024 and the nine months ended September 30, 2025), and approximately RMB33.8 million (HK$37.2 million) of which will be deducted from equity upon the completion of the Global Offering. The listing expenses are expected to represent approximately 10% of the gross proceeds of the Global Offering, assuming an Offer Price of HK$44.6 per Offer Share (being the mid-point of the indicative Offer Price range) and that the Over-allotment Option is not exercised. The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

IMPACT OF THE COVID-19 PANDEMIC

During the Track Record Period and up to the Latest Practicable Date, we had not experienced material disruptions in our operations as a result of the COVID-19 pandemic. As our research center is located in a standalone building with a relatively isolated working environment, it reduced the risk of cross-infection among employees. To ensure the progress of our R&D activities, our employees have prioritized their work by staying on the premises, thereby minimizing external exposure and the risk of infection. In addition, we maintained adequate inventory of reagents and consumables necessary for R&D purposes to ensure the continuity of our research operations. In response to the challenges posed by the COVID-19 pandemic and the constraints on our financing activities, we made necessary adjustments to our employees' salaries and the contribution ratio of housing provident funds in 2022 to better align with our financial

circumstances. See "Business — Employees." As of the Latest Practicable Date, the adjustment to our employees' salaries and the contribution ratio of housing provident funds has resumed back to pre-COVID-19 level. Since the time that we made salary adjustment and up until the Latest Practical Date, there had been no material changes to our core research and development personnel or management team. Based on the above, the overall impact of the COVID-19 pandemic on our research and development activities, drug development timeline, relationships with collaborators, business and results of operations has been immaterial, and especially as the COVID-19 pandemic has come under control as of the Latest Practicable Date and our Directors are of the view that it is unlikely that COVID-19 pandemic will have material adverse impact on our business, financial condition and results of operations going forward.

RECENT DEVELOPMENTS

As of the Latest Practicable Date, we were finalizing:

(i) the Phase IIb clinical trial report of Pro-101-1 for the treatment of deep second-degree burns, which is expected to be completed in December 2025. For preliminary clinical trial results, see "Business — PDGF Summary of Clinical Trial Results — The preliminary results of Phase IIb Clinical Trial of Pro-101-1 for the treatment of deep second-degree burns." We intend to initiate the Phase IIIa clinical trial of Pro-101-1 for the treatment of deep second-degree burns in the first quarter of 2026. For the Phase IIIa clinical trial plan on Pro-101-1 for the treatment of deep second-degree burns, see "Business — PDGF — Clinical Development Plan — Summary of our Phase III clinical trial plan in China;" and

(ii) the Phase IIb clinical trial report for the treatment of superficial second-degree burns. As of the Latest Practicable Date, there was no available statistical data of the Phase IIb clinical trial for Pro-101-1 for the treatment of superficial second-degree burns because the data review was still ongoing and the database had not been locked. As no trial data is yet available, we have not communicated with the CDE regarding this cohort. See "— Our Pipeline — Core Products."

We have commenced the patient enrollment process for the Phase II clinical trial of Pro-101-2 in DFUs in the third quarter of 2024, and had completed the enrollment of 83 patients as of Latest Practicable Date.

With respect to Pro-101-3 for the treatment of fresh wounds, pressure ulcers and radiation ulcers, pharmaceutical and preclinical studies have been completed. The clinical trial protocols for each indication are under discussion and refinement, and we are still preparing the IND application materials. We expect to submit the IND application for each indication in China in December 2025.

We expect a significant increase in net loss in the year ending December 31, 2025, primarily because we expect to incur significant research and development expenses as we continue to advance the R&D of our drug candidates, while we do not expect to generate substantial revenue from the commercialization of our drug candidates in 2025.

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that, up to the date of this prospectus, there has been no material adverse change in our financial or trading position or prospects since September 30, 2025 (being the end date of the periods reported in Appendix I to this prospectus) and there has been no event since September 30, 2025 which would materially affect the information shown in Appendix I to this prospectus.

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

"Accountants' Report"	the accountants' report of our Company prepared by Ernst & Young, details of which are set forth in Appendix I to this prospectus
"affiliate"	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
"AMMS"	Academy of Military Medical Sciences of the People's Liberation Army Academy of Military Sciences (中國人民解放軍軍事科學院軍事醫學研究院), or its predecessor, the People's Liberation Army Academy of Military Medical Sciences (中國人民解放軍軍事醫學科學院)
"Articles of Association" or "Articles"	the articles of association of our Company, conditionally adopted on April 1, 2024 with effect from the Listing Date, and as amended from time to time, a summary of which is set out in Appendix III to this prospectus
"Audit Committee"	the audit committee of the Board
"Beijing Huarene Biotechnology"	Beijing Huarene Biotechnology Hongkong Company Limited (香港華人生物技術有限公司), a private company limited by shares incorporated under the laws of Hong Kong on August 8, 2022 and is wholly owned by the Company
"Board" or "Board of Directors"	the Board of Directors of our Company
"Business day" or "business day"	a day on which banks in Hong Kong are generally open for normal banking business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
"Capital Market Intermediaries"	the capital market intermediaries as named in "Directors, Supervisors and Parties Involved in the Global Offering"
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"CCDC"	Chinese Center for Disease Control and Prevention (中國疾病預防控制中心)

"CDE"	the Center for Drug Evaluation of NMPA (國家藥品監督管理局藥品審評中心), a division of the NMPA mainly responsible for review and approval of IND and BLA
"CDH Investors"	Qingdao CDH and Jiaxing CDH
"China," "Mainland China" or "PRC"	the People's Republic of China, but for the purpose of this prospectus and for geographical reference only and except where the context requires, references in this prospectus to "China," "Mainland China" and the "PRC" do not include Hong Kong, Macau and Taiwan Province
"CNIPA"	China National Intellectual Property Administration
"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" or "our Company"	B&K Corporation Limited (華芢生物科技(青島)股份有限公司), a joint stock company established in PRC, and if the context requires, including its predecessor
"Compliance Advisor"	has the meaning ascribed to it under the Listing Rules
"Concert Party Agreement"	the concert party agreement dated April 16, 2024 entered into among Ms. Jia, Mr. Wang, Ms. Zhang and Mr. Li
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules, and unless the context otherwise requires, refers to Ms. Jia, Mr. Wang, Ms. Zhang and Mr. Li, details of which are set out in "Relationship with our Controlling Shareholders"
"Conversion of Unlisted Shares into H Shares"	the conversion of 65,373,345 Unlisted Shares in aggregate held by 11 existing Shareholders into H Shares upon the completion of the Global Offering, as described in further detail in "Share Capital"
"Core Products"	have the meaning ascribed to it in Chapter 18A of the Listing Rules; for the purpose of this prospectus, our Core Products refer to Pro-101-1 and Pro-101-2, previously known as TPG, a topical PDGF-BB gel used in clinical trials for thermal burns and DFUs and pre-clinical studies for other indications
"Corporate Governance Code"	the Corporate Governance Code in Appendix C1 to the Listing Rules

"CSDC"	China Securities Depositary and Clearing Corporation Limited (中國證券登記結算有限責任公司)
"CSDC (Hong Kong)"	China Securities Depository and Clearing (Hong Kong) Company Limited
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會), a regulatory body responsible for the supervision and regulation of the PRC national securities markets
"Designated Bank"	HKSCC Participant's Designated Bank under FINI
"Director(s)" or "our Directors"	the director(s) of our Company
"EIT Law"	Enterprise Income Tax Law of the People's Republic of China (中華人民共和國企業所得税法), as amended, supplemented or otherwise modified from time to time
"electronic application instruction(s)"	instruction(s) given by a HKSCC Participant electronically via HKSCC's FINI system to HKSCC, being one of the methods to apply for the Offer Shares
"EMA"	the European Medicines Agency, the EU agency responsible for evaluating and granting centralized approval for market authorization valid in all EU, European Economic Area states, and European Free Trade Association states
"Employees Shareholding Platforms"	Qingdao Huaren and Hainan Huaren
"EU"	European Union, a supranational organization that currently comprises 27 member states that are located primarily in Europe
"Exchange Participant(s)"	a person: (a) who, in accordance with the Listing Rules, may trade on or through the Hong Kong Stock Exchange; and (b) whose name is entered in a list, register or roll kept by the Hong Kong Stock Exchange as a person who may trade on or through the Hong Kong Stock Exchange
"Extreme Conditions"	the occurrence of ''extreme conditions'' as announced by any governmental authority of Hong Kong due to serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions before Typhoon Signal No. 8 or above is replaced with Typhoon Signal No. 3 or below
"FDA"	the United States Food and Drug Administration, a federal agency of the Department of Health and Human Services

"FINI" or "Fast Interface for New Issuance"	an online platform operated by HKSCC that is mandatory for admission to trading and, where applicable, the collection and processing of specified information on subscription in and settlement for all new listing of securities
"Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., our industry consultant, which is an Independent Third Party
"Frost & Sullivan report"	an independent market research report commissioned by us and prepared by Frost & Sullivan for the purpose of this prospectus
"GDP"	gross domestic product
"General Rules of HKSCC"	General Rules of HKSCC published by the Stock Exchange and as amended from time to time
"Global Offering"	the Hong Kong Public Offering and the International Offering
"GLOBOCAN"	an online database providing global cancer statistics and estimates of incidence and mortality in 185 countries for 36 types of cancer, and for all cancer sites combined
"Guide for New Listing Applicants"	the Guide for New Listing Applicants issued by the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"H Share(s)"	overseas listed foreign shares in the share capital of our Company with nominal value of RMB1.00 each, which are to be subscribed for and traded in HK dollars and are to be listed on the Hong Kong Stock Exchange
"H Share Registrar"	Tricor Investor Services Limited
"Hainan Huaren"	Hainan Huaren Gongying Corporate Management Consultancy Partnership (Limited Partnership) (海南華人共贏企業管理諮詢合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on April 25, 2021, one of our Employee Shareholding Platforms
"Hainan Huaren Biotechnology"	Hainan Huaren Biotechnology Co., Ltd. (海南華人生物技術有限公司), a limited liability company incorporated under the laws of the PRC on March 6, 2022 and is wholly owned by the Company
"HK$" or "HK dollars"	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong

"**HK eIPO White Form**"	the application for Hong Kong Offer Shares to be issued in the applicant's own name, submitted online through the designated website at **www.hkeipo.hk**
"**HK eIPO White Form** Service Provider"	the **HK eIPO White Form** service provider designated by our Company as specified on the designated website at **www.hkeipo.hk**
"HKSCC"	Hong Kong Securities Clearing Company Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited
"HKSCC EIPO channel"	the arrangement in these HKSCC Operational Procedures for instructions to be given electronically to HKSCC by Participants via FINI for applications to be made on their behalf for new issue shares and for the payment of application moneys, and for those instructions to be acted upon
"HKSCC Nominees"	HKSCC Nominees Limited, a wholly owned subsidiary of HKSCC
"HKSCC Operational Procedures"	the operational procedures of the HKSCC, containing the practices, procedures and administrative or other requirements relating to HKSCC's services and the operations and functions of the systems established, operated and/or otherwise provided by or through HKSCC (including FINI and CCASS) as from time to time in force
"HKSCC Participant"	a participant admitted to participate in CCASS as a direct clearing participant, a general clearing participant or a custodian participant
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Offer Shares"	the 1,765,000 H Shares initially offered by our Company for subscription at the Offer Price pursuant to the Hong Kong Public Offering (subject to reallocation as described in "Structure of the Global Offering" in this prospectus)
"Hong Kong Public Offering"	the offer of the Hong Kong Offer Shares for subscription by the public in Hong Kong at the Offer Price on the terms and conditions described in this prospectus
"Hong Kong Underwriters"	the underwriters of the Hong Kong Public Offering listed in "Underwriting — Hong Kong Underwriters" in this prospectus

"Hong Kong Underwriting Agreement"	the underwriting agreement dated December 11, 2025 relating to the Hong Kong Public Offering and entered into by, among others, our Company, the Controlling Shareholders, the Joint Sponsors, the Overall Coordinators, the Sponsor-Overall Coordinators and the Hong Kong Underwriters, as further described in "Underwriting — Underwriting Arrangements and Expenses" in this prospectus
"Huaren Yihai Biotechnology"	Huaren Yihai Biotechnology (Beijing) Co., Ltd. (華仁益海生物科技(北京)有限公司), a limited liability company incorporated under the laws of the PRC on July 21, 2023 and is wholly owned by the Company
"IFRS"	International Financial Reporting Standards, which include standards, amendments and interpretations promulgated by the International Accounting Standards Board and the International Accounting Standards and interpretation issued by the International Accounting Standards Committee
"Independent Third Party(ies)"	any entity or person who is not a connected person of our Company within the meaning ascribed thereto under the Listing Rules
"Internal Control Committee"	the internal control committee of the Board
"International Offer Shares"	15,883,800 H Shares initially offered by our Company for subscription at the Offer Price pursuant to the International Offering together with, where relevant, any additional Shares which may be issued by our Company pursuant to the exercise of the Over-allotment Option (subject to reallocation as described in the section headed "Structure of the Global Offering" in this prospectus)
"International Offering"	the offer of the International Offer Shares by the International Underwriters at the Offer Price outside the United States in offshore transactions in accordance with Regulation S or any other available exemption from registration under the U.S. Securities Act, as further described in the section headed "Structure of the Global Offering" in this prospectus
"International Underwriters"	the group of international underwriters for the International Offering that is expected to enter into the International Underwriting Agreement to underwrite the International Offering

"International Underwriting Agreement"	the underwriting agreement relating to the International Offering, which is expected to be entered into by, among others, the Controlling Shareholders, the Joint Sponsors, the Overall Coordinators, the Sponsor-Overall Coordinators, the International Underwriters and us on or about the Price Determination Date
"Jiaxing CDH"	Jiaxing CDH Zhaoyun Equity Investment Partnership (Limited Partnership) (嘉興鼎暉兆筠股權投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on July 14, 2021 and one of our Pre-IPO Investors
"JinBang"	Beijing JinBang Biological Engineering Co., Ltd. (北京勁邦生物科技有限公司), formerly a company engaged in the science promotion and application services, which has been deregistered in July 2020; for details on our arrangement with the Institute of Bioengineering of AMMS and JinBang, see "Business — Collaboration, Licensing and Transfer Arrangements — Collaboration with the Institute of Bioengineering of AMMS and JinBang"
"Joint Bookrunners"	the joint bookrunners as named in "Directors, Supervisors and Parties Involved in the Global Offering"
"Joint Global Coordinators"	the joint global coordinators as named in "Directors, Supervisors and Parties Involved in the Global Offering"
"Joint Lead Managers"	the joint lead managers as named in "Directors, Supervisors and Parties Involved in the Global Offering"
"Joint Sponsors"	the joint sponsors as named in "Directors, Supervisors and Parties Involved in the Global Offering"
"Latest Practicable Date"	December 5, 2025, being the latest practicable date for the purpose of ascertaining certain information in this prospectus prior to its publication
"Listing"	the listing of our H Shares on the Stock Exchange
"Listing Committee"	the Listing Committee of the Stock Exchange
"Listing Date"	the date expected to be on or about Monday, December 22, 2025, on which dealings in our H Shares first commence on the Stock Exchange
"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
"Macau"	the Macau Special Administrative Region of the PRC

"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange, which is independent from and operated in parallel with the GEM of the Stock Exchange
"Mr. Li"	Mr. Li Gewei (李葛衛), one of our Controlling Shareholders
"Mr. Wang"	Mr. Wang Kelong (王軻瓏), the president of our Company, an executive Director, the vice chairperson of the Board, one of our Controlling Shareholders and the son of Ms. Jia
"Ms. Jia"	Ms. Jia Lijia (賈麗加), the founder of our Company, an executive Director, the chairperson of the Board, one of our Controlling Shareholders and the mother of Mr. Wang
"Ms. Zhang"	Ms. Zhang Hongbo (張紅波), one of our Controlling Shareholders
"NCBI"	National Center for Biotechnology Information
"NHC"	National Health Commission of the PRC
"NMPA"	the National Medical Products Administration of the PRC (國家藥品監督管理局) and its predecessor, the China Food and Drug Administration (國家食品藥品監督管理總局)
"Nomination Committee"	the nomination committee of the Board
"NSFC"	National Natural Science Foundation of China (國家自然科學基金委員會)
"Offer Price"	the offer price per Offer Share in Hong Kong dollars (exclusive of brokerage fee of 1%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565%) at which Hong Kong Offer Shares are to be subscribed as described in "Structure of the Global Offering — Pricing and Allocation" in this prospectus
"Offer Share(s)"	the Hong Kong Offer Shares and the International Offer Shares, together with, where relevant, any additional H Shares which may be issued by our Company pursuant to the exercise of the Over-allotment Option
"our Company" or "the Company"	B&K Corporation Limited (華芯生物科技 (青島) 股份有限公司), a limited liability company established under the laws of the PRC on April 24, 2012 and converted into a joint stock limited liability company in the PRC on April 1, 2024, and if the context requires, including its predecessors

"our Group," "we" or "us"	our Company and its subsidiaries (or our Company and any one or more of its subsidiaries, as the context may require)
"Overall Coordinators"	the overall coordinators as named in "Directors, Supervisors and Parties Involved in the Global Offering" section of this prospectus
"Over-allotment Option"	the option expected to be granted by our Company to the International Underwriters, exercisable by the Overall Coordinators (on behalf of the International Underwriters) pursuant to the International Underwriting Agreement, pursuant to which our Company may be required to allot and issue up to an aggregate of 2,647,200 additional H Shares, representing approximately 15% of the Offer Shares initially being offered under the Global Offering, at the Offer Price to, cover over-allocations in the International Offering, if any, further details of which are described in the section headed "Structure of the Global Offering" in this prospectus
"PBOC"	the People's Bank of China (中國人民銀行), the central bank of the PRC
"PCT"	Patent Cooperation Treaty, an international patent law treaty, which provides a unified procedure for filing patent applications (known as PCT applications) to protect inventions in each of its contracting states
"PRC Company Law"	the Company Law of the PRC (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
"PRC Legal Advisor"	Commerce & Finance Law Offices, our legal advisor as to PRC laws and PRC intellectual property law
"PRC Securities Law"	the Securities Law of the PRC (中華人民共和國證券法), as amended, supplemented or otherwise modified from time to time
"Pre-IPO Investment(s)"	the Pre-IPO Investments in our Company undertaken by the Pre-IPO Investors, details of which are set out in "History, Development and Corporate Structure"
"Pre-IPO Investor(s)"	the investors of Pre-IPO Investments
"Price Determination Agreement"	the agreement to be entered into by the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company on the Price Determination Date to record and fix the Offer Price

"Price Determination Date"	the date, expected to be on or around Thursday, December 18, 2025 (Hong Kong time) on which the Offer Price is determined, or such later time as the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company may agree, but in any event no later than 12:00 noon on Thursday, December 18, 2025
"prospectus"	this prospectus being issued in connection with the Hong Kong Public Offering
"Qingdao CDH"	Qingdao CDH Shuangbai Equity Investment Partnership (Limited Partnership) (青島鼎暉雙百股權投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on December 2, 2019 and one of our Pre-IPO Investors
"Qingdao Hitech"	Qingdao Hitech Industry Development Co., Ltd. (青島高科產業發展有限公司), a limited liability company established under the laws of the PRC on June 26, 2001 and one of our Pre-IPO Investors
"Qingdao Huaren"	Qingdao Huaren Gongchuang Corporate Management Consultancy Partnership (Limited Partnership) (青島華芯共創企業管理諮詢合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on November 30, 2020, one of our Employee Shareholding Platforms
"Regulation S"	Regulation S under the U.S. Securities Act
"Remuneration Committee"	the remuneration committee of the Board
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"Rongtong"	China Rongtong Scientific Research Institute Group Co., Ltd., which is an Independent Third Party
"R&D"	research and development
"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 Market Regulation of the PRC (國家市場監督管理總局)
"Securities and Futures Ordinance" or "SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

"Series A Financing"	one of the Pre-IPO Investments in our Company, the details of which are set out in "History, Development and Corporate Structure — Major Corporate Development of our Company — 9. Series A Financing"
"Series B Financing"	one of the Pre-IPO Investments in our Company, the details of which are set out in "History, Development and Corporate Structure — Major Corporate Development of our Company — 10. Series B Financing"
"Series Pre-A Financing"	one of the Pre-IPO Investments in our Company, the details of which are set out in "History, Development and Corporate Structure — Major Corporate Development of our Company — 8. Series Pre-A Financing"
"SFC"	the Securities and Futures Commission of Hong Kong
"Share(s)"	shares in the share capital of our Company, with a nominal value of RMB1.00 each, comprising our Unlisted Shares and H Shares
"Shareholders"	holders of our Shares
"Sophisticated Investor(s)"	has the meaning given to it under paragraph 10 of Chapter 2.3 of the Guide for New Listing Applicants
"Sponsor-Overall Coordinators" or "Sponsor-OCs"	the sponsor-overall coordinators as named in "Directors, Supervisors and Parties Involved in the Global Offering" section of this prospectus
"STA"	the State Taxation Administration (國家税務總局)
"Stabilizing Manager"	CLSA Limited
"State Council"	State Council of the PRC (中華人民共和國國務院)
"Stock Exchange"	the Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed thereto in section 15 of the Companies Ordinance
"Supervisor(s)"	supervisor(s) of our Company
"Supervisory Committee"	the supervisory committee of our Company
"Takeovers Code"	the Codes on Takeovers and Mergers and Share Buybacks issued by the SFC, as amended, supplemented or otherwise modified from time to time
"Track Record Period"	the period comprising the years ended December 31, 2023, 2024 and the nine months ended September 30, 2025

"U.S. dollars," "US$" or "USD"	United States dollars, the lawful currency of the United States
"U.S. Securities Act"	the United States Securities Act of 1933, as amended and supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder
"UN"	United Nations
"Underwriters"	the Hong Kong Underwriters and the International Underwriters
"Underwriting Agreements"	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
"United States" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"Unlisted Share(s)"	ordinary share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, which are not listed on any stock exchange
"USPTO"	United States Patent and Trademark Office
"VAT"	value added tax
"WHO"	World Health Organization
"%"	per cent

In this prospectus, the terms "associate," "close associate," "connected person," "core connected person," "connected transaction," "controlling shareholder" and "substantial shareholder" shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

Unless otherwise expressly stated or the context otherwise requires, all data in this prospectus is as of the date of this prospectus.

The English names of the PRC entities, PRC laws or regulations, and the PRC governmental authorities referred to in this prospectus are translations from their Chinese names and are for identification purposes. If there is any inconsistency, the Chinese names shall prevail.

Certain amounts and percentage figures included in this prospectus 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.

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

"ABI"	The Ankle-Brachial Index (ABI), which is a simple, non-invasive test used to assess the blood flow in the arteries of the legs. It compares the blood pressure in the ankle with the blood pressure in the arm (brachial artery). The ABI is calculated by dividing the systolic blood pressure at the ankle by the systolic blood pressure in the arm
"ADR"	adverse reaction, any unexpected or dangerous reaction to a drug
"AE"	adverse events, any untoward medical occurrences in a patient or clinical investigation subject administered with a drug or other pharmaceutical product during clinical trials and which do not necessarily have a causal relationship with the treatment
"angiogenesis"	formation of new blood vessels from pre-existing ones
"API"	active pharmaceutical ingredient, a substance used in a finished pharmaceutical product, which is intended to furnish pharmacological activity or to otherwise have direct effect in the diagnosis, cure, mitigation, treatment or prevention of disease, or to have direct effect in restoring, correcting or modifying physiological functions in human beings
"ASO"	antisense oligonucleotide, small nucleic acid drugs comprised of single-stranded nucleic acid used to treat rare or refractory infectious diseases, cancers and genetic diseases at the gene level
"BLA"	biologics license application, a request for permission to introduce, or deliver for introduction, a biologic product for commercialization in a specific jurisdiction
"CAGR"	compound annual growth rate
"CDMO"	contract development and manufacturing organization, a pharmaceutical company that develops and manufactures drugs for other pharmaceutical companies on a contractual basis
"cell proliferation"	a process by which cells grow and divide to produce more cells

"cGMP"	current good manufacturing practice, a system that stipulates minimum requirements for the methods, facilities, and controls used in manufacturing, processing and packing of a drug product to make sure that a product is safe for use, and that it has the ingredients and strength it claims to have
"CMC"	chemistry, manufacturing, and controls processes in the development, licensure, manufacturing, and ongoing marketing of pharmaceutical products
"CMO(s)"	a company that serves other companies in the pharmaceutical industry on a contract basis to provide comprehensive services from drug development through drug manufacturing
"COVID-19"	coronavirus disease 2019, an infectious disease caused by the most recently discovered coronavirus (severe acute respiratory syndrome coronavirus 2, SARS-CoV-2), which no longer constitutes a public health emergency of international concern since May 2023
"CRO(s)"	contract research organization, a company that provides support to pharmaceutical companies by providing a range of professional research services on a contract basis
"CTN"	Clinical Trial Notification
"DFU"	diabetic foot ulcer, an open sore or wound that occurs in approximately 25% of patients with diabetes in China, and is commonly located on the bottom of the foot
"DNA"	deoxyribonucleic acid, a polymer composed of two polynucleotide chains that coil around each other to form a double helix carrying genetic instructions for the development, functioning, growth and reproduction of all known organisms and many viruses
"DS" or "drug substance"	an active ingredient that is intended to furnish pharmacological activity or other direct effect in the diagnosis, cure, mitigation, treatment, or prevention of disease or to affect the structure or any function of the human body, but does not include intermediates used in the synthesis of such ingredient
"ECG"	electrocardiogram, a simple test that can be used to check heart's rhythm and electrical activity
"FAS"	full analysis set, the set of subjects derived from the set of all randomized subjects by minimal and justified elimination of subjects

"G0/G1 phase"	the preparatory stage of the cell cycle, where cells grow and synthesize RNA and proteins in preparation for DNA replication
"GCP"	good clinical practice
"GMP"	good manufacturing practice
"H index"	a metric for evaluating the cumulative impact of an author's scholarly output and performance, calculated by counting the number of publications for which an author has been cited by other authors at least that same number of times
"*in vitro*"	Latin for "within the glass," studies using components of an organism that have been isolated from their usual biological surroundings, such as microorganisms, cells or biological molecules
"*in vivo*"	Latin for "within the living," studies in vivo are those in which the effects of various biological or chemical substances are tested on whole, living organisms including animals, humans and plants, as opposed to a partial or dead organism, or those done *in vitro*
"IND"	investigational new drug or investigational new drug application, also known as clinical trial application in China or the U.S.
"lncRNA(s)"	long non-coding RNA, a type of RNA, generally defined as transcripts more than 200 nucleotides that are not translated into protein
"KOL"	key opinion leader, influencers and trusted persons who have expert product knowledge and influence in a respective field and are an important part of burgeoning industries and businesses in China, including biotech/pharmaceutical industries
"LNP"	lipid nanoparticles, which are spherical vesicles made of ionizable lipids positively charged at low pH (enabling RNA complexation) and neutral at physiological pH (reducing potential toxic effects, as compared with positively charged lipids, such as liposomes), and designed to carry and protect genetic material or drugs until they reach their target cells and facilitate the absorption and release of the therapeutic substance into the cells

"MAH"	Marketing Authorization Holder, the entity responsible for holding the marketing authorization for a medicinal product, ensuring its compliance with regulatory requirements and overseeing its distribution and post-marketing surveillance
"MOA"	mechanism of action, which refers to the specific biochemical interaction through which a drug substance produces its pharmacological effect
"mRNA"	messenger ribonucleic acid, a single-stranded molecule of RNA that corresponds to the genetic sequence of a gene, and is read by a ribosome in the process of synthesizing a protein
"NDA"	new drug application, the vehicle through which drug sponsors formally propose that the competent authority approves a new pharmaceutical for sale and marketing
"NOAEL"	no-observed-adverse-effect level, the level of exposure of an organism, found by experiment or observation, at which there is no biologically or statistically significant increase in the frequency or severity of any adverse effects (e.g., alteration of morphology, functional capacity, growth, development or life span) in the exposed population when compared to its appropriate control
"PDGF"	platelet-derived growth factor, which is a type of growth factors secreted by platelets after injury that stimulates cell proliferation and angiogenesis, or where the context requires, PDGF-BB, or rhPDGF-BB
"PDGF receptor"	platelet-derived growth factor receptor, a type of cell surface receptor that, when bound by PDGF, activates a series of intracellular signaling pathways. These pathways are involved in regulating a variety of biological processes including cell proliferation, differentiation, migration, and survival
"PDGF-BB"	platelet-derived growth factor BB, which is one of the five dimeric isoforms of platelet-derived growth factor
"PDX model"	patient-derived xenograft model, a model of cancer where the tissue or cells from a patient's tumor are implanted into an immunodeficient or humanized mouse to evaluate the natural growth of cancer, its monitoring, and corresponding treatment for the original patient

"Phase I clinical trial"	study in which a drug is introduced into healthy human subjects or patients with the target disease or condition and tested for safety, dosage tolerance, absorption, metabolism, distribution, excretion, and if possible, to gain an early indication of its effectiveness
"Phase I/II clinical trial"	study that combines Phase I and Phase II clinical trials into one trial. The clinical trial design may adaptively use data from all previous patients to make decisions and select the best dose for each new cohort
"Phase II clinical trial"	study in which a drug is administered to a limited patient population to identify possible adverse effects and safety risks, to preliminarily evaluate the efficacy of the product for specific targeted diseases, and to determine dosage tolerance and optimal dosage
"Phase IIa clinical trial"	usually pilot study designed to demonstrate clinical efficacy or biological activity
"Phase IIb clinical trial"	study that determines the optimal dose at which the drug shows biological activity with minimal adverse reactions
"Phase III clinical trial"	study in which a drug is administered to an expanded patient population generally at geographically dispersed clinical trial sites, in well-controlled clinical trials to generate enough data to statistically evaluate the efficacy and safety of the product for approval, to provide adequate information for the labeling of the product
"placebo"	a substance or treatment with no active therapeutic effect, commonly used in clinical trials as the administered substance for the control group
"PMDA"	the Pharmaceuticals and Medical Devices Agency of Japan
"PNP"	polypeptide nanoparticle, which is composed of a branched Histidine Lysine polymer
"PPS"	per protocol set, the subset of subjects who complied with the protocol sufficiently to ensure that these data would be likely to exhibit the effects of treatment according to the underlying scientific model
"pre-clinical studies"	studies or programs testing a drug on non-human subjects, to gather efficacy, toxicity, pharmacokinetic and safety information and to decide whether the drug is ready for clinical trials
"prevalence"	a term used to describe how common something is within a certain group or area

"primary endpoint"	the specific key measurement upon which a clinical study is designed to assess the effect of the drugs being investigated
"RGA"	reporter gene assay
"rhPDGF-BB"	recombinant human platelet-derived growth factor BB, which is a clinically utilized recombinant form of the naturally occurring PDGF-BB
"RNA"	ribonucleic acid, a polymeric molecule essential in various biological roles in coding, decoding, regulation and expression of genes
"RTCA"	real-time, label-free cellular analysis
"S phase"	the DNA synthesis stage of the cell cycle, during which cells replicate their DNA, resulting in two identical copies of each chromosome
"SA"	streptavidin, a 66.0 (tetramer) kDa protein purified from the bacterium Streptomyces *avidinii*. Streptavidin is used extensively in molecular biology and bionanotechnology due to the streptavidin-biotin complex's resistance to organic solvents, denaturants (e.g. guanidinium chloride), detergents (e.g. SDS, Triton X-100), proteolytic enzymes, and extremes of temperature and pH
"SAE"	serious adverse events, any untoward medical occurrence in human drug trials that at any dose: results in death; is life threatening; requires inpatient hospitalization or causes prolongation of existing hospitalization; results in persistent or significant disability/incapacity; may have caused a congenital anomaly/birth defect, or requires intervention to prevent permanent impairment or damage
"SCI"	Science Citation Index
"secondary endpoint"	with respect to a clinical study or trial, the secondary objective that was obtained
"solid tumor"	an abnormal mass of tissue that usually does not contain cysts or liquid areas. Solid tumors may be benign (not cancer), or malignant (cancer). Different types of solid tumors are named for the type of cells that form them
"STZ"	streptozotocin, a naturally occurring alkylating antineoplastic agent that is particularly toxic to the insulin-producing beta cells of the pancreas in mammals

"TBI"	the Toe-Brachial Index (TBI) is a diagnostic test used to assess blood flow in the small arteries of the toes
"Tβ4"	a small protein involved in cell migration, proliferation and tissue repair, which plays a key role in wound healing, inflammation and regeneration in various tissues, including, but not limited to, the heart and nervous system
"TCM"	Traditional Chinese medicine
"TcPO2"	Transcutaneous Oxygen Pressure (TcPO2) measures the amount of oxygen that diffuses through the skin from the capillaries. It provides information about the oxygen delivery to tissues and is an important indicator of the healing potential of wounds or ulcers
"TMZ"	temozolomide, an oral alkylating agent for the treatment of newly diagnosed glioblastoma multiforme and refractory anaplastic astrocytoma
"TNBC"	triple-negative breast cancer, broadly refers to any breast cancer that does not express the genes for estrogen receptor, progesterone receptor and HER2/neu
"TP"	Toe Pressure (TP), a measurement involves assessing the blood pressure in the toes
"TSA"	tumor-specific antigen, a protein or other molecule that is found only on cancer cells and not on normal cells, which can be used as possible targets for targeted therapy or for immunotherapy to help boost the body's immune system to kill more cancer cells
"VEGF"	vascular endothelial growth factor, originally known as vascular permeability factor (VPF), is a signal protein produced by many cells that stimulates the formation of blood vessels
"wound healing rate"	absolute area healed as of a given day as a percentage of the initial area of wound
"WST"	a water-soluble reducing tetrazolium salt

This prospectus includes forward-looking statements. All statements other than statements of historical facts contained in this prospectus, including, without limitation, those regarding our future financial position, our strategy, plans, objectives, goals, targets and future developments in the markets where we participate or are seeking to participate, and any statements preceded by, followed by or that include the words "believe," "expect," "estimate," "predict," "aim," "intend," "will," "may," "plan," "consider," "anticipate," "seek," "should," "could," "would," "continue," or similar expressions or the negative thereof, are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control, which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Important factors that could cause our actual performance or achievements to differ materially from those in the forward-looking statements include, among other things, the following:

- general political and economic conditions, including those related to the PRC;
- our ability to successfully implement our business plans and strategies;
- future developments, trends and conditions in the industries and markets in which we operate or into which we intend to expand;
- our business operations and prospects;
- our capital expenditure plans;
- the actions and developments of our competitors;
- our financial condition and performance;
- capital market developments;
- our dividend policy;
- any changes in the laws, rules and regulations of the central and local governments in the PRC and other relevant jurisdictions and the rules, regulations and policies of the relevant governmental authorities relating to all aspects of our business and our business plans;
- various business opportunities that we may pursue; and
- changes or volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, including those pertaining to the PRC and Hong Kong and the industry and markets in which we operate.

Additional factors that could cause actual performance or achievements to differ materially include, but are not limited to, those discussed in "Risk Factors" and elsewhere in this prospectus. We caution you not to place undue reliance on these forward-looking statements, which reflect our management's view only as of the date of this prospectus. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this prospectus might not occur. All forward-looking statements contained in this prospectus are qualified by reference to the cautionary statements set out in this section.

An investment in our Shares involves significant risks. You should carefully consider all of the information in this prospectus, including the risks and uncertainties described below, before making an investment 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 condition, results of operations and prospects. In any such case, the market price of our Shares could decline, and you may lose all or part of your investment. In particular, we are a biotechnology company seeking to list on the Main Board of the Stock Exchange under Chapter 18A of the Listing Rules. There are unique challenges, risks and uncertainties associated with investing in companies such as ours, which may cause you to lose all or part of your investment.

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 prospectus.

Our operations involve certain risks and uncertainties, some of which are beyond our control. We have categorized these risks and uncertainties into: (i) risks relating to the research and development of our candidates; (ii) risks relating to regulatory approval and government regulations; (iii) risks relating to manufacturing of our candidates; (iv) risks relating to commercialization of our candidates; (v) risks relating to our intellectual property rights; (vi) risks related to our reliance on third parties; (vii) risks relating to our operations; (viii) risks relating to our financial position and need for additional capital; (ix) risks relating to our doing business in the PRC; and (x) risks relating to the Global Offering.

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 harm our business, financial condition and operating results. 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 RESEARCH AND DEVELOPMENT OF OUR CANDIDATES

Our business and financial prospects depend substantially on the success of our clinical-stage and pre-clinical-stage candidates. If we are unable to successfully complete clinical development, obtain regulatory approvals or achieve commercialization for our candidates, or if we experience significant delays or cost overruns in doing any of the foregoing, our business and competitive position could be materially and adversely affected.

Our business and financial prospects are substantially dependent on our ability to complete the development of our candidates, obtain requisite regulatory approvals and successfully manufacture and commercialize our candidates. We have invested a significant portion of our efforts and financial resources in the development of our existing candidates, and we expect to incur substantial and increasing expenditures for the development and commercialization of our candidates in the future.

The success of our candidates will depend on a number of factors, including:

- favorable safety and efficacy data from our pre-clinical studies and clinical trials;
- successful enrollment of patients in, and completion of, clinical trials as well as completion of pre-clinical studies;
- sufficient supplies of drug products that are either used in combination or in comparison with our candidates in clinical trials;
- the performance by CROs or other third parties we engage to conduct clinical trials and their compliance with our protocols and applicable laws without damaging or compromising integrity of the resulting data;
- the capabilities and competence of our collaborators;
- sufficient resources to acquire or discover additional candidates and successful identification of potential candidates based on our research or business development methodology or search criteria and process;
- receipt of regulatory approvals;
- strong commercial manufacturing capabilities;
- successful launch of commercial sales of our candidates, if and when approved;
- the obtaining and maintenance of favorable reimbursement from third-party payers for drugs, if and when approved;
- competition with other candidates and drugs;
- the obtaining, maintenance and enforcement of patents, trademarks, trade secrets and other intellectual property protections and regulatory exclusivity for our candidates;
- successful defense against any claims brought by third parties that we have or may have infringed, misappropriated or otherwise violated any intellectual property of any such third party; and
- the continued acceptable safety profile of our candidates following regulatory approval.

Some of our candidates represent a novel approach to therapeutic needs compared with more commonly used medical methods, and therefore carry inherent development risks that could result in delays and cost overruns in clinical development, regulatory approvals or commercialization. Any modification to the protocols related to the demonstration of safety or efficacy of our candidates may delay the clinical program, regulatory approvals or commercialization, and we may be required to supplement, modify, or withdraw and refile our applications for regulatory approvals. In addition, potential patients and their doctors may be inclined to use conventional standard-of-care treatments rather than any novel approach. Given the novelty of our candidates, a substantial amount of education and training may need to be provided to patients and medical

personnel. This may have a material adverse effect on potential revenue generated from our candidates, which in turn may materially and adversely affect our competitive position, business, financial condition and results of operations.

As of the Latest Practicable Date, we had ten candidates for various indications that were in different phases of pre-clinical and clinical development. If we do not achieve one or more of the aforementioned factors as expected in a timely manner or at all, we could experience significant delays or difficulties in obtaining approvals for, and commercializing, our candidates, which would have a material adverse effect on our business, financial condition and results of operations. In addition, among our candidates, one of our Core Products, Pro-101-2, has demonstrated favorable results in the pre-clinical studies and safety and tolerability profile in the Phase I clinical trial for the treatment of DFUs. Accordingly, we received approval to directly initiate clinical trials for Pro-101-1 in thermal burns, and plan to directly initiate clinical trials for Pro-101-3 in fresh wounds, based on the existing research data of Pro-101-2 for the treatment of DFUs. However, in the Phase IIa clinical trial for Pro-101-1 in thermal burns, the difference for the primary endpoint between the treatment group and placebo group is not statistically significant for low dose group and the high dose group for patients with superficial second-degree burns. In addition, in the Phase IIb clinical trial for Pro-101-1 in the deep and superficial second-degree thermal burns, the medium-dose group showed a shorter healing time but without statistical significance based on the PPS, while both the medium-dose group and the high-dose group did not show a statistically significant difference based on the FAS. If Pro-101-1 or Pro-101-2 fails to demonstrate the efficacy and safety results that we expect during further research and development, it could negatively affect the upcoming clinical trials of our PDGF drug pipelines for the treatment of DFUs, thermal burns and fresh wounds, which will have a material adverse effect on our business and financial condition.

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

The successful and timely completion of clinical trials in accordance with their protocols depends on, among other things, our ability to enroll a sufficient number of patients who opt to participate and remain in the clinical trials until the end of the trial. We may experience difficulties in patient enrollment for our clinical trials for a variety of reasons, including:

- the design of the trial;
- the size and demographics of the patient population;
- the size of the study population required for analysis of the trial's primary endpoints;
- the patient eligibility criteria defined in the protocol;
- our ability to obtain and maintain patient consents;
- our resources to facilitate timely subject enrollment in clinical trials;
- patients' and clinicians' perceptions of the potential advantages and side effects of the candidate being studied compared with other available therapies, including any new drugs or treatments that may be approved for the indications we are investigating;

- the availability of approved therapies that are similar in mechanism to our candidates;
- the outbreaks of epidemics or pandemics. See "— Risks Relating to Our Operations — We may be subject to disasters, health epidemics or pandemics, acts of war, terrorism, business disruptions and other force majeure events, which may have a material adverse effect on our business, financial condition and results of operations";
- the availability of patients and their proximity to trial sites;
- the selection of quality clinical trial sites and investigators with the appropriate competencies and experience; and
- the selection, contracting and performance of third-party suppliers.

In addition, our clinical trials may compete with other clinical trials for candidates that are in the same therapeutic areas as our candidates. This competition will reduce the number and types of patients available to us, because some patients who might have opted to enroll in our trials may instead choose to enroll in a trial being conducted by one of our competitors. For example, according to the Frost & Sullivan report, as of the Latest Practicable Date, there were three PDGF drug pipelines in China, two of which belong to us while the other one belongs to Tasly Pharmaceutical. The PDGF-BB drug candidate of Tasly Pharmaceutical entered Phase III clinical trial in 2014 and as of the Latest Practicable Date, there had been no further update in relation to the status of Tasly Pharmaceutical's drug pipeline. Especially, regarding the progress of the Phase II clinical trial of our Core Product Pro-101-2 for DFUs, although the clinical trial began in February 2022, we expect to complete the trial in the second quarter of 2027, mainly because (i) we had made registration of new product specification and certain revision to the existing clinical trial protocol since we entered the Phase II clinical trial of Pro-101-2 in DFUs; (ii) the strict enrollment criteria for subjects have resulted in a relatively slow enrollment pace; and (iii) the dosing cycle is 20 weeks, necessitating a prolonged follow-up period. See note 4 to our pipeline chart. We commenced the patient enrollment process for the Phase II clinical trial of Pro-101-2 in DFUs in the third quarter of 2024. And, as of the latest Practicable Date, we had completed the enrollment of 83 subjects. Because the number of qualified clinical investigators and clinical trial sites is limited, we expect to conduct certain clinical trials at the same clinical trial sites that some of our competitors use, which will reduce the number of patients available for our clinical trials at such clinical trial sites. Even if we are able to enroll a sufficient number of patients in our clinical trials, delays in patient enrollment may result in increased costs or may affect the timing or outcome of our planned clinical trials, thereby hindering the completion of these trials and adversely affecting our ability to advance the development of our candidates.

If we encounter difficulties in data read-out, data cleaning and data processing for our clinical trials, our clinical development activities could be delayed or otherwise materially and adversely affected.

We are currently in the process of locking the database for our Phase IIb clinical trial for Pro-101-1 for the treatment of superficial second-degree burns, which is a lengthy process that can be delayed or unsuccessful. Data integrity and timely availability of accurate data are critical to the success of our clinical trials and subsequent regulatory submissions. Clinical trial data must be complete, consistent and processed in compliance with applicable regulatory standards. Challenges in data read-out, cleaning, or processing, such as delays in database lock, inconsistencies across

data sources, missing or corrupted information or errors in data capture, could significantly disrupt our development timelines. These issues may lead to delays in statistical analyses, preparation of clinical study reports, and regulatory filings. In some cases, regulators may require additional clarification or re-analysis, further prolonging review timelines. Resolving such problems often requires substantial additional time, resources and costs, and may involve repeating certain trial activities or implementing further exploratory trials. Any material delay or failure in data processing in clinical trials could result in extended regulatory review periods, postponement of regulatory approval, and adverse effect on our business and financial condition. In addition, any such delay or failure might negatively impact the progress of our other PDGF pipelines targeting indications under the same pathogenesis, reducing the likelihood of obtaining regulatory approval and slowing overall development timelines.

Most of the candidates in our pipelines, including our Core Products, rely on rhPDGF-BB as the sole active ingredient

As of the Latest Practicable Date, we had researched and developed three pipelines consisting of ten candidates covering 14 indications. Seven of the ten candidates are PDGF candidates, including two Core Products, and they rely on rhPDGF-BB as their sole active ingredient. In particular, apart from our core products, our other PDGF candidates are still at an early stage of clinical development. If any of the PDGF candidates fails to demonstrate the efficacy and safety results that we expect during further research and development, it could negatively affect the pre-clinical and clinical trials of other PDGF candidates, which will have a material adverse effect on our business and financial condition.

We face intense competition and rapid technological change and the possibility that our competitors may develop products and therapies that are similar, more advanced, or more effective than ours, or launch biosimilar products and therapies ahead of us, which may adversely affect our financial condition and our ability to successfully commercialize our candidates.

The biopharmaceutical industry in which we operate is highly competitive and rapidly changing. While our principal focus is to develop candidates with the potential to become novel or highly differentiated drugs, we face competition with respect to our current candidates and will face competition with respect to any candidates that we may seek to develop or commercialize in the future. Large multinational pharmaceutical companies, well-established biopharmaceutical companies, specialty pharmaceutical companies, universities and other research institutions have commercialized, are in the process of commercialization, or are pursuing the development of drugs for the treatment of indications for which we are developing our candidates. Some of these competitive drugs and therapies are based on scientific approaches that are the same as or similar to our approach, and others are based on entirely different approaches. See "Business — Competition." Potential competitors further include academic institutions, government agencies and other public and private research organizations that conduct research, seek patent protection and establish collaborative arrangements for research, development, manufacturing and commercialization.

Even if successfully developed and subsequently approved by the NMPA, the FDA or other comparable regulatory authorities, our candidates may still face competition in various aspects, including safety and efficacy, the timing and scope of the regulatory approvals, the availability and cost of supply, sales and marketing capabilities, price and patent status. Many of our competitors

have substantially greater financial, technical and other resources, such as more advanced commercial infrastructure, more candidates in late-stage clinical development, more seasoned research and development staff and well-established marketing and manufacturing teams than us. Smaller or 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 biopharmaceutical industry may result in even more resources being concentrated in our competitors. Our competitors may succeed in developing competing drugs and obtaining regulatory approvals before us or achieve better acceptance in the markets in which we operate or have established a competitive position. The intense competition and the wide availability of alternative treatment options and adjuvant therapies for our Core Products' targeted indications could hinder the market acceptance and adoption of our PDGF drug candidates upon commercialization. For example, the potential market entry of Regranex in China could pose a competitive threat to our PDGF drug candidates, as Regranex may be quickly adopted due to its proven efficacy and safety profile. Additionally, the NMPA has accelerated marketing approvals of drugs for diseases with high medical needs and the NMPA may review and approve drugs that have gained regulatory marketing approvals in the U.S., the EU or Japan in the past ten years without requiring further clinical trials in the PRC. This may lead to potential increased competition from drugs that have already obtained approvals in other jurisdictions.

Competition may further intensify as a result of advances in the commercial applicability of technologies and availability of capital for investment in the industry. Our competitors may succeed in developing, acquiring, or licensing on an exclusive basis, products that are more effective with a lower cost than our candidates, or achieve earlier patent protection, regulatory approvals, product commercialization and market penetration than we do. In addition, any new product that competes with an approved product must demonstrate compelling advantages in efficacy, convenience, tolerability or safety in order to overcome price competition and to be commercially successful. Furthermore, disruptive technologies and medical breakthroughs may further intensify the competition and render our candidates obsolete or noncompetitive. Technologies developed by our competitors may render our potential candidates uneconomical or obsolete, and we may not be successful in marketing our candidates against competitors.

Clinical drug development involves a lengthy and expensive process with uncertain outcomes, and we may encounter unexpected difficulties executing our clinical trials. Results of earlier studies and trials may not be predictive of later-stage clinical trial results.

Clinical trials are capital-intensive and may demand years of effort to complete, while their outcomes are inherently uncertain and may not be favorable. A new candidate for a particular indication may take from 10 to 15 years from pre-clinical studies to launch. In 2023, 2024 and the nine months ended September 30, 2024 and 2025, our research and development expenses were RMB39.9 million, RMB91.3 million, RMB69.8 million and RMB61.2 million, respectively, representing 37.9%, 43.0%, 42.5% and 45.5%, of our total loss, respectively. We may encounter unexpected difficulties while executing our clinical trials, such as long wait times for regulatory approvals, complexities of analytical testing technology, shortages of material supplies and outbreaks of epidemics, which may result in changes to our current clinical development plans. See "— Risks Relating to Our Operations — We may be subject to disasters, health epidemics or pandemics, acts of war, terrorism, business disruptions and other force majeure events, which may have a material adverse effect on our business, financial condition and results of operations." Failure can occur at any time or stage during the clinical trial process, which would result in a material and adverse effect on our business, financial condition and results of operations. In

addition, we face risks due to the extended duration of our clinical trials, which can be exacerbated by ongoing communications with the CDE of the NMPA. For example, delays can result from the need to revise protocols to meet regulatory requirements, such as exploring varying dosages for efficacy and safety. These delays can impact the our ability to launch products on schedule, potentially affecting our financial performance.

The results of pre-clinical 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. Candidates in later stages of clinical trials may fail to show the desired safety and efficacy traits despite having progressed through pre-clinical studies and initial clinical trials. A number of companies in the biopharmaceutical industry have suffered significant setbacks in advanced clinical trials due to a lack of efficacy or adverse safety profiles, notwithstanding promising results in earlier trials. It is common that various aspects of the development programs, such as manufacturing and formulation, are altered along the entire research and development stage in an effort to optimize processes and results, and there can be no assurance that such alterations would help achieve the intended objectives.

There may be significant variability in safety or efficacy results among different trials of the same candidate due to numerous factors, including changes in trial procedures set forth in protocols, differences in size 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 between earlier and later-phase clinical trials. Therefore, the results of planned clinical trials or other future clinical trials could be significantly different and other than as predicted, which could result in delays in the completion of clinical trials, regulatory approvals and commencement of commercialization of our candidates.

We may not be able to obtain regulatory approval for our product candidates in the United States and Japan in a timely manner, or at all.

We expect to submit the IND application to the FDA to directly start Phase III clinical trials for Pro-101-1 for the treatment of deep second-degree burns in the first quarter of 2026 and initiate the Phase III clinical trials in the U.S. in the first quarter of 2027. We expect to apply for pre-application consultation meeting with PMDA in the third quarter of 2026 to discuss our plan to commence a Phase III clinical trial for Pro-101-1 for the treatment of deep second-degree burns in Japan, and commence the Phase III clinical trial in the third quarter of 2027. In addition, we intend to submit IND filing in the U.S. and the CTN filing in Japan in the first quarter of 2027 and initiate the Phase III clinical trials for Pro-101-2 in both countries in the third quarter of 2027. Accordingly, a substantial amount of our proceeds from the Global Offering will be allocated to our clinical development plans in the U.S. and Japan.

Each of FDA and PMDA has specific and stringent requirements regarding clinical trial design, including patient eligibility criteria, endpoints, statistical analysis and safety monitoring. As of the Latest Practicable Date, apart from our communications with the FDA in December 2021 on the clinical plans of our Core Products in the U.S., we did not have any other communications with the FDA or PMDA. See "Business — Our Candidates — PDGF — Material Communications with Competent Authorities." Especially, we have not communicated with the FDA or PMDA on our Phase III clinical trial plans. As such, there can be no assurance that our trial protocols will meet their expectations or requirements, and we may be required to make substantial amendments

to our trial protocols, conduct additional studies or repeat clinical trials, which could lead to significant delays and increased costs. Regulatory authorities may also require additional preclinical or clinical data, which could result in the need to suspend or terminate ongoing trials, or to initiate new studies to address regulatory concerns. These requirements could significantly delay the development timeline for our Core Products, increase our development costs, and adversely affect our ability to bring our Core Products to market in a timely manner, or at all.

There can be no assurance that we will be able to resolve any regulatory issues in a timely manner, or at all, or that we will ultimately obtain the necessary approvals to market our product candidates in the United States or Japan. As a result, the substantial proceeds from the Global Offering allocated to these clinical development activities may not yield results as expected, should we fail to obtain regulatory approval or achieve commercialization in these markets. Any such outcome may have a material adverse effect on our business, financial condition, results of operations and prospects.

Our candidates may cause undesirable AEs or have other properties that could delay or affect the granting of regulatory approvals, limit the commercial profile of an approved label, or result in significant negative consequences following regulatory approval.

Although our candidates have not caused any SAEs for the time being, any AEs that may occur in subsequent phases could cause us or regulatory authorities to interrupt, delay or cease clinical trials and may result in a more restrictive label, delay in or denial of regulatory approval by the NMPA, the FDA or other comparable regulatory authorities, or a significant change in our clinical protocol or our development plan. Our trial results may reveal a high level of severity or prevalence of certain AEs. In particular, the use of PDGF drugs for wound healing, including but not limited to thermal burns and DFUs, may pose potential risks for patients with cancer. For example, Regranex is a PDGF drug, and according to its FDA-approved label, the benefits and risks should be carefully evaluated before prescribing it to patients with known malignancy. The use of growth factor drugs may be associated with various side effects, which could further complicate the clinical development and regulatory approval process. Any indication of severe side effects could significantly impact the market acceptance and adoption of our PDGF drug candidates, thereby affecting our business, financial condition, results of operations and prospects. In such an event, our trials could be suspended or terminated and the NMPA, the FDA or other comparable regulatory authorities could deny approvals, or order us to cease further development, of our candidates for any or all targeted indications. AEs related to our candidates may affect patient recruitment or the ability of enrolled patients to complete the trial and could result in potential liability claims. Any of these occurrences may significantly harm our reputation, business, financial condition, results of operations and prospects.

Additionally, if adverse reactions caused by any of our candidates after they receive regulatory approvals have been identified, it may lead to severe negative consequences, including the following:

- we may need to suspend marketing/commercialization of the candidate;
- regulatory authorities may withdraw their approvals of or revoke the licenses for the candidate;
- regulatory authorities may require additional warnings on the label;

- regulatory authorities may require us to implement a risk evaluation and mitigation strategy program, or restrict distribution of our drugs or otherwise impose burdensome implementation requirements on us;

- we may be required to conduct specific post-marketing studies; and

- we could be subject to litigation and held liable for harm caused to patients, and our reputation may suffer.

If our 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 candidates.

Before obtaining regulatory approvals for the commercialization of our candidates, we must conduct extensive clinical trials to demonstrate the safety and efficacy of our candidates in humans.

If the results of clinical trials of our candidates are not positive or only modestly positive for proposed indications, if our clinical trial analyses produce inconsistent results (especially, when the analysis of FAS and PPS indicates inconsistent statistical difference), or if the results of our clinical trials raise safety concerns, any or some of the following would occur:

- regulatory approvals for our candidates would be delayed or denied;

- we may be required to conduct additional clinical trials or other testing of our candidates beyond our current development plan;

- we may be required to add labeling statements, such as a "boxed" warning or a contraindication;

- we may be required to create a medication guide outlining the risks of the side effects for distribution to patients;

- we may be required to implement a risk evaluation and mitigation strategy program, including medication guides, doctor communication plans and other risk management tools with restricted distribution methods and patient registries;

- we may not be able to obtain regulatory approvals for all the proposed indications as intended;

- we may be subject to restrictions on how the drug is distributed or used;

- we may be sued or held liable for injury caused to individuals exposed to or taking our candidates;

- we may be unable to obtain reimbursement coverage for use of the drug from relevant health administrative authorities, private health insurers and other organizations; and

- conditional regulatory approval of our candidates may require us to conduct confirmatory studies to verify the predicted clinical benefit and additional safety studies. The results from such studies may not support the clinical benefit, which would result in the approval being withdrawn.

Having expended a significant amount of capital to progress our candidates, if such candidates fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or do not otherwise produce positive results in future clinical trials, we would not be able to realize any revenue on such candidates if they then or ultimately fail to receive regulatory approvals due to unsatisfactory clinical trial results, thereby materially and adversely affecting our business, financial condition, results of operations and prospects.

We may not be able to enhance our research and development platforms or develop new platforms as expected to advance the development of innovative biopharmaceutical products.

As of the Latest Practicable Date, we had established two major research and development platforms comprising a protein/peptide pharmaceutical platform and a nucleic acid pharmaceutical platform. We have devoted, and will continue to devote, significant resources to the building and enhancement of our research and development platforms. In addition, we may develop new platforms to supplement our existing technologies. There can be no assurance that we will be able to continually enhance our research and development platforms or develop new platforms as expected. As a result, we may not be able to further expand the reach of our product pipeline or enhance the efficacy of our candidates as expected, which may materially and adversely affect our business, results of operations and prospects.

We may be unable to identify, discover, develop or in-license new candidates, or to identify additional therapeutic opportunities for our candidates, to expand or maintain our product pipeline.

Although we mainly focus on the continued clinical testing, potential approvals and commercialization of our existing product candidates, the success of our business depends in part upon our ability to discover, identify, in-license, develop or commercialize additional product candidates. There can be no assurance that we will be successful in identifying potential candidates. Although we have developed research and development platforms, which we believe enable us to design, evaluate and select optimal candidates and continue to expand our pipeline, there can be no assurance that we will be successful in identifying, discovering, developing or in-licensing potential candidates in the future. Potential candidates that we identify may be shown to have side effects or other characteristics that make them unmarketable or unlikely to receive regulatory approvals. Some of such potential candidates may be technically challenging to develop and manufacture. We have also pursued collaboration with third parties in the discovery and development of potential candidates. However, there can be no assurance that such collaboration will be able to deliver the expected results.

Research programs to pursue the development of our candidates for additional indications and to identify new candidates and drug targets require substantial technical, financial and human resources. Our research programs may show promising results in identifying potential indications and/or candidates at an initial stage yet fail to yield favorable results for clinical development.

We may fail to discover, identify or in-license new candidates for clinical development and commercialization for a number of reasons, including those beyond our control. We may not be able to identify new candidates or additional therapeutic opportunities for our candidates or to develop suitable potential candidates through internal research programs. We may invest efforts and resources in potential candidates or other potential programs that ultimately prove to be unsuccessful. Any of the foregoing events will have a material adverse effect on our business, results of operations and prospects.

The data and information that we gather in our research and development process could be inaccurate or incomplete.

We collect, aggregate, process, and analyze data and information from our pre-clinical studies and clinical programs. Because data in the healthcare industry are fragmented in origin, inconsistent in format, and often incomplete, the overall quality of data collected or accessed in the healthcare industry are often subject to challenge, the degree or amount of data which is knowingly or unknowingly absent or omitted can be material, and we may discover data issues and errors when monitoring and auditing the quality of our data. If we make mistakes in the capture, input, or analysis of these data, our ability to advance the development of our product candidates may be materially harmed.

We also engage in the procurement of regulatory approvals necessary for the development and commercialization of our product candidates, for which we manage and submit data to governmental entities. These processes and submissions are governed by complex data processing and validation policies and regulations. Notwithstanding such policies and regulations, interim, top-line or preliminary data from our clinical trials that we announce or publish from time to time may change as more patient data become available and are subject to audit and verification procedures that could result in material changes in the final data, in which case we may be exposed to liability to a customer, court or government agency that concludes that our storage, handling, submission, delivery, or display of health information or other data was wrongful or erroneous. Even unsuccessful claims could result in substantial costs and diversion of management time, attention, and resources. A claim brought against us that is uninsured or under-insured could harm our business, financial condition and results of operations.

In addition, we rely on third-party collaborators, such as CROs, to monitor, quality control and manage data for some of our ongoing pre-clinical and clinical programs and control only certain aspects of their activities. If any of our CROs or other third-party collaborators does not perform to our standards in terms of data accuracy or completeness, data from those pre-clinical and clinical trials may be compromised as a result, and our reliance on these parties does not relieve us of our regulatory responsibilities. See "— Risks Relating to Our Reliance on Third Parties — We work with various third parties to develop our candidates and may have limited control over them. If these third parties fail to duly perform their contractual obligations or meet expected timelines, we may be unable to obtain regulatory approvals for, or commercialize, our candidates, and our business, financial condition and results of operations could be materially and adversely affected." Moreover, our internal computer systems and those of our third-party collaborators are vulnerable to damages from computer viruses and unauthorized access. Failure to manage such risks may materially and adversely affect our research and development process and our business. For details, see "— Risks Relating to Our Operations — Our internal computer systems, or those used by our partners or other contractors or consultants, may fail or suffer security breaches or other disruptions, which could adversely affect our business and reputation."

We may allocate our limited resources to pursue a particular product candidate or indication and fail to capitalize on product candidates or indications that may later prove to be more profitable or for which there is a greater likelihood of success.

Due to limited financial and managerial resources, we focus our product pipeline on product candidates that we identify for specific indications, and, as a result, we may forgo or delay pursuit of opportunities with other product candidates or for other indications that may later prove to have greater commercial potential or a greater likelihood of success. Our spending on current and future research and development programs and product candidates for specific indications may not yield any commercially viable products. If we do not accurately evaluate the commercial potential or target market for a particular product candidate, we may relinquish valuable rights to that product candidate through collaboration, licensing or other royalty arrangements in cases in which it would have been more advantageous for us to retain development and commercialization rights to such product candidate, or we may allocate internal resources to a product candidate in a therapeutic area in which it would have been more advantageous to enter into a partnering arrangement.

RISKS RELATING TO REGULATORY APPROVALS AND GOVERNMENT REGULATIONS

All material aspects of the research, development and commercialization of biopharmaceutical products are heavily regulated, and the approval process is usually lengthy, costly and inherently unpredictable. Any failure to comply with existing or future regulations and industry standards or any adverse actions by drug approval authorities against us could negatively impact our reputation and our business, financial condition, results of operations and prospects.

The development and commercialization of candidates are heavily regulated in various jurisdictions. While we focus on expanding our business in the PRC, we also consider development opportunities in the U.S., Japan and other jurisdictions. Under the strict regulations of the biopharmaceutical industry, regulatory authorities in various jurisdictions employ similar regulatory strategies which cover the development, approval, manufacturing, marketing, sales and distribution of products, including operations related to data and genetic information processing. However, certain regulatory regimes impose onerous compliance burdens upon companies that expect to expand into the relevant jurisdictions.

The process of obtaining regulatory approvals and maintaining compliance with applicable laws and regulations may require considerable expenditure of time and financial resources. Failure to comply with the applicable laws and regulations at any time or stage before or after approvals may lead to administrative penalties or judicial sanctions upon an applicant. Such penalties and sanctions may include, among other things, refusal to approve pending applications, withdrawal of an approval, revocation of a license, a hold on clinical trials, voluntary or mandatory recalls of products, the seizure of products, total or partial suspension of production or distribution, injunctions, fines, refusals of government contracts, restitution, and disgorgement of profits. Any of the foregoing events could materially and adversely affect our business, financial condition, results of operations and prospects.

In particular, we are subject to risks associated with obtaining regulatory approvals. Difficulties and failures in doing so may expose us to various harms, either actual or perceived. Granting, and the time in granting, regulatory approvals by the NMPA, the FDA, the PMDA and

other comparable regulatory authorities involve various factors. It generally takes several years to obtain regulatory approvals following the commencement of pre-clinical studies and clinical trials. In addition, laws and regulations, approval policies and requirements for clinical data may change during the clinical development process of a candidate and may vary among jurisdictions. There can be no assurance that we will be able to obtain regulatory approvals for our existing candidates or any candidates we may discover, identify, in-license or develop in the future.

In addition, the NMPA, the FDA, the PMDA or comparable regulatory authorities may require more information, including additional analyzes, reports, data, non-clinical studies and clinical trials, or questions regarding interpretations of data and results, to support approval, which may delay or prevent approval and our commercialization plans, or we may decide to abandon the development programs. Even if we were to obtain approval, regulatory authorities may approve any of our candidates for fewer or more limited indications than we request, grant approval contingent on the performance of costly post-marketing clinical trials, or approve a candidate with an indication that is not desirable for the successful commercialization of that candidate. Any of the foregoing scenarios could materially harm the commercial prospects of our candidates.

Changes in regulatory requirements and guidance may also occur, and we may need to amend clinical trial protocols submitted to applicable regulatory authorities to reflect these changes. Resubmission may impact the costs, timing or successful completion of a clinical trial. The policies of the NMPA, the FDA, the PMDA and other regulatory authorities may change and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of our candidates. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any regulatory approval that we may have obtained and we may not achieve or sustain profitability. Furthermore, AMMS is a co-sponsor of the IND application of Pro-101-2, but it has not been involved in the clinical research and related pharmaceutical research of Pro-101-2 pursuant to our agreements with AMMS. According to the Draft for Comments on the Implementation Regulations of the Drug Administration Law of the People's Republic of China (《中華人民共和國藥品管理法實施條例(修訂草案徵求意見稿)》), during the clinical trial phase of a drug candidate, the change of a sponsor must be approved by the NMPA. If necessary, a new IND approval should be obtained. The corresponding obligations and responsibilities of the clinical trial shall be assumed by the sponsor(s). Thus, should the AMMS be removed from the sponsors of Pro-101-2, we may face the potential results of delays in obtaining regulatory approval for Pro-101-2. Consequently, we are required to assume all corresponding obligations and responsibilities associated with the clinical trial of Pro-101-2.

Failure to obtain regulatory approvals as expected in a timely manner, or at all, or failure to obtain regulatory approvals with an ideal scope of indications could have a negative impact on the commercial prospects of our candidates, and may cause reputational damage to us.

We primarily conduct clinical trials for our candidates in China, while the FDA, the PMDA or comparable foreign regulatory authorities may not accept data from such trials.

We primarily conduct clinical trials for our candidates in China. However, we also consider conducting clinical trials for our candidates in other jurisdictions such as the U.S. and Japan. For example, we expect to submit the IND filing to the FDA in the first quarter of 2026 with respect to Pro-101-1 for the treatment of deep second-degree burns. The acceptance of trial data from clinical trials conducted outside the United States or another jurisdiction by the FDA or comparable

foreign regulatory authorities may be subject to certain conditions or may not be accepted at all. In cases where data from foreign clinical trials are intended to serve as the basis for marketing approval in the United States, the FDA will generally not approve the application for marketing approvals on the basis of foreign data alone unless (i) the data are applicable to the U.S. population and U.S. medical practice; (ii) the trials were performed by clinical investigators of recognized competence; and (iii) the data may be considered valid without the need for an on-site inspection by the FDA or, if the FDA considers such an inspection to be necessary, the FDA is able to validate the data through an on-site inspection or other appropriate means. Additionally, the FDA's clinical trial requirements, including sufficient size of patient populations and statistical powering, must be met. Many foreign regulatory authorities have similar approval requirements. In addition, such foreign trials would be subject to the applicable local laws of the foreign jurisdictions where the trials are conducted. There can be no assurance that the FDA or any comparable foreign regulatory authority will accept data from trials conducted outside of the United States or the applicable jurisdiction. If the FDA or any comparable foreign regulatory authority does not accept such data, it would result in the need for additional trials, which could be costly and time-consuming and delay our business plan, and may result in product candidates that we may develop not receiving approval for commercialization in the relevant jurisdiction.

We may seek approvals from the NMPA, the FDA, the PMDA, or other comparable regulatory authorities for an expedited review process for our candidates or for the use of data from registrational trials through accelerated development pathways, failure to obtain which may have a material adverse effect on our business, financial condition, results of operations and prospects.

The NMPA, the FDA and the comparable regulatory authorities in other jurisdictions may allow the use of data from a registrational trial and/or have implemented expedited review programs for candidates, among others, which are innovative drug applications, or which treat a serious or life-threatening condition and provide meaningful therapeutic benefit over available therapies upon a determination that the candidate demonstrates an effect on a surrogate endpoint or intermediate clinical endpoint which is reasonably likely to predict clinical benefit.

There can be no assurance that the regulatory authorities will consider our existing or future candidates as innovative drug applications or agree with our surrogate endpoints or intermediate clinical endpoints, or that we will decide to pursue or submit any additional NDAs or BLAs for accelerated approvals or any other form of expedited development, review or approvals. Similarly, there can be no assurance that, after receiving feedback from the regulatory authorities, we will continue to pursue or apply for accelerated approvals or any other form of expedited development, review or approvals, even if we initially decide to do so. Furthermore, for any submission of an application for accelerated approvals or application under another expedited regulatory designation, there can be no assurance that such submission or application will be accepted for filing, or that any expedited development, review or approvals will be granted on a timely basis, or at all.

Any failure to obtain accelerated approvals or any other form of expedited development, review or approvals for our candidates may result in a longer period of time prior to the commercialization of such candidate, an increase in the development expenses for such candidate and an adverse impact on our competitive position in the market.

In addition, if we obtain accelerated approvals of a candidate based on a surrogate endpoint, we will likely be required to conduct a post-approval clinical outcome trial to confirm the clinical benefit of the candidate. If the post-approval trial is not successful, we may not be able to continue marketing the drug for the relevant indication.

Any of the foregoing events could prevent us from achieving or maintaining market acceptance of any candidate that is approved and could materially and adversely affect our business, financial condition, results of operations and prospects. Moreover, potential combination therapy, such as using our candidates together with third-party agents, may involve unique AEs that could be exacerbated compared with AEs from monotherapies.

After we receive regulatory approvals for our candidates, we will be subject to ongoing regulatory obligations and continued regulatory review, which may result in significant additional expenses and penalties for non-compliance.

If any of our candidates receives regulatory approvals in the future, it will be subject to ongoing and additional regulatory requirements for manufacturing, labeling, packaging, storage, advertising, promotion, sampling, record-keeping, conduct of post-marketing studies, and submission of safety, efficacy, and other post-market information, including the requirements of regulatory authorities in the PRC, the U.S. and Japan and other jurisdictions.

Our candidates that have received regulatory approvals may be subject to conditions of approval or limitations on the approved indicated uses for which the drug may be marketed, or contain requirements for potentially costly post-marketing testing and surveillance to monitor the safety and efficacy of the candidate. The NMPA, the FDA or other comparable regulatory authorities may also require a risk evaluation and mitigation strategy program as a condition of approval of our candidates or following approval. If the NMPA, the FDA or other comparable regulatory authorities approve our candidates, we will have to comply with requirements, including submissions of safety and other post-marketing information and reports, registration, as well as continued compliance with cGMPs and GCPs, for any clinical trials that we conduct post-approval.

We are required to maintain and renew various approvals, licenses, permits and certificates from relevant authorities to operate our business pursuant to relevant laws and regulations. Any failure to maintain or renew any approvals, licenses, permits and certificates necessary for our operations may result in enforcement actions thereunder, including orders issued by the relevant regulatory authorities to take remedial actions, suspend our operations or bear fines and penalties which could materially and adversely affect our business, financial condition and results of operations. Furthermore, if the interpretation or implementation of existing laws and regulations changes or new regulations come into effect, we may be required to obtain any additional approvals, permits, licenses or certificates and there can be no assurance that we will be able to do so. Our failure to obtain the additional approvals, permits, licenses or certificates may restrict the conduct of our business, increase our costs, and in turn, adversely affect our results of operations and prospects.

In addition, after a drug is approved by the NMPA, the FDA or a comparable regulatory authority for marketing, there may be a subsequent discovery of problems with respect to our drug products which have not been identified previously, including problems with third-party manufacturers or manufacturing processes, or failure to comply with regulatory requirements. Such problems may result in, among other things: restrictions on the marketing or manufacturing of the

drug, withdrawal of the drug from the market, or voluntary or mandatory drug recalls; fines, warning letters or holds on our clinical trials; suspension or revocation of existing drug license approvals; and injunctions or the imposition of civil, administrative or criminal penalties. Any of the foregoing may materially and adversely affect our results of operations and prospects.

The NMPA, the FDA and comparable regulatory authorities strictly regulate the marketing, labeling, advertising and promotion of products that are placed on the market. Drugs may be promoted only for their approved indications and for use in accordance with the provisions of the approved label. The NMPA, the FDA and other comparable regulatory authorities 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. If we are not able to maintain regulatory compliance, we may lose the regulatory approvals that we have already obtained and may not achieve or sustain profitability, which in turn could have a material adverse effect on our business, financial condition, results of operations and prospects.

Negative results from off-label use of our future approved products and illegal and parallel imports and counterfeit biopharmaceutical products could materially harm our business reputation, product brand image and financial condition and expose us to liability.

If we successfully commercialize any of our candidates, such approved products distributed or sold in the biopharmaceutical market may be subject to off-label drug use. Off-label drug use is prescribing a product for an indication, dosage or in a formulation that is not in accordance with regulatory approved usage and labeling. Even though the NMPA, the FDA and other comparable regulatory authorities actively enforce the laws and regulations prohibiting the promotion of off-label use, there remains the risk that our candidate, upon regulatory approval, is subject to off-label drug use and is prescribed in a patient population, dosage or formulation that has not been approved by competent authorities. This occurrence may render our candidate, upon regulatory approval, less effective or entirely ineffective and may cause adverse drug reactions. Any of these occurrences can create negative publicity and significantly harm our business reputation, product brand image, commercial operations and financial condition. These occurrences may also expose us to liability and cause, or lead to, a delay in the progress of our clinical trials and may also ultimately result in failure to obtain regulatory approval for our candidates. The illegal and/or parallel imports and counterfeit pharmaceutical products may reduce demand for our candidates, upon regulatory approval, and could have a negative impact on our reputation and business.

In addition, the illegal importation of similar or competing products from countries where government price controls or other market dynamics result in lower prices may adversely affect the demand for our future approved candidates and, in turn, may adversely affect our sales and profitability in the PRC and other countries where we commercialize our products. Unauthorized foreign imports of prescription drugs are illegal under the current laws of the PRC. Furthermore, cross-border imports from lower-priced markets into higher-priced markets, which are known as parallel imports, could harm sales of our future drug products and exert commercial pressure on pricing within one or more markets. Furthermore, competent governmental authorities may expand consumers' ability to import lower-priced biosimilar products of our future approved products or competing products from outside China or other countries in which we expect to operate, conduct our clinical trials and perform our contractual obligations. Any future legislation or regulations

that increase consumer access to lower priced drugs from outside China or other countries in which we expect to operate, conduct our clinical trials and perform our contractual obligations could have a material adverse effect on our business.

Certain drug products distributed or sold may be manufactured without proper licenses or approvals or be fraudulently mislabeled with respect to their contents or manufacturers. These products are generally referred to as counterfeit pharmaceutical products. Relevant governmental authorities may be unable to timely prevent counterfeit pharmaceutical products imitating our products. As counterfeit pharmaceutical products in many cases resemble the authentic pharmaceutical products, yet are generally sold at lower prices, any counterfeiting of our products could reduce the demand for our future approved candidates. In addition, counterfeit pharmaceutical products are unlikely to meet our or our collaborators' rigorous manufacturing and testing standards, and may even cause health damage to patients. Our reputation and business could suffer as a result of counterfeit pharmaceutical products.

We may be directly or indirectly subject to applicable anti-kickback, false claims laws, doctor payment transparency laws, fraud and abuse laws or similar healthcare and security laws and regulations in the PRC, the U.S., Japan and other jurisdictions, which could, in the event of non-compliance, expose us to administrative sanctions, criminal sanctions, civil penalties, contractual damages, reputational damage and diminished profits and future earnings.

Healthcare providers, doctors and others play a primary role in the recommendation and prescription of any products for which we obtain regulatory approval. If we obtain the NMPA, the FDA or the PMDA approvals for any of our candidates and begin commercializing those drugs in the PRC, in the U.S., or Japan, our operations may be subject to various PRC and U.S. federal and state fraud and abuse laws, including the PRC Anti-Unfair Competition Law, PRC Criminal Law, the U.S. Federal Anti-Kickback Statute and the U.S. Federal False Claims Act, and doctor payment transparency laws and regulations which primarily include the U.S. Affordable Care Act and the U.S. Physician Payments Sunshine Act, as well as the related laws in Japan. These laws may impact, among others, our proposed sales, marketing and education programs.

In addition, we are subject to similar healthcare laws in other jurisdictions, some of which may be broader in scope than others and may apply to healthcare services reimbursed by any source, which may include not only governmental payers, but also private insurers. There are ambiguities as to what is required to comply with any of these requirements, and if we fail to comply with any such requirement, we could be subject to penalties.

Violations of fraud and abuse laws may be punishable by criminal and/or civil sanctions, including penalties, fines, exclusion or suspension from federal and state healthcare programs and being debarred from contracting with the U.S. government. In addition, private individuals have the ability to bring actions on behalf of the U.S. government under the Federal False Claims Act as well as under the false-claims laws of several states.

Law enforcement authorities are increasingly focusing on enforcing these laws, and some of our practices may be challenged under these laws. 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 adverse effect on our business and results of operations.

We are subject to registration, review and other requirements of the regulatory authorities for operations related to genetics and data safety.

Going forward, we may enter into agreements with CROs in the PRC, the U.S. and Japan for their technical support to assist us with the development of individual candidates, which may be deemed to constitute the import of technology under the regulations. As a result, such transfers are required to be registered with applicable PRC governmental authorities. Although there are no explicit penalties set forth in these regulations for lack of such registration, failure to register an agreement where such registration is required may result in restrictions concerning foreign exchange, banking and taxation matters relating to such agreements. In addition, we are also subject to regulatory supervision over genetics and data-related operations. According to the Administration of Human Genetic Resources (《人類遺傳資源管理條例》) promulgated in May 2019, as amended in March 2024 and effective in May 2024, Detailed Rules for the Implementation of the Regulation on the Administration of Human Genetic Resources (《人類遺傳資源管理條例實施細則》) promulgated in May 2023 and the PRC Biosecurity Law (《生物安全法》) promulgated in October 2020, 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 Ministry of Science and Technology. As the laws and regulations of this area are evolving, failure to comply with the relevant requirements may adversely affect our business, results of operations and prospects.

RISKS RELATING TO MANUFACTURING OF OUR CANDIDATES

We are exposed to various supply chain risks, and any price increases or interruptions of such supply may have a material adverse effect on our business.

Our business operations are exposed to various supply chain risks. During the Track Record Period, we relied on third parties to supply technical and other services, materials and equipment. We expect to continue to seek the cooperation with third parties on the supply of such services, materials and equipment for the research, development, manufacturing and commercialization of our candidates. See "Business — Research and Development — Engagement of Third Parties in Research and Development" and "Business — Procurement."

Currently, the services, materials and equipment are supplied by multiple source suppliers. We have agreements for the supply of services, materials and equipment with suppliers that we believe have sufficient capacity to meet our demands. However, if supplies are interrupted, we may not be able to find alternative supplies in a timely and commercially reasonable manner, or at all. Any disruption in production or the inability of our suppliers to produce adequate quantities to meet our needs could impair our operations and the research and development of our candidates. Moreover, we require a stable supply of materials for our candidates in the course of our research and development activities, and such needs are expected to increase significantly once we enter commercial production of drugs upon receipt of marketing approvals. However, there can be no

assurance that current suppliers have the capacity to meet our demand. Although we have taken and will continue to take measures to mitigate such risks, including cooperating with more suppliers, there can be no assurance that such measures are or will be effective. Any delay in receiving such materials in the quantities and of the quality that we need could delay the completion of our clinical studies, regulatory approvals of our candidates or our ability to timely meet market demand for our commercialized products, as applicable. Our suppliers may not be able to cater to our growing demands or may reduce or cease their supply of materials to us at any time. We are also exposed to the possibility of price increases, which we may not be able to pass on to customers and may, in turn, lower our profitability.

Our suppliers may also fail to maintain adequate quality of the services, materials and equipment we need. Although we implement quality inspection on the materials, there can be no assurance that we will be able to identify all of the quality issues. Suboptimal or even deficient supplies of services, materials and equipment may hinder the research and development of our candidates, subject us to product liability claims or otherwise have a material adverse effect on our operations.

In addition, there can be no assurance that these third parties will be able to maintain and renew all licenses, permits and approvals necessary for their operations or comply with all applicable laws and regulations. Failure to do so by them may lead to interruption in their business operations, which, in turn, may result in shortage of the services, materials and equipment supplied to us, and cause delays in clinical trials and regulatory filings, or the recall of our products. The non-compliance of these third parties may also subject us to potential product liability claims, cause us to fail to comply with the continuing regulatory requirements, and incur significant costs to rectify such incidents of non-compliance, which may have a material and adverse effect on our business, financial condition and results of operation.

Our manufacturing capacity may not be able to meet the increasing demand for our existing candidates and future drug products.

We currently work with qualified CMOs and CDMOs to manufacture product candidates for pre-clinical and clinical supply. We also cooperate with CDMOs in research and develop product candidates. As at the Latest Practicable Date, we were exploring effective strategies to initiate the large-scale production of our product candidates upon commercialization. Options under consideration include leasing production facilities, constructing our own manufacturing sites, and collaborating with CMOs to ensure GMP-compliant production of such candidates. If we were to construct our own production facilities, any delays in completing such facilities, or any disruption in the development of new facilities, could reduce or restrict our production capacity. We may also experience various unfavorable events in the course of developing our new manufacturing facilities, such as: unforeseen delays due to construction, land use rights or regulatory issues, which could result in loss of business opportunities; and difficulty in finding sufficient numbers of trained and qualified staff. See "Business — Manufacturing and Quality Control — Our Planned Manufacturing Capacities." Manufacturers of biological drug products often encounter difficulties in production, particularly in scaling up or out, validating the production process and assuring the high reliability of the manufacturing process. If our future manufacturing facilities encounter unanticipated delays and expenses as a result of any of these difficulties, or if construction, regulatory evaluation and/or approvals of new manufacturing facilities are delayed, we may not be able to manufacture sufficient quantities of our candidates, which would limit our development and commercialization activities.

In addition, depending on the size of our future manufacturing facilities, we may not be able to fully utilize them immediately or within a reasonable period of time after we commence operation. During the construction and ramp-up period, there may be significant changes in the biopharmaceutical industry, including, among other things, market demand, product and supply pricing, and customer preferences. Any adverse trends in these respects could result in operational inefficiency and excess capacity in our future manufacturing facilities, thereby having a material adverse effect on our business, financial condition, results of operations and prospects..

We have no experience in manufacturing biopharmaceutical products on a large commercial scale and our business could be materially and adversely affected if we encounter problems in manufacturing our future drug products.

As of the Latest Practicable Date, all of our products were in the research and development stage. We have limited experience in managing the manufacturing process. The manufacture of biopharmaceutical products is complex, in part due to strict regulatory requirements. If we are unable to identify an appropriate production site or a suitable partner to develop the manufacturing infrastructure, or fail to do so in a timely manner, it may lead to significant delays in the manufacturing of our candidates after we have obtained regulatory and marketing approvals. Investments in constructing or leasing new biologics manufacturing facilities which are in compliance with GMP regulations may result in significant cost for us and in turn would have a material adverse effect on our commercialization plans. We may also fail to attract and retain personnel with the requisite skills and experience for drug manufacturing.

In addition, problems may arise during the manufacturing process for a variety of reasons, including equipment malfunction, failure to follow specific protocols and procedures, problems with raw materials, delays in the construction of new manufacturing facilities or expansion of any future manufacturing facilities, changes in manufacturing production sites or limits to manufacturing capacity due to regulatory requirements, changes in the types of products produced, physical limitations that could inhibit continuous supply, and the occurrence of natural disasters. If problems arise during the production process of certain future products, a batch or even several related batches of such product may have to be discarded and cause production delays, cost increases, lost revenue and damage to customer relationships and our reputation. If problems have not been discovered before the relevant products are released to the market, we may incur additional costs in connection with product recalls and product liability, which may have a material adverse effect on our business, financial condition, results of operations and prospects.

Any failure to perform proper quality control and quality assurance during manufacturing upon commercialization of our product candidates would have a material adverse effect on our business and financial results.

Manufacturing of biopharmaceutical products for commercial sale are subject to applicable laws, regulations and GMP requirements that govern the manufacturing processes and procedures. We intend to adopt stringent quality control standards at every stage of our manufacturing process not only to fulfill the legal requirements but to ensure a high-quality output. Apart, we intend to perform extensive tests throughout the manufacturing processes to ensure the safety and effectiveness of our biopharmaceutical products. However, there can be no assurance that such standards or tests when implemented or carried out will be effective. We may, however, detect instances in which an unreleased product was produced without adherence to our manufacturing procedures or the raw material used in our manufacturing process was not collected to store in

accordance with the GMP standards or other regulations, resulting in a determination that the implicated products should be destroyed. In addition, if we fail to comply with relevant quality control requirements under any laws or GMP, we could experience disruptions in manufacturing of our biopharmaceutical products, which could delay or prevent further sales of such products, and may result in material adverse effect on our business and financial results.

Quality issues may also arise during the large volume manufacturing process. If we are unable to maintain the consistent and high-quality manufacturing of our biopharmaceutical products after commercialization during large-volume manufacturing, the sales of our products may be interrupted and adversely impacted. In addition, cross-contamination could result from manufacturing activities at shared equipment and facilities, which are common. Other activities such as diagnosis and research are frequently linked to manufacturing, which may create opportunities for cross-contamination. Furthermore, improper actions during the long-distance transportation, storage and delivery services may also result in contamination. These could have a material adverse effect on our business and financial results.

RISKS RELATING TO COMMERCIALIZATION OF OUR CANDIDATES

Our candidates may fail to achieve the degree of market acceptance by doctors, patients, third-party payers, hospitals, and others in the medical community, necessary for commercial success.

Even if our candidates receive regulatory approvals and as innovative candidates, have various advantages compared to traditional therapies, they may nonetheless fail to achieve satisfactory market acceptance by doctors, patients, third-party payers, hospitals or others in the medical community. If our candidates do not achieve an adequate level of acceptance, the commercialization of such candidates may become less successful or profitable than we had expected.

If our candidates are approved but fail to achieve market acceptance among doctors, patients, third-party payers, hospitals or others in the medical community, we will not be able to generate significant revenue or become profitable. Even if our drugs achieve market acceptance, we may not be able to maintain such market acceptance over time if new products or technologies are introduced which are more favorably received or more cost-effective than our drugs or render our drugs obsolete, which may have a material adverse effect on our business, financial condition, results of operations and prospects.

We have limited experience in launching and marketing candidates. If we are unable to effectively build and manage our sales network or benefit from the sales networks of third-party collaborators, we may be unable to generate any revenue.

We currently have no sales, marketing or commercial product distribution capabilities and have limited marketing experience. We intend to develop an in-house marketing team and sales force, which requires significant capital expenditure, management resources and time. We expect to compete with other biopharmaceutical companies to recruit, hire, train and retain marketing and sales personnel.

If we are unable to establish internal sales, marketing and commercial distribution capabilities, we may consider pursuing collaborative arrangements with third parties regarding the sales and marketing of our candidates. However, 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, that such arrangements will provide sufficient and effective sales support. We will also face competition in the search for third parties to assist us with the sales and marketing efforts of our candidates.

There can be no assurance that we will be able to successfully develop in-house sales and commercial distribution capabilities or establish or maintain relationships with third-party collaborators to satisfactorily commercialize any product, and, as a result, we may not be able to generate product sales revenue.

Even if we are able to commercialize any approved candidates, reimbursement may be limited or not immediately available in the PRC, the U.S., Japan or other countries for our candidates, and we may be subject to unfavorable pricing regulations, which may affect our profitability.

The regulations that govern regulatory approvals, pricing and reimbursement for new therapeutic products vary widely from country to country. Some countries require approvals of the sale price of a drug before marketing. In many countries, the pricing review period commences after marketing or licensing approvals are granted. In some markets, prescription pharmaceutical pricing remains subject to continuing governmental control even after initial approvals are granted. In addition, drug pricing policies are constantly changing in many countries. As a result, we might obtain regulatory approvals for a drug in a particular country, but then be subject to price regulations that delay our commercial launch of the drug and negatively impact the revenue we are able to generate from the sale of the drug in that country. Adverse pricing limitations may hinder our ability to recoup our investment in one or more candidates, even if our candidates obtain regulatory approvals.

The successful commercialization of our candidates also depends on the extent to which reimbursement for these candidates and related treatments will be available from relevant health administrative authorities, private health insurers and other organizations. Governmental authorities and third-party payers, such as private health insurers and healthcare organizations, decide which medications they will pay for and stipulate reimbursement levels. With the trend of cost containment in the global healthcare industry, governmental authorities and third-party payers have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications. There is an increasing number of third-party payers requiring companies to provide them with predetermined discounts from list prices and challenging the prices charged for medical products. There can be no assurance as to whether or to what extent reimbursement will be available for any candidate we commercialize. Reimbursement may impact the demand for, or the price of, any candidate for which we obtain regulatory approvals. Obtaining reimbursement for our candidates may be particularly difficult because of the higher prices often associated with drugs administered under the supervision of a doctor. If reimbursement is not available or is available only to limited levels, we may not be able to successfully commercialize any candidate that we have developed.

There may be significant delays in obtaining reimbursement for approved candidates, and coverage may be more limited than the indications and purposes for which the candidates are approved by the NMPA, the FDA or other comparable regulatory authorities. Moreover, eligibility

for reimbursement does not imply that any drug will be paid for in all cases or at a rate that covers our costs, including research, development, manufacture, sale and distribution. Interim payments for new drugs, if applicable, may also not be sufficient to cover our costs and may be subject to change. Payment rates may vary according to the use of the drug and the clinical setting in which it is used, may be based on payments allowed for drugs with lower cost that have been covered in reimbursement policies, and may be incorporated into existing payments for other services. Net prices for drugs may be reduced by mandatory discounts or rebates required by governmental healthcare programs or private payers and by any future lift or relaxation of laws and regulations that presently restrict imports of drugs from countries where they may be sold at lower prices than in the jurisdictions in which we operate or have a presence. Our inability to promptly obtain coverage and profitable payment rates from both government-funded and private payers for any future approved candidates and any new candidates that we develop could have a material adverse effect on our business, financial condition, results of operations and prospects.

If safety, efficacy, supply shortages or other issues arise with any medical product that is used in combination with our candidates, we may be unable to market such drug candidate or may experience significant regulatory delays, which could have a material adverse effect on our business.

We may develop certain of our candidates for use as combination therapies. Combination therapy development carries a higher risk of failure compared to single agent development due to greater risk of combined drug toxicity as well as lower efficacy due to drug-drug interactions as well as toxicity limitations on efficacy. The development risks of failure are even higher if both agents are investigational. There are additional regulatory requirements for combination development to ensure patient safety during development, including the requirement for separate combination IND review and the trial designs which are also more complex and require close monitoring. If the NMPA, the FDA or another comparable regulatory agency revokes its approval of any therapy we use in combination with our candidates, we will not be able to market our candidates in combination. If safety or efficacy issues arise with these or other therapies that we seek to combine with our candidates in the future, we may experience significant regulatory delays, and we may be required to redesign or terminate the relevant clinical trials.

In addition, our candidates may be administered in combination with drugs of other biopharmaceutical companies as one regimen. We generally can not control the availability and pricing of such drugs. If other biopharmaceutical companies discontinue these combination drugs, or if these drugs become prohibitively expensive, regimens that use these combination drugs may no longer be prescribed, and we may not be able to introduce or find an alternative drug to be used in combination with our drugs in a timely manner and on commercially reasonable terms, or at all. As a result, demand for our drugs may be lowered, which would in turn materially and adversely affect our business, financial condition, results of operations and prospects.

The market opportunities for our candidates may be smaller than we anticipate, or limited to those patients who are ineligible for or have failed prior treatments, and our estimates of the prevalence of our target patient populations may be inaccurate.

We estimate the incidence and prevalence of target populations for particular diseases based on various third-party sources, such as scientific literature, surveys of clinics, participants foundations or market research, as well as internally generated analysis, and we use such estimates in making decisions regarding our pipeline development strategy, including determining on which

candidates to focus our resources for pre-clinical or clinical trials. These estimates may be inaccurate or based on imprecise data. The total addressable market opportunity will depend on, among other things, acceptance of the candidates by the medical community and consumer access, product pricing and reimbursement.

The number of patients in the addressable markets may turn out to be lower than expected, patients may not be amenable to treatment with our candidates, or new candidates may become increasingly difficult to identify or access. Furthermore, new studies may change the estimated incidence or prevalence of the diseases that our candidates target, and the number of addressable patients for our candidates in any case may turn out to be lower than expected. In such cases, even if we obtain significant market share for our candidates, because the potential target populations are small, we may never achieve profitability without obtaining regulatory approval for additional diseases. Any of the above unfavorable developments could have a material adverse effect on our business, financial condition and results of operations.

RISKS RELATING TO OUR INTELLECTUAL PROPERTY RIGHTS

If we are unable to obtain and maintain patent and other intellectual property protection for our candidates, or if the scope of such intellectual property rights obtained is not sufficiently broad, third parties could develop and commercialize products and technologies similar or identical to ours and compete directly against us, and our ability to successfully commercialize any product or technology may be adversely affected.

Our commercial success depends, to a certain extent, on our ability to protect our technology and candidates from competition by obtaining, maintaining, defending and enforcing our intellectual property rights, including patent rights. See "Business — Intellectual Property Rights." We seek to protect our candidates and technology that we consider commercially important by filing patent applications in the PRC and other relevant jurisdictions, relying on a combination of trade secrets and regulatory protection methods. This process is expensive and time-consuming, and we may not be able to file and prosecute all necessary or desirable patent applications in all jurisdictions in a timely manner. It is also possible that we will fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection. Moreover, we 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. Even if we decide to seek patent protection, we cannot be certain that patents will be issued or granted with respect to our patent applications that are currently pending, or that issued or granted patents will not later be found to be invalid and/or unenforceable, be interpreted in a manner that does not adequately protect.

The patent position of biotechnology and pharmaceutical companies generally is highly uncertain, involves complex legal and factual questions and has in recent years been frequently litigated. The issuance, scope, validity, enforceability and commercial value of our patent rights are highly uncertain. Our pending and future patent applications may not be granted with approvals which effectively prevent third parties from commercializing competitive technologies and biosimilar candidates. The patent examination process may require us to narrow the scope of the claims of our pending and future patent applications, which may limit the scope of patent protection that could be obtained. There can be no assurance that all of the potentially relevant prior art relating to our patents and patent applications has been found. If such prior art exists, it can invalidate a patent or prevent a patent application from being granted with a patent.

Even if patents do issue on any of these applications, there can be no assurance that a third party will not challenge their validity, enforceability, or scope, which may result in the patent claims being narrowed or invalidated, or that we will obtain sufficient claim scope in those patents to prevent a third party from competing successfully with our candidates. We may become involved in interference, *inter partes* review, post grant review, *ex parte* reexamination, derivation, opposition or similar proceedings challenging our patent rights or third-party patent rights. An adverse determination in any such proceeding could reduce the scope of, or invalidate, our patent rights, allow third parties to commercialize our technology or candidates and compete directly with us, or result in our inability to manufacture or commercialize candidates without infringing third-party patent rights. Thus, even if our patent applications issue as patents, they may not issue in a form that will provide us with any meaningful protection, prevent competitors from competing with us or otherwise provide us with any competitive advantage. In addition, our competitors may develop biosimilar or competing drug products using the same specific sequence directed by our patents. We may not be able to identify such infringement.

Our competitors may be able to circumvent our patent issuance by developing similar or alternative technologies or candidates in a non-infringing manner. The issuance of a patent is not conclusive as to its scope, validity or enforceability, and our patents may be challenged in the courts or patent offices in any jurisdictions. Such challenges may result in patent claims being narrowed, invalidated or held unenforceable, which could limit our ability to stop or prevent us from stopping others from using or commercializing similar or identical technology and candidates, or limit the duration of the patent protection of our technology and candidates.

Changes in either the patent laws or interpretation of the patent laws in the U.S. and other countries may diminish the value of our patents or narrow the scope of our patent protection. For example, after March 2013, under the Leahy-Smith America Invents Act ("**Leahy-Smith Act**"), the U.S. transitioned to a first-to-file system in which, assuming that the other statutory requirements for patentability are met, the first inventor to file a patent application will be entitled to the patent on an invention regardless of whether a third party was the first to invent the claimed invention. Publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the U.S. and other jurisdictions are typically not published until 18 months after filing, or in some cases are not published at all. Therefore, we cannot be certain that we were the first to make the inventions claimed in our patents or pending patent applications, or that we were the first to file for patent protection of such inventions.

We enjoy only limited geographical protection with respect to certain patents and may not be able to protect our intellectual property rights throughout the world, including in the PRC.

Filing and prosecuting patent applications and defending patents covering our candidates in all countries across the world could be prohibitively expensive. Competitors may use our technologies in jurisdictions in which we have not obtained patent protection to develop their own candidates and may export otherwise infringing candidates to territories, including the PRC, where we have patent protection, given that the levels of law enforcement vary across jurisdictions. These candidates may compete with our candidates, and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

The laws of some jurisdictions do not protect intellectual property rights to the same extent as the laws or rules and regulations in the U.S. and Europe, and many companies have encountered significant difficulties in registering, protecting and defending such rights in the relevant

jurisdictions. Furthermore, the legal systems of certain jurisdictions, particularly certain developing countries, do not favor the enforcement of patents, trade secrets and other intellectual property protection, which could make it difficult for us to prevent the infringement of our patents or marketing of competing candidates in violation of our proprietary rights generally. Proceedings to enforce our patent rights in other jurisdictions, whether or not successful, could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly, and our patent applications at risk of not issuing as patents, and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license. Furthermore, while we intend to protect our intellectual property rights in our expected significant markets, there can be no assurance that we will be able to initiate or maintain similar efforts in all jurisdictions in which we may expect to market our candidates. If we encounter difficulties in protecting, or are otherwise precluded from effectively protecting, the intellectual property rights important for our business in such jurisdictions, the value of these rights may be diminished, and we may face additional competition from others in those jurisdictions.

Some countries also have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. In addition, some countries limit the enforceability of patents against government agencies or government contractors. In those countries, the patent owner may have limited remedies, which could materially diminish the value of such patents. If we are forced to grant a license to third parties with respect to any patents relevant to our business, our competitive position may be impaired.

Even if we are able to obtain patent protection for our candidates, the term of such protection, if any, is limited, and third parties could develop and commercialize products and technologies similar or identical to ours and compete directly against us after the expiration of our patent rights, if any, and it would have a material adverse effect on our ability to successfully commercialize any product or technology.

Although various adjustments and extensions may be available, the term of a patent, and the protection it affords, is limited. For example, the expiration of a patent is generally 20 years for invention in the PRC 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. As of the Latest Practicable Date, with respect to our Core Products, we had filed five patent applications, currently under review. We had (i) one registered patent that expired in July 2024 with respect to our Core Products, which concerns a recombinant human platelet-derived growth factor and its encoding gene and expression method; and (ii) one registered patent that expired in November 2025 with respect to our Pro-101-3 pipeline, which concerns a recombinant human platelet-derived growth factor gel. See "Business — Intellectual Property Rights." While we have implemented a number of measures such as making patent applications as to our Core Products in unpatented indications and techniques and filing PCT applications to continually protect our intellectual property rights, there can be no assurance as to the effectiveness of such measures. Upon the expiration of our granted patents or patents that may be granted from our pending patent applications, we will not be able to assert such patent rights against potential competitors, which may have an adverse effect on our business, financial condition, results of operations and prospects. Even if we successfully obtain patent protection for an approved candidate, it may face competition from generic or

biosimilar products once the relevant patent has expired. The scope of our patent protection may be uncertain, and our current or any future patents may be challenged by competitors and invalidated even after issuance, and we may not be successful in enforcing or defending those intellectual property rights and, as a result, may not be able to develop or market the relevant product exclusively, which would have a material adverse effect on any potential sales of that product.

Given the amount of time required for the development, testing and regulatory review of new candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. As a result, our patents and patent applications may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours. Moreover, our patents and patent applications may in the future have co-holders that are third parties. If we are unable to obtain an exclusive license to any such third-party co-holders' interest in such patents or patent applications, such co-holders may be able to license their rights to other third parties, including our competitors, and our competitors could market competing products and technology. In addition, we may need the cooperation of any such co-holders of our patents in order to enforce such patents against third parties, and such cooperation may not be provided to us. Any of the foregoing events could have a material adverse effect on our competitive position, business, financial condition, results of operations and prospects.

Our patents and other intellectual property may be subject to further priority disputes or to inventorship disputes and similar proceedings. If we are unsuccessful in any of these proceedings, we may be required to obtain licenses from third parties, or to modify or cease the development, manufacture and commercialization of one or more of the candidates we may develop, which could have a material adverse effect on our business, financial condition and results of operations.

We may be subject to claims that former employees, collaborators or other third parties have an interest in our owned patents or other intellectual property as an inventor or co-inventor. If we are unsuccessful in any interference proceedings or other priority or validity disputes (including any patent oppositions) to which we are subject, we may lose valuable intellectual property rights through the loss of one or more of our patents or our patent claims may be narrowed, invalidated, or held unenforceable. In addition, if we are unsuccessful in any inventorship disputes to which we are subject, we may lose valuable intellectual property rights, such as the exclusive ownership of, or exclusive right to use, our patents. If we are unsuccessful in any interference proceeding or other priority or inventorship dispute, we may be required to obtain and maintain licenses from third parties. 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 modify or cease the development, manufacture, and commercialization of one or more of our 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 events could result in a material adverse effect on our business, financial condition, results of operations and 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.

We may also engage third-party collaborators, including CROs, to assist us with the research and development of our candidates. There can be no assurance that such collaborators will not transfer the candidates to other third parties without our permission. Such unauthorized transfer may also result in the loss or restriction of our intellectual property rights and therefore limit our ability to develop, manufacture and commercialize the candidates.

Claims that our candidates or the sale or use of our future products infringe, misappropriate or otherwise violate the patents or other intellectual property rights of third parties could result in substantial legal costs and may lead to unfavorable publicity which may harm our reputation and business, and any unfavorable outcome of such litigation could limit our research and development activities and/or our ability to commercialize our candidates.

Our candidates or the sale or use of our future products could in the future infringe, misappropriate or otherwise violate third-party patents or other intellectual property rights. Third parties might allege that we are infringing their patent rights or that we have misappropriated their trade secrets, or that we are otherwise violating their intellectual property rights, whether with respect to the manner in which we have conducted our research, or with respect to the use or manufacture of the compounds we have developed or are developing. Litigations relating to patents and other intellectual property rights in the biopharmaceutical industry are common, including patent infringement lawsuits. The various markets in which we plan to operate are subject to frequent and extensive litigation regarding patents and other intellectual property rights. Some claimants may have substantially greater resources than us and may be able to sustain the costs of complex intellectual property litigation to a greater degree and for longer periods of time than we could. Third parties might resort to litigation against us or other parties we have agreed to indemnify, which litigation could be based on either existing intellectual property or intellectual property that arises in the future.

It is also possible that we failed to identify, or may in the future fail to identify, relevant patents or patent applications held by third parties that cover our candidates. Publication of discoveries in the scientific or patent literature often lags behind actual discoveries. Therefore, we cannot be certain that we were the first to invent, or the first to file patent applications on, our candidates or for their uses, or that our candidates will not infringe granted patents or patents that are granted in the future. In the event that a third party has also filed a patent application covering one of our candidates or a similar invention, our patent application may be regarded as a competing application and may not be approved in the end. Additionally, pending patent applications that have been published can, subject to certain limitations, be later amended in a manner that could cover our products or their use.

If a third party were to assert claims of patent infringement against us, a court of competent jurisdiction could hold that these third-party patents are valid, enforceable and infringed, and the holders of any such patents may be able to block our ability to commercialize the applicable product unless we obtained a license under the applicable patents, or until such patents expire or are finally determined to be invalid or unenforceable. Similarly, if any third-party patents were held by a court of competent jurisdiction to cover aspects of our compositions, formulations, or methods of treatment, prevention, or use, the holders of any such patents may be able to block our ability to develop and commercialize the applicable product unless we obtained a license or until such patent expires or is finally determined to be invalid or unenforceable. In addition, defending such claims would cause us to incur substantial expenses and could cause us to pay substantial damages, if we are found to be infringing third-party patent rights. In order to avoid or settle

potential claims with respect to any patent or other intellectual property rights of third parties, we may choose or be required to seek a license from a third party and be required to pay license fees or royalties or both, which could be substantial and may not be available on acceptable terms, or at all. Even if we were able to obtain a license, the rights may be non-exclusive, which could result in our competitors gaining access to the same intellectual property. Ultimately, we could be prevented from commercializing a candidate, or be forced, by court order or otherwise, to modify or cease some or all aspects of our business operations, if, as a result of actual or threatened patent or other intellectual property claims, we are unable to enter into licenses on commercially acceptable terms.

Defending against claims of patent infringement, misappropriation of trade secrets or other violations of intellectual property rights could be costly and time-consuming, regardless of the outcome. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. Thus, even if we were to ultimately prevail, or to settle at an early stage, such litigation could burden us with substantial unanticipated costs.

During the course of any intellectual property litigation, there could be public announcements of the results of hearings, rulings on motions, and other interim proceedings in the litigation. If securities analysts or investors regard these announcements, or the announcement of the litigation, as negative, the perceived value of our candidates, future drugs, programs or intellectual property could be diminished. Accordingly, the market price of our Shares may decline. Such announcements could also harm our reputation or the market for our candidates, which could have a material adverse effect on our business. In addition, the uncertainties associated with litigation could have a material adverse effect on our ability to raise the funds necessary to conduct our clinical trials, or enter into strategic partnerships that would help us bring our candidates to market.

Obtaining and maintaining our patent protection depends on compliance with various procedures, document submission, fee payment and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non-compliance with these requirements.

Periodic maintenance fees, renewal fees, annuity fees and various other governmental fees on patents and patent applications are due to be paid to the CNIPA, the USPTO and other patent agencies in other jurisdictions in several stages over the lifetime of a patent. The CNIPA, the USPTO and other governmental patent agencies also require compliance with a number of procedural, documentary, and other similar provisions during the patent application process. Although an inadvertent lapse can in many cases be cured by 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, loss of priority 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, nonpayment of fees, and failure to properly legalize and submit formal documents. In any such event, our competitors or other third parties might be able to enter the market, which would have a material adverse effect on our competitive position, business, financial condition, results of operations and prospects.

Changes in patent laws of the PRC, the U.S. or other jurisdictions could reduce the value of patents in general, thereby impairing our ability to protect our candidates and future drugs.

Our success depends on obtaining, maintaining, enforcing and defending intellectual property, particularly patents. Obtaining and enforcing patents in the biopharmaceutical industry involves technological and legal complexity and obtaining and enforcing pharmaceutical and biopharmaceutical patents is costly, time-consuming and inherently uncertain. Changes in either the patent laws or their interpretation in the PRC, the U.S. or other jurisdictions may increase the uncertainties and costs surrounding the prosecution of our patents, diminish our ability to protect our inventions, obtain, maintain, defend, and enforce our intellectual property rights and, more generally, affect the value of our intellectual property or narrow the scope of our patent rights.

In the PRC, intellectual property laws are constantly evolving, with efforts being made to improve intellectual property protection. For example, the new PRC Patent Law was amended on October 17, 2020 and became effective on June 1, 2021. The new PRC Patent Law will introduce patent extensions to eligible innovative drug patents, and the patents owned by third parties may be extended, which may in turn affect our ability to commercialize our candidates. The new PRC Patent Law enables the patent owners to apply for a patent term extension. The compensation period shall not exceed five years, and the total validity period of patent rights for a new drug shall not exceed 14 years after the new drug is approved for marketing. If we are required to delay commercialization for an extended period of time, technological advances may develop and new products may be launched, which may in turn render our products noncompetitive. There can be no assurance that any other changes to PRC intellectual property laws would not have an adverse effect on our intellectual property protection.

Recently enacted U.S. laws have changed the procedures through which patents may be obtained and by which the validity of patents may be challenged. For example, the Leahy-Smith Act includes a number of significant changes to U.S. patent law. These changes include provisions that affect the way patent applications are prosecuted, redefine prior art, and provide more efficient and cost-effective avenues for competitors to challenge the validity of patents, among other things. Recent U.S. Supreme Court rulings have also changed the law surrounding patent eligibility, narrowed the scope of patent protection available in certain circumstances and weakened the rights of patent owners in certain situations. In addition to increasing uncertainty with regard to our ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents once obtained, if any. Depending on decisions by the U.S. Congress, the federal courts and the USPTO, the laws and regulations governing patents could change in unpredictable ways that could weaken our ability to obtain new patents or to enforce patents that we might obtain in the future, thereby impacting the value of our patent rights and our ability to protect, defend and enforce our patent rights in the future, as well as on our competitive position, business, financial condition, results of operations and prospects.

If we are unable to protect our trade secrets, confidential information or other intellectual properties, our business and competitive position would be harmed. We may be subject to claims that our employees, consultants or advisors have wrongfully used or disclosed alleged trade secrets of their former employers, and we may be subject to claims asserting ownership of what we regard as our own intellectual property.

In addition to our granted patents and pending patent applications, we rely on a combination of trade secrets and confidential information, including unpatented know-how, technology and other proprietary information, to maintain our competitive position and to protect our candidates. We seek to protect our trade secrets and confidential information, in part, by entering into confidentiality agreements with parties that have access to trade secrets or confidential information, such as our employees, corporate collaborators, outside scientific collaborators, sponsored researchers, contract manufacturers, consultants, advisors and other third parties that have access to them. However, we may not be able to prevent the unauthorized disclosure or use of our trade secrets and confidential information by the parties to these agreements. Monitoring unauthorized use and disclosure is difficult and we do not know whether the steps we have taken to protect our proprietary rights will be effective. Any of the foregoing parties may breach or violate the terms of their agreements with us and may disclose our proprietary information or otherwise infringe our rights, and we may not be able to obtain adequate remedies for any such breach or violation. We could lose our trade secrets and third parties could use our trade secrets to compete with our candidates and technology. Additionally, there can be no assurance that we have entered into all necessary agreements with each party that may have or 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, and the outcome is unpredictable. In addition, if any of our trade secrets were to be lawfully obtained or independently developed by a competitor or other third party, we would have no right to prevent them from using that technology or information to compete with us and our competitive position would be harmed.

Many of our employees, including our senior management, may have been previously employed at other pharmaceutical or biopharmaceutical companies, including our competitors or potential competitors. Although we try to ensure that our employees, consultants, and advisors do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we or these employees have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such individual's former employer or, in the case of consultants and advisors, other companies for which they currently work. We are not aware of any threatened or pending claims related to these matters or concerning the agreements with our senior management that are material to the Group, but in the future, litigation may be necessary to defend against such claims. If we fail in defending any such claims, in addition to paying damages, we may lose valuable intellectual property rights or be required to obtain licenses to such intellectual property rights, which may not be available on commercially reasonable terms, or at all. An inability to incorporate such intellectual property rights would harm our business and may prevent us from successfully commercializing our candidates. In addition, we may lose personnel as a result of such claims and any such litigation or the threat thereof may have an adverse effect on our ability to hire employees or contract with independent contractors. A loss of key personnel or their work product could hamper or prevent our ability to commercialize our candidates and technology, which would have a material adverse effect on our business, financial

condition, results of operations and prospects. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to our management and other employees.

Furthermore, even when we obtain agreements assigning intellectual property to us, the assignment of intellectual property rights may not be self-executing, or the assignment agreements may be breached, each of which may result in claims by or against us related to the ownership of such intellectual property to determine the ownership of what we regard as our intellectual property. In addition, individuals executing agreements with us may have pre-existing or competing obligations to a third party, such as an academic institution, and thus an agreement with us may be ineffective in perfecting ownership of inventions developed by that individual. If we fail in prosecuting or defending any such claims, in addition to paying damages, we may lose valuable intellectual property rights. Even if we are successful in prosecuting or defending any of the foregoing claims, litigation could result in substantial costs and be a distraction to our management and scientific personnel.

In addition, we may in the future be subject to claims by former employees, consultants or other third parties asserting an ownership right in our patents or patent applications as well as other intellectual properties. An adverse determination in any such submission or proceeding may result in loss of exclusivity or freedom to operate, patent claims being narrowed, invalidated or held unenforceable, which could limit our ability to stop others from using or commercializing similar candidates or technology without payment to us or could limit the duration of protection covering our candidates and technology. Such challenges may also result in our inability to develop, manufacture or commercialize our candidates without infringing third-party rights. Especially, we have conducted a freedom-to-operate analysis ("**FTO Analysis**") for rhPDGF-BB drugs in China, the U.S. and Japan, respectively. Based on the FTO Analyses, as of the Latest Practicable Date, we are not aware of any issued patents that may affect our rights to conduct R&D or commercialize rhPDGF-BB drugs in China, the U.S. or Japan. However, the potential scope of an FTO investigation can be immense and all patent databases used in such investigations have limitations. We cannot guarantee that our FTO searches and analysis have exhaustively reviewed all the existing and future patents that potentially cover our products. In light of our commercialization plan in the United States and Japan, we may face the risks of unanticipated patent infringement in the US and Japan, which could lead to costly litigation, injunctions, or the need to redesign products to avoid infringing existing patents. Also, the United States has a distinct and complex patent landscape, and patents that are not present or enforceable in China may be active and enforceable in the United States. Failure to identify and address these patents could result in substantial financial liabilities and disrupt our market entry strategy. In addition, if the breadth or strength of protection provided by our patents and patent applications is threatened, it could dissuade companies from collaborating with us to license, develop or commercialize current or future candidates. Any of the foregoing events could have a material adverse effect on our competitive position, business, financial condition, results of operations and prospects.

If our trademarks and trade names are not adequately protected, we may not be able to build brand recognition in our markets of interest which may have an adverse effect on our business.

We currently own granted trademark registrations, and may file trademark applications as needed in the ordinary course of business, any of which may be the subject of a governmental or third-party objection, which could prevent the registration or maintenance of the same. In

particular, we do not currently own any granted trademark registrations of "B&K," "B&K Corporation," "華芯" or "華芯生物" in Mainland China, and accordingly our use of business names "B&K," "B&K Corporation," "華芯" or "華芯生物" is not adequately protected. In fact, there is a prior registration of the "華芯" trademark held by a third party in Mainland China. As of the same date, we had registered the "B+K" and "华芯" trademarks in Hong Kong. Alternatively, we may negotiate with the third party that holds the "華芯" trademark in Mainland China for potential trademark transfer arrangements, which could lead to additional costs to us and thus adversely affect our results of operations and financial condition. We may also apply for new trademarks and operate under such trademarks upon registration, and if we are unable to complete such trademark registrations in a timely manner, our commercialization plans may be adversely affected.

There can be no assurance that any trademark applications we may file in the future will be approved. During trademark registration proceedings, we may receive rejections and, although we are given an opportunity to respond to those rejections, we may be unable to overcome such rejections. In addition, in proceedings before the USPTO and in proceedings before comparable agencies in many foreign jurisdictions, third parties are given an opportunity to oppose pending trademark applications and to seek to cancel registered trademarks. Opposition or cancelation proceedings may be filed against our trademarks and our trademarks may not survive such proceedings. If we are unsuccessful in obtaining trademark protection for our primary brands, we may be required to change our brand names, which could materially and 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 conduct that constitutes unfair competition, defamation or other violation of our rights, it may have a material adverse effect on our business.

Our trademarks or trade names may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks. We may not be able to protect our rights to these trademarks and trade names, which we need to build name recognition among potential partners or customers in our markets of interest. At times, competitors or other third parties may adopt trade names or trademarks similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of our registered or unregistered trademarks or trade names. Over the long term, if we are unable to establish name recognition based on our trademarks and trade names, then we may not be able to compete effectively, and our business may be adversely affected.

Our efforts to enforce or protect our proprietary rights related to trademarks, trade secrets, domain names, copyrights or other intellectual property may be ineffective and could result in substantial costs and diversion of resources. Any of the foregoing events could have a material adverse effect on our competitive position, business, financial condition, results of operations and prospects.

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

The degree of protection afforded by our intellectual property rights is uncertain because intellectual property rights have limitations and may not adequately protect our business or permit us to maintain our competitive advantage. For example:

- others may be able to make products that are similar to any candidates we may develop, or others may develop alternative technologies that are similar to our technologies, while our candidates and technologies are not protected by our intellectual property rights;

- we, our future licensors or current or future collaborators might not have been the first to make the inventions covered by the granted patent that we license or may own in the future;

- we, our future licensors or current or future collaborators might not have been the first to file patent applications covering certain of our, or their, inventions;

- others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing, misappropriating or otherwise violating our owned or licensed (if any) intellectual property rights;

- it is possible that our pending patent applications or those that we may file in the future will not lead to granted patents;

- granted patents that we hold rights to may not provide us with a competitive advantage, or may be held invalid or unenforceable, including as a result of legal challenges by our competitors or other third parties;

- we may obtain patents for certain technologies many years before we commercialize candidates leveraging such technologies, and because patents have a limited life, which may begin to run prior to the commercial sale of the related candidates, the commercial value of our patents may be limited;

- our competitors or other third parties might conduct research and development activities in jurisdictions where we do not have patent rights and then use the information learned from such activities to develop competitive products for sale in our major commercial markets;

- the validity and scope of any claims relating to copyrights or other intellectual property may involve complex legal and factual questions and analyzes and, as a result, the outcome may be highly uncertain;

- we may not develop additional proprietary technologies that are patentable;

- the patents of others may harm our business; and

- we may choose not to file a patent for certain trade secrets or know-how, and a third party may subsequently file a patent covering such intellectual property.

Should any of these events occur, it could have a material adverse effect on our competitive position, business, financial condition, results of operations and prospects.

RISKS RELATING TO OUR RELIANCE ON THIRD PARTIES

We work with various third parties to develop our candidates and may have limited control over them. If these third parties fail to duly perform their contractual obligations or meet expected timelines, we may be unable to obtain regulatory approvals for, or commercialize, our candidates, and our business, financial condition and results of operations could be materially and adversely affected.

We have worked with and may continue to work with third-party CROs, to monitor and manage data for our ongoing pre-clinical and clinical programs. We work with these parties to execute our pre-clinical studies and clinical trials, and control only certain aspects of their activities. Nevertheless, we are responsible for ensuring that each of our studies is conducted in accordance with the applicable protocols, legal and regulatory requirements and scientific standards, and our collaboration with the CROs does not relieve us of our regulatory responsibilities. We, our CROs for our clinical programs and our clinical investigators are required to comply with GCPs, which are regulations and guidelines enforced by the NMPA, the FDA and other comparable regulatory authorities for all of our candidates in clinical development. If we or any of our CROs or clinical investigators fail to comply with the applicable GCP, the clinical data generated in our clinical trials may be deemed unreliable and the NMPA, the FDA or other comparable regulatory authorities may require us to perform additional clinical trials before approving our marketing applications. In addition, our registration trials must be conducted with products produced under cGMP regulations. Any failure to comply with these regulations may require us to repeat clinical trials, which would delay the regulatory approval process.

If any of our relationships with these third-party CROs terminates, we may not be able to enter into arrangements with alternative CROs or to do so on commercially reasonable terms. In addition, our CROs are not our employees, and except for remedies available to us under our agreements with such CROs, we cannot control whether or not they devote sufficient time and resources to our ongoing clinical and non-clinical programs. If CROs fail to duly perform their contractual obligations or meet expected deadlines, if they need to be replaced or if the quality or accuracy of the clinical data they or our clinical investigators obtain is compromised due to failure to adhere to our clinical protocols, regulatory requirements or for other reasons, our clinical trials may be extended, delayed or terminated and we may not be able to obtain regulatory approvals for, or successfully commercialize, our candidates.

Switching or adding additional CROs involves additional cost and delays, which can materially influence our ability to meet our desired clinical development timelines. Any of the foregoing events may cause cost increases, restrict our revenue generation ability and have a material adverse effect on our business and prospects.

Our future revenue is dependent on our ability to work effectively with collaborators to develop our candidates. Our arrangements with collaborators will be critical to the successful commercialization of our candidates and future products. We rely on collaborators in various respects, 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. We do not control our collaborators, and therefore there can be no

assurance that these third parties will adequately and timely perform all of their obligations under their agreements with us. If they fail to complete the remaining studies successfully, or at all, it could delay or adversely affect the obtaining of regulatory approvals. There can be no assurance of the satisfactory performance of any of our collaborators, and if any of our collaborators breach or terminate their agreements with us, we may not be able to successfully commercialize our products which could materially and adversely affect our business, financial condition, cash flows and results of operations. In addition, we will rely on third parties to perform certain specification tests on our candidates prior to delivery to patients. If these tests are not appropriately carried out and test data are not reliable, patients could be put at risk of serious harm and regulatory authorities could place significant restrictions on us until deficiencies are remedied.

More generally, supply chain risks associated with the foregoing third-party service providers and our other suppliers may have a material adverse effect on our business, financial condition, results of operations and prospects. See "— Risks Relating to Manufacturing of Our Candidates — We are exposed to various supply chain risks, and any price increases or interruptions of such supply may have a material adverse effect on our business."

We entered into collaborations with our partners and may form or seek additional collaborations or strategic alliances or enter into additional licensing arrangements in the future. We may not realize any or all benefits of such alliances or licensing arrangements, and disputes may arise between us and our current or future collaboration partners.

We have in the past formed, and may in the future seek and form, strategic alliances, joint ventures or other collaborations, including entering into licensing arrangements with third parties that we believe will complement or augment our development and commercialization efforts with respect to our candidates and any future candidates that we may develop. See "Business — Collaboration, Licensing and Transfer Arrangements." Any of these relationships may require us to incur nonrecurring and other charges, increase our near-and long-term expenditures, issue securities that dilute our existing Shareholders, or disrupt our management and business.

Our future strategic collaboration with partners may involve various risks, including that we may not achieve the revenue and cost synergies expected from the transaction. These synergies are inherently uncertain, and are subject to significant business, economic and competitive uncertainties and contingencies, many of which are difficult to predict and beyond our control. Also, the synergies from our collaboration with partners may be offset by other costs incurred in the collaboration, increases in other expenses, operating losses or problems in the business unrelated to our collaboration. As a result, there can be no assurance that expected synergies will be achieved in due course, or at all.

We face significant competition in seeking appropriate strategic partners and the negotiation process is time-consuming and complex. Moreover, we may not be successful in our efforts to establish a strategic partnership or other alternative arrangements for our candidates because they may be deemed to be at too early a stage of development for collaborative effort and third parties may not view our candidates as having the requisite potential to demonstrate safety and efficacy or commercial viability. If and when we collaborate with a third party for the development and commercialization of a candidate, we may expect to relinquish some or all of the control over the future success of that candidate to the third party. For any candidates that we may seek to

in-license from third parties, we may face significant competition from other pharmaceutical or biopharmaceutical companies with greater resources or capabilities than us, and any agreement that we do enter into may not result in the anticipated benefits.

During the Track Record Period, we did not experience any material dispute arising from our current collaboration with partners. However, disputes may arise between us and our future collaboration partners. Such disputes may cause delays in or termination of the research, development or commercialization of our candidates, or may result in costly litigation or arbitration that diverts management's attention and resources. Any cessation or suspension of our collaboration with research partners may increase our costs in research and development, lengthen our new candidates' development process and lower our efficiency in new products development.

Global markets are an important component of our growth strategy. We have retained rights for the development and commercialization of certain of our candidates globally. If we fail to obtain licenses or enter into collaboration arrangements with third parties in other markets, or if any third-party collaborator is not successful, our revenue-generating growth potential will be adversely affected.

Moreover, international business relationships subject us to additional risks that may materially and adversely affect our ability to attain or sustain profitable operations. For details, see "— Risks Relating to Our Operations — We are subject to the risks of doing business in multiple jurisdictions."

We may rely on third parties to manufacture our product candidates for clinical development. Our business could be harmed if those third parties fail to deliver sufficient quantities of product or fail to do so at acceptable quality levels or prices.

We currently engage third-party CDMOs and CMOs to manufacture product candidates used for our pre-clinical and clinical development. We also cooperate with third-party CDMOs in the refinement of our product candidates.

Reliance on third-party manufacturers would expose us to the following risks:

- We may be unable to identify manufacturers on acceptable terms, or at all, because the number of potential manufacturers is limited and the NMPA, the FDA or other comparable regulatory authorities must evaluate and/or approve any manufacturers as part of their regulatory oversight of our candidates;

- Our third-party manufacturers might be unable to timely manufacture our candidates or produce the quantity and quality required to meet our pre-clinical and clinical needs, if any;

- Manufacturers are subject to ongoing periodic unannounced inspection and other government regulations by the NMPA, the FDA or other comparable regulatory authorities to ensure strict compliance with GMP. We do not have control over third-party manufacturers' compliance with these regulations and requirements;

- We may not own, or may have to share, the intellectual property rights to any improvements made by our third-party manufacturers in the manufacturing process for our candidates;

- Manufacturers may not properly obtain, protect, maintain, defend or enforce our intellectual property rights or may use our intellectual property or proprietary information in a way that gives rise to actual or threatened litigation that could jeopardize or invalidate our intellectual property or proprietary information or expose us to potential liability;

- Manufacturers may infringe, misappropriate, or otherwise violate the patent, trade secret, or other intellectual property rights of third parties;

- Raw materials and components used in the manufacturing process, particularly those for which we have no other source or supplier, may not be available or may not be suitable or acceptable for use, due to material or component defects; and

- Our third-party manufacturers may be subject to inclement weather, as well as natural or man-made disasters.

Each of these risks could delay or prevent the completion of our clinical trials or the approval of any of our candidates, result in higher costs or adversely impact commercialization of our future approved candidates.

RISKS RELATING TO OUR OPERATIONS

The loss of any key members of our senior management team as well as key scientific employees or our inability to attract, retain and motivate highly qualified management, clinical and scientific personnel could delay or prevent the successful development of our candidates and result in a material and adverse effect on our business and results of operations.

Our success depends, in part, on our continued ability to attract, retain and motivate highly qualified management, clinical and scientific personnel. We are highly dependent upon our senior management, as well as other key clinical and scientific personnel, and other employees and consultants. The loss of the services of any of these individuals could delay or prevent the successful development of our candidates and our business operations would be impaired.

Although we have not historically experienced difficulties in attracting and retaining qualified employees, we may experience such problems in the future. Competition for qualified employees in the biopharmaceutical industry is intense and the pool of qualified candidates is limited. We may not be able to retain the services of, or attract and retain, experienced management or key clinical and scientific personnel in the future. The departure of one or more of our management or key clinical and scientific personnel, regardless of whether or not they join a competitor or form a competing company, may subject us to risks relating to inability to replace them in a timely manner, which may disrupt our drug development progress and have a material and adverse effect on our business and results of operations. In addition, we will need to hire additional employees as we expand our commercialization team. We may not be able to attract and retain qualified employees on commercially reasonable terms, or at all.

Our reputation is important to our business success. Negative publicity may adversely affect our reputation and business prospect.

Our ability to maintain our reputation depends on a number of factors, some of which are out of our control. We may face negative publicity, claims, disputes and allegations, which may have a material and adverse impact on our reputation, even if untrue or inaccurate. Moreover, any negative publicity, claims, disputes and allegations involving, any conduct of, and any matters affecting the reputation of, other parties, including our Directors, Shareholders, senior management, employees and entities that use the "B&K," "B&K Corporation," "華芢" or "華芢生物" name, could have a material and adverse impact on our business and reputation. In particular, labor disputes involving our current or former employees could also adversely affect our reputation and operations. We may be required to spend significant time and incur substantial costs to respond and protect our reputation, and we cannot assure you that we will be able to do so within a reasonable period of time, or at all, in which case our business, results of operations, financial condition and prospects may be materially and adversely affected.

We may be involved in claims, disputes, litigation, arbitration or other legal proceedings in the ordinary course of business.

From time to time, we may be involved in claims, disputes and legal proceedings in our ordinary course of business. These may concern issues relating to, among others things, product liability, environmental matters, breach of contract, employment or labor disputes and infringement of intellectual property rights. Adjustments to employment terms and conditions could potentially lead to labour disputes, which might result in legal claims and require careful attention and resources to address. As of the Latest Practicable Date, we were not involved in any litigations and legal proceedings that may materially affect our research and development of our candidates, business and results of operations. Any claims, or legal proceedings initiated by us or brought against us, with or without merit, may result in substantial costs and diversion of resources, and could materially harm our reputation. Furthermore, claims, disputes or legal proceedings against us may be due to defective supplies sold to us by our suppliers, who may not be able to indemnify us in a timely manner, or at all, for any costs that we incur as a result of such claims, disputes and legal proceedings.

Product and professional liability claims or lawsuits against us could result in expensive and time-consuming litigation, payment of substantial damages and increases in our insurance rates.

We are exposed to risks relating to product and professional liability as a result of clinical testing and any future commercialization of our candidates in and outside China. For example, we may be sued if our candidates cause, or are perceived to cause, injury 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 or design, a failure to warn of the inherent dangers in the drugs, negligence, strict liability or a breach of warranties. Claims could also be asserted under applicable consumer protection laws. If we cannot successfully defend ourselves against, or obtain indemnification from our collaborators for, product liability claims, we may incur substantial liabilities or be required to limit commercialization of our candidates. Defending ourselves would require significant expenditures and management resources. Regardless of the merits or eventual outcome, liability claims may result in reputational damage, withdrawal of clinical trial participants and inability to continue clinical trials, initiation of investigations by

regulators, costs to defend the related litigation, a diversion of management's time and our resources, substantial monetary awards to trial participants or patients, product recalls, a decrease in demand for our candidates, withdrawals, restrictive labeling and marketing or promotional restrictions.

It is possible that our insurance will not cover all situations in which a claim against us could be made. We may not be able to maintain insurance coverage at a reasonable cost or obtain insurance coverage that will be adequate to satisfy any liability that may arise. If a product liability claim or a series of claims is brought against us for uninsured liabilities, our assets may not be sufficient to cover such claims and our business operations may be impaired. Should any of the foregoing events occur, our business, financial condition and results of operations would be materially and adversely affected.

If we use hazardous materials in a manner that causes injury, we could be liable for damages.

We are subject to laws and regulations governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials. Our operation involves the use of hazardous materials, including chemicals, and may produce hazardous waste products. We cannot eliminate the risks of contamination or personal injury from these materials. We may incur substantial costs in order to comply with current or future laws and regulations on the use of hazardous materials. These current or future laws and regulations may impose restrictions on our research, development or production activities. Failure to comply with these laws and regulations may also result in substantial fines, penalties or other sanctions.

We may be subject to disasters, health epidemics or pandemics, acts of war, terrorism, business disruptions and other force majeure events, which may have a material adverse effect on our business, financial condition and results of operations.

Disasters, health epidemics or pandemics, acts of war, terrorism or other force majeure events beyond our control may adversely affect the economy, infrastructure and livelihood of the people in the regions where we conduct our business. Our operations, and those of our third-party collaborators, suppliers and other contractors and consultants, may be under the threat of natural disasters such as floods, earthquakes, sandstorms, snowstorms, fire or drought, the outbreaks of a widespread health epidemic such as swine flu, avian influenza, severe acute respiratory syndrome, SARS, Ebola, Zika and Coronavirus disease, other force majeure events such as power outages, water or fuel shortages, failures, malfunction and breakdown of information technology systems, unexpected maintenance or technical problems, or potential wars or terrorist attacks.

The occurrence of a disaster or a prolonged outbreak of an epidemic illness or other adverse public health developments in the PRC or elsewhere in the world could materially disrupt our business and operations. In particular, it could cause delay of clinical trials, regulatory submissions and required approvals of our candidates, and could cause us to incur additional costs. If our employees or employees of our suppliers and other business partners are suspected of being infected with an epidemic disease, our operations may be disrupted because we or our business partners must quarantine some or all of the affected employees or disinfect relevant facilities. If we are not able to effectively develop and commercialize our candidates as a result of protracted clinical trials of enrolled patients, elevated public health safety measures, or failure to recruit patients and conduct patient follow-up, we may not be able to generate revenue from sales of our candidates as planned.

Serious natural disasters may result in loss of lives, injury, destruction of assets and disruption of our business and operations. We partially rely on our third-party collaborators for conducting research and development of our candidates, and they may be affected by funding withdrawals. We also rely on third-party manufacturers to produce and process supplies of our candidates. Our ability to obtain supplies of our candidates could be disrupted if the operations of these collaborators or suppliers are affected by disasters, epidemics, business interruptions and other force majeure events. Damage or extended periods of interruption to our operational facilities due to fire, disaster, epidemics, power loss, communications failure, unauthorized entry or other events could cause us to cease or delay development or commercialization of some or all of our candidates. Our insurance might not cover all losses under such circumstances and our business may be seriously harmed by such delays and interruption. Acts of war or terrorism may also injure our employees, cause loss of lives, disrupt our business network and destroy our markets. 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 condition and results of operations.

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

As we seek to advance our product candidates through clinical trials and commercialization, and further commercialization of approved products, we plan to continue to expand our research and development capabilities and build up our manufacturing, marketing and sales capabilities. The success of our growth strategy will depend on, among other things, our ability to advance clinical research and development, enhance our drug development platforms, enhance business development capabilities and commence operations of manufacturing facilities upon commercialization of our candidates. See "Business — Our Strategies." However, we have limited operational, administrative and financial resources, which may be inadequate to sustain the growth we seek to achieve. In particular, in order to implement our growth strategy, we will need to increase our investment in, among other things, our research and development, marketing and other areas of operations. If we are unable to manage our growth and expansion effectively, our business may be adversely affected.

Potential acquisition, collaboration or strategic partnership in which we engage in may entail various risks.

We may evaluate various acquisitions and strategic partnerships, including licensing or acquiring products, intellectual property rights, technologies or businesses. Any potential acquisition or strategic partnership may entail various risks, including:

- increased operating expenses and cash requirements;
- the assumption of additional indebtedness or contingent liabilities;
- the issuance of additional equity securities and hence the dilution of our existing Shareholders;

- assimilation of operations, intellectual property and products of an acquired company, including difficulties associated with integrating new personnel, or failure to otherwise achieve intended synergies in the combined operations;

- the diversion of our management's attention from our existing product programs and initiatives in pursuing such a strategic merger or acquisition;

- retention of key employees, the loss of key personnel, and uncertainties in our ability to maintain key business relationships;

- risks and uncertainties associated with the assimilation of operations, corporate culture and personnel of the acquired business;

- risks associated with the acquisition of intangible assets, which are subject to amortization and impairment assessment;

- risks and uncertainties associated with the other party to such a transaction, including the prospects of that party and its existing drugs or candidates and regulatory approvals;

- our inability to generate revenue from acquired technology and/or products sufficient to meet our objectives in undertaking the acquisition or even to offset the associated acquisition and maintenance costs; and

- changes in accounting principles relating to the recognition and measurement of our investments that may have a significant impact on our financial results.

Moreover, we may not be able to identify suitable opportunities for acquisition and strategic partnerships, which may limit our ability to grow or obtain access to technology or products that may be important to the development of our business.

We are subject to the risks of doing business in multiple jurisdictions.

As we operate in the PRC and expect to expand into overseas markets, our business is subject to risks associated with doing business in multiple jurisdictions. Our business and financial results in the future could be adversely affected due to a variety of factors, including:

- changes in a specific country's or region's political and cultural climate or economic condition;

- unexpected changes in laws and regulatory requirements in relevant jurisdictions;

- efforts to develop an international sales, marketing and distribution system, which may increase our expenses and divert our management's attention from the development of candidates or potentially profitable licensing opportunities;

- the occurrence of economic stagnation or downturn in certain jurisdictions, including those caused by inflation or political instability;

- the burden of complying with a variety of foreign laws, including difficulties in enforcement of contractual provisions;
- inadequate intellectual property protection in certain jurisdictions;
- enforcement of anti-corruption and anti-bribery laws;
- trade-protection measures, import or export licensing requirements and fines, penalties or suspension;
- delays resulting from difficulty in obtaining export licenses, tariffs and other barriers and restrictions, potentially longer payment cycles and greater difficulty in accounts receivable collection;
- the effects of applicable local tax regimes and potentially adverse tax consequences; and
- significant adverse changes in local currency exchange rates.

We may pursue partnerships with entities in foreign countries and regions, in particular in the U.S. In the event that China or the countries from which we import raw materials impose tariffs or other trade policies affecting the importation of such components or raw materials, we may not be able to obtain a stable supply of necessary components or raw materials at competitive prices, and our business and operations may be materially and adversely affected. We may also sell our products to certain foreign countries or regions in the future. Our business is therefore subject to constantly changing international economic, regulatory, social and political conditions, and local conditions in foreign countries and regions. It is notable that the U.S. government has recently made significant changes in its trade policy and has taken certain actions that may materially impact international trade, such as announcing import tariffs, which have led to other countries, including China and members of the EU, imposing tariffs against the U.S. in response. These trade disputes may escalate and may result in certain types of goods, such as advanced research and development equipment and materials, becoming significantly more expensive to procure from overseas suppliers or even illegal to export. Furthermore, there can be no assurance that our existing or potential service providers or collaboration 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. Tensions and political concerns between different countries or regions may therefore adversely affect our business, financial condition, results of operations and prospects.

In addition, we are subject to general geopolitical risks in foreign countries or regions where we may operate in the future, such as political and economic instability and changes in diplomatic and trade relationships. The occurrence of any one or more of these risks of doing business internationally, individually or in the aggregate, could materially and adversely affect our business and results of 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.

We maintain insurance policies that we consider to be in line with market practice, adequate for our business and as required under the relevant PRC laws and regulations. See "Business — Insurance." We have elected not to maintain certain types of insurance, such as business interruption insurance, and product liability insurance considering that we have not commercialized our products (except for product candidates in clinical trials), which is in line with the standard commercial practice in the biologics market in China according to Frost & Sullivan and in line with the compliance standards with applicable rules and regulations according to our PRC Legal Advisor. Our insurance coverage may be insufficient to cover any claims that we may have. Any liability or damage to, or caused by, our manufacturing facilities or our personnel beyond our insurance coverage may result in our incurring substantial costs and a diversion of resources and may adversely affect our drug development and overall operations.

Our employees, principal investigators, consultants and commercial partners may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements, and insider trading.

We may be exposed to fraud, bribery or other misconduct committed by our employees, principal investigators, consultants and commercial partners that could subject us to financial losses and sanctions imposed by governmental authorities, which may adversely affect our reputation. In particular, our employees and other third parties we engage may have access to medical data treatment records and other personal details of patients enrolled in our clinical trials, along with other personal or sensitive information, when they carry out data monitoring and quality control responsibilities for our clinical programs. There can be no assurance that such employees and other third parties will comply with all requirements of privacy laws, information security policies and contractual obligations related to data privacy and security and confidentiality at all time.

During the Track Record Period, we were not aware of any instances of fraud, bribery, or other misconduct involving employees and other third parties that had any material and adverse impact on our business and results of operations. However, there can be no assurance that there will not be any such instances in future. Although we consider our internal control policies and procedures to be adequate, we may be unable to prevent, detect or deter all such instances of misconduct. Any such instances of misconduct committed against our interests, including undetected past acts and future acts, may have a material adverse effect on our business and results of operations.

We are subject to risks associated with leasing properties.

As of the Latest Practicable Date, (i) we leased eight properties in China, comprising five properties with an aggregate gross floor area of approximately 3,745.85 sq.m., which were used for research and development and office space, and three properties used as employee dormitory. The expiration dates of these leases range from May 2026 to October 2027; and (ii) we leased four properties in Hong Kong with a gross floor area of approximately 864.0 square feet, which we used for research and development, office, storage and staff dormitory purposes, respectively. The expiration of such leases range from February 2026 to July 2026. As of the same date, the property ownership certificate of two of our leased properties in China used for research and development

and employee dormitory, respectively, had not been provided to us by the relevant lessor. Accordingly, such lessor may not be entitled to lease the relevant property to us. There can be no assurance that we will be able to find proper substitutes in a timely manner and at commercially reasonable terms in the event of such relocation. In addition, as our leases expire, we may fail to negotiate renewals, either on commercially acceptable terms, or at all, which could require us to close such offices or manufacturing facilities. Our inability to enter into new leases or renew existing leases on terms acceptable to us could materially and adversely affect our business, results of operations or financial condition. See "Business — Properties."

Pursuant to PRC laws, the lease agreements must be filed with the local branch of the Ministry of Housing and Urban-Rural Development. Any failure to register lease agreements as required under PRC laws will not affect the validity and enforceability of the lease agreements, but may subject us to a fine for non-registration which may range from RMB1,000 to RMB10,000 for each non-registration agreement, which may negatively affect our ability to operate our business covered under those leases. As of the Latest Practicable Date, we had not filed with the local housing administration authorities as required under PRC laws and regulations our lease agreements for the two properties for which the property ownership certificate had not been provided to us by the relevant lessors.

There can be no assurance that we will not be penalized by the competent authorities as a result of such defects in our leased properties in the future.

Our internal computer systems, or those used by our partners or other contractors or consultants, may fail or suffer security breaches or other disruptions, which could adversely affect our business and reputation.

Our internal computer systems and those of our partners, contractors and consultants are vulnerable to damages from computer viruses and unauthorized access. Although to our knowledge we have not experienced any material system failure or security breach to date, if such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our development programs and our business operations.

We could be subject to risks caused by misappropriation, misuse, leakage, falsification, or intentional or accidental release or loss of information maintained in the information systems and networks of us and our vendors, including personal information of our employees and participants, and company and vendor confidential data. In addition, outside parties may attempt to penetrate our systems or those of our vendors or fraudulently induce our personnel or the personnel of our vendors to disclose sensitive information in order to gain access to our data and/or systems. Like other companies, we have on occasion experienced, and will continue to experience, threats to our data and systems, including malicious codes and viruses, phishing, and other cyberattacks. The number and complexity of these threats continue to increase over time. If a material breach of our information technology systems or those of our vendors occurs, the market perception of the effectiveness of our security measures could be harmed and our reputation and credibility could be damaged. We could be required to expend significant amounts of money and other resources to repair or replace information systems or networks. Although we develop and maintain systems and controls designed to prevent these events from occurring, and we have a process to identify and mitigate threats, the development and maintenance of these systems, controls and processes are costly and requires ongoing monitoring and updating, as technologies change and efforts to overcome security measures become increasingly sophisticated. Moreover, the possibility of these

events occurring cannot be eliminated entirely. As we outsource more of our information systems to vendors, engage in more electronic transactions with counterparties, and rely more on cloud-based information systems, the related security risks will increase and we will need to expend additional resources to protect our technology and information systems. To the extent that any disruption or security breach were to result in a loss of, or damage to, our data or systems, or inappropriate disclosure of confidential or proprietary information, we could incur liability and the further development and commercialization of our candidates could be delayed.

RISKS RELATING TO OUR FINANCIAL POSITION AND NEED FOR ADDITIONAL CAPITAL

We had incurred net losses during the Track Record Period and anticipate that we will continue to incur net losses for the foreseeable future.

Investment in the development of biopharmaceutical products is highly speculative as it requires substantial upfront capital expenditures and involves significant risks that a candidate may fail to demonstrate efficacy or safety to gain regulatory or marketing approvals or become commercially viable. During the Track Record Period, we had financed our operating activities primarily through capital contributions from our Shareholders and private equity financing. While we have other sources of income including government grants, we had not generated any revenue from commercialization of our candidates during the Track Record Period, and had incurred, and will continue to incur, significant research and development expenses and other expenses related to our ongoing operations. As a result, we are not profitable and have incurred net losses since our inception. In 2023, 2024 and the nine months ended September 30, 2024 and 2025, our loss for the year was RMB105.2 million, RMB212.3 million, RMB164.1 million and RMB134.5 million, respectively. Substantially all of our net losses resulted from costs incurred in connection with our research and development expenses and administrative expenses, as well as finance costs.

We expect to continue to incur net losses for the foreseeable future, and also expect that these operating losses will increase as we may carry out certain activities relating to our development, including the following: conducting pre-clinical and clinical trials of our candidates; manufacturing clinical trial materials through CMOs and CDMOs in and outside China; seeking regulatory approvals for our candidates; commercializing our candidates for which we have obtained marketing approvals; hiring additional personnel; establishing a commercialization team for any future drug products that have obtained regulatory approvals; seeking to identify additional candidates; obtaining, maintaining, expanding and protecting our intellectual property portfolio; and acquiring or in-licensing other candidates, intellectual property and technologies.

Typically, it takes many years to develop one new drug from the time of its discovery to the time when it becomes available for treating patients. During this process, we may encounter unforeseen expenses, difficulties, complications, delays and other unknown events that may have an adverse effect on our business, financial condition and results of operations. The size of our future operating losses will depend partially on the rate of the future growth of our expenses, our ability to generate revenue and the timing and amount of milestone payments and other payments that we receive from, or pay to, third parties. If any of our candidates fails during clinical trials or does not obtain regulatory approval, or, even if approved, fails to achieve market acceptance, our business may not become profitable. Even if we achieve profitability in the future, we may not be

able to sustain profitability in subsequent periods thereafter. Our prior losses and expected future losses have had, and will continue to have, an adverse effect on our working capital and Shareholders' equity.

We expect to incur significant share-based payments in connection with equity grants to our key management, directors and employees.

To incentivize and maintain our and our subsidiaries' directors, senior management members, core technical personnels and key employees, we have granted and expect to continue to grant employee incentive plans. The Company adopted three employee incentive plans in December 2020, October 2021 and February 2024, respectively. In 2023, 2024 and the nine months ended September 30, 2025, we recorded equity-settled share award expenses of RMB14.7 million, RMB100.2 million and RMB68.5 million, respectively. The granting of such plans would increase our share-based payment expenses and thus may adversely affect our financial performance and potentially dilute our shareholding.

We had recorded net cash outflow from operating activities in 2023, 2024 and nine months ended September 30, 2025. Even if we consummate the Global Offering, we may need to obtain additional financing to fund our operations. If we are unable to obtain such financing, we may be unable to complete the development and commercialization of our major candidates.

We had net cash used in operating activities of RMB57.9 million, RMB90.1 million and RMB59.4 million in 2023, 2024 and nine months ended September 30, 2025, respectively. We expect our expenses to increase significantly in connection with our ongoing operating activities, particularly as we advance the clinical development of our clinical-stage candidates, continue the research and development of our pre-clinical-stage candidates, initiate additional pre-clinical and clinical trials of, and seek regulatory approvals for, our candidates.

In addition, if we obtain regulatory approvals for any of our candidates, we expect to incur significant commercialization expenses relating to product manufacturing, marketing, sales and distribution and post-approval commitments to continue monitoring the efficacy and safety data of our future products on the market.

We currently have no drug approved for commercial sale and have not generated any revenue from drug sales. We have incurred operating losses in each year since inception. We expect that we may continue to experience net cash outflows from our operating activities for the foreseeable future. Accordingly, we will need to obtain substantial additional funding in connection with our continuing operations through equity offerings, debt financing or other sources. Adequate additional funding may not be available to us on commercially reasonable terms, or at all. If we are unable to raise sufficient capital in a timely manner or on commercially reasonable terms, we could be forced to delay, reduce or terminate our research and development projects or any future commercialization efforts, which could have a material adverse effect on our business, financial condition and results of operations.

We recorded net liabilities as of December 31, 2023.

We recorded net liabilities of RMB131.9 million as of December 31, 2023, primarily due to other financial liabilities in relation to redemption liabilities from our Pre-IPO Investments. Pursuant to the supplemental agreement to the shareholders agreement dated February 23, 2024 entered into between us and the Shareholders, the redemption right granted to the Pre-IPO Investors has been terminated on the date of such supplemental agreement. See "History, Development and Corporate Structure — Pre-IPO Investments." As such, our net liabilities position as of December 31, 2023 changed to net assets of RMB150.5 million as of December 31, 2024 as the financial instruments issued to Pre-IPO Investors have been reclassified from other financial liabilities to equity. We had net assets of RMB84.5 million as of September 30, 2025. Nevertheless, if we are unable to maintain adequate working capital or obtain sufficient equity or debt financing to meet our capital needs, we may be unable to continue our operations according to our plans and be forced to scale back our operations, which may have a material adverse effect on our business, financial condition, results of operations and prospects.

Disruptions or fluctuations in the financial markets, political and economic conditions could affect our ability to raise capital.

Many factors, encompassing geopolitical, economic and market conditions, significantly influence the regions in which we conduct our operations. These factors include, but are not limited to, the fluidity of international financial markets, fluctuations in debt and equity valuations, variations in interest rates, and the prices of currencies and commodities. Additionally, investor confidence, inflation rates, and the accessibility and expense of capital and credit are pivotal determinants. Recent times have seen a marked deceleration in growth rates amidst pervasive uncertainty within the financial markets. In the past, governments have taken unprecedented actions in an attempt to address and rectify these extreme market and economic conditions by providing liquidity and stability to the financial markets. If these actions are not successful, the return of adverse economic conditions may cause a significant impact on our ability to raise capital, if needed, on a timely basis and on acceptable terms or at all.

The tepid pace of economic recovery globally, coupled with an environment characterized by high levels of inflation and interest rates, has exacerbated market instability. Such conditions have the potential to negatively influence global liquidity, amplify market volatility, and escalate the costs of funding in U.S. dollars. Consequently, this could lead to a constriction of financial conditions worldwide and stoke fears of an impending recession. A prolonged period of extremely volatile and unstable market conditions would likely increase our funding costs and could also adversely affect the jurisdictions where we operate, which could in turn materially and adversely affect our ability to raise capital.

Raising additional capital may cause dilution to the interests of our Shareholders or restrict our operations.

We may seek additional funding through a combination of equity offerings, debt financings or other methods. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the value of your investment in our Shares will be diluted, and the terms may include liquidation or other preferences that adversely affect your rights as a holder of our Shares. The incurrence of additional indebtedness or the issuance of certain equity securities could give rise to increased fixed payment obligations and also result in certain additional

restrictive covenants, such as limitations on our ability to incur additional debt or issue additional equity, limitations on our ability to acquire or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. In addition, the issuance of additional equity securities, or the possibility of such issuance, may cause the market price of our Shares to decline.

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

The value of the Renminbi against the Hong Kong dollar, the U.S. dollar and other currencies may fluctuate and is affected by various factors beyond our control. Substantially all of our costs are denominated in Renminbi and most of our financial assets are also denominated in Renminbi. However, our proceeds from the Global Offering will be denominated in Hong Kong dollars. Any significant change in the exchange rates of the Hong Kong dollar against the Renminbi may materially and adversely affect the value of, and any dividends payable on, our Shares in Hong Kong dollars.

RISKS RELATING TO OUR DOING BUSINESS IN THE PRC

We enjoyed preferential tax treatment and government grants during the Track Record Period. Expiration of, or changes to, these incentives or policies, or our failure to satisfy any condition for these incentives, would have an adverse effect on our results of operations.

During the Track Record Period, we enjoyed preferential tax treatment and government grants. In particular, we benefited from a preferential tax rate of 15% as we were qualified as a High and New Technology Enterprise under the relevant PRC laws and regulations. Our eligibility to receive these financial incentives in the future depends on our ability to maintain the relevant qualifications. The discontinuation or reduction of financial incentives currently available to us could have a material adverse effect on our business, financial condition and results of operations.

The biopharmaceutical industry in the PRC is highly regulated and such regulations are subject to change, which may affect approvals and commercialization of our candidates.

Our research operations are mainly conducted in the PRC. The biopharmaceutical industry in the PRC is subject to comprehensive government regulation and supervision, encompassing the research and development, trials, approval, registration, manufacturing, packaging, licensing and marketing of new drugs and various other aspects of the operation of pharmaceutical companies. Any violation of the relevant laws, rules and regulations may subject us to disputes, administrative sanctions, criminal sanctions and other legal proceedings. See "Regulatory Overview." In recent years, the regulatory framework in the PRC regarding the biopharmaceutical industry has continually improved, and may evolve from time to time. Any such changes or amendments may result in increased compliance costs on our business or cause delays in, or prevent the successful development or commercialization of, our candidates in the PRC and reduce the current benefits we believe are available to us from developing and manufacturing drugs in the PRC. Any failure by us or our business partners to maintain compliance with applicable laws and regulations or obtain and maintain required licenses and permits may result in the suspension or termination of our business activities in the PRC. We believe our strategies and approach are consistent with the PRC government's policies, but there can be no assurance that our strategies and approach will remain consistent therewith.

Changes in China's economic, political and social conditions could adversely affect our business, financial condition, results of operations, cash flows and prospects.

Substantially all of our current businesses, assets and operations are located in the PRC and, as a result, our business, financial condition and results of operations are influenced by the overall economic and regulatory environment in the PRC.

Our performance is affected by China's economy, which, in turn, is influenced by the global economy. The uncertainties relating to the global economy as well as the political environment in various regions of the world can also possibly impact China's economy. We are unable to predict all the risks that we face as a result of current economic and regulatory developments and many of these risks are beyond our control. All such factors may materially and adversely affect our business and operations as well as our financial performance.

We may be restricted from transferring our scientific data abroad.

On March 17, 2018, the General Office of the State Council promulgated the Measures for the Management of Scientific Data (科學數據管理辦法) (the "**Scientific Data Measures**"), which provide a broad definition of scientific data and relevant rules for the management of scientific data. According to the Scientific Data Measures, enterprises in the PRC must seek governmental approval before any scientific data involving a state secret may be transferred abroad or to foreign parties. Further, any researcher conducting research funded, at least in part, by the Chinese government is required to submit relevant scientific data for management by the entity to which such researcher is affiliated before such data may be published in any foreign academic journal. There can be no assurance that we can always obtain relevant approvals for sending scientific data including the results of our pre-clinical studies or clinical trials conducted within the PRC abroad or to our foreign partners in the PRC. If we are unable to obtain necessary approvals in a timely manner, or at all, our research and development of candidates may be hindered, which may materially and adversely affect our business, financial condition, results of operations and prospects. If the transmission of our scientific data is deemed to be in violation of the requirements under the Scientific Data Measures, we may be subject to fines and other administrative penalties.

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

Under the applicable PRC tax laws, both the dividends we pay to non-PRC resident individual holders of H shares ("**non-resident individual holders**"), and gains realized through the sale or transfer by other means of H shares by such Shareholders, are subject to PRC individual income tax at a rate of 20%, unless reduced by the applicable tax treaties or arrangements.

Under applicable PRC tax laws, the dividends we pay to, and gains realized through the sale or transfer by other means of H shares by non-PRC resident enterprise holders of H shares ("**non-resident enterprise holders**"), are both subject to PRC enterprise income tax at a rate of 10%, unless reduced by applicable tax treaties or arrangements. Pursuant to the Arrangements between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Incomes (內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排) dated August 21, 2006, any non-resident enterprise registered in Hong Kong that holds, directly, at least 25% of the

shares of our Company shall pay Enterprise Income Tax for the dividends declared and paid by us at a tax rate of 5% if the Hong Kong non-resident enterprise is the beneficial owner of the equity and certain other conditions are met.

For non-resident individual holders, gains realized through the transfer of properties are normally subject to PRC individual income tax at a rate of 20%. However, according to the Circular of the Ministry of Finance and the State Taxation Administration on Issues Concerning Individual Income Tax Policies (財政部、國家稅務總局關於個人所得稅若干政策問題的通知), income received by individual foreigners from dividends and bonuses of a foreign-invested enterprise are exempt from individual income tax for the time being. According to the Circular Declaring that Individual Income Tax Continues to Be Exempted over Individual Income from Transfer of Shares issued by the MOF and the STA (關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知) effective as of March 30, 1998, income from individuals' transfer of stocks of listed companies continued to be temporarily exempted from individual income tax. On February 3, 2013, the State Council approved and promulgated the Notice of Suggestions to Deepen the Reform of System of Income Distribution (國務院批轉發展改革委等部門關於深化收入分配制度改革若干意見的通知). On February 8, 2013, the General Office of the State Council promulgated the Circular Concerning Allocation of Key Works to Deepen the Reform of System of Income Distribution (國務院辦公廳關於深化收入分配制度改革重點工作分工的通知). According to these two documents, the PRC government is planning to cancel foreign individuals' tax exemption for dividends obtained from foreign-invested enterprises, and the Ministry of Finance and the State Taxation Administration should be responsible for making and implementing details of such plan. However, relevant implementation rules or regulations have not been promulgated by the Ministry of Finance and the State Taxation Administration.

Considering these uncertainties, non-resident holders of our Shares should be aware that they may be obligated to pay PRC income tax on the dividends and gains realized through sales or transfers of the H shares.

The remittance of Renminbi into and out of the PRC and PRC government's policies on currency conversion may affect our ability to pay dividends and other obligations, and affect the value of your investment.

The PRC government has promulgated a series of laws and regulations on foreign exchange. We receive all of our revenue in Renminbi. We may convert a portion of our revenue into other currencies to meet our foreign currency obligations, such as payments to certain suppliers. Shortages in the availability of foreign currency may affect our ability to remit sufficient foreign currency, or otherwise satisfy our foreign currency-denominated obligations.

Under the existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval by complying with certain procedural requirements. However, approval from or registration with competent governmental 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. Under the relevant laws and regulations, the government is eligible to take necessary measures to guarantee and control the international balance of payments when serious disequilibrium of balance of payments occurs or is possible to occur or other legal circumstances occur. If the foreign exchange policies prevents us from obtaining sufficient foreign currencies to

satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our Shareholders. Furthermore, there can be no assurance that new regulations will not be promulgated in the future that further regulate the remittance of Renminbi into or out of China.

Investors may experience difficulties in effecting service of legal process and enforcing judgments against us and our Directors, Supervisors and management.

We are a company incorporated under the laws of the PRC and substantially all of our assets and subsidiaries are located in the PRC. The majority of our Directors, Supervisors and senior management reside within the PRC. The assets of these Directors, Supervisors and senior management also may be located within the PRC. As a result, it may not be possible to effect service of process upon most of our Directors, Supervisors and senior management outside the PRC. Moreover, the PRC does not have treaties providing for reciprocal recognition and enforcement of court judgments in the United States, the United Kingdom, Japan or most other countries. In addition, Hong Kong has no arrangement for the reciprocal enforcement of judgments with the United States. Recognition and enforcement of court judgments from other jurisdictions may be difficult or impossible.

On July 14, 2006, the Supreme People's Court of the Mainland and the Government of the Hong Kong Special Administrative Region signed an Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters (《關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) (the "**2006 Arrangement**"). Under the 2006 Arrangement, where any designated People's Court of the PRC or Hong Kong court has made an enforceable final judgment requiring payment of money in a civil and commercial case pursuant to a choice of court agreement, any party concerned may apply to the relevant People's Court of the PRC or Hong Kong court for recognition and enforcement of the judgment. On January 18, 2019, the Supreme People's Court of the PRC and the government of the Hong Kong Special Administrative Region signed an Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the 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》) (the "**2019 Arrangement**"), which came into effect on January 29, 2024. The 2019 Arrangement will supersede the 2006 Arrangement and any party concerned may apply to the relevant PRC court or Hong Kong High Court for recognition and enforcement of the effective judgments made on or after the effective date of the 2019 Arrangement in civil and commercial cases. However, the written jurisdiction agreements signed subject to the 2006 Arrangement before the effective date of the 2019 Arrangement remain applicable under the 2006 Arrangement. As the 2019 Arrangement went effective relatively recently, its implementation and interpretation is still evolving.

Although we will be subject to the Listing Rules and the Codes on Takeovers and Mergers and Share Repurchases of Hong Kong upon the listing of our H Shares on the Stock Exchange, the holders of H Shares will not be able to bring actions on the basis of violations of the Listing Rules and must rely on the Stock Exchange to enforce its rules. The Listing Rules and the Codes on Takeovers and Mergers and Share Repurchases of Hong Kong do not have the force of law in Hong Kong.

Uncertainties in the interpretation and enforcement of the Measures for Cybersecurity Review or the Regulations on the Administration of Cyber Data Security (Draft for Comments) may adversely affect our business operations and our Listing.

On December 28, 2021, the CAC, jointly with other 12 governmental authorities, promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》) (the "**Cyber Review Measures**") which became effective on February 15, 2022. Pursuant to Article 2 of the Cyber Review Measures, critical information infrastructure operators purchasing network product or service and network platform operators conducting data process activities, which affect or may affect national security, shall be subject to the cybersecurity review. Pursuant to the Cyber Review Measures, an network platform operator which possesses personal information of over one million users and intends to "list abroad" shall be subject to cybersecurity review. For more details, see "Regulatory Overview — Regulations in Relation to Company Establishment, Foreign Investment and Outbound Investment — Regulations on Data Security." Any failure or delay in the completion of the cybersecurity review under Cybersecurity Review Measures, or other non-compliance with the relevant cybersecurity laws and regulations, may result in administrative penalties, including fines, a shut-down of our business, as well as reputational damage or legal proceedings or actions against us, which may have material adverse effects on our business, financial condition or results of operations.

As of the Latest Practicable Date, (i) to the best knowledge of our Directors, we had not been determined or identified as a critical information infrastructure operator by any governmental authorities; (ii) to the best knowledge of our Directors, we had not engaged in any data process activities that affect or may affect national security according to the applicable PRC laws; (iii) we had not been involved in any investigations on cybersecurity review made by CAC, and had not received any inquiry, notice, warning or sanctions in this regard, our PRC Legal Advisor is of the view that we have no obligation to proactively apply for cybersecurity review under the Cyber Review Measures at this stage.

However, the Cyber Review Measures provides no further explanation or interpretation for "network platform operator," and does not stipulate that a network platform operator which intends to list in Hong Kong shall be subject to cybersecurity review. Given that the expression used in the Cyber Review Measures is "list abroad" and Hong Kong is not a country or region outside of the PRC, our PRC Legal Advisor is of the view that we have no obligation to proactively apply for cybersecurity review for our application for our proposed Listing under the Cyber Review Measures.

Nevertheless, the Cyber Review Measures also grants the member organization of the cybersecurity review mechanism the right to initiate cyber security review without application, if any of them has reason to believe that any internet products, services or data process activities affect or may affect national security. If any internet products, services or data process activities of us are deemed to "affect or may affect national security," we may be subject to cybersecurity review. If we fail to pass such cybersecurity review, our Listing may be impeded and/or our business operations may be adversely affected.

On September 24, 2024, the State Council promulgated the Regulation on Network Data Security Management (《網絡數據安全管理條例》), which has come into force on January 1, 2025. The Regulation on Network Data Security Management introduces several key obligations, including requiring network data handlers to specify the purpose and method of personal

information processing, as well as the types of personal information involved, before any personal information is handled. It also outlines the obligations of those handling important data, establishes broader contractual requirements for data sharing between data handlers, and introduces a new exemption for regulatory obligations regarding cross-border data transfers.

If we were deemed as a data processor that "affects or may affect national security," we may be subject to cybersecurity review. If we fail to pass such cybersecurity review, our Listing may be impeded, our business operations may be adversely affected, and/or we may be subject to other severe penalties and/or action by the competent governmental authority.

If we fail to comply with environmental, health and safety laws and regulations, we could be subject to fines or penalties or incur costs that could have a material adverse effect on the success of our business.

We are subject to numerous environmental, health and safety laws and regulations, including those governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials and wastes. Our operations involve the use of hazardous and flammable materials, including chemicals. Our operations also produce hazardous waste products. We cannot eliminate the risk of contamination or injury from these materials. In the event of contamination or injury resulting from our use of hazardous materials or our or third parties' disposal of hazardous materials, we could be held liable for any resulting damages, and any liability could exceed our resources. We also could incur significant costs associated with civil or criminal fines and penalties.

We may incur substantial costs in order to comply with current or future environmental, health and safety laws and regulations. These current or future laws and regulations may impair our research, development or production efforts. Failure to comply with these laws and regulations also may result in substantial fines, penalties or other sanctions.

Any failure to make adequate contributions to various employee benefit plans as required by PRC regulations may subject us to penalties.

Companies operating in China are required to participate in various employee benefit plans, including pension insurance, unemployment insurance, medical insurance, work-related injury insurance, maternity insurance and housing provident fund and contribute to the amounts equal to certain percentage of salaries, including bonuses and allowances, of their employees up to a maximum amount specified by the local government from time to time at locations where they operate their business. During the Track Record Period, we did not pay the social insurance and/or housing provident funds for several employees, mainly because: (i) some of such employees had voluntarily relinquished such payments, despite our efforts to persuade them to comply with the relevant requirements; and (ii) the relevant payments for some employee were made through third-party human resources agencies, due to the employee's own preferences for the location of the relevant payments. As of September 30, 2025, we had made full contribution to the social insurance and housing provident funds for our employees pursuant to the PRC laws and as of the Latest Practicable Date, we had made full social insurance and housing provident contributions for our employees. We cannot assure you that any new laws and regulations or any changes in the implementation of the existing laws and regulations will not require us to pay any contribution shortfall retroactively, thereby adversely affecting our financial condition and results of operations. In addition, during the Track Record Period, we adjusted the contribution ratio of the housing

provident fund, employees' salaries and our Company's salary structure. Although the adjustment of the contribution ratio of the housing provident fund did not violate the relevant regulations on the contribution ratio of the housing provident fund of the employee's local area, and the adjusted wages were not lower than the minimum wage standard of the region where the employees were located, and there was no violation of the labor contracts signed with the employees or any violation of laws and regulations, such actions may lead to potential dissatisfaction among employees and consequently undermine our operational effectiveness and financial performance. See "Business — Employees."

RISKS RELATING TO THE GLOBAL OFFERING

There has been no prior public market for our H Shares, and their liquidity and market price may be volatile.

No public market currently exists for our H Shares. The initial Offer Price for our H Shares to the public will be the result of negotiations between our Company and the Overall Coordinators (for themselves and on behalf of the Underwriters) and the Offer Price may differ significantly from the market price of the H Shares following the Global Offering. We have applied for listing of and permission to deal in our H Shares on the Stock Exchange. A listing on the Stock Exchange, however, does not guarantee that an active and liquid trading market for the H Shares will develop, or if it does develop, that it will be sustained following the Global Offering, or that the market price of the Shares will not decline following the Global Offering.

In particular, according to the PRC Company Law, all of the Shares in issue as of the date of this prospectus, representing 85.0% of our total issued Shares upon Listing (assuming the Over-allotment Option is not exercised), will be subject to a lock-up period of one year from the Listing Date. These may significantly affect the liquidity and trading volume of our H Shares in the short term following the Global Offering.

The price and trading volume of our H Shares may be volatile, which could lead to substantial losses to investors. In addition, the market price of our H Shares will be affected following announcements and data releases regarding products and pipeline similar to ours.

The price and trading 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 and performance and the market price of the shares of other companies engaging in similar business may affect the price and trading volume of our H Shares. In addition to market and industry factors, the price and trading volume of our H Shares may be highly volatile for specific business reasons, such as the results of clinical trials of our candidates, the results of our applications for approval of our candidates, regulatory developments affecting the pharmaceutical industry, healthcare, health insurance and other related matters, fluctuations in our revenue, earnings, cash flows, investments and expenditures, relationships with our suppliers, movements or activities of key personnel or actions taken by competitors. Moreover, shares of other companies listed on the 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 price not directly related to our performance.

Future sales or perceived sales of our H Shares in the public market by major Shareholders following the Global Offering could materially and adversely affect the price of our H Shares.

Prior to the Global Offering, there has not been a public market for our H Shares. Future sales or perceived sales by our existing Shareholders of our H Shares after the Global Offering could result in a significant decrease in the prevailing market price of our H Shares. Only a limited number of the Shares currently outstanding will be available for sale or issuance immediately after the Global Offering due to contractual and regulatory restrictions on disposal and new issuance. Nevertheless, after these restrictions lapse or if they are waived, future sales of significant amounts of our H Shares in the public market or the perception that these sales may occur could significantly decrease the prevailing market price of our H Shares and our ability to raise equity capital in the future.

In addition, our unlisted shares may be converted into H shares subject to regulatory approvals and compliance with relevant regulatory requirements. Any conversion of our unlisted shares will increase the number of H shares available on the market and may affect the trading price of our H Shares.

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

We currently expect to retain all future earnings for use in operation and expansion of our business, and do not have any dividend policy to declare or pay any dividends in the foreseeable future. Any future declarations and payments of dividends will be at the absolute discretion of our Directors and will depend on our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors which our Directors consider relevant. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. According to the PRC laws, 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 until such fund has reached more than 50% of our registered capital. 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. As a result, there can be no assurance whether, when and in what form we will pay dividends in the future. Subject to any of the above constraints, we may not be able to pay dividends in accordance with our dividend policy. See "Financial Information — Dividend."

Certain facts, forecasts and statistics obtained from official government sources in this prospectus relating to the pharmaceutical markets may not be fully reliable.

Certain facts, forecasts and statistics in this prospectus relating to the pharmaceutical markets in and outside China are obtained from official government publications that have not been independently verified by us, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors, employees, agents or advisors, or any other person or party involved in the Global Offering, and no representation is given as to its accuracy. However, we cannot guarantee the quality or reliability of these sources. Neither we, the Joint Sponsors, the Overall Coordinators,

the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters nor our or their respective affiliates or advisors have verified the facts, forecasts and statistics nor ascertained the underlying economic assumptions relied upon in those facts, forecasts and statistics obtained from these sources. Moreover, these facts, forecasts and statistics involve risk and uncertainties and are subject to change based on various factors and should not be unduly relied upon.

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

This prospectus contains certain statements and information that are forward-looking and uses forward-looking terminology such as "believe," "expect," "estimate," "predict," "aim," "intend," "will," "may," "plan," "consider," "anticipate," "seek," "should," "could," "would," "continue," and other similar expressions. You are cautioned that reliance on any forward- looking statement involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate and, as a result, the forward-looking statements based on those assumptions could also be incorrect. In light of these and other risks and uncertainties, the inclusion of forward-looking statements in this prospectus should not be regarded as representations or warranties by us that our plans and objectives will be achieved and these forward-looking statements should be considered in light of various important factors, including those set forth in this section. Subject to the requirements of the Listing Rules, we do not intend publicly to update or otherwise revise the forward-looking statements in this prospectus, whether as a result of new information, future events, or otherwise. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this prospectus are qualified by reference to this cautionary statement.

You should read the entire prospectus 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 Global Offering.

Subsequent to the date of this prospectus but prior to the completion of the Global Offering, there may be press and media coverage regarding us and the Global Offering, which may contain, among other things, certain financial information, projections, valuations and other forward-looking information about us and the Global Offering. We have not authorized the disclosure of any such information in the press or media and do not accept responsibility for the accuracy or completeness of such press articles or other media coverage. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations or other forward-looking information about us. To the extent such statements are inconsistent with, or conflict with, the information contained in this prospectus, we disclaim responsibility for them. Accordingly, prospective investors are cautioned to make their investment decisions on the basis of the information contained in this prospectus only and should not rely on any other information.

A future significant increase or perceived significant increase in the supply of our H Shares in public markets could cause the market price of our H Shares to decrease significantly, and/or dilute shareholdings of holders of our H Shares.

The market price 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 public market, 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 offerings, 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.

Our Domestic Shares can be converted into H Shares if the conversion and trading of the H Shares is duly completed pursuant to the requisite approval process and the approval from the relevant PRC regulatory authorities, including the CSRC, is obtained. In addition, such conversion and trading must, in all aspects, comply with the regulations promulgated by the securities regulatory authority under the State Council and the regulations, requirements and procedures of the Stock Exchange. If a significant number of Domestic Shares are converted into H Shares, the supply of H Shares may be substantially increased, which could have a material and adverse effect on the prevailing market price for our H Shares.

In addition, while investors subscribing shares in the Global Offering are not subject to any restrictions on the disposal of the H Shares, 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 Global Offering 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 Listing Date.

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

In preparation for the Global Offering, we have sought the following waiver from strict compliance with the relevant provisions of the Listing Rules and exemption from strict compliance with the Companies (Winding up and Miscellaneous Provisions) Ordinance.

MANAGEMENT PRESENCE

Pursuant to Rule 8.12 of the Listing Rules, our Company must have 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 may be waived by having regard to, among other considerations, the applicant's arrangements for maintaining regular communication with the Hong Kong Stock Exchange.

Our headquarters are based, and our core business and operations are substantially based and conducted in the PRC and most of the Company's assets are located in the PRC. Further, all of the Company's executive Directors are based in the PRC, as the Board believes it would be in our best interests for them to be based in places where our Group has significant operations. We consider it practically difficult and commercially unreasonable for us to arrange for two executive Directors to be ordinarily resident in Hong Kong, either by means of relocation of our existing executive Directors or appointment of additional executive Directors. Therefore, our Company does not have, and does not contemplate in the foreseeable future that we will have sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rules 8.12 of the Listing Rules.

Accordingly, pursuant to Rule 19A.15 of the Listing Rules, we have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with Rule 8.12 of the Listing Rules subject to the following conditions:

1. we have appointed Dr. ZHAI Junhui (翟俊輝) and Ms. WONG Wai Yee Ella (黃慧兒) as our authorized representatives ("**Authorized Representatives**"), pursuant to Rule 3.05 of the Listing Rules. The Authorized Representatives will act as our Company's principal channel of communication with the Stock Exchange. The Authorized Representatives will be readily contactable by phone, facsimile and email to promptly deal with enquiries from the Stock Exchange, and will also be available to meet with the Stock Exchange to discuss any matter within a reasonable period of time upon request of the Stock Exchange;

2. when the Stock Exchange wishes to contact our Directors on any matter, each of the Authorized Representatives will have all necessary means to contact all of our Directors (including our independent non-executive Directors) promptly at all times. We have provided the Stock Exchange with the contact details (i.e. mobile phone number, office phone number and email address) of all Directors to facilitate communication with the Stock Exchange;

3. all Directors who do not ordinarily reside in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period upon the request of the Stock Exchange;

4. we have appointed Orient Capital (Hong Kong) Limited as our compliance advisor (the "**Compliance Advisor**") upon listing pursuant to Rule 3A.19 of the Listing Rules. The Compliance Advisor will, among other things and in addition to the Authorized Representatives, provide our Company with professional advice on continuing obligations under the Listing Rules and act as the additional channel of communication with the Stock Exchange during the period from the Listing Date to 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 immediately after the Listing; and

5. meetings between the Stock Exchange and our Directors could be arranged through our Authorized Representatives or our Company's Compliance Advisor, or directly with our Directors within a reasonable period. Our Company will inform the Stock Exchange as soon as practicable in respect of any change in the Authorized Representatives, the Directors and/or the Compliance Advisor of our Company in accordance with the Listing Rules.

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

Section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires all prospectuses to include matters specified in Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance (the "**Third Schedule**"), and set out the reports specified in Part II of the Third Schedule.

Paragraph 27 of Part I of the Third Schedule requires a company to include in its prospectus a statement as to the gross trading income or sales turnover (as the case may be) of the company during each of the three financial years immediately preceding the issue of the prospectus, including an explanation of the method used for the computation of such income or turnover and a reasonable breakdown between the more important trading activities.

Paragraph 31 of Part II of the Third Schedule further requires a company to include in its prospectus a report by the auditors of the company with respect to (i) the profits and losses of the company for each of the three financial years immediately preceding the issue of the prospectus and (ii) the assets and liabilities of the company of each of the three financial years immediately preceding the issue of the prospectus.

Section 342A(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance provides that 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 interests 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.

Rule 4.04(1) of the Listing Rules requires that the consolidated results of the issuer and its subsidiaries in respect of each of the three financial years immediately preceding the issue of the listing document or such shorter period as may be acceptable to the Stock Exchange be included in the accountants' report to the prospectus.

Our Company is a biotech company as defined under Chapter 18A of the Listing Rules and is seeking a listing under Chapter 18A of the Listing Rules. According to Rule 18A.03(3) of the Listing Rules, a biotech company must have been in operation in its current line of business for at least two financial years prior to listing under substantially the same management. Rule 18A.06 of the Listing Rules requires that an eligible biotech company shall comply with Rule 4.04 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.

In compliance with the above-mentioned requirements under the Listing Rules, the Accountants' Report set out in Appendix I is prepared to cover the years ended December 31, 2023 and 2024 and the nine months ended September 30, 2025.

Accordingly, we have applied to the SFC for a certificate of exemption from strict compliance with the requirements under Section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule on the following grounds:

(a) our Company is primarily engaged in research, development and commercialization of therapies for wound healing, currently PDGF drugs, and falls within the scope of biotech company as defined under Chapter 18A of the Listing Rules. Our Company will fulfill the additional conditions for Listing required under Chapter 18A of the Listing Rules;

(b) the Accountants' Report for each of the financial years ended December 31, 2023 and 2024 and the nine months ended September 30, 2025 has been prepared and is set out in Appendix I to this prospectus in accordance with Rule 18A.06 of the Listing Rules;

(c) furthermore, as Chapter 18A of the Listing Rules provides track record period of two years for biotech companies in terms of financial disclosure, strict compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance would be unnecessary and/or irrelevant in the circumstance of the Company. As of the Latest Practicable Date, the Company had not commercialized any products and therefore did not generate any revenue from product sales;

(d) notwithstanding that the financial results set out in this prospectus are only for the years ended December 31, 2023 and 2024 and the nine months ended September 30, 2025 in accordance with Chapter 18A of the Listing Rules, other information required to be disclosed under the Listing Rules and requirements under the Companies (Winding up and Miscellaneous Provisions) Ordinance has been adequately disclosed in this prospectus pursuant to the relevant requirements; and

(e) the Accountants' Report covering the years ended December 31, 2023 and 2024 and the nine months ended September 30, 2025 (as set out in Appendix I), together with other disclosures in this prospectus, have already provided adequate and reasonably up-to-date information in the circumstances for the potential investors to make an informed assessment of the business, assets and liabilities, financial position, management and prospects and to form a view on the track record of our Company. Therefore, the exemption would not prejudice the interest of the investing public.

The SFC has granted us a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance exempting our Company from strict compliance with section 342(1)(b) in relation to paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule on the conditions that particulars of the exemption are set out in this prospectus and that this prospectus will be issued on or before December 12, 2025.

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus, for which our Directors (including any proposed director who is named as such in this Prospectus) collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (Winding up and Miscellaneous Provisions) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the Listing Rules for the purpose of giving information to the public with regard to us. Our Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other facts the omission of which would make this prospectus or any statement in this prospectus misleading.

CSRC FILING REQUIREMENT

On December 27, 2024, the CSRC has issued a notification on our Company' completion of the PRC filing procedures for the listing of our Shares on the Stock Exchange and the Global Offering, confirming our completion of the filing pursuant to the new filing regime introduced by the Overseas Listing Trial Measures for the Global Offering, for the conversion of Unlisted Shares into H Shares and the application for listing of the H Shares on the Stock Exchange. As advised by our PRC Legal Advisor, our Company has completed all necessary filings with the CSRC in the PRC in relation to the Global Offering and the Listing.

UNDERWRITING AND INFORMATION ON THE GLOBAL OFFERING

This prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. For applicants under the Hong Kong Public Offering, this prospectus sets out the terms and conditions of the Hong Kong Public Offering.

The Hong Kong Offer Shares are offered solely on the basis of the information contained and representations made in this prospectus and on the terms and subject to the conditions set out herein and therein. No person is authorized to give any information in connection with the Global Offering or to make any representation not contained in this prospectus, and any information or representation not contained herein must not be relied upon as having been authorized by us, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the Capital Market Intermediaries, any of our or their respective directors, officers, agents, employees or advisors or any other party involved in the Global Offering.

Neither the delivery of this prospectus nor any offering, sale or delivery made in connection with the Offer Shares should, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in our affairs since the date of this prospectus or imply that the information contained in this prospectus is correct as at any date subsequent to the date of this prospectus.

Details of the structure of the Global Offering, including its conditions, are set out in "Structure of the Global Offering," and the procedures for applying for the Hong Kong Offer Shares are set out in "How to Apply for Hong Kong Offer Shares."

The Listing is sponsored by the Joint Sponsors and the Global Offering is managed by the Overall Coordinators. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters pursuant to the Hong Kong Underwriting Agreement and is subject to us and the Overall Coordinators (for themselves and on behalf of the Underwriters) agreeing on the Offer Price. The International Underwriting Agreement relating to the International Offering is expected to be entered into on or about the Price Determination Date, subject to determination of the Offer Price.

DETERMINATION OF THE OFFER PRICE

The Offer Shares are being offered at the Offer Price which will be determined by us and the Overall Coordinators (for themselves and on behalf of the Underwriters) on or around Thursday, December 18, 2025 (which, at the earliest, could be Wednesday, December 17, 2025), and, in any event no later than 12:00 noon on Thursday, December 18, 2025.

If, for any reason, the Offer Price is not agreed among us and the Overall Coordinators (for themselves and on behalf of the Underwriters) by 12:00 noon on Thursday, December 18, 2025, the Global Offering (including the Hong Kong Public Offering) will not proceed and will lapse.

RESTRICTIONS ON OFFER AND SALE OF SHARES

Each person acquiring the Hong Kong Offer Shares under the Hong Kong Public Offering will be required to, or be deemed by his acquisition of Hong Kong Offer Shares to, confirm that he is aware of the restrictions on the offer and sale of the Hong Kong Offer Shares described in this prospectus.

No action has been taken to permit a public offering of the Offer Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong. Accordingly, and without limitation to this prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation for subscription. The distribution of this prospectus and the offering and sale of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom. In particular, the Offer Shares have not been offered and sold, and will not be offered and sold, directly or indirectly, in the PRC.

APPLICATION FOR LISTING OF THE H SHARES ON THE STOCK EXCHANGE

We have applied to the Listing Committee for the granting of listing of, and permission to deal in, our H Shares to be issued pursuant to (i) the Global Offering (including any H Shares which may be issued pursuant to the Over-allotment Option), and (ii) the H Shares to be converted from our existing Unlisted Shares. Dealings in the H Shares on the Stock Exchange are expected to commence on Monday, December 22, 2025. No part of our H Shares is listed on or dealt in on any other stock exchange, and no such listing or permission to list is being or proposed to be sought in the near future.

The H Shares will be traded in board lot of 200 H Shares. The stock code of the H Shares is 2396.

Under section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any allotments made in respect of any applications will be invalid if the listing of, and permission to deal in, the Offer Shares on the Hong Kong Stock Exchange is refused before the expiration of three weeks from the date of the closing of the application lists, or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to the Company by the Hong Kong Stock Exchange.

COMMENCEMENT OF DEALINGS IN THE H SHARES

Assuming that the Hong Kong Public Offering becomes unconditional in Hong Kong at or before 8:00 a.m. in Hong Kong on Monday, December 22, 2025, it is expected that dealings in our H Shares on the Stock Exchange will commence at 9:00 a.m., on Monday, December 22, 2025.

H SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of the listing of, and permission to deal in, our H Shares including the Offer Shares on the Stock Exchange and our compliance with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares on the Stock Exchange or any other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second settlement day after any trading day. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time. All necessary arrangements have been made for the H Shares to be admitted into CCASS.

COMPLIANCE WITH LISTING RULES

We will comply with applicable laws and regulations in Hong Kong (including the Listing Rules) and any other undertakings which have been given in favor of the Hong Kong Stock Exchange from time to time. If the Listing Committee finds that there has been a breach by us of the Listing Rules or such other undertakings which may have been given by us in favor of the Hong Kong Stock Exchange from time to time, the Listing Committee may instigate cancelation or disciplinary proceedings in accordance with the Listing Rules.

REGISTRATION OF SUBSCRIPTION, PURCHASE AND TRANSFER OF H SHARES

We have instructed the H Share Registrar, and the H Share Registrar has agreed, not to register the subscription, purchase or transfer of any H Shares in the name of any particular holders unless the holder delivers a signed form to the H Share Registrar in respect of those H Shares bearing statements to the effect that the holder:

(i) agrees with us and each of our Shareholders, and we agree with each Shareholder, to observe and comply with the PRC Company Law, and our Articles of Association;

(ii) agrees with us, each of our Shareholders, Directors, Supervisors, managers and officers, and we, acting for ourselves and for each of our Directors, Supervisors, managers and officers agree with each Shareholder, to refer all differences and claims arising from our Articles of Association or any rights or obligations conferred or imposed by the Company Law or other relevant laws and administrative regulations concerning our

affairs to arbitration in accordance with our Articles of Association, and any reference to arbitration shall be deemed to authorize the arbitration tribunal to conduct hearings in open session and to publish its award, which shall be final and conclusive;

(iii) agrees with us and each of our Shareholders that our H Shares are freely transferable by the holders of our H Shares; and

(iv) authorizes us to enter into a contract on his or her behalf with each of our Directors, Supervisors, managers and officers whereby such Directors, Supervisors, managers and officers undertake to observe and comply with their obligations to our Shareholders as stipulated in our Articles of Association. Persons applying for or purchasing H Shares under the Global Offering are deemed, by their making of an application or purchase, to have represented that they are not Associates of any of our Directors or existing Shareholder or a nominee of any of the foregoing.

H SHARE REGISTER OF MEMBERS AND STAMP DUTY

All H Shares issued pursuant to applications made in the Hong Kong Public Offering and the International Offering will be registered on the Company's H Share register of members to be maintained by our H Share Registrar, Tricor Investor Services Limited, in Hong Kong. We will maintain the Company's principal register of members at our current registered office in the PRC.

Dealings in our H Shares registered in the H Share register of members of the Company in Hong Kong will be subject to Hong Kong stamp duty. See "Appendix IV — Statutory and General Information — E. Other Information — 5. Taxation of Holders of H Shares" for further details.

PROFESSIONAL TAX ADVICE RECOMMENDED

Applicants for the Offer Shares are recommended to consult their professional advisors if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding, disposing of and dealing in our H Shares or exercising rights attached to them. None of the Company, the Underwriters, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, any of their respective directors, supervisors, officers, employees, agents or advisors or any other persons involved in the Global Offering accepts responsibility for any tax effects or liabilities of holders of Shares resulting from the subscription, purchase, holding or disposal of, or dealing in, our H Shares.

OVER-ALLOTMENT OPTION AND STABILIZATION

Details of the arrangements relating to the Over-allotment Option and stabilization are set out in "Structure of the Global Offering."

PROCEDURES FOR APPLICATION FOR HONG KONG OFFER SHARES

The procedures for applying for the Hong Kong Offer Shares are set out in the section headed "How to Apply for Hong Kong Offer Shares" in this prospectus.

STRUCTURE OF THE GLOBAL OFFERING

Details of the structure of the Global Offering, including its conditions, are set out in the section headed "Structure of the Global Offering" in this prospectus.

LANGUAGE

The English names of the PRC nationals, entities, departments, facilities, certificates, titles, laws, regulations and the like are translations of their Chinese names and are included herein for identification purposes only. If there is any inconsistency, the Chinese name prevails.

ROUNDING

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments, or have been rounded to one decimal place. Any discrepancies in any tables or charts between the total shown and the sums of the amounts listed are due to rounding.

MARKET SHARE DATA

The statistical and market share information contained in this prospectus has been derived from official government publications, market data providers and other independent third-party sources. Unless otherwise indicated, the information has not been verified by us independently. This statistical information may not be consistent with other statistical information from other sources within or outside the PRC. Our Directors have reproduced the data and statistics extracted from such official government publications and other sources in a reasonably cautious manner.

CURRENCY TRANSLATIONS

Solely for your convenience, certain translations among amounts in RMB, HK$ or US$ are contained in this prospectus. None should be regarded as and be interpreted as an amount in one currency that can be actually converted into that in another currency at the rates below or cannot be converted at all. Unless otherwise specified:

(i) all amounts in RMB are translated into HK$ at an exchange rate of RMB0.9097 to HK$1.00;

(ii) all amounts in RMB are translated into US$ at an exchange rate of RMB7.1409 to US$1.00; and

(iii) all amounts in HK$ are translated into US$ at an exchange rate of HK$7.8499 to US$1.00 (calculated basing on i and ii).

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Nomination Committee	Mr. YUE Yichun (岳儀春) *(Chairperson)* Mr. LI Jiayan (李嘉焱) Ms. JIA Lijia (賈麗加)
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The information and statistics set out in this section and other sections of this prospectus were extracted from an independent industry report prepared by Frost & Sullivan, which was commissioned by us, in connection with the Global Offering and from various official government publications and other publicly available publications. We believe that the sources of such information and statistics are appropriate 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. The information from official government sources has not been independently verified by us, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors and advisors, or any other persons or parties involved in the Global Offering, and no representation is given as to its accuracy.

CHINA WOUND HEALING MARKET

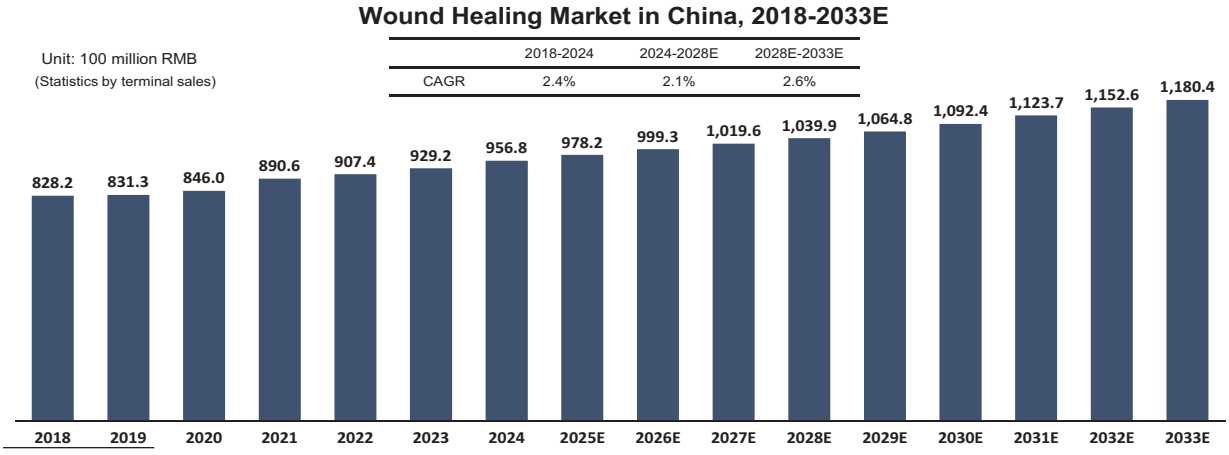
Overview

Wound healing is a complex biological process involving the repair and regeneration of skin and tissue after an injury. The aim of this process is to restore the structural integrity and function of the affected area. The efficiency of wound healing may be influenced by various factors, such as the nature of the wound, the individual's overall health and any existing underlying health conditions.

The wound healing market represents a substantial and diverse market, comprising numerous sub-markets dedicated to addressing particular medical requirements and therapeutic objectives, providing treatments for a variety of conditions, including DFUs, thermal burns, pressure ulcers, hemorrhoids, photodermatitis, radiation ulcers, fresh wounds, gastric ulcers, dry eye syndrome, corneal injuries, and alopecia. Despite the broad spectrum of conditions ranging from external traumas to chronic ailments, the primary objective remains to deliver effective solutions that facilitate healing and recovery. As a result, the wound healing market presents a comprehensive selection of drugs and therapies, each designed to address the particular requirements of these diverse conditions.

The wound healing market in China has shown a consistent upward trend in sales amount through the projection period. The total sales amount associated with the wound healing market in China was recorded at RMB82.8 billion in 2018, steadily increasing to RMB95.7 billion in 2024, at a CAGR of 2.4% from 2018 to 2024. This growth reflects not only the increasing demand for wound healing drugs and therapies but also the advancements in medical technologies and treatment methodologies within the market. The market is expected to further increase from

RMB95.7 billion in 2024 to RMB104.0 billion in 2028 and RMB118.0 billion in 2033, at a CAGR of 2.1% from 2024 to 2028 and 2.6% from 2028 to 2033, respectively. The chart below illustrates the wound healing market size in China by sales amount from 2018 to 2033:



Source: GLOBOCAN, the WHO, the Frost & Sullivan report

Note: the statistical approach involves categorizing and counting the number of hospital visits and out-of-hospital cases for both acute and chronic wounds, analyzing the treatment demand for wounds of varying severity and assessing the costs of treatment and the size of the drug market both inside and outside the hospital, aimed at comprehensively evaluating the overall expenses and market demand for wound healing.

Growth Drivers and Future Trends

The wound healing market in China is expected to experience strong growth in the future. In addition to general drivers such as aging population and increasing investment in R&D, such growth is also driven by the following specific factors:

- ***Growth in surgical procedures.*** There has been a significant increase in surgical procedures due to both acute injuries and the progression of chronic diseases. With the continuous advancement of medical technologies, a broader range of surgical interventions has become possible, driving the demand for trauma and surgical wound healing products.

- ***Increasing prevalence of chronic diseases.*** The increase in chronic diseases, especially diabetes and obesity, has led to an increase in wound healing disorders, such as DFUs. These chronic wounds require specialized products and treatment options, which in turn are driving the growth of the advanced wound healing market.

Entry Barriers

New entrants to the wound healing market mainly face the following barriers:

- ***Challenges related to biofilm.*** Biofilm, a slimy protective layer formed by various microorganisms on wound surfaces, resists elimination by antibiotics and the immune system, complicating wound management by impeding healing and increasing infection risk. Consequently, additional investment in research and development is necessary to create products and solutions that can surmount this barrier and enhance wound healing.

- ***Stringent clinical data requirements.*** To obtain regulatory approval and market acceptance, new wound healing treatment products and technologies need to provide strong clinical evidence, which is both time-consuming and expensive, especially concerning clinical trials and data collection, thus creating barriers to introducing new products to market.
- ***High initial investment.*** The development of new wound healing treatment products or technologies necessitates substantial initial investment in R&D and clinical trials, presenting a considerable barrier to entry for new market participants.

CHINA AND GLOBAL GROWTH FACTOR DRUG MARKET

Overview

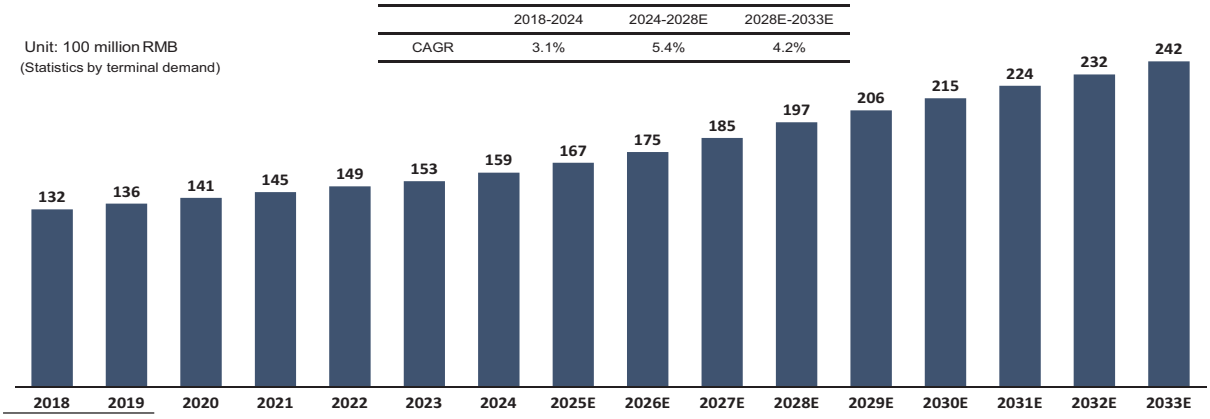
Growth factors, a group of polypeptides, are important for regulating a variety of cellular processes. They have the capability to stimulate cell proliferation, wound healing and occasionally cellular differentiation, acting as signaling molecules between cells. Various growth factors are instrumental in promoting the differentiation and maturation of different cell types. For example, epidermal growth factor (EGF) enhances osteogenic differentiation, while fibroblast growth factors (FGF) and vascular endothelial growth factors (VEGF) stimulate blood vessel differentiation, i.e., angiogenesis. Among these growth factors, PDGF has been reliably demonstrated to stimulate wound healing, particularly in the treatment of DFUs, and has historically received approval from the FDA for its application. The following table sets forth a comparison of different types of growth factors:

Type	Full Name	Primary Role in Wound Healing	Advantage	Common Application	Impact on Wound Healing Speed
EGF	Epidermal Growth Factor	Enhances epithelialization and accelerates wound closure	Promotes rapid epithelial cell growth, used for burns and skin wounds	Burns, skin wounds	High
FGF	Fibroblast Growth Factor	Involved in cell growth, tissue repair and angiogenesis	Broad-spectrum action for acute wound efficacy	Acute wounds, surgical healing	High
NGF	Nerve Growth Factor	Promotes tissue regeneration in specific types of wounds	Focus on neurological aspects, beneficial for nerve-related wounds	Diabetic wounds, nerve cell development	Moderate
PDGF	**Platelet-Derived Growth Factor**	**Stimulates cell proliferation and angiogenesis, efficacy in chronic wounds**	**Effective in chronic wounds, strong mitogenic properties**	**Chronic wounds, DFUs**	**High**
VEGF	Vascular Endothelial Growth Factor	Stimulates angiogenesis	Promotes tissue vascularization	Wound healing and tissue engineering	High

Sources: the Frost & Sullivan report

The global growth factor drug market has shown steady expansion from 2018 to 2033. The market size increased from RMB13.2 billion in 2018 to RMB15.9 billion in 2024, reflecting a CAGR of 3.1% during this period, primarily driven by rising demand for growth factor therapies and the development of new applications. The market is expected to continue its upward trend from 2024 to 2028, with an expected CAGR of 5.4%, reaching RMB19.7 billion in 2028, mainly due to the increased adoption of human-derived growth factor products and expansion into new therapeutic areas. Looking further ahead, from 2028 to 2033, the market is expected to sustain its growth trend with a CAGR of 4.2%, reaching RMB24.2 billion in 2033. This continued growth may be supported by the ongoing penetration of these products and the continuous development of innovative therapeutic applications. The following chart sets forth the historical and forecast size of the global growth factors drug market by estimated demand from 2018 to 2033:

Global Growth Factors Drug Market, 2018-2033E



Sources: GLOBOCAN, the WHO, Expert Interview, the Frost &Sullivan report

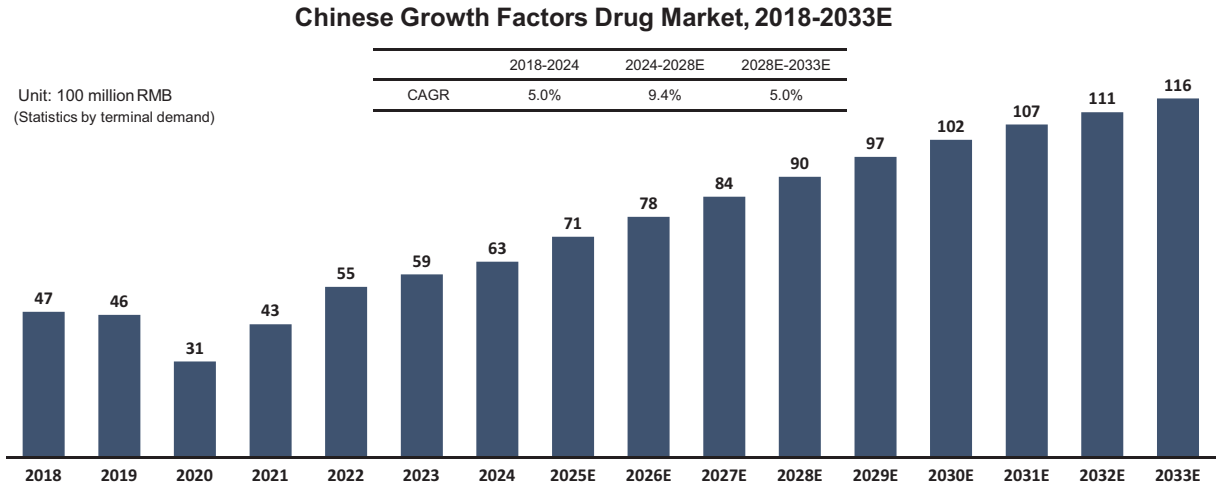
The global growth factors drug market consists of PDGF, FGF, KGF, EGF and NGF, which accounted for 12.4%, 36.3%, 10.9%, 18.8% and 21.6%, respectively, in 2024.

The growth factor drug market in China has demonstrated a decreasing trend from 2018 to 2020, mainly impacted by (i) concerns over side effects from non-human derived growth factor products and stricter regulations in China from 2018 to 2019[(1)] and (ii) disrupted logistics and supply chains impacted by the COVID-19 pandemic, resulting in a scarcity of relevant drugs in pharmaceutical sales in 2020. As more human derived growth factor products launched, the growth factor drug market in China bounced back in 2021 and reached RMB6.3 billion in 2024. Driven by increasing demand, expansion of indications and improving household spending power, this market is expected to further increase to RMB9.0 billion in 2028 and RMB11.6 billion in 2033, growing

Note:

(1) Non-human-derived growth factors, which may come from animal sources or be produced through recombinant expression of non-human genes, often have structural differences from human proteins. These differences increase the likelihood of immune reactions and other adverse effects, such as localized allergic redness, swelling, itching, one-time pain, among others, making their pharmacologic profile more complex and potentially less safe than human-derived growth factors. Instead, human-derived growth factors, obtained either from human tissues or through recombinant DNA technology, are generally highly biocompatible. They exhibit better compatibility and lower immunogenicity in vivo compared to non-human-derived growth factors. Pharmacological studies indicate that human-derived growth factors are well tolerated and safe, with no toxic effects or adverse reactions directly linked to their application on human skin wounds.

at a CAGR of 9.4% from 2024 to 2028 and 5.0% from 2028 to 2033, respectively. The following chart sets forth the historical and forecast size of the growth factor drug market in China by estimated demand from 2018 to 2033:



Source: the Frost & Sullivan report

The growth factor drug market in China is composed of FGF, EGF and NGF, which accounted for 57.7%, 27.1% and 15.2%, respectively, in 2024.

Competitive Landscape

Global Competitive Landscape

As of the Latest Practicable Date, the FDA has only approved three growth factor drugs, one of which is a PDGF drug, details of which are set forth below:

Brand Name	Drug	Company	Indication	Administration Route	Approved Year	Price	Dose per Day	Cost per Day	Safety and Efficacy	Reimbursement Scheme
Oxervate (Cenegermin)	NGF	Dompé farmaceutici SpA	Neurotrophic keratitis	Eye drop	2018	US$28,156/7*1ml	0.3ml	US$1,206.7	Oxervate is a medicine for moderate to severe neurotrophic keratitis. Clinical studies have demonstrated that a significantly greater number of patients receiving Oxervate experienced complete corneal healing after an 8-week treatment period.	Covered by the U.S. medical insurance
Kepivance (Palifermin)	rh-KGF/rh-FGF	Biovitrum AB	Oral mucositis	Intravenous bolus injection	2004	US$3,190.24/ 5.16mg	3.6mg	US$2,225.8	Kepivance is a medication aimed at the epithelial cells lining the oral cavity and gastrointestinal tract, proving effective in the treatment of mucosal inflammation following radiation and chemotherapy. However, its safety and efficacy in patients with non-hematologic malignancies have not yet to be established.	Covered by the U.S. medical insurance
Regranex (Becaplermin)	rh-PDGF	Smith+Nephew	DFUs	Smearable gel	1997	US$1,721.1/15g	0.1g	US$32.1	Regranex is a human platelet-derived growth factor designed for the treatment of diabetic neuropathic ulcers on the lower extremities, which penetrate into the subcutaneous tissue and possess an adequate blood supply. It may serve as a complement to, rather than a substitute for, proper ulcer care practices.	Covered by the U.S. medical insurance

Source: the Frost & Sullivan report

Note: ordered by approved year of each drug

As of the Latest Practicable Date, there was no PDGF drug approved by the FDA for the treatment of thermal burns. The expansion of the growth factor drug market in the United States has been relatively slow, primarily due to the presence of a wide array of established pharmaceuticals that effectively address existing medical demand. With a well-developed and saturated market, there is less incentive to develop new drugs, as the current treatment options are sufficient to meet the demand. The following table sets forth details on the worldwide growth factor drug pipelines:

Drug Candidate	Sponsor	Clinical Trial Site	Indication	Phase and Status	First Posted Date	Clinical No.
TGF-B and PDGF	St. Antonius Hospital	Holland	Rotator cuff rupture subacromial impingement	Completed (III)	July 2010	NCT01510639
rh-PDGF-BB	Universidad Autonoma de Nuevo Leon	Mexico	Periodontal diseases	Recruiting (II)	January 2024	NCT06162832
rh-PDGF	Nova Southeastern University	America	Defect periodontal intrabony	Recruiting (I/II)	October 2022	NCT05442034
VM202 (Hepatocyte Growth Factor)	Northwestern University	America	Peripheral Artery Disease	Completed (II)	January 2018	NCT03363165
KP-100LI (Hepatocyte Growth Factor)	Kringle Pharma, Inc.	Japan	Vocal Fold Scar	Recruiting (II)	October 2022	NCT05627648
FGF-2	NYU Langone Health	America	Tympanic Membrane Perforation	Recruiting (II)	May 2022	NCT04960384
Keratinocyte Growth Factor	University of Arizona	America	Chemotherapy induced alopecia	Completed (I)	April 2020	NCT05627648
Vascular Endothelial Growth Factor (VEGF), Platelet Derived Growth Factor (PDGF), Hepatocyte Growth Factor (HGF)	National Institute of Cardiology, Warsaw, Poland	Poland	Acute coronary syndrome	Completed (observational)	January 2007	NCT00844987

Source: the Frost & Sullivan report

Notes:

(1) Ordered by clinical study phase of each drug pipeline.

(2) A drug sponsor may submit a NDA to the FDA for review only upon the completion of Phase III clinical trial.

Competitive Landscape in China

The growth factor drug market in China consists of FGF, EGF and NGF drugs, among them, FGF drug contributes to the largest market share of 57.7% in 2024, followed by EGF of 27.1% and NGF of 13.2% in the same year. Cutaneous wound, ophthalmology and nervous system are main indications of approved growth factor drugs in China, where 66.5% of the market share, mainly EGF and FGF, is for the treatment of cutaneous wound, such as thermal burns wounds, chronic wounds and fresh wounds, among others. As of the Latest Practicable Date, there was no PDGF drug approved by the relevant regulatory authority in China. See "— China and Global PDGF Drug Market — Indications and Corresponding Market Size and Trends — Thermal Burns — Competitive Landscape."

As of the Latest Practicable Date, Regranex is the only PDGF drug approved by the FDA. Stringent regulatory requirements, and high research and development costs have been the primary reasons why no PDGF drugs other than Regranex have been approved in the past 20 years. Initially, Regranex was subjected to a "boxed" warning due to concerns over its potential cancer risk, which significantly dampened industry interest in developing PDGF drugs. However, with the accumulation of more robust data, the FDA removed this warning in 2018, reopening the pathway for PDGF drug development.

The molecular complexity of PDGF drugs and high technical barriers have been major factors limiting industry growth. Existing therapies for DFUs and thermal burns, such as negative pressure therapy, skin substitutes, and antimicrobial therapies are unable to accelerate wound healing or significantly reduce recurrence rates. Based on advanced clinical designs and scientific validation, our PDGF candidates address critical limitations of existing therapies by promoting tissue regeneration and wound repair and are expected to meet and surpass stringent regulatory requirements.

Recent advancements in biotechnology and drug delivery technologies enhance the efficacy and safety of PDGF drugs. Innovations such as precision local delivery technologies which enable the direct delivery of drugs to specific affected areas, can enhance therapeutic efficacy and reduce systemic side effects, while advancements in genomics and proteomics enable more accurate patient selection. Our Company integrates advanced platforms to develop PDGF drugs with improved efficacy. Additionally, we are exploring the potential of combining PDGF drugs with other therapies to optimize therapeutic outcomes and broaden the scope of product applications.

Furthermore, the limited competition in the PDGF drug market also provides our Company with a strategic advantage. Historically, patent protections and safety concerns related to Regranex have hindered other companies from entering this market. However, as these barriers gradually diminish, the market still lacks strong competitors. Through independent research and development, our Company has established a comprehensive intellectual property system. Our Company is committed to developing safer and more effective PDGF drugs, driving long-term growth, and maintaining a leading position in future market competition.

The following tables set forth details on the approved growth factor drugs in China:

Approved FGF drugs in China

Brand Name	Drug	Company	Indication	Approved Year	Price	National Health Insurance
Recombinant Bovine Basic Fibroblast Growth Factor For External Use, Liquid (贝复济)	rb-bFGF	Zhuhai Essex	Thermal burns wounds, chronic wounds and fresh wounds	1998	RMB52, 15ml	Not included/ Class B (by formulation)
Recombinant Bovine Basic Fibroblast Growth Factor Eye Drops (贝复舒)	rb-bFGF	Zhuhai Essex	Corneal epithelial defect and punctate keratopathy caused by various reasons, recurrent superficial punctate keratopathy, mild to moderate dry eye, bullae keratitis, corneal abrasion, mild to moderate chemical burn, corneal surgery and poor postoperative healing, map (or nutritional) single blistering corneal ulcer, among others	1999	RMB35.5, 5ml	Class B
Recombinant Human Basic Fibroblast Growth Factor Gel (扶济复)	rh-bFGF	Beijing SL Pharm	Thermal burns wounds, chronic wounds and fresh wounds	2004	RMB77, 35,000 IU*1 bottle	Class B
Recombinant Human Acidic Fibroblast Growth Factor For External Use (艾夫吉夫)	rh-aFGF	Shanghai Tenry	Thermal burns wounds, chronic wounds	2006	RMB90, 25,000 IU/2ml	Class B
Recombinant Bovine Basic Fibroblast Growth Factor Gel (贝复新)	rb-bFGF	Zhuhai Essex	Thermal burns wounds, chronic wounds and fresh wounds	2006	RMB60, 5g	Class B
Recombinant Human Basic Fibroblast Growth Factor for External Use (益扶)	rh-bFGF	Nanhai Longtime Pharmaceutical	Thermal burns wounds, chronic wounds and fresh wounds	2007	RMB54, 20,000 IU*1 bottle	Class B

Source: the CDE, the Frost & Sullivan report

Note: ordered by approved year of each drug

Approved EGF drugs in China

Brand Name	Drug	Company	Indication	Approved Year	Price	National Health Insurance
Recombinant Human Epidermal Growth Factor Derivative For External Use, Liquid (金因肽)	rhEGF	Shenzhen Watsin Genetech Ltd	Thermal burns wounds (including shallow second-degree or deep second-degree burn wounds), residual small wounds, various chronic ulcer wounds (including vascular, radiation, and diabetic ulcers) and fresh wounds in the donor area, among others	2001	RMB62, 15ml	Class B
Human Epidermal Growth Factor For External Use (康合素)	rhEGF	Shanghai Haohai Biological Technology	Thermal burns wounds (including shallow second-degree and deep second-degree wounds), residual small wounds, and skin donor area wounds. All types of chronic ulcer wounds (including diabetic, vascular, radiation ulcers), among others	2001	RMB55, 50,000 IU*1 bottle	Class B
Recombinant Human Epidermal Growth Factor Eye Drops (易贝)	rhEGF	Guilin Pavay	Corneal epithelial defects caused by various reasons, including corneal mechanical injury, various corneal surgeries, mild dry eye syndrome with superficial punctate keratopathy, mild chemical burns, among others	2002	RMB29.5, 3ml	Class B
Human Epidermal Growth Factor Gel (易孚)	rhEGF	Guilin Pavay	Thermal burns wounds (shallow second degree to deep second degree burn and scald wounds), residual wounds, donor site wounds and chronic ulcer wounds	2002	RMB56, 10g	Class B
Recombinant Human Epidermal Growth Factor Derivative Eye Drops (金因舒)	rhEGF	Shenzhen Watsin Genetech Ltd	Corneal epithelial defects caused by various reasons, including corneal mechanical damage, various corneal surgeries, mild dry eye with superficial punctate keratopathy, mild chemical burns, among others	2004	RMB23, 3ml	Class B
Lyophilized Mouse Epidermal Growth Factor (一夫)	mEGF	Zhejiang Hawking Pharmaceutical	Burns, fresh wound surface, ulcers and gangrene due to diabetes or varicose veins, ulcer wound, among others	2007	RMB285, 10μg	Not included

Source: the CDE, the Frost & Sullivan report

Note: ordered by approved year of each drug

Approved NGF drugs in China

Brand Name	Drug	Company	Indication	Approved Year	Price	National Health Insurance
Mouse Nerve Growth Factor for Injection (金路捷)	mNGF	Wuhan Hiteck Biological Pharmaceutical	Demyelination disease, axonal degeneration, n-hexane toxicity peripheral neuropathy	2003	RMB170, 20μg 2ml	Not included
Mouse Nerve Growth Factor for Injection (恩经宁)	mNGF	Beijing Sinobioway Biomedicine	N-hexane toxic peripheral neuropathy	2003	RMB179, 18μg	Not included
Mouse Nerve Growth Factor for Injection (稣肤生)	mNGF	Beijing Staidson Biopharmaceuticals	Optic nerve damage	2006	RMB138, 30μg	Not included
Mouse Nerve Growth Factor for Injection (赐康樂)	mNGF	Zhuhai Livzon	Promotes recovery from nerve damage	2006	RMB130, 30μg	Not included

Source: the CDE, the Frost & Sullivan report

Note: ordered by approved year of each drug

The following tables set forth details on the growth factor drug pipelines in China:

FGF drug pipeline in China

Drug Candidate	Sponsor	Indication	Phase and Status	First Posted Date	Clinical No.
rh-aFGF	Shanghai Tenry	Fresh wounds	In-progress (III)	April 13, 2021	CTR20210692
rh-bFG (external solution)	Nanhai Longtime Pharmaceutical	Class I surgical incision on extremities	In-progress (III)	November 4, 2017	CTR20171134
rh-bFG (external gel)	Nanhai Longtime Pharmaceutical	Chronic wounds including diabetic ulcers, vascular ulcers, bedsores, traumatic ulcers, radioactive ulcers, among others	In-progress (III)	March 19, 2012	CTR20132467
hb-FGF	Yaogu (Wenzhou) Technology Development Co., Ltd.	Deep second degree burns	In-progress (II)	September 12, 2023	CTR20232626

Source: the CDE, the Frost & Sullivan report

Note: ordered by clinical study phase of each pipeline

EGF drug pipeline in China

Drug Candidate	Sponsor	Indication	Phase and Status	First Posted Date	Clinical No.
rh-EGF (injection)	Genetic and Biotechnology Engineering Center/Huake Pharmaceutical Intellectual Property Consulting Center	DFUs	In-progress (III)	August 7, 2014	CTR20140502
rh-EGF	Guilin Pavay	Moderate xerophthalmia with superficial punctate keratopathy	In-progress (II)	September 18, 2015	CTR20130920
rh-EGF	The Sixth Affiliated Hospital of Sun Yat-sen University	Radiodermatitis	In-progress	January 20, 2019	ChiCTR1900020842
Lyophilized rh-EGF (eye drops)	Institute of Bioengineering of AMMS, PLA/Chengdu Huasun	After corneal transplantation and pterygium excision	In-progress	February 3, 2015	CTR20132246

Source: the CDE, the Frost & Sullivan report

Note: ordered by clinical study phase of each pipeline

NGF drug pipeline in China

Drug Candidate	Sponsor	Indication	Phase and Status	First Posted Date	Clinical No.
rh-NGF	Sichuan Zeha Times Pharmaceutical Co. Ltd.	Optic nerve damage	In-progress (II)	July 10, 2023	CTR20232035
mNGF (injection)	Beijing Staidson Biopharmaceuticals	Refractory DFUs	In-progress (II)	May 4, 2017	CTR20170195
rh-NGF (injection)	Institute of Bioengineering of AMMS, PLA/Sichuan Zeha Times Pharmaceutical Co. Ltd.	Optic nerve injury	Completed (I)	June 22, 2020	CTR20201202
rh-NGF (injection)	Jiangsu Xintrum Pharma	Optic nerve injury	Completed (I)	September 23, 2019	CTR20191810
Recombinant human nerve growth factor eye drops	Chongqing Kerun Biopharmaceutical R&D Co., Ltd.	Neurotrophic keratitis	In-progress (I)	March 15, 2024	CTR20240851
SMR001 (rh-NGF for injection)	Beijing Sinobioway Biomedicine	dry eye syndrome	In-progress (I)	October 10, 2020	CTR20201934

Source: the CDE, the Frost & Sullivan report

Note: ordered by clinical study phase of each pipeline

Other growth factor drug pipelines in China

Drug Candidate	Sponsor	Indication	Phase and Status	First Posted Date	Clinical No.
rh-KGF (freeze-drying)	Shanghai Newsummit Biopharma Co., Ltd.	Superficial second degree burns	In-progress (III)	September 5, 2014	CTR20140592
rh-KGF (freeze-drying)	Chengdu Zhitian Bioengineer Corp.	Treatment of severe oral mucositis in patients with hematopoietic stem cell transplantation	In-progress (I/II)	April 3, 2015	CTR20150028
rh-KGF (eyedrops)	JNU Guangdong Pharmaceutical Engineering Research Center for Gene	Treatment of corneal epithelial defects caused by corneal abrasions, mild and moderate chemical burns, corneal surgery and poor postoperative healing and dry eye	In-progress (I)	March 10, 2021	CTR20210423
PMBT combined with CGF	Xi'an Jiaotong University Stomatological Hospital	Gingival papillary regression	In-progress	September 29, 2020	ChiCTR2000038732

Sources: the CDE, the Frost & Sullivan report

Note: ordered by clinical study phase of each pipeline

For details on PDGF drug pipelines in China, see "— China and Global PDGF Drug Market — Competitive Landscape."

One of the main reasons for the initial cautious approach towards growth factor drugs was early concerns about potential health risks, including possible links to cancer or other severe side effects. These concerns led regulatory authorities and pharmaceutical companies to proceed with caution in the development and approval of new growth factor drugs, and such cautious stance was adopted globally.

However, with the accumulation of clinical research and data, these early concerns have been reassessed. Recent studies suggest that the risks associated with growth factor drugs can be effectively managed when used in specific clinical settings and dosages. Evidence now indicates that, under controlled clinical conditions, these growth factors can be administered safely without

significantly increased risks. For example, according to an article published in the Medical Journal of Peking Union Medical College Hospital, PDGF directly facilitates tissue repair by initiating cell proliferation, migration, secretion, and angiogenesis. However, traditional PDGF formulations face limitations such as short shelf life, low bioavailability, and frequent side effects, which restrict their clinical application.

To address these issues, researchers have developed optimized formulations, including platelet-rich fibrin, concentrated growth factors, and platelet lysates, which enhance PDGF's concentration and stability, thereby improving its wound-healing capabilities. Additionally, advanced delivery systems and structural modifications based on bioengineering techniques have been proposed as promising approaches for wound repair. Furthermore, a study published in Progress in Pharmaceutical Science evaluates the clinical efficacy and safety of PDGF in specific clinical conditions. The results demonstrate PDGF's significant advantages in tissue repair and regeneration, particularly in promoting wound healing. However, it also highlights that PDGF may cause excessive tissue proliferation or other side effects in certain cases, emphasizing the importance of dosage control and precise delivery. The article recommends individualized risk assessments for specific patient populations to optimize PDGF usage and minimize potential risks, while proposing scientific strategies to enhance its therapeutic efficacy. These findings provide strong theoretical support for the clinical application of PDGF and offer valuable guidance for developing safer and more effective treatment approaches.

Our Company has implemented multiple measures to manage and document the SAEs of growth factor drugs in the clinical trial protocols for its drug candidates, including but not limited to:

- **Management and Documentation System**: Our Company has implemented a comprehensive system to manage and document SAEs using NCI-CTCAE 5.0 standards and real-time electronic data capture. The recorded data include event occurrence time, severity, causality assessment, and intervention measures;
- **Risk Mitigation Strategies**: Our Company has implemented multiple strategies to mitigate risks, such as excluding high-risk individuals (e.g., cancer patients) during screening, conducting real-time assessments of tissue repair and adverse reactions, and applying preventive interventions like antibiotics for infection risks; and
- **Reporting and Follow-Up**: All SAEs are reported to the sponsor and ethics committee within 24 hours and summarized in periodic reports to regulatory authorities. Our Company's research team follows up on unresolved SAEs until resolution or stabilization and analyzes adverse event frequency and risk mitigation effectiveness post-trial to optimize future protocols.

Growth Drivers and Future Trends

The growth factor drug market has been, and is expected to continually be, driven by the following growth drivers:

- ***Increasing demand in treating open wounds.*** The wound healing market in China has shown a consistent upward trend in sales amount through the projection period. The total sales amount associated with the wound healing market in China was recorded at RMB82.8 billion in 2018, steadily increasing to RMB95.7 billion in 2024, at a CAGR of 2.4% from 2018 to 2024. Among these, open wounds such as thermal burns, DFUs, pressure ulcers, radiation ulcers, and fresh wounds accounted for more than 50% of the

total market. Growth factor drugs are highly effective in promoting the healing of open wounds, particularly in chronic cases such as thermal burns or DFUs. As demand for these advanced treatments grows, the market for these specialized drugs expands accordingly. This uptick in demand directly contributes to market expansion as healthcare providers seek more effective solutions for complex wound management.

- ***Limitations on existing therapies.*** Current treatments for DFUs and thermal burns exhibit significant limitations. While methods such as debridement, wound dressings, and antimicrobial therapies offer some benefits, they generally fail to significantly accelerate wound healing or reduce the high recurrence rates associated with chronic DFUs and thermal burns. These limitations primarily arise from their inability to address key underlying issues, such as impaired angiogenesis and insufficient tissue regeneration. For thermal burn patients, existing treatments largely focus on pain relief, infection prevention, and the removal of necrotic tissue, offering limited efficacy in promoting functional skin repair and regeneration. Deep burns, in particular, often lead to complications such as scar formation, loss of skin elasticity, and impaired functionality, severely affecting patients' quality of life. Innovative growth factor drugs have the potential to overcome these challenges by accelerating wound healing, promoting angiogenesis, and facilitating tissue regeneration, thereby addressing unmet clinical needs and improving outcomes for both DFUs and thermal burns.

- ***Expansion of indications.*** By broadening the applications of growth factor drugs to encompass a wider range of wound types, more patients with thermal burns and DFUs can benefit from these treatments. In addition, several studies are exploring the possibility of application of growth factors in ophthalmic diseases and esthetic medicine, and this exploration not only serves a larger patient population but also greatly increases the market potential of these drugs.

- ***Encouraging R&D Policies.*** Encouraging policies from government and industry promote the research and development of novel drugs, which leads to advancements in treatments that are more effective at addressing thermal burns and DFUs, propelling the market growth for these drugs. Such policies accelerate the access of new therapeutic options to patients in need and align medical innovation with market demands. For example, the "14th Five-Year Plan" aims to cultivate blockbuster innovative drugs, enhancing their contribution to industry growth. The NMPA has deepened the reform of the drug review and approval system by implementing measures such as "early intervention, enterprise-specific strategies, comprehensive guidance, and research-review integration" for key products. The reform has accelerated the launch of innovative drugs, further aligning medical innovation with market demands.

- ***Increasing affordability.*** With economic growth and rising household income, families can spend more on healthcare, making previously expensive drugs, such as growth factor drugs, more affordable. Concurrently, technological advancements and large-scale production have lowered the research and manufacturing costs of biotech drugs, further reducing their market prices. Moreover, with more pharmaceutical companies entering the field, increased market competition has led to price decreases through competitive pricing and introduction of alternative drugs, making these high-efficacy treatments more accessible and affordable for patients.

Meanwhile, the growth factor drug market is evolving with following key trends shaping its future: (i) leveraging genetic insights and individual patient data, growth factor drugs are expected to be tailored more precisely to the unique requirements of individual patients, thereby enhancing the effectiveness of treatments; (ii) growth factors, traditionally associated with wound healing and tissue regeneration, are now being explored for new therapeutic uses. For example, research is uncovering potential applications in oncology, targeting PDGF's role in angiogenesis to inhibit tumor growth; and (iii) there is potential for recombinant growth factors to be administered in combination with other treatments, such as chemotherapy, radiation or targeted therapies. Such combination treatments could produce synergistic effects, enhancing the clinical outcomes for patients with multifaceted diseases.

Entry Barriers

New entrants to the growth factor drug market mainly face the following barriers:

- ***Continuing validity issue.*** Growth factors typically have a short half-life in the body due to their protein nature and are easily degraded by enzymes. Developers must consider how to extend their in vivo duration of action or maintain therapeutic effects through multiple administrations. This characteristic complicates the development and clinical use of growth factors, necessitating solutions to the technical bottleneck of their limited stability in the human body.

- ***Protein production and purification barriers.*** The complex molecular structure of growth factor drugs, which are derived from recombinant proteins, presents significant challenges in purification during production. Growth factor drugs must be manufactured at a relatively high level of purity to avoid immunoreactivity. Additionally, their sensitivity to temperature, pH and handling conditions means that even slight variations can affect the drug's quality and effectiveness. New entrants will need to develop or master complex protein production techniques and establish efficient purification methods, both of which are highly resource- and technology-intensive.

- ***Limitations of repair and regeneration application.*** Growth factor drugs are primarily used in tissue repair and regenerative medicine, frequently requiring highly individualized protocols. Factors such as wound type, age and metabolic status can lead to significant variation in patient responses to the same growth factor drug. New entrants must identify specific growth factor indications and develop drug formulations and protocols adaptable to a wide range of clinical conditions.

- ***Commercialization challenge.*** Growth factors, despite their highly specialized function, have a broad range of applications, including wound healing for various indications. New entrants generally need to develop multiple growth factor products tailored to different clinical applications. Unlike general biological products, expanding growth factor product lines requires consideration of diverse application scenarios, thereby increasing the complexity of both research and development and marketing.

CHINA AND GLOBAL PDGF DRUG MARKET

Overview

PDGF is a powerful agent that stimulates cell growth, attracts cells, and supports the survival of mesenchymal-origin cells, including fibroblasts, smooth muscle cells, and glial cells. It interacts with specific receptors on the cell surface, initiating signals that regulate cellular functions, and is integral to wound healing by activating fibroblasts and other crucial cell types. In addition to

wound healing, PDGF is implicated in diseases such as atherosclerosis and cancer, influencing plaque formation and tumor growth through angiogenesis. Clinically, recombinant human PDGF is utilized to treat chronic wounds such as diabetic ulcers and is being explored as a therapeutic target for cancer and in tissue engineering applications.

MOA

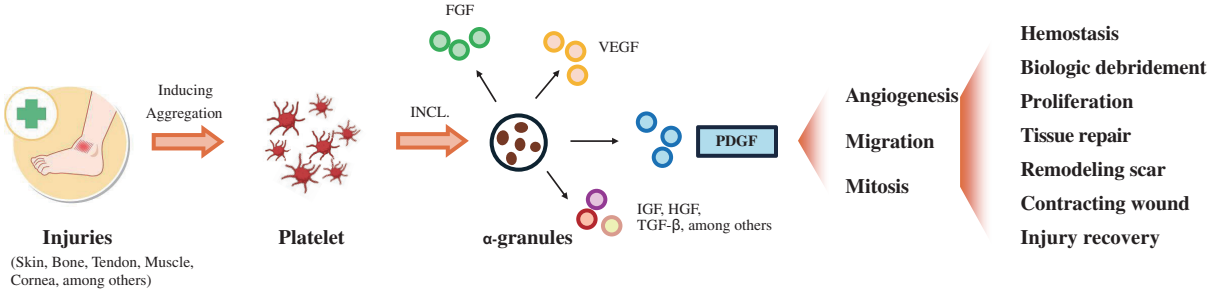
PDGF is integral to the body's healing response following injury, playing a crucial role in wound healing and tissue repair, including skin, bone, tendon, muscle and cornea.

When an injury occurs, platelets gather at the injured area and release contents from their α-granules, which contain growth factors such as VEGF, Insulin-like Growth Factor (IGF), Hepatocyte Growth Factor (HGF), Transforming Growth Factor-beta (TGF-β) and PDGF itself.

PDGF specifically drives several critical processes in the healing cascade:

- ***Angiogenesis.*** The formation of new blood vessels is essential for delivering oxygen and nutrients to the injured area, aiding the healing process.
- ***Migration.*** PDGF facilitates the movement of cells, such as fibroblasts and endothelial cells, towards the injured area, where they contribute to tissue repair.
- ***Mitosis.*** PDGF promotes cell division, thereby increasing the number of cells available to repair the damaged tissue.

The following illustration demonstrates the PDGF's mechanism in wound healing and tissue repair:



Source: the Frost & Sullivan report

Currently, PDGF products are commercially available as hydrogels, with the following advantages: (i) the hydrogel form of PDGF products offers excellent absorption properties. Its active properties ensure that PDGF is readily available to facilitate the wound healing process; and (ii) these products express PDGF, which stimulates adjacent tissues, thereby promoting the growth of granulation tissues, an essential stage in effective wound healing. The mechanism of hydrogel promotes the growth and migration of vascular endothelial cells, thereby boosting angiogenesis. It has demonstrated encouraging outcomes in skin regeneration, notably in the increased deposition of collagen and the thickening of the epidermis.

The PDGF-derived supramolecular hydrogel, which is designed to promote skin wound healing, is in fact a PDGF peptide. This innovative hydrogel has been developed by combining a PDGF epitope with a self-assembling motif to form a stable structure that aids in the healing process. Supramolecular hydrogels are highly effective for wound care, combining the ability to

deliver healing agents and maintain ideal moisture levels while absorbing excess fluid. These gels self-assemble in water through noncovalent bonds, offering benefits such as trapping proteins and influencing cell behavior.

Competitive Landscape

PDGF drugs are expected to be applied to a wide range of indications going forward. For example, within the DFU indication segment, PDGF does not currently encounter direct competition from drugs of a similar class. However, for other indications, it is expected to compete with other growth factors such as EGF and FGF drugs, and related medications.

The following table sets forth details on the PDGF drug pipeline worldwide:

Drug Candidate	Sponsor	Country	Indication	Phase and Status	First Posted Date	Clinical No.
TGF-B and PDGF	St. Antonius Hospital	Holland	Rotator Cuff Rupture; Subacromial Impingement	Completed (III)	July 2010	NCT01510639
rh-PDGF-BB	Universidad Autonoma de Nuevo Leon	Mexico	Periodontal Diseases	Recruiting (II)	January 2024	NCT06162832
rh-PDGF	Nova Southeastern University	America	Intrabony Periodontal Defect	Recruiting (I/II)	October 2022	NCT05442034
Vascular Endothelial Growth Factor (VEGF), Platelet Derived Growth Factor (PDGF), Hepatocyte Growth Factor (HGF)	National Institute of Cardiology, Warsaw, Poland	Poland	Acute Coronary Syndrome	Completed (Observational)	January 2007	NCT00844987

The following table sets forth details on the PDGF drug pipeline in China:

Drug Candidate	Sponsor	Indication	Route of Administration	Phase and Status	First Posted Date	Clinical No.
rhPDGF	Tasly Pharmaceutical	Skin ulceration of lower extremity in chronic diabetes	External application	In-progress (III)	January 22, 2014	CTR20132176
rhPDGF	Our Company	Thermal burns	External application	In-progress (IIb)	November 14, 2023	CTR20233683
rhPDGF	Our Company	DFUs	External application	In-progress (II)	March 24, 2022	CTR20220638

Source: the CDE, the Frost & Sullivan report

Note: ordered by clinical study phase of each pipeline

According to the Frost & Sullivan report, there were three PDGF drug pipelines in China as of the Latest Practicable Date, comprising one pipeline focusing on the treatment of skin ulceration of lower extremity in chronic diabetes, especially DFUs, one pipeline focusing on the treatment of DFUs and one pipeline focusing on the treatment of thermal burns. As of the same date, no PDGF drugs had been approved in China.

The PDGF drug candidate of Tasly Pharmaceutical ("**Tasly's candidate**") entered Phase III clinical trial in 2014 and as of the Latest Practicable Date, there had been no further update in relation to the status of Tasly's candidate. Based on publicly available information, the reasons for the delay in the clinical trial progress of Tasly's candidate are as follows: (i) the Phase II clinical trial results of Tasly's candidate only demonstrated trends with no statistical significance, which did not demonstrate efficacy of the candidate, (ii) the bio-activity level of Tasly's candidate is lower than those of our Company, due to differences in DNA sequences, technology applied and formulation, and (iii) Tasly's candidate was the result of a technology transfer from Beijing

Jinsaishi Biopharmaceutical Technology Development Co., Ltd. (北京金賽獅生物製藥技術開發有限責任公司). The transferor went bankrupt with its business license revoked in 2018, and was unable to continually provide technical support to Tasly Pharmaceutical.

The other two PDGF pipelines belong to us, which have entered Phase II clinical trial in February 2022 for DFUs and Phase IIb clinical trial for thermal burns in December 2023, respectively. According to the Frost & Sullivan report, one of our Company's Core Products, Pro-101-1, is the most advanced PDGF drug candidate in terms of clinical development progress for the treatment of thermal burns in China.

Growth Drivers and Future Trends

According to the Frost & Sullivan report, the growth of the PDGF drug market in China and globally has been, and is expected to continually be, driven by (i) wide therapeutic potential, (ii) increasing prevalence of chronic diseases, and (iii) specialized therapies for rare conditions.

Meanwhile, in addition to the general trend of growth factor market, such as treatment personalization, therapeutic expansion and combination therapies, the PDGF market has seen a notable increase in the clinical application, particularly for treating stubborn and hard-to-heal wounds such as chronic neuropathic diabetic ulcers and pressure ulcers. These types of wounds often resist conventional treatment methods due to underlying health issues, such as poor circulation or compromised immune systems in patients.

Entry Barriers

New entrants to the PDGF drug market are mainly confronted with a number of barriers, including those relating to:

- ***Extraction complexity.*** The extraction of PDGF is a procedure that entails intricate biological and biochemical techniques. It necessitates the utilization of specialized equipment, the expertise of highly skilled personnel and a meticulously controlled environment to satisfy stringent quality control protocols. Any slight deviations in the extraction process can lead to variations in the biological characteristics of PDGF.

- ***Preparation challenges.*** The preparation of PDGF into a pharmaceutically viable form introduces additional complexities. This stage is critical not only to maintain the biological activity of PDGF, which is acutely sensitive to physical and chemical conditions, but also to ensure it meets the regulatory standards for safety, dosage accuracy, stability and other pharmaceutical criteria. Fulfilling these prerequisites demands an extensive knowledge of both biological sciences and pharmaceutical practices, alongside access to advanced pharmaceutical manufacturing facilities.

- ***Continuous development and optimization.*** In the context of the dynamic biotechnology and pharmaceutical sectors, there is an ongoing imperative for research and development to refine the processes of extraction and preparation, to augment the therapeutic potential of PDGF and to explore novel application for the molecule. Such progress is contingent upon significant and sustained investment in research and development as well as a commitment to continual innovation, creating challenging environment for new entrants with limited resources to enter and sustain a presence in the market.

The Advantages of PDGF Drugs

PDGF drugs, as innovative biological drugs, can serve as adjunct therapy for various indications such as thermal burns, DFUs, fresh wounds, pressure ulcers, radiation ulcers, photodermatitis, alopecia, hemorrhoids, dry eye syndrome, corneal injuries, and gastric ulcers. Compared to other growth factor drug candidates and non-growth factor drugs, the advantages of PDGF drugs are set forth below:

Thermal Burns	• PDGF drugs provide significant advantages in the treatment of thermal burns, especially deep second-degree or third-degree burns. PDGF accelerates healing and reduces scar formation. In contrast, EGF primarily acts on epidermal cells, making it more suitable for superficial burns, while FGF promotes fibroblast proliferation but is less effective in angiogenesis and deep tissue repair. Non-growth factor drugs, such as a kind of chemical drugs, antibiotics, only control infections, and wound dressings provide a moist environment but fail to promote deep tissue regeneration.
DFUs	• PDGF drugs demonstrate significant advantages in treating chronic, hard-to-heal diabetic foot wounds by stimulating angiogenesis and granulation tissue formation, resulting in higher healing rates while reducing the risk of amputation. EGF is limited to superficial wounds and is less effective in repairing necrotic tissue, while FGF's ability to improve microcirculation is insufficient. Non-growth factor drugs, such as a kind of chemical drugs, antibiotics, only address infection control, while dressings provide local protection without facilitating deep tissue regeneration.
Fresh Wounds	• PDGF accelerates the healing process of fresh wounds by promoting angiogenesis and fibroblast migration while reducing scar formation. Compared to EGF, which supports epidermal cell proliferation but has limited effects on deep tissue repair, and FGF, which heals at a slower overall rate, PDGF demonstrates superior efficacy. Non-growth factor drugs such as a kind of chemical drugs, antibiotics prevent infections but do not directly enhance healing, and wound dressings only provide moisture without cellular-level benefits.
Pressure Ulcers	• PDGF drugs accelerate healing in pressure ulcers by enhancing blood supply to deep tissues and stimulating granulation tissue growth, significantly reducing recurrence rates. EGF is effective for superficial ulcers but has limited effect on deep pressure ulcers, while FGF falls short in repairing chronic deep ulcers. Non-growth factor drugs, such as a kind of chemical drugs, antibiotics, only manage infections, and hydrogel or wound care dressings can only alleviate superficial symptoms without addressing the underlying deep tissue damage.
Radiation Ulcers	• PDGF shows remarkable efficacy in radiation ulcer treatment by repairing necrotic deep tissues, promoting angiogenesis, and enhancing granulation tissue growth to restore microcirculation and tissue function, while also reducing chronic inflammation. EGF and FGF are more focused on superficial cell repair and are less effective in treating deep ulcerative lesions. Non-growth factor drugs, such as anti-inflammatory drugs, provide only temporary symptom relief, while wound dressings fail to provide molecular-level repair.
Photodermatitis	• PDGF drugs repair damaged skin barriers and dermal tissue functions in photodermatitis, offering unique advantages. In comparison, EGF and FGF are limited to superficial repair and cannot address deep skin damage. Non-growth factor drugs, such as anti-inflammatory drugs, only alleviate surface inflammation, while moisturizers provide only superficial relief without stimulating tissue regeneration.
Alopecia	• PDGF stimulates hair follicle stem cell activation, improves the follicular microenvironment, and promotes angiogenesis, demonstrating significant efficacy in hair regrowth. In contrast, EGF and FGF have limited effects on deep hair follicle repair and are less effective than PDGF. Non-growth factor drugs, such as minoxidil, only work by dilating blood vessels to improve blood supply but fail to repair damaged hair follicles, while other scalp care products offer minimal benefits.
Hemorrhoids	• PDGF drugs accelerate postoperative wound healing in hemorrhoid treatment by promoting angiogenesis and granulation tissue formation, significantly reducing pain and shortening recovery times. EGF and FGF show limited effects on deep wound healing after hemorrhoid surgery. Non-growth factor drugs, such as pain relievers and ointments, only alleviate symptoms, while anti-inflammatory drugs do not significantly aid in wound healing.
Dry Eye Syndrome	• PDGF improves symptoms of xerophthalmia by stimulating lacrimal gland epithelial cell proliferation and tear production while repairing corneal cells. EGF and FGF mainly target superficial lacrimal gland cells, with less deep repair capability compared to PDGF. Non-growth factor drugs, such as artificial tears, only provide temporary relief and do not restore lacrimal gland function, while moisturizing eye drops only offer surface-level hydration.
Corneal Injuries	• PDGF promotes rapid repair of corneal epithelial and stromal cells, significantly improving corneal transparency and tissue function. EGF and FGF primarily act on superficial epithelial cells and are less effective in repairing deep stromal damage. Non-growth factor drugs, such as antibiotic eye drops, only prevent infections, while anti-inflammatory drugs control inflammation but do not facilitate cellular regeneration.
Gastric Ulcers	• PDGF accelerates the healing of gastric ulcers by stimulating mucosal cell proliferation and angiogenesis, while also reducing recurrence rates. In contrast, EGF and FGF have limited effects on mucosal repair and deep tissue regeneration. Non-growth factor drugs, such as antacids, only suppress gastric acid secretion without aiding mucosal regeneration, and antibiotics, while effective in eliminating Helicobacter pylori, cannot promote mucosal cell repair.

Source: the Frost & Sullivan report

The Disadvantage of PDGF Drugs

As of the Latest Practicable Date, Regranex is the only PDGF drug approved by the FDA for the treatment of DFUs. According to the FDA-approved drug label for Regranex, the benefits and risks of Regranex gel treatment should be carefully evaluated before prescribing it to patients with known malignancies.

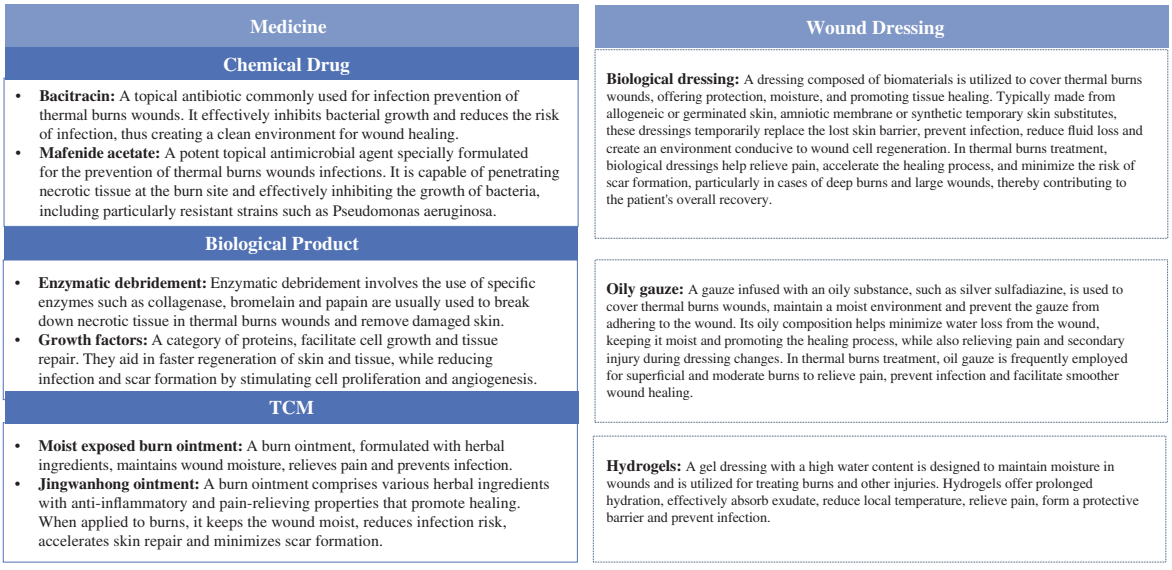
Indications and Corresponding Market Size and Trends

Thermal Burns

Overview

Thermal burns are burns to the skin caused by external heat sources, which raise the temperature of the skin and tissues and cause tissue cell death or charring. Hot metals, scalding liquids, steam, and flames, when coming into contact with the skin, can cause thermal burns. In general, thermal burns can be divided into three degrees: (i) first-degree burns affect only the epidermis, or outer layer of skin, such as a mild photodermatitis; (ii) second-degree burns involve the epidermis and part of the dermis layer of skin. The burn site appears red, blistered, and may be swollen and painful; and (iii) third-degree burns destroy the epidermis and dermis and may also damage the underlying bones, muscles and tendons.

A non-surgical approach to treating thermal burns usually consists of two main components: medication and wound dressing. Medication is primarily employed to relieve pain, prevent infections and promote skin regeneration using chemical drug, biological product and TCM. Wound dressing, on the other hand, promote healing by protecting the wound from external contaminants and maintaining a moist environment. Set forth below are details of such two approaches:



Source: ISBI Practice Guidelines for Burn Care, Guidelines for Burn Rehabilitation, the Frost & Sullivan report

The following tables set forth the standards of care for thermal burn treatment in accordance to recognized clinical guidelines in China and globally:

Surgical Operation	**Debridement** • Routine dressing changes after removal of necrotic tissue from the wound to promote self-healing. **Skin grafting** • In the treatment of partial-deep second-degree burns, the clinical preference is for skin grafting to promote wound healing.
Chemical Drug	**Bacitracin** • A topical antibiotic commonly used for infection prevention of burn wounds. It effectively inhibits bacterial growth and reduces the risk of infection, thus creating a clean environment for wound healing. **Mafenide acetate** • A potent topical antimicrobial agent specially formulated for the prevention of burn wound infections. It can penetrate the necrotic tissue at the burn site and effectively inhibit the growth of bacteria, especially stubborn bacteria such as Pseudomonas aeruginosa.
Wound Dressing	**Biological dressing** • For superficial second-degree burn wounds with removal of blistered skin, after cleaning, biological dressings such as allograft/germinated skin, amniotic membrane, or synthetic temporary skin substitutes are preferentially recommended for coverage. **Oily gauze** • For superficial second-degree burn wounds with intact blistering skin, an oily gauze cover is recommended after cleaning the wounds. **Hydrogel dressing** • Hydrogel dressing can be applied to autolytic debridement, which can promote autolytic debridement of wounds through rehydration of inactivated and necrotic tissues after combining with exudate to accelerate wound healing.
Biological Product	**Enzymatic debridement** • Specific enzymes such as collagenase, bromelain and papain are usually used to break down necrotic tissue in burn wounds and remove damaged skin. **Growth factor** • A class of proteins that promote cell growth and tissue repair can help skin and tissue regenerate faster and reduce infection and scar formation by stimulating cell proliferation and angiogenesis.
TCM	**Moist exposed burn ointment** • A burn ointment with herbal ingredients that keeps wounds moisturized, relieves pain, and prevents infection. **Jingwanhong ointment** • A burn ointment containing a variety of herbal ingredients that are anti-inflammatory, pain relieving and promote healing. When used for burns, it keeps the wound moist, reduces the risk of infection and accelerates skin repair while minimizing scar formation.

Source: Consensus of Experts on the Treatment of Second-Degree Burn Wounds (2024 Edition), the Frost & Sullivan report

In the treatment of thermal burns, off-label drug use is a common clinical practice that encompasses a wide range of conditions. Given the complexity and variability of cases, doctors may adjust drug dosages, applications, or indications based on individual patient differences. For example, certain antibiotics, topical medications, or wound dressings may be used for wound types or burn areas not specified on the label. While this approach addresses a broader range of treatment needs, it requires professional guidance to ensure both safety and efficacy.

According to the Frost & Sullivan report, one of the Company's Core Products, Pro-101-1, is the most advanced PDGF drug candidate in terms of clinical development progress for the treatment of thermal burns in China. Pro-101-1 is a biological product and is expected to be an adjunct therapy for thermal burns. The following tables set forth a summary of major treatment paradigms in China and globally for thermal burns.

	Type of Treatment	Treatment Program	Advantage	Disadvantage	Drug Information (Sales in China in 2024)
Treatment paradigms mainly used in China and globally. . . .	Biological product	FGF, EGF, rhGM-CSF and other growth factors	Various growth factors have promising applications in modulating immune-inflammatory responses and promoting tissue repair and regeneration	The benefit-cost ratio of the use of growth factor preparations in patients with superficial degree II burn wounds that heal faster and have less risk of post-healing scarring is not impressive	Zhuhai Essex's Recombinant Bovine Basic Fibroblast Growth Factor Gel & Recombinant Bovine Basic Fibroblast Growth Factor For External Use, Liquid — approximately RMB830 million in sales Nanhai Longtime's Recombinant Human Basic Fibroblast Growth Factor for External Use — approximately RMB590 million in sales Guilin Pavay's Human Epidermal Growth Factor Gel — approximately RMB480 million in sales
	Chemical drug	Antibiotics	Open wounds from burns are susceptible to bacterial infection, and antibiotics are effective in preventing or controlling the spread of infection	Antibiotics only work on the superficial wound, it is difficult to penetrate deeper into the infected tissue or burn necrosis layer, so for deep burns need to be combined with systemic therapy	Pfizer's Cefoperazone Sodium and Sulbactam Sodium for Injection (2:1) — exceeding RMB5.2 billion in sales Hainan Hailing Chemipharma Corporation Limited's Cefotaxime Sodium for Injection — approximately RMB2 billion in sales Merck's Imipenem and Cilastatin Sodium for Injection — approximately RMB2 billion in sales
	Chemical drug	Silver Sulfadiazine Cream	With broad-spectrum bactericidal properties, it shows certain advantages in reducing wound infections in burn patients	Some cytotoxicity, risk of deepening wounds and delaying wound healing	Shanghai Pharmaceuticals' Silver Sulfadiazine Cream — approximately RMB910 million in sales North China Pharmaceutical's Silver Sulfadiazine Cream — approximately RMB620 million in sales Zhejiang Medicine's Silver Sulfadiazine Cream — approximately RMB400 million in sales

	Type of Treatment	Treatment Program	Advantage	Disadvantage	Drug Information (Sales in China in 2024)
	Surgical Operation[1]	Skin grafting	It can quickly cover the wound, reduce exposure time, help accelerate epithelial cell regeneration and wound repair, and reduce the risk of infection	Implant surgery involves complex technical and nursing procedures, and the procedure is expensive, especially when multiple implants or biomaterials are required, which may add to the financial burden	/[1]
	Wound dressing	Biological dressings such as allogeneic or germinated skin, amniotic membrane, or synthetic temporary skin substitutes	Wide range of sources, relatively easy to obtain, can be used to cover large areas of burns	Leaving the dressing on the wound for an extended period may increase the risk of infection	/[2]
Treatment paradigms mainly used in China	TCM	Jingwanhong Ointment (京萬紅軟膏)	Containing a variety of herbal ingredients with antibacterial and anti-inflammatory effects, it can effectively inhibit bacterial infection and is suitable for open burn wounds	Mainly applicable to superficial burns or small and medium-sized wounds, for deep burns or large traumas, the efficacy is limited, need to cooperate with other treatment means	Jingwanhong's Jingwanhong Ointment[3] — approximately RMB109 million in sales
	TCM	MEBO Moist Exposed Burn Ointment (美寶濕潤燒傷膏)	For the improvement of redness, swelling, pain and other effects are more obvious, and also has a certain anti-inflammatory and antiseptic effect	Requires longer treatment and has limited effect on severe burns	MEBO's MEBO Moist Exposed Burn Ointment[3] — approximately RMB450 million in sales

Notes:

1. Surgical operations are primarily treated through surgery, with no medication involved.
2. Based on publicly available information, there is limited data on the sales of biological dressings.
3. In accordance with the 2020 Guidelines for Clinical Diagnosis and Treatment of Chinese Medicine Surgery, only one drug is available for this treatment paradigm in China.

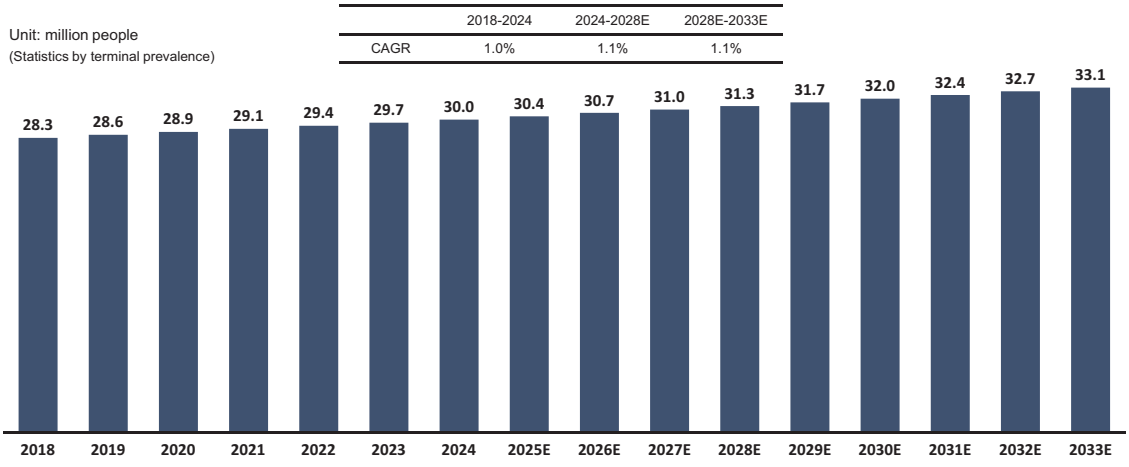
Source: Expert Consensus on the Treatment of Wounds from Second Degree Burns (2024 Edition), 2020 Guidelines for Clinical Diagnosis and Treatment of Chinese Medicine Surgery, Topical agents and dressings for local burn wound care, and mayo clinic

Market size

Market size in China

The thermal burns prevalence in China increased from 28.3 million people in 2018 to 30.0 million people in 2024, and is expected to increase to 31.3 million people in 2028 and 33.1 million people in 2033, at a CAGR of 1.1% from 2024 to 2028 and 1.1% from 2028 to 2033, mainly resulting from (i) industrial expansion, especially those involving high-temperature processes such as metalworking, manufacturing and chemical production, heightens the risk of workplace-related thermal burns and (ii) the intensification in urban population density heightens the potential of fires, which may lead to a higher incidence of household thermal burns, as more individuals utilize heating, cooking appliances and electrical equipment in cramped conditions. The following chart sets forth the historical and forecast thermal burns prevalence in China from 2018 to 2033:

Thermal Burns Prevalence in China, 2018-2033E

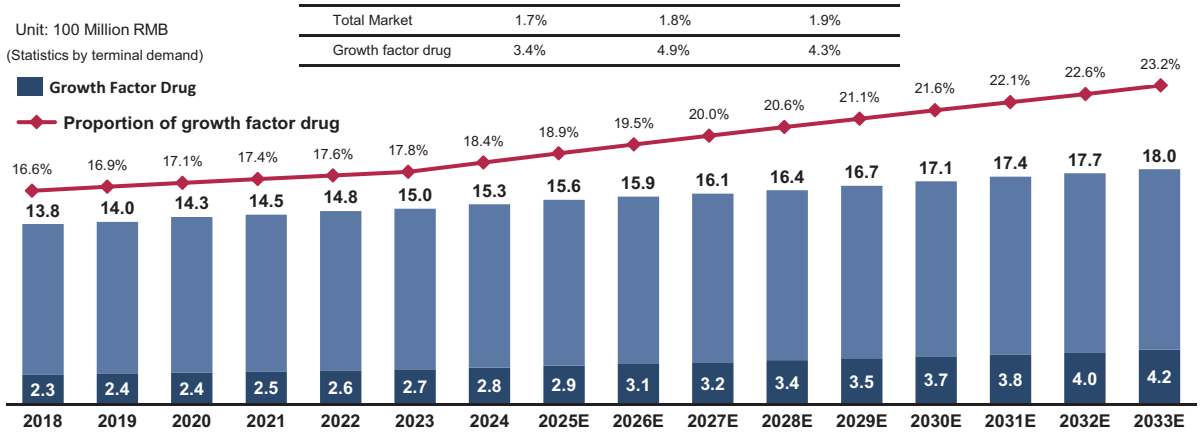


Source: the CDE, the Frost & Sullivan report

The thermal burns therapy market in China remains a stable growth rate from 2018 to 2033. China has experienced and is expected to continually experience a comparatively high thermal burns prevalence, however, enhanced awareness and improved preventative measures have led to a decline in the growth rate of the thermal burns therapy market in China. Even with this slowdown, the market size remains significant. The thermal burns therapy market in China expanded from RMB1.4 billion in 2018 to RMB1.5 billion in 2024, at a CAGR of 1.7%, and it is expected to reach RMB1.6 billion and RMB1.8 billion in 2028 and 2033, respectively. The following chart sets forth the historical and forecast size of the thermal burns therapy market in China by sales amount from 2018 to 2033:

Thermal Burns Therapy Market in China, 2018-2033E

	2018-2024	2024-2028E	2028E-2033E
Total Market	1.7%	1.8%	1.9%
Growth factor drug	3.4%	4.9%	4.3%

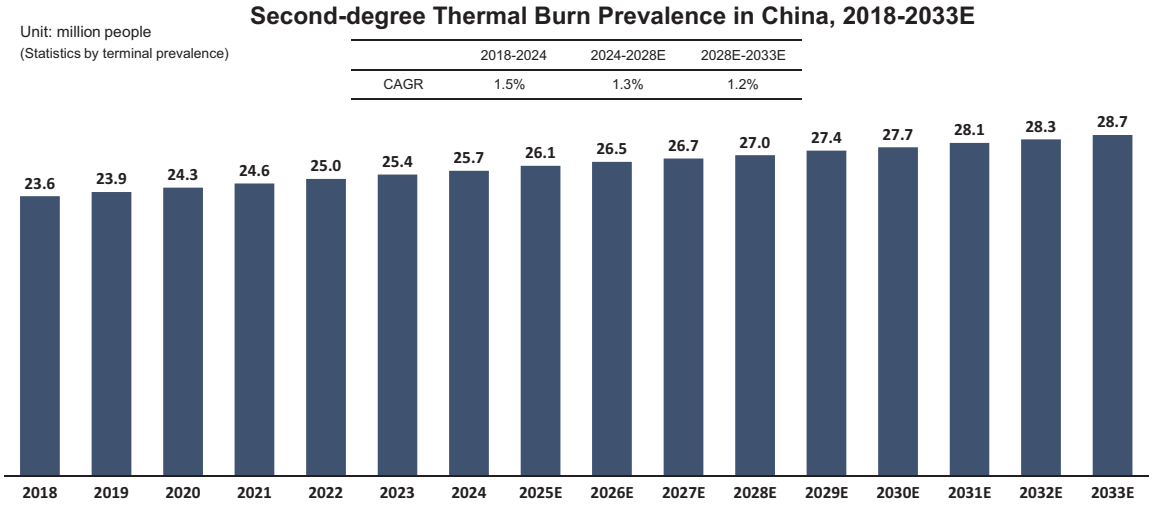


Source: the Frost & Sullivan report

The thermal burns therapy market in China is composed of chemical drug, biological product (including growth factor drug), wound dressing and TCM. In 2024, growth factor drug and non-growth factor drug under biological product category accounted for 18.4% and 4.8%, respectively, of the thermal burns therapy market in China. Chemical drug, wound dressing and TCM accounted for 44.3%, 18.7% and 13.8%, respectively, in the market in the same year. It is estimated that off-label drugs account for approximately 20%-30% of this market. However, due to the lack of sufficient literature, it is challenging to further break down the proportions of each drug category within the off-label drugs.

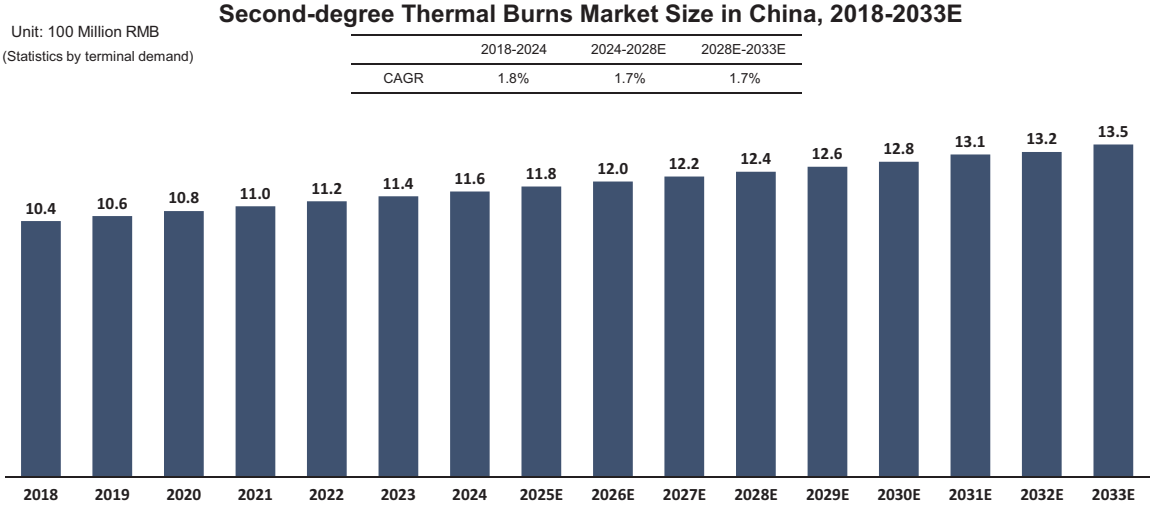
Market of second-degree thermal burns in China

The second-degree thermal burns prevalence in China increased from 23.6 million people in 2018 to 25.7 million people in 2024, and is expected to increase to 27.0 million people in 2028 and 28.7 million people in 2033, at a CAGR of 1.3% from 2024 to 2028 and 1.2% from 2028 to 2033, mainly due to the growing impact of industrial activities, urbanization, and broader awareness leading to better reporting of prevalence. The prevalence of deep second-degree burns accounts for approximately 35% of all second-degree burns in China. The prevalence of deep second-degree thermal burns is expected to increase from 9.0 million people in 2024 to 10.1 million people in 2033. The following chart sets forth the historical and forecast second-degree thermal burns prevalence in China from 2018 to 2033:



Source: the Frost & Sullivan report

The second-degree thermal burns market in China remains a stable growth rate from 2018 to 2033. The market size of second-degree thermal burns in China increased from RMB1.0 billion in 2018 to RMB1.2 billion in 2024, at a CAGR of 1.8%, and it is expected to reach RMB1.2 billion and RMB1.4 billion in 2028 and 2033, respectively. The deep second-degree thermal burns market in China is expected to increase from RMB0.7 billion in 2024 to RMB0.8 billion in 2033. The following chart sets forth the historical and forecast size of the second-degree thermal burns market in China from 2018 to 2033:



Source: the Frost & Sullivan report

Market of growth factor drugs for thermal burns in China

The market share of growth factor drugs for thermal burns in China increased from 16.6% in 2018 to 18.4% in 2024 and is expected to continue to increase to 20.6% in 2028 and 23.2% in 2033. The market size of growth factor drugs for thermal burns in China has experienced consistent growth since 2018, expanding from RMB2.3 hundred million in 2018 to RMB2.8 hundred million in 2024, at a CAGR of 3.4%, primarily driven by aging population, advancements in medical technology and supportive policies. The growth rate is expected to increase to 4.9% from 2024 to 2028, with the market size reaching RMB3.4 hundred million in 2028, primarily due to increased healthcare expenditure and enhanced marketing of growth factor drugs. However, from 2028 to 2033, the growth rate is expected to decelerate to a CAGR of 4.3% from 2028 to 2033, primarily due to market maturity, with the market size reaching RMB4.1 hundred million.

Addressable market of PDGF drugs for thermal burns in China

The addressable market size of PDGF drugs for thermal burns in China is expected to increase from RMB24.2 million in 2027 to RMB66.6 million in 2033, with the penetration rate rising from 1.5% in 2027 to 3.7% in 2033 within the thermal burns therapy market in China. The following table sets forth the details of the addressable market size of PDGF drugs for thermal burn in China:

	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Population of thermal burns in China *(in millions)*	31.0	31.3	31.7	32.0	32.4	32.7	33.1
Year-Over-Year growth rate (%)	1.1	1.0	0.9	1.0	1.0	1.0	1.0
Proportion of inpatients due to thermal burns (%)	36.8	37.2	37.6	37.9	38.3	38.7	39.1
Number of inpatients due to thermal burns *(in millions)*	11.4	11.6	11.9	12.1	12.4	12.7	12.9
Average additional cost of inpatient treatment for thermal burns per inpatient *(RMB)*	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Proportion of outpatients due to thermal burns (%)	52.6	52.8	53.1	53.3	53.6	53.9	54.2
Number of outpatients due to thermal burns *(in millions)*	16.3	16.5	16.8	17.0	17.4	17.6	17.9
Average cost of clinic treatment for thermal burns per outpatient *(RMB)*	200	200	200	200	200	200	200
Number of patient treated at home *(in millions)*	14.7	14.8	14.9	14.9	15.0	15.1	15.2
Average cost of home treatment for thermal burns per patient *(RMB)*	100	100	100	100	100	100	100
Medical adherence (%)	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Market size of the thermal burns drug market in China *(RMB in billions)*	1.6	1.6	1.7	1.7	1.7	1.8	1.8
Penetration of PDGF drug in thermal burns in China (%)	1.5	1.8	2.3	2.8	3.2	3.5	3.7
Addressable market size of the PDGF drug market in thermal burns in China *(RMB in millions)*	24.2	29.5	38.4	47.9	55.9	62.0	66.6

Source: the Frost & Sullivan report

Notes:

(1) The population of thermal burns patients in China is divided into those who seek clinical treatment and those who receive home care. The market size has been calculated based on the cost associated with various treatments, including clinical treatment and home treatment. Patients who require hospitalization, in addition to standard medical care, incur additional treatment expenses. The total market size for thermal burns equals sum up of these costs and multiplying medical adherence.

(2) Market size = (number of patient treated at home * cost of home treatment for thermal burns + number of outpatient attending clinics * cost of clinic treatment for thermal burns + number of inpatient treated for thermal burns * additional cost of inpatient treatment for thermal burns) * medical adherence/100.

(3) Basis for key assumptions:

(a) according to the China Social Welfare Foundation, approximately 2% of the population in China suffers from thermal burns of varying severity each year, with an expected growth rate of about 1%;

(b) expert interviews: cost of home treatment is based on the prices of commonly available medicines; cost of clinic treatment reflects the average outpatient fees and medication expenses; additional cost of inpatient treatment cover the additional expenses required for inpatient care beyond outpatient treatment for first-degree burns;

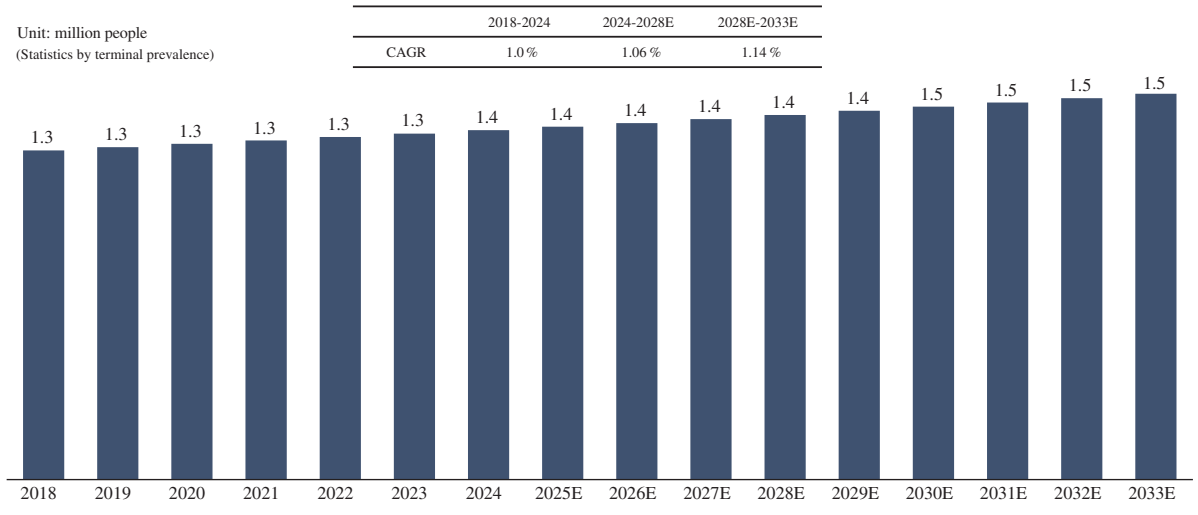
(c) expert interviews: the low level of public attention to common thermal burns led to lower medical adherence; and

(d) expert interviews: patients were categorized according to the maximum price of thermal burns drugs they could afford.

Market size in Japan

The prevalence of thermal burns in Japan is expected to increase modestly from approximately 1.3 million people in 2018 to 1.5 million people in 2033. The numbers remain largely stable in the initial years, holding at approximately 1.3 million people from 2018 through 2022. Growth rates vary across periods, with a CAGR of 1.0% from 2018 to 2024, 1.06% from 2024 to 2028, and a slight uptick to 1.14% between 2028 and 2033. The expected increase after 2024 is primarily driven by Japan's aging population, which heightens vulnerability to burns, coupled with improved survival rates among burn patients, resulting in higher overall prevalence. Among hospitalized thermal burn patients in Japan, the proportion of deep burns (deep second-degree degree and above) is generally around 60%. The following chart sets forth the historical and forecast thermal burns prevalence in Japan from 2018 to 2033:

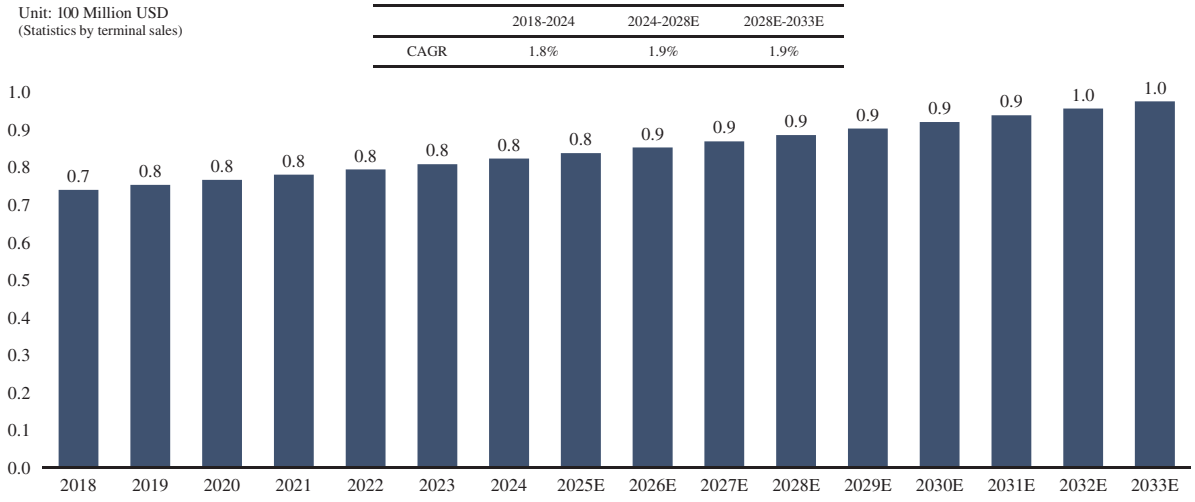
Thermal Burns Prevalence in Japan, 2018-2033E



Source: the Frost & Sullivan report

The thermal burn therapy market in Japan is expected to increase steadily from 2018 to 2033. Starting at approximately USD0.07 billion in 2018, the market is expected to reach approximately USD0.10 billion in 2033. The CAGR is forecast at 1.8% from 2018 to 2024, rising slightly to 1.9% from 2024 to 2028, and maintaining this pace through 2033. This consistent growth reflects a positive long-term trend driven by increasing demand for thermal burn products and treatments. The trend indicates stable and sustainable development. The market is anticipated to stabilize and mature by in 2030, in line with broader trends in healthcare consumption and advancements in related technologies. The following chart sets forth the historical and forecast size of the thermal burns therapy market in Japan by sales amount from 2018 to 2033:

Thermal Burns Therapy Market in Japan, 2018-2033E

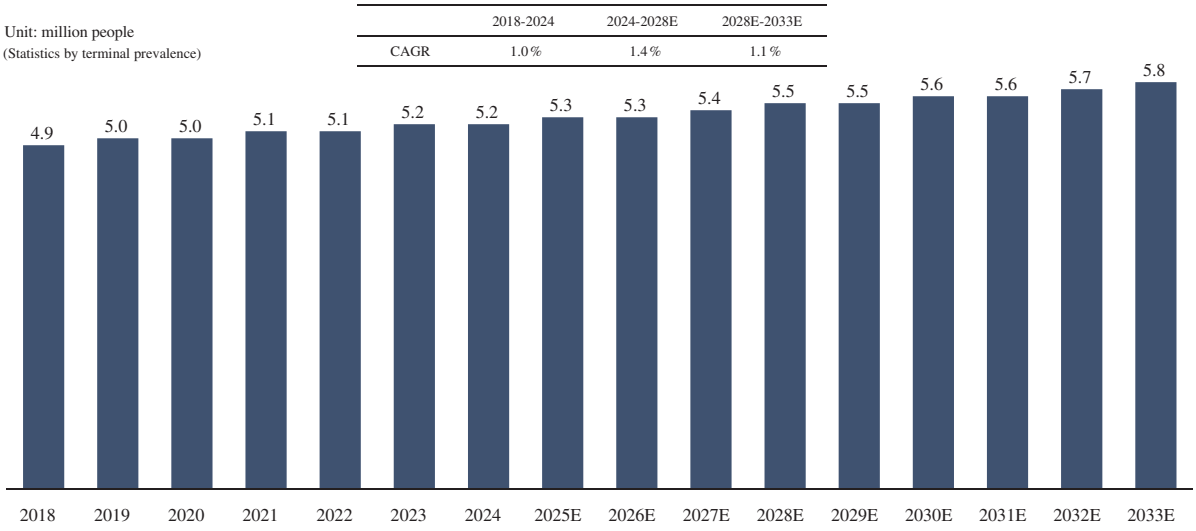


Source: the Frost & Sullivan report

Market size in the U.S.

The prevalence of thermal burns in the U.S. is expected to increase gradually, rising from approximately 4.9 million people in 2018 to 5.8 million people by 2033. Beginning at 4.9 million people in 2018, the number of cases grows modestly year over year, reaching 5.0 million people in 2019 and continuing at a similar pace thereafter. The CAGR remain relatively low across periods: 1.0% from 2018 to 2024, 1.4% from 2024 to 2028, and 1.1% from 2028 to 2033. Among hospitalized thermal burn patients in the U.S., the proportion of deep burns (deep second-degree degree and above) is generally around 60%. The following chart sets forth the historical and forecast thermal burns prevalence in the U.S. from 2018 to 2033:

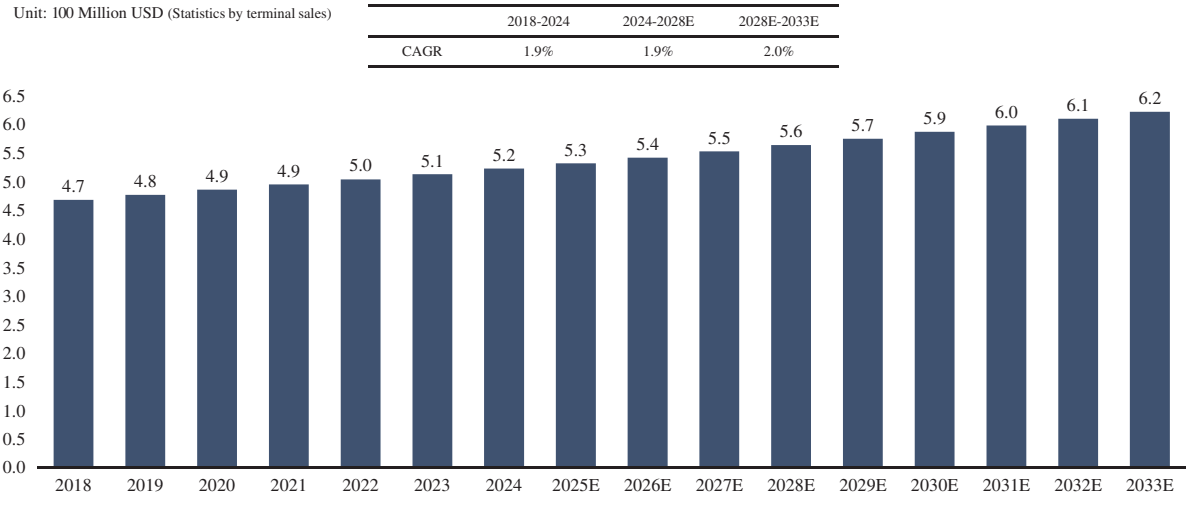
Thermal Burns Prevalence in the U.S., 2018-2033E



Source: the Frost & Sullivan report

The thermal burns therapy market in the U.S. is expected to demonstrate consistent growth from 2018 to 2033. Beginning at USD0.47 billion in 2018, the market is expected to increase steadily, reaching USD0.62 billion in 2033. The CAGR is estimated at 1.9% for the periods from 2018 to 2024 and from 2024 to 2028, with a slight increase to 2.0% from 2028 to 2033. This sustained growth reflects a gradual increase in demand for thermal-related products, as the market continues to mature. While growth remains moderate, expansion is expected to be supported by technological advancements and heightened awareness of treatment options for thermal burn injuries. The expected increase from USD0.51 billion in 2023 to USD0.62 billion in 2033 indicates a stable and sustainable trajectory for thermal burn products in the U.S. market. The following chart sets forth the historical and forecast size of the thermal burns therapy market in the U.S. by sales amount from 2018 to 2033:

Thermal Burn Therapy Market in the U.S., 2018-2033E



Source: the Frost & Sullivan report

Competitive landscape

Competitive landscape in China

The following table sets forth details on the approved growth factor drugs and major non-growth factor drugs in China for the treatment of thermal burns:

- *Growth factor drugs*

Ingredient	Brand Name	Company	Approved Year	Price	National Health Insurance	Revenue *(RMB in 100 million, 2024)*	Advantage	Disadvantage
FGF	Recombinant Bovine Basic Fibroblast Growth Factor For External Use, Liquid (貝復濟)	Zhuhai Essex	1998	RMB62, 15ml	Not included / Class B (by formulation)	8.3	• promotes skin cell regeneration and wound healing, good effect on the repair of thermal burns • also applicable to the treatment of other types of wounds such as skin ulcers and post-operative wounds	• individual patients may experience slight skin irritation or discomfort
	Recombinant Human Basic Fibroblast Growth Factor Gel (貝復新)	Zhuhai Essex	2006	RMB75, 5g	Class B		• promotes skin cell regeneration, accelerates healing of thermal burns wounds, reduces healing time and treatment cycles • reduces the risk of scar formation after healing burns and improves the appearance of recovering wounds	• for deep or severe burns, it may not be sufficient for wound healing on its own and should be used alongside other treatments • requires consistently and frequently use
	Recombinant Human Basic Fibroblast Growth Factor Gel (扶濟復)	Beijing SL Pharm	2004	RMB77, 35,000 IU*1 bottle	Class B	2.5	• promotes cell proliferation and accelerates the repair of acute thermal burns wounds • less side effects	• requires frequently use • limited effectiveness for types of wounds other than specific acute wounds
	Recombinant Human Acidic Fibroblast Growth Factor For External Use (艾夫吉夫)	Shanghai Tenry	2006	RMB90, 25,000 IU/2ml	Class B	2.6	• applicable to deep burns and chronic wounds, promotes tissue repair and angiogenesis • better biocompatibility in deep wounds and reduces the risk of infection	• more sensitive to temperature and with higher requirements for supply chain conditions • higher market price
	Recombinant Human Basic Fibroblast Growth Factor for External Use (蓋扶)	Nanhai Longtime Pharmaceutical	2007	RMB54, 20,000 IU*1 bottle	Class B	6.1	• applicable to deeper burns and chronic wounds and promotes tissue repair and angiogenesis • reduces inflammation during treatment and improves the wound healing environment	• limited effectiveness for mild or acute wounds
EGF	Recombinant Human Epidermal Growth Factor Derivative For External Use, Liquid (金因肽)	Shenzhen Watsin Genetech Ltd	2001	RMB88, 15ml	Class B	3.9	• reduces inflammation, reduces the risk of infection and improves the wound healing environment • applicable to chronic wounds and acute burns and accelerates tissue repair	• limited effectiveness in deep or severe burns • requires long-term use
	Human Epidermal Growth Factor For External Use (康合素)	Shanghai Haohai Biological Technology	2001	RMB55, 50,000 IU*1 bottle	Class B	2.7	• promotes the proliferation of epidermal cells and wound epithelialization, especially effective for superficial healing of thermal burns wounds • reasonably market price	• limited effectiveness in deep or severe burns • requires frequently use
	Human Epidermal Growth Factor Gel (易孚)	Guilin Pavay	2002	RMB62, 10g	Class B	4.8	• applicable to a wide range of wound types and promotes tissue repair and cell regeneration • faster healing results with fewer adverse effects	• requires the guidance from healthcare professionals
	Lyophilized Mouse Epidermal Growth Factor (一夫)	Zhejiang Hawking Pharmaceutical	2007	RMB285, 10μg	Not included	Not available	• applicable to deep thermal burns wounds and severe burns • promotes angiogenesis and tissue repair and supports the healing process	• higher market price • more sensitive to storage conditions

Sources: Company Announcement, Yaorongyun, Expert Interview, the Frost & Sullivan report

- *Major non-growth factor drugs*

The Chinese market for non-growth factor drugs used in the treatment of thermal burns comprises 50 to 100 major brands. When further categorized by type, formulation and brand, there are approximately 300 to 500 different non-growth factor drugs available nationwide for the treatment of thermal burns, including approximately 80 to 100 types of chemical drugs, such as silver sulfadiazine cream; approximately 100 to 150 types of wound dressings, mostly homemade by hospitals; approximately 50 to 70 types of non-growth factor biological products, such as skin substitute; and approximately 70 to 100 types of TCM, such as Jingwanhong Ointment and MEBO Moist Exposed Burn Ointment. The table below sets forth details of major non-growth factor drugs approved for the treatment of thermal burns:

Ingredient	Brand Name	Company	Indication	Approved Year	Price	National Health Insurance	Revenue *(RMB in 100 million, 2024)*	Advantage	Disadvantage
TCM	Jingwanhong Ointment (京萬紅軟膏)	Jingwanhong	Jingwanhong Ointment is suitable for minor burns, scalds, skin abrasions, and ulcerated wounds. It relieves pain, reduces inflammation, and promotes tissue regeneration, aiding in wound healing and recovery.	1970	RMB35 20g	Class B	1.1	• promotes blood circulation, reduces swelling and relieves pain with natural ingredients.	• limited effectiveness compared to modern pharmaceuticals in certain cases.
	MEBO Moist Exposed Burn Ointment (美寶溫潤燒傷膏)	MEBO	MEBO Moist Exposed Burn Ointment is primarily used to treat various types of burns, scalds, and heat-related injuries. Its functions include clearing heat, detoxifying, relieving pain, and promoting tissue regeneration. It is suitable for wounds of different burn degrees. Additionally, it helps promote wound healing, reduce pain, and prevent infections, making it applicable for burns, scalds, abrasions, and other skin injuries.	2000	RMB40 20g	Class B	5.6	• maintains a moist healing environment, promotes tissue regeneration and minimizes scarring.	• Requires consistently use and may be less effective for deep wounds.

Note:

(1) The selection of major non-growth factor drugs is based on several factors, including disease prevalence, consultation rate, medical adherence, per capita cost of treatment, and other relevant considerations.

(2) Based on publicly available information, there is limited data on the sales of wound dressings for the treatment of thermal burns.

Off-label drug use of biological products is limited, primarily targeting anti-infective or anti-inflammatory treatments and typically used for severe thermal burns. The table below sets forth details of major off-label drugs commonly used in clinical practice for the treatment of thermal burns:

Ingredient	Brand Name	Company	Indication	Approved Year	Price	National Health Insurance	Revenue *(RMB in 100 million, 2024)*	Advantage	Disadvantage
Chemical drug	Merck's Imipenem and Cilastatin Sodium for Injection (默克注射亞胺培南西司他丁鈉)	Merck	Broad-spectrum antibiotics are particularly suitable for mixed infections caused by multiple pathogens and aerobic/anaerobic bacteria, as well as for early treatment before the pathogen is identified, as well as for infections caused by sensitive bacteria and for the treatment of mixed infections caused by sensitive aerobic/anaerobic strains.	1985	RMB123 0.5g：0.5g	Class B	19	• Open wounds from burns are susceptible to bacterial infection, and antibiotics are effective in preventing or controlling the spread of infection.	• Antibiotics only work on the superficial wound, it is difficult to penetrate deeper into the infected tissue or burn necrosis layer, so for deep burns need to be combined with systemic therapy.
	Hainan Hailing Chemical Pharmaceutical's Cefotaxime Sodium for Injection (海靈藥業注射頭孢噻肟鈉)	Hainan Hailing Chemical Pharmaceutical	This product is applicable to infections in parts such as the respiratory tract, urinary tract, bones and joints, skin and soft tissues, abdomen, biliary tract, five senses organs, genitals and so on caused by sensitive bacteria. It is also effective for infections caused by burns and traumas as well as sepsis and central infections. In particular, it can be selected as a drug for infantile meningitis.	2022	RMB6 1g	Class B	20	• Open wounds from burns are susceptible to bacterial infection, and antibiotics are effective in preventing or controlling the spread of infection.	• Antibiotics only work on the superficial wound, it is difficult to penetrate deeper into the infected tissue or burn necrosis layer, so for deep burns need to be combined with systemic therapy.
	Pfizer's Cefoperazone Sodium and Sulbactam Sodium for Injection (2:1) (輝瑞注射用頭孢哌酮鈉舒巴坦鈉) (2:1)	Pfizer	For respiratory tract infections, urinary tract infections, peritonitis, cholecystitis, cholangitis and other intra-abdominal infections, sepsis, meningitis, skin and soft tissue infections, bone and joint infections, pelvic inflammatory disease, endometritis, gonorrhea and other reproductive system infections caused by susceptible bacteria.	1985	RMB32 1g	Class B	52	• Open wounds from burns are susceptible to bacterial infection, and antibiotics are effective in preventing or controlling the spread of infection.	• Antibiotics only work on the superficial wound, it is difficult to penetrate deeper into the infected tissue or burn necrosis layer, so for deep burns need to be combined with systemic therapy.
TCM	Shandong Hanfang Compound Phellodendron Bark Liquid Spread (漢方製藥複方黃柏液塗劑)	Shandong Hanfang Pharmaceutical	Possessing anti-inflammatory properties and promoting wound healing, this product also enhances the phagocytosis of mononuclear macrophages and improves the role of non-specific immunity, making it suitable for use in cases of sores following ulceration and wound infection.	1995	RMB60 150ml	Class B	9.6	• Strong anti-inflammatory and antibacterial effect, and can reduce the risk of wound infection and help the healing of burn wounds.	• Mainly applicable to superficial burns or moderate burns, while deep burns or severe burns with systemic symptoms require combination with other therapies.

Sources: Company Announcement, Yaorongyun, Expert Interview, the Frost & Sullivan report

As of the Latest Practicable Date, there was no PDGF drug approved by the relevant regulatory authority in China for the treatment of thermal burns. The reasons are mainly as follows:

(i) ***Complex extraction process.*** Extracting PDGF involves intricate biological and biochemical processes that require specialized equipment, highly trained personnel and controlled environments to meet stringent quality control standards. Even minor variations in the extraction process can lead to different biological properties, posing significant barriers for new market entrants;

(ii) ***Preparation challenges.*** Converting PDGF into a usable drug form faces numerous challenges. The process must ensure PDGF's biological efficacy, which is often sensitive to physical and chemical conditions, while meeting pharmaceutical standards such as safety, dosage control and shelf life. Achieving these requirements demands comprehensive knowledge in biology and pharmaceutics, as well as advanced pharmaceutical manufacturing facilities;

(iii) ***Technical complexity.*** The development of PDGF drugs involves refining the PDGF gene sequence and developing proprietary protein/polypeptide pharmaceutical platforms. The technical barriers include not only the extraction and preparation processes but also the stability, purification and maintenance of the drug's biological activity. For new entrants, these challenges necessitate substantial R&D investment and specialized expertise; and

(iv) ***R&D and innovation investment.*** The rapidly evolving biotech and pharmaceutical industries necessitate continuous R&D investments to improve extraction and preparation processes, enhance PDGF's efficacy and discover new applications, requiring significant research funding and ongoing innovation, which poses challenges for companies without substantial resources to enter and establish themselves in the market.

The following table sets forth details on the growth factor drug pipelines in China for the treatment of thermal burns:

Drug Candidate	Sponsor	Indication	Phase and Status	First Posted Date	Clinical No.
rh-KGF (freeze-drying)	Shanghai Newsummit Biopharma Co., Ltd.	Superficial second degree burns	In-progress (III)	September 5, 2014	CTR20140592
rhPDGF-BB	Our Company	Thermal burns	In-progress (IIb)	November 14, 2023	CTR20233683
hb-FGF	Yaogu (Wenzhou) Technology Development Co., Ltd.	Deep second-degree burns	In-progress (II)	September 12, 2023	CTR20232626
rh-KGF (eyedrops)	JNU Guangdong Pharmaceutical Engineering Research Center for Gene	Treatment of corneal epithelial defects caused by corneal abrasions, mild and moderate chemical burns, corneal surgery and poor postoperative healing and dry eye	In-progress (I)	March 10, 2021	CTR20210423

Sources: the CDE, the Frost & Sullivan report

Note: ordered by clinical study phase of each pipeline

Competitive landscape in Japan

As of the Latest Practicable Date, there was no PDGF drug approved by the relevant regulatory authority in Japan for the treatment of thermal burns.

The table below sets forth details of major drugs commonly used in Japan in clinical practice for the treatment of thermal burns:

Launch Year	Drug Name	Image	Manufacturer	Core MOA	Price (Japanese yen)
1954	Baramycin Ointment		Toyo Pharmaceutical Chemicals	Inhibit protein synthesis and cell wall synthesis	7.6 yen per gram
1962	Ekisalbe		Maruho Co., Ltd.	Synergistic action of the mixed killed bacterial suspension and hydrocortisone	29.8 yen per gram
1966	Rinderon-V Ointment		Shionogi Pharma	Bind to steroid receptors complexed with cytoplasmic heat shock proteins and inhibitory proteins	16.9 yen per gram
1974	Bromelain Ointment		J-Dolph Pharmaceuticals	Break down proteins by hydrolyzing amino acid bonds	16.6 yen per gram
2023	NexoBrid		Vericel Corporation	Dissolve burn wound eschar. The specific components responsible for this effect have not been identified	162,995.90 yen per 5g

Source: KEGG.jp; the Frost & Sullivan report

Competitive landscape in the U.S.

As of the Latest Practicable Date, there was no PDGF drug approved by the FDA for the treatment of thermal burns. The expansion of the growth factor drug market in the United States has been relatively slow primarily due to the presence of a wide array of established

pharmaceuticals that effectively address existing medical demand. With a well-developed and saturated market, there is less incentive to develop new drugs, as the current treatment options are sufficient to meet the demand.

The table below sets forth details of major drugs commonly used in the U.S. in clinical practice for the treatment of thermal burns:

Launch Year	Drug Name	Image	Manufacturer	Core MOA	Price (USD)
1982	Sulfamylon Cream		Rising Pharmaceuticals	Penetrates burn eschar and inhibits bacterial folate synthesis as a PABA antagonist	139.95 / 56.7g
1985	Silver Sulfadiazine		Pfizer	Exerts bactericidal activity solely by disrupting the bacterial cell wall and membrane	12.95/25g
2007	Bacitracin		CLAY PARK LABS	Exerting bactericidal or bacteriostatic activity via cell-wall disruption, protein-synthesis inhibition, and DNA-replication interference	9.18 / ounce
2019	BIAFINE		JOHNSON	Anti-inflammatory, antipruritic (anti-itch), and vasoconstrictive properties	18.5 / 93g
2022	NexoBrid		Vericel Corporation	The mixture of enzymes in NEXOBRID dissolves burn wound eschar. The specific components responsible for this effect have not been identified	3,084.82/55g

Source: Drugs.com, GoodRx, Amazon, the Frost & Sullivan report

Comparison of Growth Factor Drugs for Thermal Burns

- ***PDGF Drugs***. PDGF drugs have been shown to be beneficial in the later stages of wound healing, especially for larger or more complex thermal burns that require substantial tissue regeneration. However, PDGF drugs for thermal burns may cause excessive tissue hyperplasia, particularly in patients prone to scarring.
- ***FGF Drugs***. The properties that support the proliferation of fibroblasts and the formation of new blood vessels allow FGF to be employed to deep thermal burns. FGF assists in the formation of granulation tissue and collagen deposition, thereby facilitating tissue regeneration and enhancing the structural integrity of healed skin. In addition, as a common concern in thermal burns recovery, FGF is recognized for its ability to reduce scar tissue formation. FGF is effective across various tissues, but improper use may lead to excessive cell proliferation or other adverse effects.
- ***EGF Drugs***. EGF is highly effective in stimulating the proliferation of epidermal cells and accelerating re-epithelialization. It is crucial in the early stages of wound healing from thermal burns, as it promotes skin cell growth and reduces the risk of infection. Research has demonstrated that EGF can significantly shorten healing times and enhance overall skin recovery in patients with thermal burns. EGF drugs are less effective to repair underlying tissue, as they do not directly affect the dermis and deep layers, affecting their efficacy for deep burns.

Comparison of Non-growth Factor Drugs for Thermal Burns

The following table sets forth the details of the comparison on the differentiated properties and targeted patients between non-growth factor drugs for thermal burns (mainly including TCM and chemical drugs) and the Company's product candidate:

Category	TCM	Chemical Drugs	Company's Product Candidate
Differentiated Properties . . .	Cannot directly promote cell proliferation, only relieves surface problems through traditional experience	Mainly for infection control, cannot accelerate tissue regeneration	Precisely acts on deep tissue injury, promotes wound healing by stimulating fibroblast regeneration
Targeted Patients	Patients with mild to moderate superficial burns and scalds, suitable for symptom relief	Superficial wound patients requiring combined treatment	Patients with mild, moderate, and severe burns and scalds, especially those with difficult-to-heal deep wounds

DFUs

Overview

DFUs are open sores or wounds that occur in patients with diabetes, manifesting as foot ulcers and/or deep tissue destruction. The direct causes include distal lower extremity neuropathy and varying degrees of vascular disease, which are associated with a lack of sensation in the foot, compromised circulation, foot deformities, irritation (such as friction or pressure), trauma and duration of diabetes. According to the study "Epidemiology of Peripheral Neuropathy and Lower Extremity Disease in Diabetes," the prevalence of peripheral neuropathy among adults with diabetes ranges from 6% to 51%, depending on factors such as age, duration of diabetes, glucose control, and whether the diabetes is type 1 or type 2. Additionally, the study "Prevalence of Peripheral Arterial Disease in Diabetic Foot Ulcer Patients and its Impact on Limb Salvage" reports that the prevalence of peripheral arterial disease in patients with DFU syndrome is 43.87%. The diabetic foot is characterized by infection, ulceration and gangrene. Ulcers can be classified as neurological, ischemic and neuro-ischemic ulcers according to the etiology. As one of the common complications caused by diabetes, DFUs can be classified into six grades in terms of severity under the Wagner Ulcer Grade Classification System, with grade 0 being the least severe and grade 5 being the most. Grade 0 indicates the presence of risk factors for foot ulcers without any actual ulcers.

Common treatments for DFUs include basic treatments such as lowering blood sugar, lowering blood pressure, lowering lipids levels, and nutritional support. According to the condition of the disease, timely and effective application of antibiotics is crucial for controlling infection. In addition, the utilization of vasodilators, antiplatelet drugs and anticoagulants is important to improve the blood supply and micro-circulation in the lower limbs. On the basis of basic treatment and comprehensive care, local debridement and dressing changes, blood supply reconstruction, wound repair and decompression of the affected foot are important steps in promoting the healing of DFUs. Set forth below are details of standards of care of DFUs:

Surgical Operation	Medicine Therapy
• Surgical debridement • Lower extremity arterial endovascular interventional therapy • Lower extremity arterial bypass grafting • Angiogenesis therapy • Perioperative management	• **Chemical drug** Commonly utilized drugs comprise insulin-controlling drugs and oral hypoglycaemic agents. DFUs is frequently associated with infections, particularly bacterial infections. Thus, various antibiotics may be required to combat the infection based on the specific circumstances. In addition, enzyme ointments can effectively facilitate the healing of DFUs by breaking down necrotic tissue. • **Biological product** Biological product, such as collagen, growth factors and tissue-engineered skin substitutes for treatment of DFUs, enhance the wound healing process by promoting wound healing and repairing tissues. *The aforementioned pharmacological treatments only delay the progression of mild to moderate ischemic lesions of the lower extremity arteries. While development is the basis of DFUs treatment, the majority of patients with severe lower limb ischemia cannot achieve symptom improvement and limb salvage. Therefore, for patients with severe ischemia who do not respond to conventional medical treatment, percutaneous interventional treatment or surgical treatment is necessary.*
Adjunct Therapy	
• **Wound dressing** The type of dressing is adapted to the patient's specific situation, combining glycemic control and systemic therapy to optimize healing. • **TCM** Through Herbal medicine for regulating spleen and kidney deficiency, improve blood circulation, diuresis and dampness, so as to relieve the symptoms of diabetic foot ulcers. • **Biotherapy** Such as maggot debridement therapy, which uses special biological means to clean wounds, control infection, and promote tissue healing.	

Source: Guidelines for the treatment of diabetic foot in China, the Frost & Sullivan report

In the treatment of DFUs, off-label drug use is a common clinical practice, particularly in complex or refractory cases. Based on clinical experience, doctors may opt for broad-spectrum antibiotics or pathogen-specific antibiotics that are not explicitly indicated for diabetic foot infections to control infections and promote healing. Additionally, certain antimicrobial dressings or wound-healing agents, although not specifically labeled for diabetic foot treatment, are frequently used to accelerate ulcer healing. In the Chinese market, there are approximately 100 to 200 brands of antibiotics, blood sugar control drugs, and local wound treatment drugs specifically used for diabetic foot treatment. When these are further categorized by type, formulation and brand, the total number of related medications available nationwide is around 300 to 600, including approximately 120 to 150 types of chemical drugs, such as Dapagliflozin tablets and Sitagliptin phosphate tablets; approximately 100 to 150 types of wound dressings, such as Biatan; approximately 50 to 80 types of biological products, such as growth factor gels; and approximately 70 to 100 types of TCM, mostly homemade medicine. The annual cost of off-label drugs used in the treatment of DFUs varies widely, depending on the severity of the patient's condition, the type of drug, dosage, frequency of use and treatment plan, which ranges from RMB1,000 to RMB80,000.

Pro-101-2, one of the Company's Core Products for the treatment of DFUs, is a biological product and is expected to be an adjunct therapy for DFUs. The following tables set forth a summary of major treatment paradigms in China and globally for DFUs.

	Type of Treatment	Treatment Program	Advantage	Disadvantage	Drug Information (Sales in China in 2024)
Treatment paradigms mainly used in China and globally . . .	Chemical drug	Insulin-controlling drugs such as metformin	Effective in controlling blood glucose; fast-acting; can significantly improve overall outcome in patients with severe diabetic foot disease	Requires long-term adherence; does not completely resolve ulcers and infections that have already formed	AstraZeneca's Forxiga (Dapagliflozin tablet) — approximately RMB6.8 billion in sales Merck's Vanuvia (Sitagliptin phosphate tablet) — approximately RMB2.3 billion in sales Boehringer Ingelheim and Eli Lilly's Linagliptin — exceeding RMB1.6 billion in sales
	Chemical drug	Antibiotics	Effective against most diabetic foot infection pathogens	Long-term use may lead to liver and kidney burden	Pfizer's Cefoperazone Sodium and Sulbactam Sodium for Injection (2:1) — exceeding RMB5.2 billion in sales Hainan Hailing Chemical Pharmaceutical's Cefotaxime Sodium for Injection — approximately RMB2 billion in sales Merck's Imipenem and Cilastatin Sodium for Injection — approximately RMB1.9 billion in sales
	Biological product	Bioactive products such as collagen, growth factors and tissue-engineered skin substitutes	Promote faster and more effective wound healing by stimulating cell proliferation, collagen formation, and tissue regeneration	Expensive, limited accessibility for some patients	Zhuhai Essex's Recombinant Bovine Basic Fibroblast Growth Factor Gel & Recombinant Bovine Basic Fibroblast Growth Factor For External Use, Liquid -approximately RMB830 million in sales Nanhai Longtime's Recombinant Human Basic Fibroblast Growth Factor for External Use — approximately RMB590 million in sales Guilin Pavay's Human Epidermal Growth Factor Gel — approximately RMB480 million in sales
	Wound dressing	Moisturizing dressings such as foam dressings, hydrogels, etc.	For dry wounds of diabetic foot with little exudation, it promotes cell proliferation, collagen synthesis and epithelial cell migration by maintaining a moist environment	Not suitable for excessively exuding wounds, which may result in excessive wetting, leading to skin maceration, which in turn may cause or exacerbate infections, erosions and other complications	/[1]

	Type of Treatment	Treatment Program	Advantage	Disadvantage	Drug Information (Sales in China in 2024)
	Surgical operation	Skin flap transplantation	It can cover large ulcers or defective wounds and effectively fill deep tissue exposure due to diabetic foot	Due to high dependence on blood supply diabetic patients often suffer from vasculopathy, which may lead to inadequate blood supply or necrosis of the graft.	/[2]
Treatment paradigms mainly used in China . . .	TCM	Herbal medicine for regulating spleen and kidney deficiencies	In Chinese medicine theory, diabetic foot is closely related to spleen and kidney deficiencies. Herbal medicines used to address spleen and kidney deficiencies not only target the local trauma of diabetic foot, but also enhance the body's qi and blood flow. By tonifying the spleen and kidney and improving the overall metabolic function, this treatment aims to provide both symptomatic relief and a more comprehensive, radical cure	Herbal treatments typically require a long time to be effective, especially for chronic diseases and complex conditions such as diabetic foot, and herbs used to regulate the spleen and kidneys may require weeks or even months of continuous treatment	/[3]

Notes:

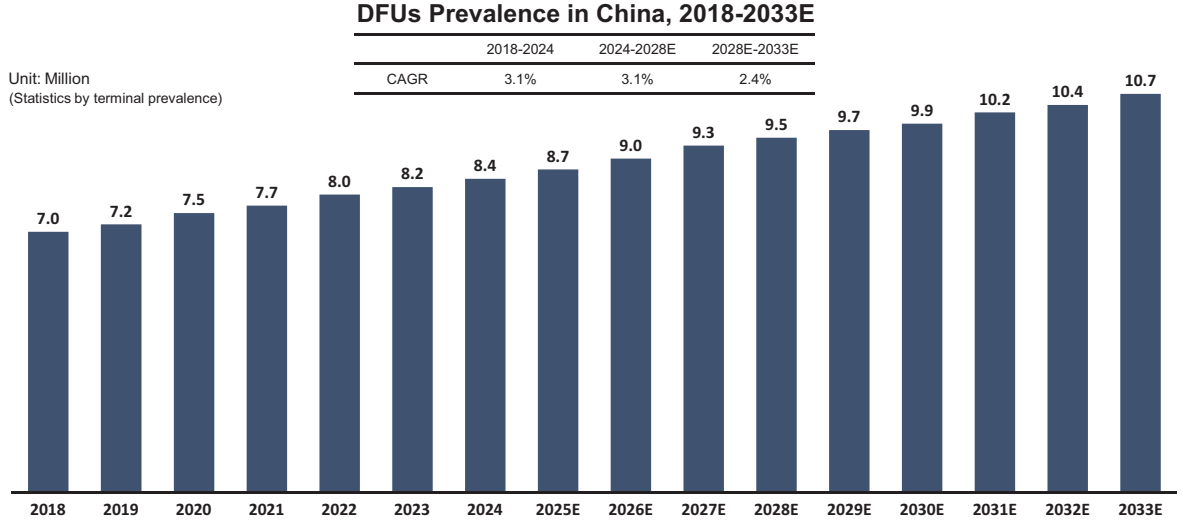
1. Based on publicly available information, there is limited data on the sales of moisturizing dressings.
2. Surgical operations are primarily treated through surgery, with no medication involved.
3. The sales volume of traditional Chinese herbal medicines is difficult to estimate due to diverse sources and limited regulation.

Source: China Clinical Path for the Diagnosis and Treatment of Diabetic Foot (2023 Edition), Expert consensus on the treatment of diabetic foot ulcer wounds (2024), and Diagnosis and Management of Diabetic Foot Infections. ADA

Market size

Market size in China

China has a significant of diabetic patients in the world. The prevalence of diabetes in China increased from 122.0 million people in 2018 to 144.3 million people in 2024, mainly driven by unhealthy diets, lack of exercise and aging population. It is expected that the prevalence of diabetes in China will reach 159.2 million people in 2028 and 177.7 million people in 2033, at a CAGR of 2.5% and 2.2%, respectively. The increase in the number of diabetic patients has also led to, and is expected to continue to lead to, an increase in the prevalence of DFUs in China. While DFUs are not exclusively caused by diabetes, the condition is a significant contributing factor. DFUs resulting from diabetes can be particularly severe, often leading to complications such as infections, gangrene and even amputation. Diabetes usually brings about elevated blood sugar levels, which can damage nerves and blood vessels, resulting in diminished sensation in the feet and impaired blood circulation, thereby increasing the risk of ulcer formation. The prevalence of DFUs in China increased from 7.0 million people in 2018 to 8.4 million people in 2024, growing at a CAGR of 3.1%, and is expected to reach 9.5 million people in 2028 and 10.7 million in 2033, at a CAGR of 3.1% from 2024 to 2028 and 2.4% from 2028 to 2033, respectively. The following chart sets forth the historical and forecast DFUs prevalence in China from 2018 to 2033:



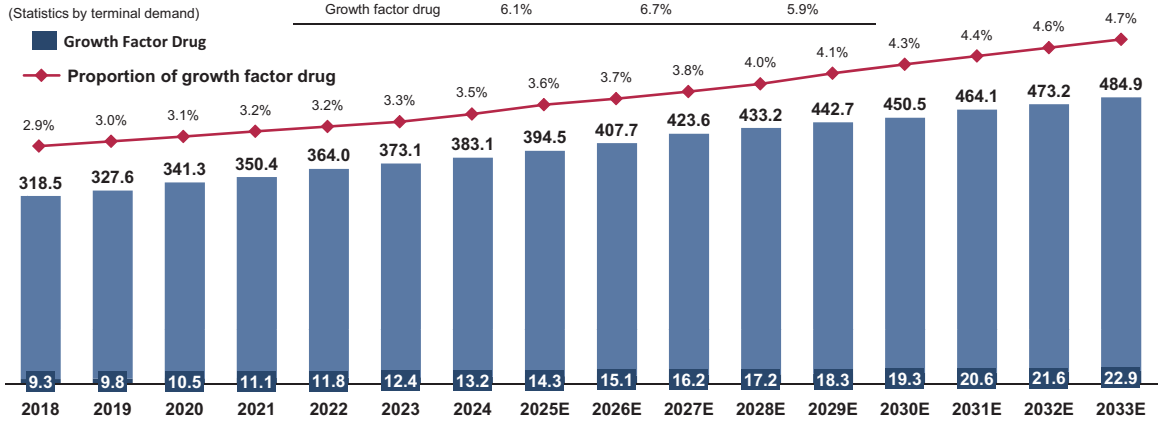
Source: Guidelines for the treatment of diabetic foot in China, the Frost & Sullivan report

The DFUs therapy market in China has shown steady growth from RMB31.9 billion in 2018 to RMB38.3 billion in 2024, at a CAGR of 3.1%, mainly attributed to a growing diabetic population in China, increased awareness of DFUs complications and the introduction of new treatments and therapies. Looking forward, the market is expected to increase from RMB38.3 billion in 2024 to RMB43.3 billion in 2028, at a CAGR of 3.1%, mainly attributed to an increase of public healthcare awareness and an emphasis on preventative approach. Further into the future, the market is expected to increase to RMB48.5 billion in 2033, at a CAGR of 2.3%, indicting a continued but slower pace of growth. The gradual slowing down in the growth rate may reflect a stabilization in the prevalence of diabetes and DFUs or effectiveness in early treatment and prevention strategies. China's growth factor drugs for DFUs market has grown from RMB0.9 billion in 2018 to RMB1.3 billion in 2024, at a steady CAGR of 6.1%, driven by increasing physician acceptance of growth factor drugs and rising healthcare spending. The growth factor

drugs for DFUs market is expected to increase from RMB1.3 billion in 2024 to RMB1.7 billion by 2028, at a CAGR of 6.7%, reflecting the continued but stabilizing demand for DFUs treatment as effective treatment options become available and popular. From 2028 to 2033, the growth factor drugs for DFUs market is expected to maintain steady growth at a CAGR of 5.9%, reaching a market size of RMB2.3 billion by 2033. Nonetheless, the clinical significance is still notable since for DFUs, the recurrence rate as well as disability and mortality rates in patients are high, while the medical expenses for treating DFUs are great. Treatment costs for DFUs can reach up to USD50,000, with recurrence rates of approximately 40% within one year, 60% within three years, and 65% within five years. Additionally, the disability rate is approximately 20% and the annual mortality rate is approximately 14.4%. The following chart sets forth the historical and forecast size of the DFUs therapy market in China by sales amount from 2018 to 2033:

Diabetic Foot Ulcers Therapy Market in China, 2018-2033E

	2018-2024	2024-2028E	2028E-2033E
Total Market	3.1%	3.1%	2.3%
Growth factor drug	6.1%	6.7%	5.9%



Source: the Frost & Sullivan report

Note:

(1) Given that diabetic foot ulcers are a prevalent complication of diabetes, the DFUs therapy market in China typically encompasses a segment of the broader diabetes therapy market.

The DFUs therapy market in China is composed of chemical drug, wound dressing, biological product and TCM, which accounted for 79.4%, 8.4%, 6.2%, and 6.0%, respectively, in 2024. Except for FESPIXON cream, all drugs in the DFUs therapy market in China are off-label drugs. As disclosed by China Resources Double-Crane, FESPIXON® Cream successfully cleared mainland customs drug inspection and completed inventory preparation on August 13, 2024, enabling the release of its initial batch of prescriptions. By November 2024, its cumulative revenue had exceeded RMB2 million.

Addressable market of PDGF drugs for DFUs

The addressable market size of PDGF drugs for DFUs in China is expected to increase from RMB225.2 million in 2030 to RMB582.4 million in 2033, with the penetration rate rising from 0.5% in 2030 to 1.2% in 2033 within the DFUs therapy market in China. The following table sets forth the details of the addressable market size of PDGF drugs for DFUs in China:

	2030E	2031E	2032E	2033E
Number of DFUs patients *(in millions)*	9.9	10.2	10.4	10.7
Average treatment expenses *(RMB in thousands)*	6.5	6.5	6.5	6.5
Medical adherence *(%)*	70.0	70.0	70.0	70.0
Market size of the PRC DFUs drug market *(RMB in billions)*	45.0	46.4	47.3	48.5
Penetration of PDGF drugs in DFUs in China *(%)*	0.5	0.7	0.8	1.2
Addressable market size of the PDGF drug market in DFUs in China *(RMB in millions)*	225.2	324.9	378.6	582.4

Source: the Frost & Sullivan report

Notes:

(1) Market size = number of DFUs patients * average treatment expenses * medical adherence

(2) Basis for key assumptions:

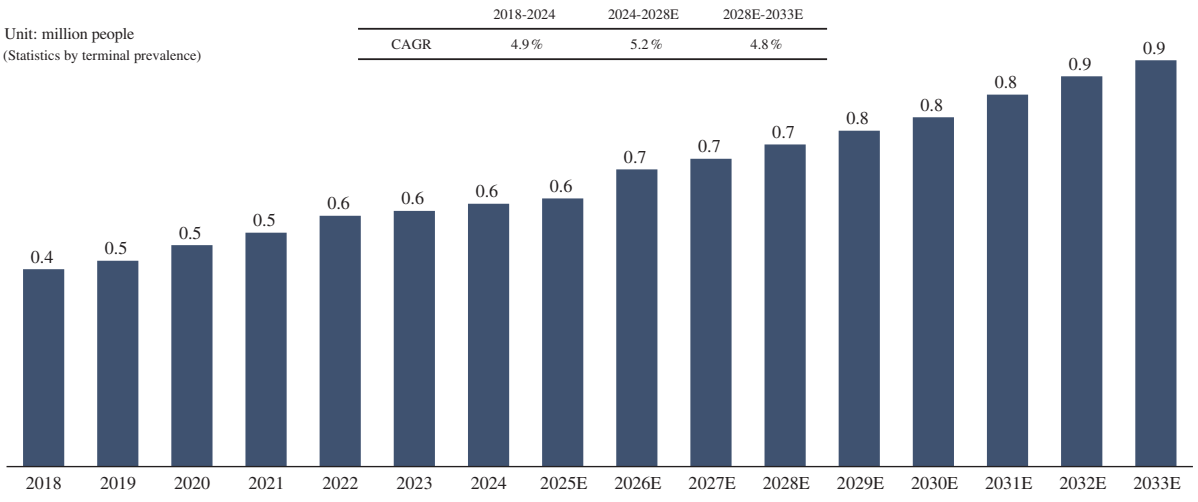
(a) meta-analysis of risk factors in relation to DFUs in the Chinese population: the prevalence of DFUs in China is approximately to 5.5%; and

(b) expert interviews: patients were categorized according to the maximum price of DFUs drugs they could afford.

Market size in Japan

The prevalence of diabetic foot ulcers in Japan is expected to increase steadily from approximately 0.4 million people in 2018 to approximately 0.9 million people in 2033. The CAGRs reflect a gradual but consistent rise: 4.9% from 2018 to 2024, 5.2% from 2024 to 2028, and 4.8% from 2028 to 2033. This upward trend is primarily driven by an aging population, higher diabetes incidence, and improvements in diagnosis and reporting, which result in more cases being identified and treated. Additionally, lifestyle factors and increased life expectancy are expected to contribute to the growing prevalence over time. The following chart sets forth the historical and forecast DFUs prevalence in Japan from 2018 to 2033:

DFUs Prevalence in Japan, 2018-2033E



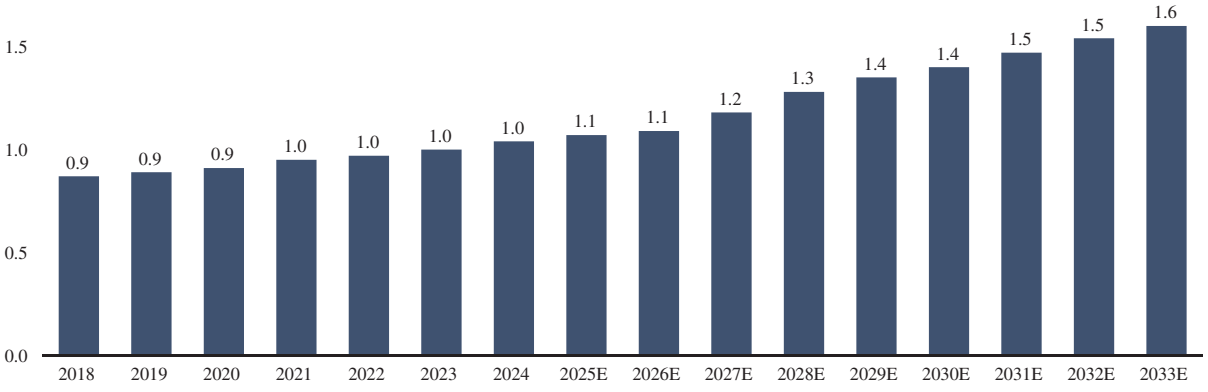
Source: the Frost & Sullivan report

The DFUs therapy market is expected to expand from approximately USD0.09 billion in 2018 to approximately USD0.16 billion in 2033, representing an overall increase of approximately USD0.07 billion. This growth is expected to occur gradually, with a CAGR of 3.0% from 2018 to 2024, accelerating to 5.3% between 2024 and 2028, and then moderating slightly to 4.6% through 2033. Annual forecasts indicate a consistent upward trend, with the market reaching approximately USD0.10 billion in 2023, approximately USD0.12 billion in 2027, and approximately USD0.15 billion in 2032, before achieving the anticipated approximately USD0.16 billion in 2033. The following chart sets forth the historical and forecast size of the DFUs therapy market in Japan by sales amount from 2018 to 2033:

Diabetic Foot Ulcers Therapy Market in Japan, 2018-2033E

Unit: 100 Million USD
(Statistics by terminal sales)

	2018-2024	2024-2028E	2028E-2033E
CAGR	3.0%	5.3%	4.6%

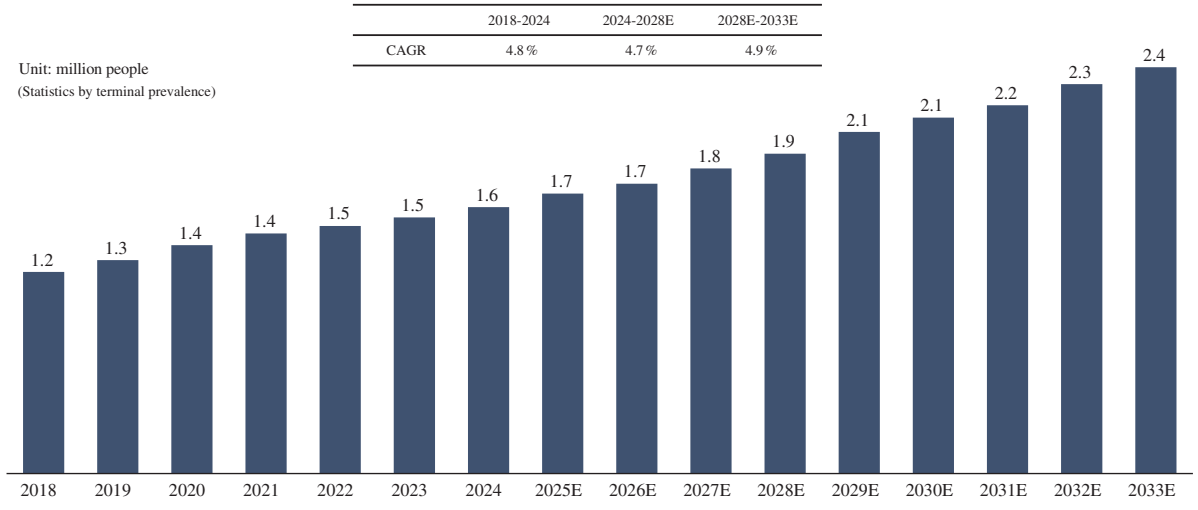


Source: the Frost & Sullivan report

Market size in the U.S.

The prevalence of diabetic foot ulcers in the U.S. is expected to increase steadily, rising from approximately 1.2 million people in 2018 to approximately 2.4 million people by 2033. The number grow gradually, reaching approximately 1.5 million people in 2022 and continuing to expand each year. The CAGRs are 4.8% from 2018 to 2024, 4.7% from 2024 to 2028, and 4.9% from 2028 to 2033. This upward trend is driven by the growing incidence of diabetes, an aging population, improved diagnostic practices, and heightened awareness of the condition. Additionally, lifestyle factors such as poor diet, limited physical activity, and rising obesity rates contribute to the sustained increase in diabetic foot ulcers. The following chart sets forth the historical and forecast DFUs prevalence in the U.S. from 2018 to 2033:

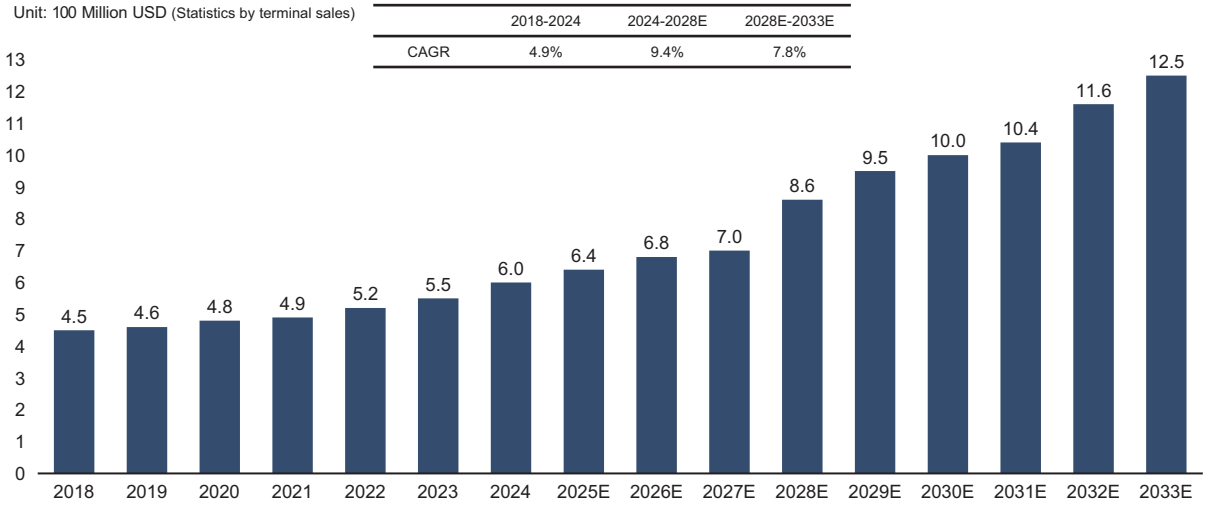
DFUs Prevalence in the U.S., 2018-2033E



Source: the Frost & Sullivan Report

The DFUs therapy market in the U.S. demonstrates steady growth, rising from approximately USD0.45 billion in 2018 to an expected USD1.3 billion in 2033, an overall increase of approximately USD0.8 billion. Growth occurs in phases, with a CAGR of 4.9% from 2018 to 2024, accelerating to 9.4% between 2024 and 2028, and maintaining a strong pace at 7.8% through 2033. In 2023, the market reaches approximately USD0.6 billion and continues gradual expansion until 2027 at approximately USD0.7 billion, after which growth accelerates significantly, culminating in the projected approximately USD1.3 billion by 2033. The following chart sets forth the historical and forecast size of the DFUs therapy market in the U.S. by sales amount from 2018 to 2033:

Diabetic Foot Ulcers Therapy Market in the U.S., 2018-2033E



Source: the Frost & Sullivan report

Competitive landscape

Competitive landscape in the U.S.

As of the Latest Practicable Date, there was only one PDGF drug approved by the FDA for the treatment of DFUs. Details set forth below:

Brand Name	Drug	Company	Route of Administration	Approved Year	Price	Dose per Day	Cost per Day	Revenue *(RMB in million, 2024)*	Safety and Efficacy	Reimbursement Scheme
Regranex (Becaplermin)	rh-PDGF	Smith+Nephew	Smearable gel	1997	US$1,721.1/15g	0.1g	US$32.1[1]	Regranex is a Smith & Nephew product categorized as "Advanced Wound Bioactive." The sales for the "Advanced Wound Bioactives" category were US$581 million in 2024. Based on the publicly available information, the annual sales amount of Regranex once exceeded US$100 million.[2]	Regranex is a human platelet-derived growth factor designed for the treatment of diabetic neuropathic ulcers on the lower extremities, which penetrate into the subcutaneous tissue and possess an adequate blood supply. It may serve as a complement to, rather than a substitute for, proper ulcer care practices.[3]	Covered by the U.S. medical insurance

Source: IMS Health Pharmaceutical Data, the Frost & Sullivan report

Notes:

(1) The average size of a diabetic foot ulcer is 4.5cm^2. Based on the formula in the FDA instructions, the length of gel to be applied daily is 4.5cm^2 / 4 = 1.125cm^2. Given the weight of Regranex from 15g tube is 0.25g/cm, the daily usage amounts to 1.125cm^2 * 0.25g/cm = 0.28g per day. Therefore, the cost per day is 0.28g / 15g * US$1,721.1 = US$32.1 per day.

(2) The specific sales volumes for Regranex are not disclosed in Smith & Nephew's report, however, Regranex is prominently mentioned in the report, indicating its significance as one of the more important wound healing products in the "Advanced Wound Bioactives" category.

(3) According to the FDA-approved drug label of Regranex, Regranex is only approved for treating lower extremity diabetic neuropathic ulcers that extend into the subcutaneous tissue or beyond and have adequate blood supply. It is intended as an adjunct therapy to standard wound care practices rather than a standalone treatment. Its efficacy for pressure ulcers, venous stasis ulcers, or wounds that close by primary intention is not established. It does not reduce the risk of ulcer recurrence or amputation, limiting its long-term impact. In addition, the benefits and risks of Regranex gel treatment should be carefully evaluated before prescribing in patients with known malignancy. Regranex has been demonstrated to be safe and effective through years of market validation, thereby supporting the safety profile of our Core Products, which are also PDGF drugs.

Competitive landscape in China

As of the Latest Practicable Date, there was no PDGF drug or other growth factor drug approved by the relevant regulatory authority in China for the treatment of DFUs. As of the Latest Practicable Date, there was only one approved non-growth factor drug in China for the treatment of DFUs. Details set forth below:

Ingredient	Brand Name	Company	Approved Year	Price	National Health Insurance	Revenue *(RMB in 100 million, 2024)*	Advantage	Disadvantage
Biological Product	FESPIXON® Cream (速必一®乳膏)	Oneness	2023	RMB4,280[1] per tube	Not included	According to the announcement from China Resources Double-Crane, FESPIXON® Cream successfully passed mainland customs drug inspection and completed stock preparation on August 13, 2024, marking the issuance of its first batch of prescriptions. By November 2024, its cumulative sales revenue had surpassed RMB2 million.	• regulates local immune response and promotes the healing process • suitable for mild to moderate DFUs • less side effects compared to some traditional treatments	• requires long-term use • less effectiveness for deep or more complex DFUs • higher market price

Note:

(1) The drug received approval from the NMPA to commercialize in mainland China on November 9, 2023 for the treatment of DFUs, with the approval number ZC20230001. As of the Latest Practicable Date, FESPIXON Cream has been commercialized in mainland China and the pricing of FESPIXON Cream for mainland China is approximately RMB4,380 per tube, according to information from the Tuling Medicine website. Each patient typically requires 2 to 4 tubes for a treatment course, with total costs ranging from RMB8,760 to RMB17,520. Given the recent approval of FESPIXON cream for commercialization, there are no available data on annual costs.

The following table sets forth the details of the comparison on the differentiated properties and targeted patients between FESPIXON, a biological product, and the Company's product candidate:

Category	FESPIXON Cream	Company's Product Candidate
Differentiated Properties.	Immune modulation approach: regulates the M1/M2 macrophage balance in the wound microenvironment, indirectly stimulating granulation tissue and epithelial cell proliferation, and its effectiveness depends on the patient's immune system, which may limit results and the indirect mechanism focused on improving the wound environment.	Direct mechanism of action: directly promotes cell proliferation by targeting fibroblasts, leading to faster and more efficient wound healing, stimulating granulation tissue and epithelial cell proliferation, significantly accelerating tissue repair with road-spectrum application with clear and direct efficacy for chronic wounds and deep ulcers.
Targeted Patients . . .	Primarily targets mild to moderate DFUs, classified as Wagner grades 1-2, limited to shallow wounds and early-stage DFUs, and may be less effective for advanced or chronic refractory ulcers.	Wide range of indications: Suitable for Wagner grades 1-3 DFUs, particularly effective for moderate to severe DFUs, including chronic refractory ulcers and deep wounds, and also applicable for challenging healing cases where immune modulation is less effective.

The following table sets forth the details of the comparison on the differentiated properties and targeted patients between TCM, chemical drugs, and the Company's product candidate:

Category	TCM	Chemical Drugs	Wound Dressings	Company's Product Candidates
Differentiated Properties . . .	Unclear target, overall efficacy relies on empirical judgment	Focuses on infection control with limited effect on tissue repair	Provides passive protection without stimulating cell growth or granulation	Specifically targets chronic refractory wounds, accelerates granulation tissue formation to promote healing
Targeted Patients	Patients with mild to moderate DFUs, short disease course	High-risk diabetic foot patients with shallow or newly formed wounds	Suitable for superficial diabetic foot ulcers but ineffective for deep or chronic wounds	Patients with moderate and severe diabetic foot ulcers, especially those with chronic refractory ulcers classified as Wagner grades 1-3

Based on publicly available information, there is limited data on the sales information of wound dressings for the treatment of DFUs. In addition, TCM used for the treatment of DFUs is mostly homemade remedies, therefore there is limited available sales information. The table below sets forth details of major off-label drugs commonly used in clinical practice for the treatment of DFUs:

Ingredient	Brand Name	Company	Indication	Approved Year	Price	National Health Insurance	Revenue *(RMB in 100 million, 2024)*	Advantage	Disadvantage
Chemical drug	Forxiga (Dapagliflozin tablet) 安达唐 (達格列淨片)	AstraZeneca	Forxiga is a new oral hypoglycemic drug, which belongs to sodium-glucose co-transporter protein 2 (SGLT2) inhibitor. Its main mechanism of action is to inhibit renal reabsorption of glucose and increase urinary excretion of glucose, thus lowering the blood glucose level, and it is suitable for patients with type 2 diabetes mellitus who are ineffective in diet and exercise control.	2017	RMB70 10mg * 7 tablets * 2 plates	Class B	68	• Oral tablets, once a day, good compliance	• Promote urinary sugar excretion and increase the chance of genitourinary infections
	Januvia (Sitagliptin phosphate tablet) 捷諾維(磷酸西格列汀片)	MSD	Januvia is an oral hypoglycemic agent used primarily for the treatment of type 2 diabetes. It belongs to the class of dipeptidyl peptidase-4 (DPP-4) inhibitors and improves glycemic control by increasing the levels of active enteric insulinotropic hormone.	2009	RMB215 100mg * 7 tablets * 4 plates	Class B	17	• It is safe and has a low incidence of adverse effects of hypoglycemia and weight gain. The drug can be used alone or in combination with other oral hypoglycemic agents	• Some patients may experience gastrointestinal symptoms such as abdominal pain, diarrhea, nausea, vomiting and other adverse reactions
	Pfizer's Cefoperazone Sodium and Sulbactam Sodium for Injection (2:1) 輝瑞注射用頭孢哌酮鈉舒巴坦鈉 (2:1)	Pfizer	For respiratory tract infections, urinary tract infections, peritonitis, cholecystitis, cholangitis and other intra-abdominal infections, sepsis, meningitis, skin and soft tissue infections, bone and joint infections, pelvic inflammatory disease, endometritis, gonorrhea and other reproductive system infections caused by susceptible bacteria.	1985	RMB32 1g	Class B	52	• Open wounds from burns are susceptible to bacterial infection, and antibiotics are effective in preventing or controlling the spread of infection.	• Antibiotics only work on the superficial wound, it is difficult to penetrate deeper into the infected tissue or burn necrosis layer, so for deep burns need to be combined with systemic therapy.
	Boehringer Ingelheim and Eli Lilly's Linagliptin 歐唐寧 (利格列汀片)	Boehringer Ingelheim	Ligagliptin is used in combination with metformin and sulfonylureas, in combination with diet control and exercise, for glycemic control in adults with type 2 diabetes.	2013	RMB208 5mg*7 tablets	ClassB	16	• Effective in controlling blood glucose; fast-acting; can significantly improve overall outcome in patients with severe diabetic foot disease.	• Requires long-term adherence; does not completely solve the problem for ulcers and infections that have already formed.
Biological product	Recombinant Bovine Basic Fibroblast Growth Factor For External Use, Liquid (貝復濟)	Zhuhai Essex	Thermal burn, chronic wounds and fresh wounds	1998	RMB62,15ml	Not included / Class B (by formulation)	8	• Promotes skin cell regeneration and wound healing, good effect on the repair of thermal burns • Applicable to the treatment of other types of wounds such as skin ulcers and post-operative wounds	• Individual patients may experience slight skin irritation or discomfort
	Recombinant Human Basic Fibroblast Growth Factor Gel (貝復新)	Zhuhai Essex	Thermal burn, chronic wounds and fresh wounds	2006	RMB75, 5g	Class B		• Promotes skin cell regeneration, accelerates healing of thermal burns wounds, reduces healing time and treatment cycles • Reduces the risk of scar formation after healing burns and improves the appearance of recovering wounds	• For deep or severe burns, it may not be sufficient for wound healing on its own and should be used alongside other treatments • Requires consistently and frequently use

The following table sets forth details on the growth factor drug pipelines in China for the treatment of DFUs:

Drug Candidate	Sponsor	Indication	Phase and Status	First Posted Date	Clinical No.
rh-EGF (injection)	Genetic and Biotechnology Engineering Center/Huake Pharmaceutical Intellectual Property Consulting Center	DFUs	In-progress (III)	August 7, 2014	CTR20140502
rh-bFG (external gel)	Nanhai Longtime Pharmaceutical	Chronic wounds including DFUs, vascular ulcers, bedsores, traumatic ulcers and radioactive ulcers, among others	In-progress (III)	March 19, 2012	CTR20132467
rhPDGF-BB	Tasly Pharmaceutical	Skin ulceration of lower extremity in chronic diabetes	In-progress (III)	January 22, 2014	CTR20132176
rhPDGF-BB	Our Company	DFUs	In-progress (II)	March 24, 2022	CTR20220638
mNGF (injection)	Beijing Staidson Biopharmaceuticals	Refractory DFUs	In-progress (II)	May 4, 2017	CTR20170195

Sources: the CDE, the Frost & Sullivan report

Note: ordered by clinical study phase of each pipeline

Competitive landscape in Japan

As of the Latest Practicable Date, there was no drug approved by the relevant regulatory authority in Japan for the treatment of DFUs.

Fresh Wounds

Overview

Fresh wound is a recent injury to the skin that typically involves a break in the skin's surface. Such wound result from damage to healthy tissue, inflicted by a variety of external agents including surgical procedures, physical trauma, thermal exposure, electrical sources, chemical interactions, and cryogenic effects as well as internal contributors such as compromised local blood circulation. This condition is frequently marked by a breach in the skin's integrity and the subsequent loss of a quantifiable amount of normal tissue. The following sets forth the classification of fresh wound and relevant standards of care:

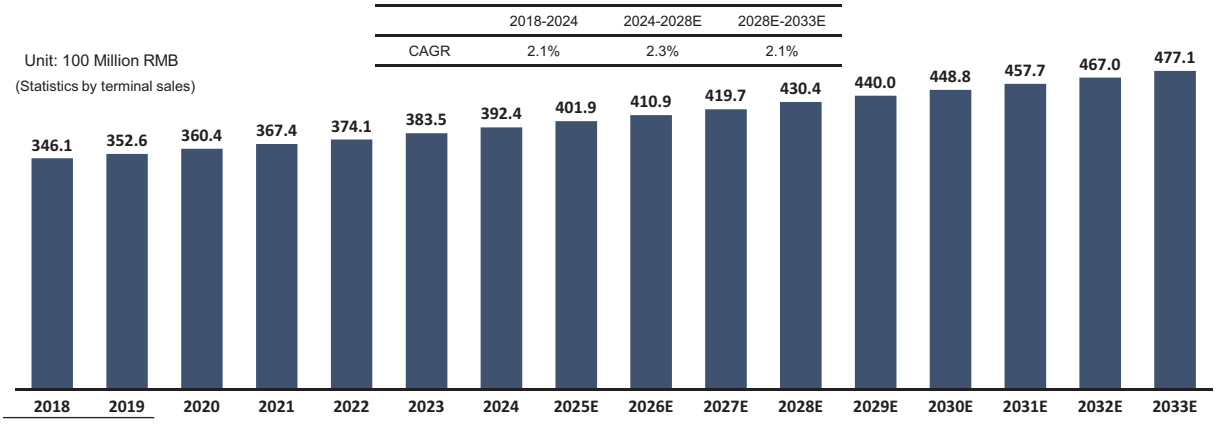
Classification	Symptom Presentation	Standard of Care
Abrasions	Abrasions are superficial injuries affecting the outermost layer of the skin, typically resulting from friction and generally characterized by minimal bleeding.	• **Chemical drug** o prevent infection: antibiotic ointments, such as erythromycin or mupirocin. o clean wounds: antiseptics, such as povidone-iodine or hydrogen peroxide. o relieve pain and inflammation: non-steroidal anti-inflammatory drugs, such as ibuprofen. • **Wound Dressing** o hydrocolloid dressing: provide a moist healing environment that aids in cell migration and tissue repair o foam dressing: more absorbent and can be used for wounds with high secretions o alginate dressing: used in bleeding wounds due to their hemostatic properties • **Biological Product** o Biological products, such as growth factors and stem cell preparations, can accelerate healing by promoting cell proliferation and tissue rebuilding. • **TCM** o Herbal ointments with heat-removing and anti-inflammatory properties, such as honeysuckle and comfrey ointments, can reduce the risk of wound infection. o Yunnan Baiyao powder and Jingwanhong ointment are often used on wounds to reduce inflammation, relieve pain and accelerate healing.
Incisions	Incisions are precise, linear cuts usually inflicted by sharp instruments such as knives. Due to their depth, these incisions can result in significant bleeding.	
Lacerations	Lacerations are jagged, irregular wounds caused by tearing of the skin, often due to blunt trauma.	
Punctures	Punctures wounds are deep, narrow, and often caused by objects such as nails or needles. They might not bleed much at the surface but are prone to infection due to their depth.	
Contusions (Bruises)	Contusions (Bruises) injuries do not involve a break in the skin, but the underlying tissues are damaged due to a blow or blunt force.	

Market size

The fresh wound prevalence in China has demonstrated a steady growth trajectory since 2018, starting with 79.1 million people and increasing to 87.7 million people in 2024, at a CAGR of 1.7%, primarily attributable to aging population and advancements in healthcare. Such prevalence is expected to further increase to 94.3 million people and 102.1 million people in 2028 and 2033, respectively, at a CAGR of 1.8% from 2024 to 2028 and 1.6% from 2028 to 2033, mainly driven by a sustained increase in the demand for fresh wound treatment, combined with an enhancement in the recognition and adoption of advanced wound care solutions.

The fresh wound therapy market in China increased from RMB34.6 billion in 2018 to RMB39.2 billion in 2024, at a CAGR of 2.1% from 2018 to 2024, reflecting a steady growth in demand for fresh wound care, primarily due to advancements in drug formulations, increased healthcare expenditure and wider acceptance of innovative wound healing products. Subsequently, the market's growth rate is expected to slightly increase to a CAGR of 2.3% from RMB39.2 billion in 2024 to RMB43.0 billion in 2028, primarily driven by increasing cases of diseases and conditions affecting wound healing capabilities, increasing surgical cases and growth in global prevalence of chronic diseases. The growth rate is expected to slightly slow down to a CAGR of 2.1% from RMB43.0 billion in 2028 to RMB47.7 billion in 2033, mainly due to the maturation of existing product offerings and economic variables that limit healthcare spending, resulting in heightened competition and increased pricing pressure. The following table sets forth the historical and forecast size of the fresh wound therapy market in China by sales amount from 2018 to 2033:

Fresh Wound Therapy Market in China, 2018-2033E



Source: the Frost & Sullivan report

The fresh wound therapy market in China is composed of (i) chemical drug, (ii) wound dressing, (iii) biological product, and (iv) TCM, which accounted 46.2%, 26.1%, 11.7% and 16.0%, respectively, in 2024.

Pressure Ulcers

Overview

Pressure ulcers are injuries to skin and underlying tissue caused by prolonged pressure on a specific part, which interrupts the blood supply to the affected area. Blood contains oxygen and other essential nutrients necessary for maintaining healthy tissue. Without a continuous blood supply, the tissue becomes damage and will ultimately perish. The interruption of blood flow also prevents infection-fighting white blood cells from reaching the skin. Once an ulcer develops, it is susceptible to bacterial infection. Pressure ulcers can be classified as Stage I, Stage II, Stage III, Stage IV, suspected deep tissue injury and unstageable pressure ulcers. Common medications used in the treatment of pressure ulcers include wound dressings and growth factors. The table below sets forth details of the standards of care in accordance to recognized clinical guidelines in China and globally:

Surgical Operation	**Pulsed current electrical stimulation** • Promotes healing of stubborn Stage II, III or IV pressure injuries. **Negative pressure wound therapy** • Effective in the treatment of chronic Stage III and IV pressure ulcers in controlling infection and promoting granulation tissue growth. **Ultrasound therapy** • Non-thermal low-frequency or high-frequency pulsed current ultrasound can be applied as an adjunctive treatment for pressure ulcers that do not respond to standard treatment. **Laser therapy** • Combination of laser and conventional therapy improves pressure ulcer healing.
Wound Dressing	**Advanced Wound Dressing for Stage I and II Pressure Injuries** • Applying hydrocolloid, hydrogel and polymeric membrane dressing for non-infected Stage II pressure ulcers. **Advanced Wound Dressing for Full Thickness Pressure Injuries** • Applying hydrogels for non-infected Stage III and IV pressure ulcers with minimal exudate. • Applying calcium alginate dressing for non-infected Stage III and IV pressure ulcers with moderate exudate. **Wound Dressing for Pressure Injuries with High Exudate** • Applying foam dressing (including hydropolymers) for Stage II and above pressure ulcers with moderate or heavy exudate. • Applying super-absorbent wound dressing with a high capacity for absorption to manage heavily exuding pressure injuries. **Basic Wound Dressing** • Applying moistgauze dressingstomaintainanappropriatelymoistwound environment when advanced wound dressing is not an option. • Applying a transparent film dressing as a secondary dressing when advanced wound dressing is not an option. **Biological Dressing** • Applying collagen matrix dressing to nonhealing pressure ulcers to improve healing rate and decrease signs and symptoms of wound inflammation.
Biological Product	**Growth Factors Drugs** • Applying **platelet-rich plasma** for promoting healing in pressure ulcers. • Applying **platelet-derived growth factors** for promoting healing in Stage III and IV pressure ulcers.

Source: Prevention and Treatment of Pressure Ulcers/Injuries: Clinical Practice Guideline, the Frost & Sullivan report

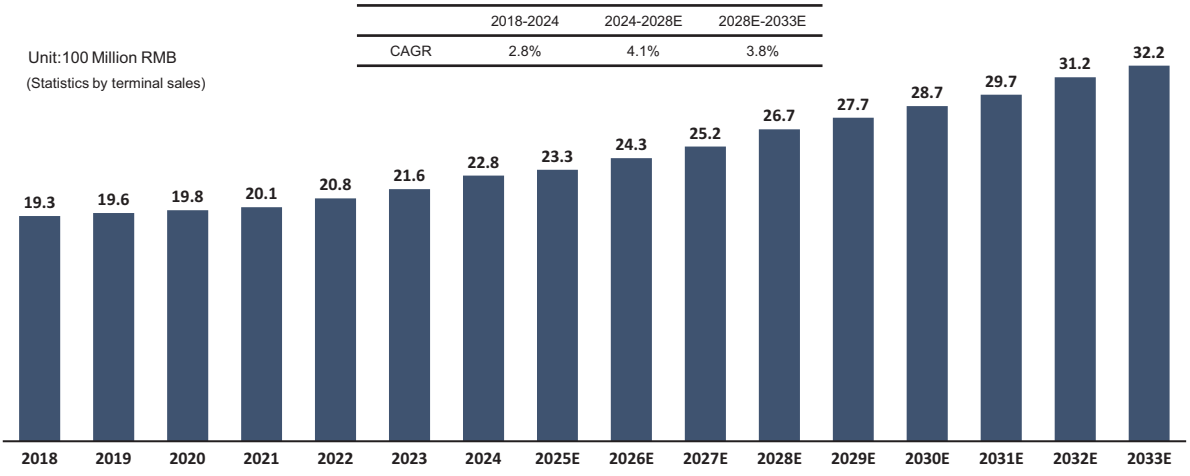
Market size

The prevalence of pressure ulcers varied significantly by age group and tended to increase with age, with the lowest prevalence of 0.5% in the age group from 18 to 39 and the highest prevalence of 7.7% in the age group of 89 and above. The highest prevalence of pressure ulcers among Chinese inpatients was found in the ICU, EICU, geriatrics and neurosurgery, mainly because there are more comatose, critically ill and bedridden patients in these departments.

The prevalence of pressure ulcers in China increased from 3.9 million people in 2018 to 4.6 million people in 2024, at a CAGR of 2.8%. Factors such as aging population, an increase in inpatient numbers and challenges in nursing care are expected to drive the prevalence up to an estimated 5.4 million people in 2028 and 6.5 million people in 2033, at a CAGR of 4.1% from 2024 to 2028 and 3.8% from 2028 to 2033.

The pressure ulcer therapy market in China experienced steady growth from 2018 to 2023, increasing from RMB1.9 billion in 2018 to RMB2.3 billion in 2024, at a CAGR of 2.8%. Driven by increasing demand for pressure ulcer care arising from aging population, higher prevalence of chronic diseases and advancements in pressure ulcer treatment and management technologies, it is expected to experience accelerated growth from 2024 to 2033, reaching RMB2.7 billion in 2028 and RMB3.2 billion in 2033, at a CAGR of 4.1% from 2024 to 2028 and 3.8% from 2028 to 2033. The following chart sets forth the historical and forecast size of the pressure ulcer therapy market in China by sales amount from 2018 to 2033:

China Pressure Ulcer Therapy Market, 2018-2033E



Source: the Frost & Sullivan report

The pressure ulcers therapy market in China is composed of (i) wound dressing, and (ii) biological product, which accounted 93.9% and 6.1%, respectively, in 2024.

Radiation Ulcers

Overview

Radiation ulcers are skin injuries resulting from exposure to radiation, commonly observed during radioactive treatment of malignant or benign conditions, occupational or accidental exposure and wartime nuclear radiation. The radiation responsible for such damage primarily includes x-rays, gamma rays and beta-rays, all of which can lead to radioactive skin damage. Treatment options for radiation ulcers usually include three categories: chemical drug, biological product, and wound dressing. Chemical drug focuses on reducing the inflammatory response at the ulcer site and relieving pain through anti-inflammatory and analgesic drugs such as non-steroidal anti-inflammatory drugs (NSAIDs) and glucocorticoids, thereby creating a better environment for healing. Biological product focuses on promoting tissue repair, such as the use of growth factors (e.g., EGF and FGF) to accelerate cell regeneration and tissue healing, enhance wound angiogenesis and improve microcirculation. Wound dressings, in particular a suitable wet wound

dressing, can maintain a moist wound environment, thereby reducing infection risk and improving the speed of wound healing. The table below sets forth details of standards of care for radiation ulcers in accordance to recognized clinical guidelines in China and globally:

Surgical Operation	**Laser therapy** • Long pulsed dye laser is recommended for the treatment of capillary dilatation after radiation therapy. **Skin flap transplantation** • A skin flap can cover the wound, provide good blood flow and nutrition to the wound, and promote healing. For larger wounds, flap transplantation is a common surgical procedure. **Debridement** • If there are important nerves, blood vessels, etc. at the base of the ulcer, palliative debridement should be done to remove the necrotic tissue to the healthy tissue layer.
Chemical Drug	• **Glucocorticosteroid** Glucocorticosteroids (i) reduce local inflammation and relieve pain by inhibiting the infiltration of inflammatory cells and reducing the release of pro-inflammatory factors; and (ii) inhibit the formation of fibrosis and promote the healing of ulcer wounds. • **NSAIDs** NSAIDs deliver anti-inflammatory and analgesic effects by inhibiting the activity of the cyclooxygenase (COX) enzyme and reducing the production of prostaglandins. When applied topically, NSAIDs, such as indomethacin gel target damaged tissue directly, relieving localized redness, swelling and pain, while minimizing the risk of systemic side effects. In cases of severe radiation ulcers, NSAIDs may also be used as adjunctive treatments alongside other anti-ulcer medications or therapies to enhance the overall treatment outcome.
Wound Dressing	Wound dressing, such as hydrocolloid dressing and alginate dressings, can create a moist environment in wound sites, reducing crusting and drying of the wound, which in turn speeds up the tissue repair process.
Biological Product	• **Natural agent** Natural agents, such as olive oil and epigallocatechin-3-gallate (EGCG), have shown effectiveness in treating radiation ulcers. Olive oil has moisturizing, antioxidant and anti-inflammatory properties that improve skin barrier function, reduce wound dryness and irritation, and provide a suitable environment for cellular repair. EGCG is a potent antioxidant with anti-inflammatory and anti-radiation effects that inhibits radiation-induced free radical production, reduces tissue damage and promotes ulcer healing. • **Growth factor** Growth factors (i) stimulate cell proliferation, differentiation and migration, which accelerates tissue repair and regeneration at ulcer sites and (ii) improve the rate of wound healing and shorten healing time by promoting blood vessel neovascularization, reducing the inflammatory response, and enhancing collagen production.

Sources: *Expert consensus on the diagnosis and treatment of radiation skin injuries (2024 Edition), the Frost & Sullivan report*

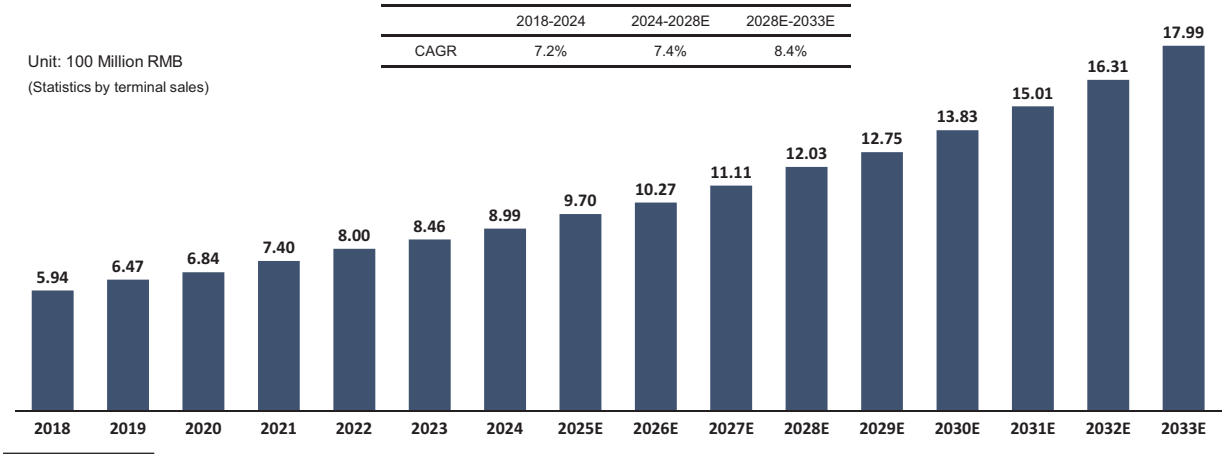
Market size

The prevalence of radiation ulcers in China experienced steady growth from 4.4 million people in 2018 to 5.1 million people in 2024 at a CAGR of 2.5%, and it is projected to reach 5.6 million people and 6.4 million people in 2028 and 2033, at a CAGR of 2.4% from 2024 to 2028 and 2.7% from 2028 to 2033, respectively. This steady growth is driven by the increasing concern regarding radiation ulcers within the Chinese population arising from factors such as the rising use of radiation therapies and aging population. Despite the increasing prevalence of radiation ulcers, the growth rate is expected to decrease, primarily due to improved preventive measures and treatment options that are becoming more accessible and effective in managing the condition.

The radiation ulcers therapy market in China showed steady growth from RMB0.6 billion in 2018 to RMB0.9 billion in 2024, at a CAGR of 7.2%. Such market is expected to further increase to RMB1.2 billion and RMB1.8 billion in 2028 and 2033, at a CAGR of 7.4% from 2024 to 2028 and 8.4% from 2028 to 2033, respectively. The steady growth of the market and its robust expansion in growth rate is mainly attributed to the increasing demand and better awareness for

effective radiation ulcer treatments in China and the continuing development and investment in this healthcare sector. The following chart sets forth the historical and forecast size of radiation ulcers therapy market in China by sales amount from 2018 to 2033:

Radiation Ulcers Therapy Market in China, 2018-2033E



Source: the Frost & Sullivan report

The radiation ulcers therapy market in China is composed of (i) chemical drug, (ii) biological product, and (iii) wound dressing, which accounted 65.2%, 27.1% and 7.7%, respectively, in 2024.

Photodermatitis

Overview

Photodermatitis is an acute phototoxic reaction of the skin caused by excessive ultraviolet irradiation of the skin accompanied by pain and/or itching symptoms. Diseases characterized by sensitivity to light, whether due to genetic or metabolic factors, reactions to chemicals, or medications, can result in photodermatitis. Treatment options for photodermatitis include four main categories: chemical drug, wound dressings, biological product, and TCM. Chemical drug such as glucocorticoids and NSAIDs (e.g., indomethacin) relieve erythema, inhibit hyperpigmentation, and provide pain relief through oral or topical application. Biological product such as epidermal growth factor and fibroblast growth factor are used to repair damaged skin and reduce inflammatory reactions. Wound dressings maintain a moist environment, protect skin wounds and promote healing. TCM such as Compound Bitter Yellow Spray and Comfrey Oil Burn Cream can help reduce inflammation, relieve pain and act as a gentle adjunct to treatment. The table below sets forth details of standards of care for photodermatitis:

Chemical drug	Boric acid solution or 2.5% indomethacin solution can be used for cold wet compresses. Cold compresses or cold gels can be applied to reduce erythema and skin congestion. Topical glucocorticoid creams (e.g., hydrocortisone butyrate cream, 2-3 times daily) may relieve erythema, pain, and hyperpigmentation. In addition, NSAIDs such as indomethacin solution, applied wet 2-3 times daily, can be effective in relieving sunburn symptoms. For more severe symptoms, oral ibuprofen extended-release capsules or prednisone acetate tablets can be taken. Antihistamines (e.g., cetirizine tablets) can be taken for severe stinging and itching to help reduce itching and erythema.
Wound Dressing	For blisters formed by sun exposure, ruptured blisters should be cleaned and covered with a moist dressing to prevent infection and promote healing.
Biological Product	For patients who have achieved second-degree sunburn, EGF or FGF is recommended to accelerate skin barrier repair and reduce the inflammatory response.
TCM	In TCM, photodermatitis is referred to as "sunburn sores," often caused by wind-heat accumulation on the skin. Topical proprietary Chinese medicines such as Compound Bitter Yellow Spray, Jingwanhong Ointment, Shanbao Aerosol, Comfrey Oil Scald Cream and Meibao Wet Burn Cream have been reported to have good efficacy on photodermatitis, reducing inflammation and promoting healing.

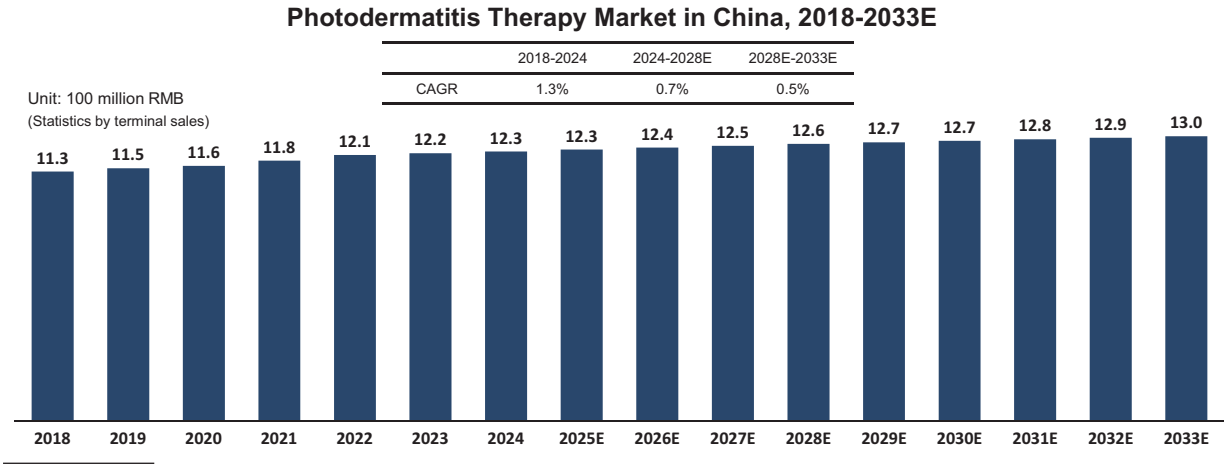
Sources: Primary Care Guideline for Photodermatitis, 2023 Edition, the Frost & Sullivan report

Market size

The prevalence of photodermatitis in China increased from 9.5 million people in 2018 to 10.2 million people in 2024, at a CAGR of 1.3%, driven by several factors including increased exposure to sunlight due to lifestyle changes, use of sun protection and increased public awareness and diagnosis rates. Such prevalence is expected to further increase to 10.5 million people and 10.8 million people in 2028 and 2033, respectively, at a CAGR of 0.7% from 2024 to 2028 and 0.6% from 2028 to 2033. The growth rate is expected to decrease, primarily due to medical advancements in photodermatitis treatment and prevention, increased accessibility to healthcare services and increased public awareness of photodermatitis protection.

The photodermatitis therapy market in China has shown steady growth from RMB1.1 billion in 2018 to RMB1.2 billion in 2024, at a CAGR of 1.3%, and it is expected to further increase to RMB1.3 billion and RMB1.3 billion in 2028 and 2033, at a CAGR of 0.7% from 2024 to 2028 and 0.5% from 2028 to 2033, respectively. Despite the increasing prevalence of photodermatitis, the

growth rate is expected to decrease, primarily due to the maturity of existing product offerings, increasing consumer awareness of preventive measures and the gradual stabilization of treatment demands. The following chart sets forth the historical and forecast size of photodermatitis therapy market in China by sales amount from 2018 to 2033:



Source: the Frost & Sullivan report

The photodermatitis therapy market in China is composed of (i) chemical drug, (ii) wound dressing, (iii) biological product, and (iv) TCM, which accounted 59.4%, 17.2%, 13.1% and 10.3%, respectively, in 2024.

Alopecia

Overview

Alopecia is a type of autoimmune disorder in which the immune system attacks the hair follicles, causing hair loss, slow down growing, or stop growing altogether. The triggers of alopecia involve a combination of multiple environmental and genetic factors, such as a very stressful event, radiation therapy to the head, family history, hormonal changes, medical conditions or a normal part of aging. Treatment of alopecia is a three-step process from an uninjured state to a full-thickness skin wound to enhanced regeneration. Set forth below are details of standards of care of alopecia:

- ***Antifungal drugs.*** Antifungal drugs, such as terbinafine or griseofulvin, can eliminate scalp ringworm, a fungal infection causing alopecia.

- ***Hormonal modulators.*** For androgenetic alopecia (pattern baldness), hormonal modulators, such as finasteride, block androgens' effects on hair follicles to slow alopecia. Female also benefit from hormonal modulators, such as spironolactone or certain birth control pills, to regulate hormones and reduce hair thinning.

- ***Growth stimulants.*** Minoxidil is a topical solution used for both male and female pattern alopecia. It promotes hair regrowth by stimulating follicles and extending the growth phase of hair, and it must be applied regularly to maintain results.

- ***Anti-inflammatory drugs.*** For autoimmune-related alopecia, such as alopecia areata, corticosteroids (e.g., prednisolone) are used to reduce inflammation. They can be administered as injections, topical creams or oral medications, depending on the severity and location of alopecia.

- ***Hair transplantation.*** Transplantation is a more permanent solution. In this procedure, hair follicles from a certain area of the scalp are extracted and transplanted to the balding area. Only one or two hairs are transplanted at a time in this technique while another surgical option involves removing a balding portion of the scalp and stretching the skin with existing hair to cover a wider area.

- ***Wigs.*** Wigs generally provide the best treatment option for temporary hair loss such as hair loss caused by chemotherapy.

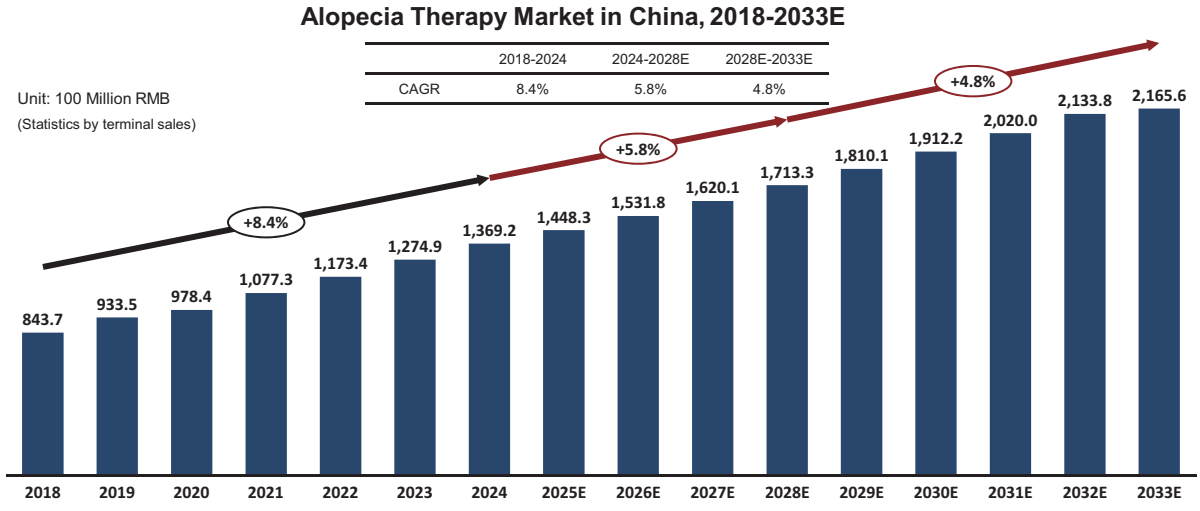
Current mainstream treatments for alopecia primarily focus on regulating the scalp environment and hormonal balance to promote hair growth. PDGF is not yet a primary treatment option in this field. However, as PDGF can enhance hair follicle cell activity and tissue repair, it may offer deeper follicle repair and support for hair growth, providing new treatment options for certain types of alopecia patients.

Market size

The prevalence of alopecia in China increased from 133.7 million people in 2018 to 142.5 million people in 2024, and it is projected to reach 146.7 million people and 151.2 million people in 2028 and 2033, respectively. Such stable growth demonstrates the growing concern of alopecia among the Chinese population and a steady growth in the patient base over the years, mainly resulting from several factors such as aging population, lifestyle changes and environmental pressures. The growth rate is relatively slow, at a CAGR of 1.1% from 2018 to 2024, and is expected to drop to 0.7% from 2024 to 2028 and 0.6% from 2028 to 2033, reflecting market maturity and ongoing challenges in alopecia prevention and treatment.

The alopecia therapy market in China expanded from RMB84.4 billion in 2018 to RMB137.0 billion in 2024, at a CAGR of 8.4%, primarily due to a rising prevalence of alopecia arising from factors such as stress, lifestyle changes and increasing awareness of available treatments. Looking forward, the market growth rate is expected to moderate slightly, at a CAGR of 5.8% from 2024 to 2028 and 4.8% from 2028 to 2033, reaching RMB171.3 billion and RMB216.6 billion in 2028 and

2033, respectively, reflecting a stabilizing demand for alopecia therapies as more effective solutions become available and widely employed. The following chart sets forth the historical and forecast size of alopecia therapy market in China by sales amount from 2018 to 2033:



Source: the Frost & Sullivan report

The alopecia therapy market in China is composed of (i) antifungal drug, (ii) hormonal modulator, (iii) growth stimulant, (iv) anti-inflammatory drug, and (v) others, such as platelet-rich plasma corticosteroids and nutritional supplements, which accounted 12.3%, 6.2%, 52.1%, 20.3% and 9.1%, respectively, in 2024.

Hemorrhoids

Overview

Hemorrhoids represent pathological changes in the anal cushions, including rupture of the supporting connective tissue within the cushions, resulting in enlargement of the vascular plexus. Causes of hemorrhoids include straining during bowel movements, sedentary lifestyle, chronic diarrhea or constipation, obesity, pregnancy, anal intercourse, low-fiber diet and frequent heavy lifting. Hemorrhoids can be classified as internal hemorrhoids, external hemorrhoids and thrombosed hemorrhoids. Common symptoms of hemorrhoids include bleeding, swelling and prolapse, seepage due to the disruption of the fine-tuning of continence and consequent irritation of the perianal skin, as well as more severe symptoms such as thrombosis leading to pain.

There are several standards of care for haemorrhoidal disease, including conservative, instrumental and surgical treatments: (i) conservative treatments aim to relieve symptoms through dietary modifications, increased fiber intake, maintaining clear stools and the use of medications such as intravenously active drugs and laxatives; (ii) instrumental treatments encompass adhesive banding and injection therapy; and (iii) surgical treatments involve haemorrhoidectomy, anastomotic haemorrhoidectomy and transanal haemorrhoidal artery ligation, typically recommended for patients whose conservative treatments have proven ineffective or whose condition is more severe.

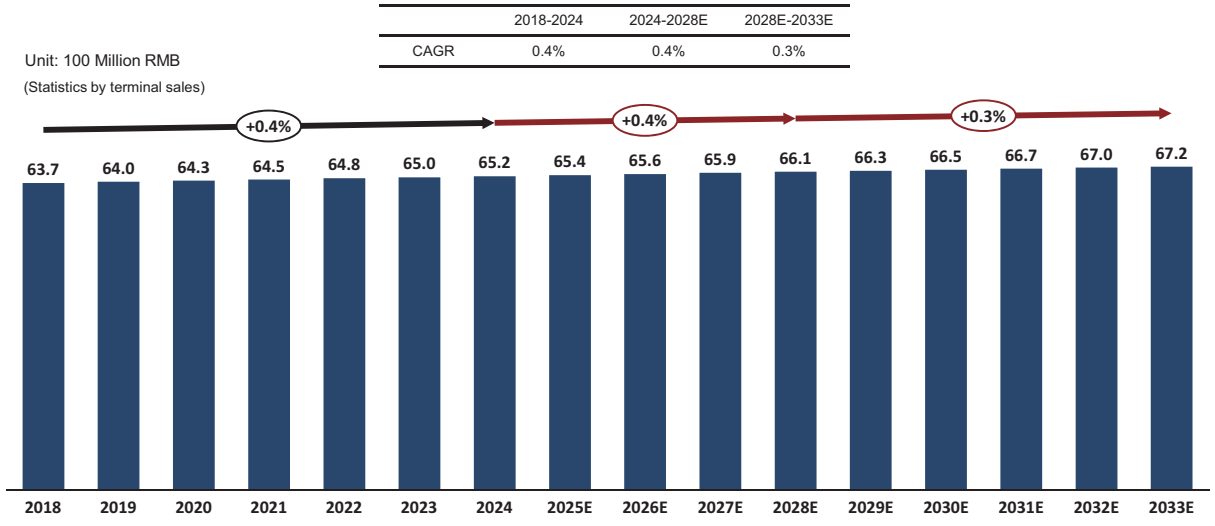
Traditional hemorrhoid treatments primarily focus on symptom relief, which generally meets the needs of most patients. PDGF has not become a mainstream treatment for hemorrhoids. However, PDGF's unique role in tissue repair may offer more effective healing support for patients with severe tissue damage, providing additional therapeutic benefits.

Market size

The prevalence of hemorrhoids in China remained relatively stable from 718.5 million people in 2018 to 734.0 million people in 2024, at a CAGR of 0.4%, reflecting a continuous but slow increase. Such prevalence is expected to remain on a steady trend, reaching 744.4 million people and 756.4 million people in 2028 and 2033, respectively, at a CAGR of 0.4% from 2024 to 2028 and 0.3% from 2028 to 2033.

The hemorrhoids therapy market in China has demonstrated a moderate growth from RMB6.4 billion in 2018 to RMB6.5 billion in 2024, at a CAGR of 0.4%, and subsequently, the market is expected to reach RMB6.6 billion in 2028 and RMB6.7 billion in 2033, at a CAGR of 0.4% from 2024 to 2028 and 0.3% from 2028 to 2033, indicating a sustained demand for hemorrhoid treatments. The following chart sets forth the historical and forecast size of hemorrhoids therapy market in China by sales amount from 2018 to 2033:

Hemorrhoid Therapy Market in China, 2018-2033E



Source: the Frost & Sullivan report

The hemorrhoids therapy market in China is composed of (i) laxative, (ii) intravenous active drug, and (iii) others, such as NSAID and rectal suppository, which accounted for 58.4%, 34.3% and 7.3%, respectively, in 2024.

Dry Eye Syndrome

Overview

Dry eye syndrome is a common ocular surface disease mainly characterized by tear film imbalance, eye discomfort or even vision loss. Causes of dry eye syndrome include inflammation and neurosensory abnormalities, abnormal cells, disorders in sex hormone levels, age and gender factors and effects of systemic disease. In general, dry eye syndrome can be classified as aqueous tear deficiency, lipid deficiency, mucin deficiency, abnormal tear dynamics and mixed dry eye.

The treatment of dry eye syndrome mainly includes drug treatment and non-drug treatment. If dry eye syndrome is caused by certain diseases, attention should be paid to the treatment of the original disease. Artificial tears, silicone eye patches, wet chamber lenses and bandage contact lenses are commonly used methods to treat dry eye syndrome. For moderate to severe dry eye with ocular surface inflammation, more emphasis is placed on topical anti-inflammatory treatment and immunosuppressive treatment. The table below set forth are the details of standards of care of dry eye syndrome:

Surgical Operation	• Depending on the condition, **amniotic membrane transplantation**, **tear-spot closure**, and other surgical procedures are chosen for treatment
Chemical drug	• Prefer preservative-free artificial tears and use higher viscosity ointments and gels at night. Emphasize management of inflammatory reactions on the ocular surface with ocular antibiotics and/or anti-inflammatory drugs (glucocorticoids, immunosuppressants, NSAID drops) and pro-secretory agents
Medical Device Therapy	**silicone eye patches** • Silicone eye patiches for dry eye patients with corneal exposure **wet chamber lenses** • Wet chamber lenses increase the humidity of the local environment and reduce tear evaporation, relieving dry eye symptoms **bandage contact lenses** • Use of soft corneal bandage lenses is effective in preventing recurrence of filamentous keratitis

Source: Expert consensus on clinical diagnosis and treatment of dry eye in China (2024), the Frost & Sullivan report

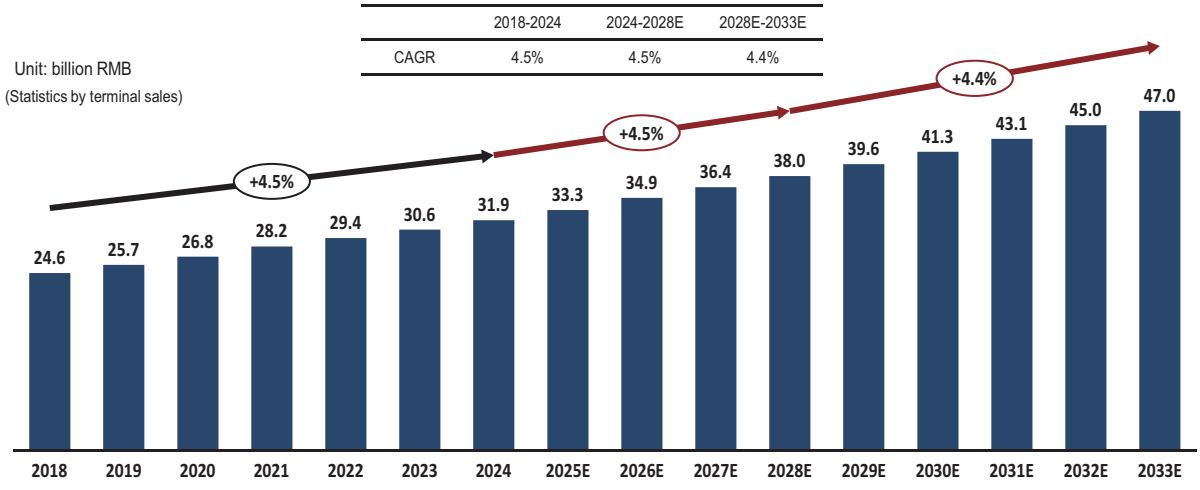
Standard treatments for dry eye syndrome mainly focus on lubricating and protecting the ocular surface. PDGF is currently not a primary treatment choice for this indication. However, PDGF's potential in promoting cell vitality and repairing the ocular surface may offer additional support for severe dry eye patients, providing new avenues for ocular surface health improvement.

Market size

The prevalence of dry eye syndrome in China has grown at a slow pace from 236.9 million people in 2018 to 242.2 million people in 2024, mainly resulting from factors such as increased screen time and aging population. It is expected that the prevalence will remain a stable trend, reaching 244.7 million people in 2028 and 248.2 million people in 2033, at a CAGR of 0.3% from 2024 to 2028 and 0.3% from 2028 to 2033, respectively. The moderate growth rate indicates a stabilization in new cases due to better preventive measures and treatments, the market maturity and more widespread effective management strategies.

The dry eye syndrome therapy market in China increased from RMB24.6 billion in 2018 to RMB31.9 billion in 2024, at a CAGR of 4.5%, primarily driven by the increasing prevalence of dry eye syndrome, lifestyle changes such as prolonged screen exposure and environmental factors such as urban pollution. The market's growth rate is expected to slow down slightly, reaching RMB38.0 billion and RMB47.0 billion in 2028 and 2033, at a CAGR of 4.5% from 2024 to 2028 and 4.4% from 2028 to 2033, as the market begins to mature and more effective treatment options become available. The following chart sets forth the historical and forecast size of dry eye syndrome therapy market in China by sales amount from 2018 to 2033:

Dry Eye Syndrome Therapy Market in China, 2018-2033E



Source: the Frost & Sullivan report

The dry eye syndrome therapy market in China is composed of (i) artificial tears, (ii) silicone eye patches, (iii) wet chamber lenses, (iv) bandage contact lenses, and (v) others, such as anti-inflammatory drug and antibacterial drug, which accounted for 57.6%, 7.9%, 15.6%, 12.4% and 6.5%, respectively, in 2024.

Corneal Injuries

Overview

Corneal injuries are injuries with non-specific symptoms that mainly include red eyes, eye stinging, photophobia and tearing, foreign body sensation and dryness. Such injury can be caused by several external factors including trauma, infectious injury, abnormal tear film function, abnormal corneal nerve function, ocular surface inflammatory reaction, eyelid or eyelid margin lesions, corneal degeneration and endothelial damage, drugs and others. Injuries to the cornea can broadly be categorized into traumatic and exposure-related. Set forth are the details of standards of care of corneal injuries:

- **Promoting Corneal Epithelium Repair.** Use medications and artificial tears that support corneal epithelium repair. If the injury is caused by infectious factors, specific treatment should be administered after controlling the infection.
- **Treating Ocular Inflammation.** For inflammation, treatment involves the administration of glucocorticoids or immunosuppressants. In mild cases, non-steroidal anti-inflammatory drugs may be utilized. Throughout the treatment process, it is essential to consistently monitor any changes in corneal injuries.
- **Addressing Corneal Defects and Reduced Sensation.** Patients are treated with specialized drops or gel, alongside interventions such as moisture chambers or bandage contact lenses. In severe cases, temporary closure of the eyelid margin with medical tape, or temporary or permanent tarsorrhaphy, may be considered. In addition, supplementation with vitamin B1 and cobamamide is important.
- **Managing Severe Cases and Autoimmune Disease.** Severe patients or those suffering from autoimmune disease require consultation with departments like Internal Medicine or Rheumatology and Immunology for appropriate treatment.
- **Maintaining General Health in Elderly and Malnourished Pediatric Patients.** Systemic administration of vitamins B2, A, C, and protein nutrients is crucial for elderly patients and malnourished pediatric patients.
- **Surgical Considerations for Severe Cases.** Surgical intervention is considered for severe cases ineffective with drug treatment or with significantly impacted visual function. Treatment options may include amniotic membrane covering or tarsorrhaphy.

Sources: *Expert Consensus on the Clinical Diagnosis and Treatment of Corneal Epithelial Injuries in China (2016), the Frost & Sullivan report*

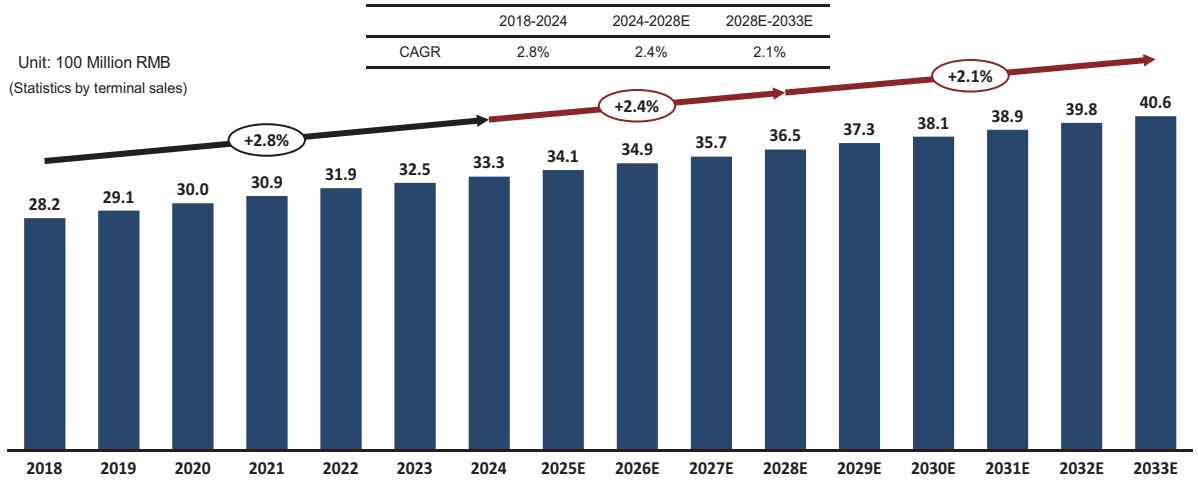
Traditional corneal injury treatments mainly support natural healing and have achieved good results in most cases. PDGF has not yet become a mainstream treatment for corneal injuries. However, PDGF's capabilities in cell proliferation and tissue repair make it especially suitable for cases that require faster or deeper repair, offering more comprehensive healing support for these patients.

Market size

The prevalence of corneal injuries in China remained a moderate growth from 12.0 million people in 2018 to 12.3 million people in 2024, at a CAGR of 0.4%, mainly attributed to (i) aging population, which is more susceptible to corneal degeneration and eye-related conditions, (ii) improper hygiene routines and excessive use of contact lenses. Such prevalence is expected to grow to 12.5 million people in 2028 and 12.7 million people in 2033, at a slightly reduced CAGR of 0.4% from 2024 to 2028 and 0.3% from 2028 to 2033. The stabilized growth trajectory reflects a stable demand for corneal injuries treatments arising from (i) advancements in medical care and increased access to healthcare services, (ii) the maturing market, and (iii) the widespread adoption of preventive measures.

The corneal injuries therapy market in China increased from RMB2.8 billion in 2018 to RMB3.3 billion in 2024, at a CAGR of 2.8%, primarily driven by rising awareness of corneal injuries, increasing prevalence and advancements in medical treatments. The market is expected to reach RMB3.7 billion in 2028 to RMB4.1 billion in 2033, at a CAGR of 2.4% from 2024 to 2028 and 2.1% from 2028 to 2033, respectively, reflecting a mature market with sustained demand driven by steady prevalence rates, progressive improvement of treatment plans and ongoing developments in healthcare infrastructure and medical technology. The following chart sets forth the historical and forecast size of corneal injuries therapy market in China by sales amount from 2018 to 2033:

Corneal Injuries Therapy Market in China, 2018-2033E



Source: the Frost & Sullivan report

The corneal injuries therapy market in China is composed of (i) drugs for promoting corneal epithelium repair, (ii) treating ocular inflammation, (iii) addressing corneal defects and reduced sensation, and (iv) others, such as antibacterial, bandage contact lenses and wet chamber lenses, which accounted for 46.8%, 30.4%, 13.0% and 9.8%, respectively, in 2024.

Gastric Ulcers

Overview

Gastric ulcer refers to a type of gastrointestinal mucosa covered by ulcers caused by acid/pepsin digestion, which develops in the lining of the stomach and is typically found in the lesser curvature of the stomach or near the pyloric channel. This ulcer is mainly due to the weakening of defense or repair factors, including helicobacter pylori infection, nonsteroidal anti-inflammatory drugs, acid-peptic imbalance, lifestyle factors and genetic predisposition. The gastric ulcers are characterized by abdominal pain, bloating, nausea, vomiting and weight loss. Set forth below are details of standards of care for gastric ulcers:

- **Inhibit Gastric Acid Secretion**

Currently, proton pump inhibitors (PPIs) and H2 receptor antagonists (H2-RAs) are widely used in clinical settings to reduce gastric acid secretion. PPIs are more effective at suppressing gastric acid secretion and have a longer-lasting effect compared to H2-RAs, making them the preferred treatment for gastric ulcers. However, if PPIs are unavailable or contraindicated, H2-RAs can be considered as an alternative.

- **Gastric Mucosal Protective Agents**

Gastric mucosal protective agents mainly include weakly alkaline antacids and bismuth agents. Incorporating these protective agents into antacid secretion therapy can rapidly relieve symptoms and enhance the quality of ulcer healing. In addition, traditional TCM contributes to the healing of gastric ulcers, improves the quality of ulcer recovery and prevents recurrence.

- **Bismuth Quadruple Regimen**

A bismuth quadruple regimen is recommended, i.e. 1 PPIs/P-CAB and a bismuth agent combined with two of the antibacterial drugs such as amoxicillin, clarithromycin, furazolidone, metronidazole, levofloxacin and tetracycline form a quadruple therapy.

- **Treatment for Gastric resulting from Nonsteroidal Anti-Inflammatory Drugs (NSAIDs)**

For ulcers resulting from NSAIDs, it is advisable to suspend or reduce the dosage of NSAIDs wherever feasible. If ongoing use is necessary, it is recommended to opt for NSAIDs that cause minimal harm to the gastrointestinal tract mucosa or to use highly selective COX-2 inhibitors to mitigate adverse effects. For patients intending to use NSAIDs long-term, it is advisable to undergo Hp eradication treatment if they test positive for Hp. Upon discontinuation of NSAIDs, conventional ulcer treatment regimens may be continued. When discontinuation of NSAID therapy is not possible, acid suppressants should be employed for ulcer treatment.

Sources: ISBI Practice Guidelines for Burn Care (2016), Guidelines for the rehabilitation of gastric ulcers (2023 Edition), the Frost & Sullivan report

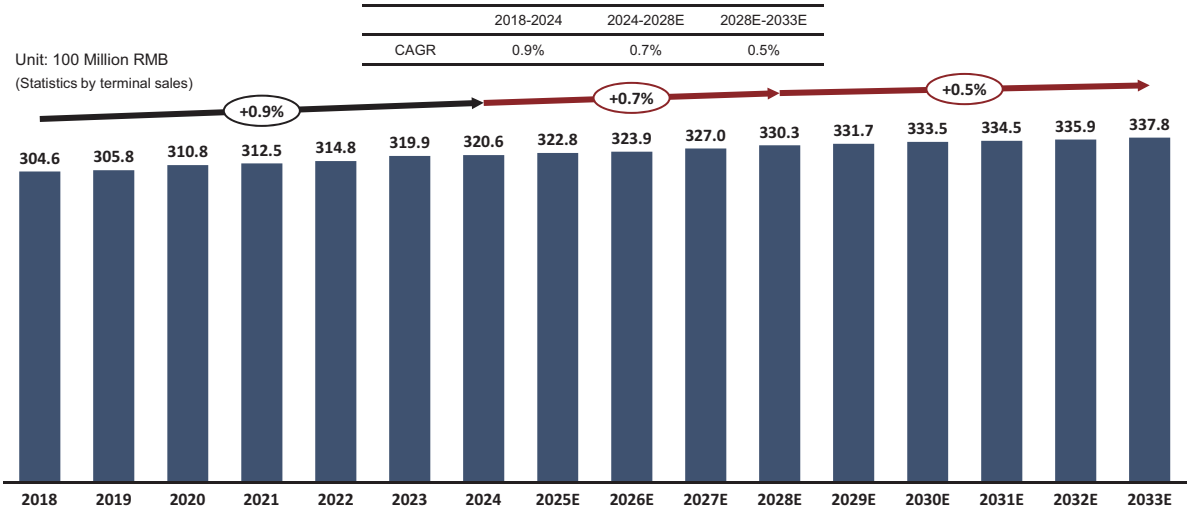
Gastric ulcer treatment usually focuses on inhibiting gastric acid secretion and protecting the mucosa. PDGF is not yet a mainstream treatment option for this indication. However, PDGF's advantage lies in its ability to promote mucosal cell regeneration and repair, potentially helping patients who need deeper healing support to achieve faster mucosal reconstruction and functional recovery.

Market size

The prevalence of gastric ulcers in China increased from 128.0 million people to 130.2 million people, at a CAGR of 0.3%, mainly attributed to factors including aging population and rising incidences of lifestyle-related risk factors such as stress and dietary habits. Such prevalence is expected to reach 131.4 million people and 132.6 million people in 2028 and 2033, at a slightly decreasing CAGR of 0.2% from 2024 to 2028 and 0.2% from 2028 to 2033, primarily due to improved healthcare access, better disease management slowing the rate of increase, advancements in medical treatment and preventive measures.

The gastric ulcers therapy market in China experienced moderate growth from RMB304.6 billion in 2018 to RMB320.6 billion in 2024, at a CAGR of 0.9%, primarily driven by rising awareness and adoption of therapeutic methods. The market growth rate is expected to slow down to a CAGR of 0.7% with the market size reaching RMB330.3 billion in 2028, mainly due to improved healthcare management and preventive measures. The market is expected to reach RMB337.8 billion in 2033 at a slightly slowed CAGR of 0.5%, reflecting the market's maturity and the impact of effective treatment plans in managing the condition. The following chart sets forth the historical and forecast size of gastric ulcers therapy market in China by sales amount from 2018 to 2033:

Gastric Ulcer Therapy Market in China, 2018-2033E



Source: the Frost & Sullivan report

The gastric ulcer therapy market in China is composed of (i) therapy for inhibit gastric acid secretion, (ii) gastric mucosal protective agents, (iii) bismuth quadruple regimen, (iv) therapy for gastric ulcer resulting from NSAIDs, and (v) others, such as high dose dual therapy and oral anti-coagulant, which accounted for 46.1%, 24.3%, 15.4%, 7.9% and 6.3%, respectively, in 2024.

CHINA mRNA DRUG MARKET

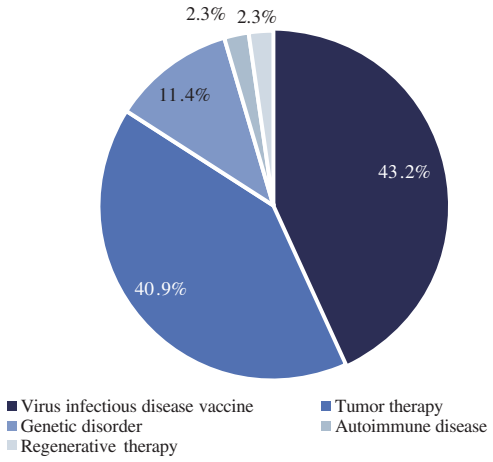
Overview

Ribonucleic Acid (RNA) is one of the major macromolecules essential for all known forms of life. Similar to DNA, RNA also encodes genetic information in a chain of nucleotides. It is usually found in cells and some virus as well and plays various roles in the cell including coding, decoding, regulating and expressing genes. As mRNA encodes protein, scientists can modify mRNA in order to express desired protein in the human body to achieve therapeutic effect. mRNA treatment includes tumor immunotherapy, infectious disease vaccine and gene therapy, among other things.

Advantages of mRNA treatment includes (i) mRNA is not required to enter the nucleus, translation can be done in cell cytoplasm, (ii) mRNA is not integrated into human genome, thus it is relatively safe, and (iii) mRNA can be produced through *in vitro* transcription, thus it can be mass produced relatively easily and cheaply.

The following charts illustrate a breakdown of clinical trials for mRNA drugs worldwide by application in 2021 and details on each application:

Global mRNA drug clinical trials, 2021



mRNA Drug Applications

Virus Infectious disease vaccine	• Produce antigen in order to activate immune system.
Tumor Therapy	• Produce prostate-specific antigen. Antigen is displayed on the surface of the cell in order to activate immune system.
Genetic disorder	• Produce and replace defect proteins in the cell.
Autoimmune disease	• Use Interleukin-2 (IL-2) mutant to increase the level of regulatory T cells.
Regenerative therapy	• Input mRNA locally in order to express proteins with specific functions.

Source: the Frost & Sullivan report

Drug delivery system is a core technology of mRNA. There are three types of mRNA drugs delivery system currently, namely (i) liposome complex, (ii) lipid nanoparticle (LNP), and (iii) polymer. In particular, lipid nanoparticle systems are the lead non-viral delivery systems for enabling the clinical potential of genetic drugs due to its low immunogenicity, high stability in the human body, and the practicality for mass production.

Competitive Landscape

The following table sets forth details on the mRNA pipelines currently in clinical trial phase in China:

Drug Candidate	Sponsor	Indication	Phase and Status	First Posted Date	Clinical No.
Novel Coronavirus (mRNA) Vaccine	Walvax Biotechnology	COVID-19	In-progress (III)	July 22, 2021	ChiCTR2100049104
2019-nCoV mRNA vaccine	Walvax Biotechnology	COVID-19	In-progress (III)	November 25, 2021	ChiCTR2100053551
LVRNA009	Zhuhai Liverna Therapeutics	COVID-19	In-progress (II)	March 14, 2022	ChiCTR2200057782
Novel Coronavirus (mRNA) Vaccine	Argorna Pharmaceuticals	COVID-19	In-progress (II)	February 11, 2022	ChiCTR2200057780
SARS-CoV-2 mRNA Vaccine	Walvax Biotechnology	COVID-19	In-progress (I/II)	July 28, 2021	ChiCTR2100049521
COVID-19 mRNA vaccine	Stemirna Therapeutics	COVID-19	In-progress (I/II)	June 26, 2022	ChiCTR2200061478
JCXH-212	Peking University Cancer Hospital & Institute	Malignant Solid Tumors	In-progress (I/II)	February 6, 2023	NCT05579275
STI-7349	The Fourth Affiliated Hospital of Zhejiang University School of Medicine	Advanced solid tumors	Recruiting (I/II)	August 23, 2023	NCT05978102
ABO2011	Suzhou Abogen Bioscience	Advanced Solid Tumors	Recruiting (I/II)	September 28, 2023	NCT06088004
				January 17, 2024	CTR20240149
RG-002	RinuaGene Biotechnology	HPV16/18 associated Cervical Intraepithelial Neoplasia Grade 2 or 3	In-progress (I/II)	February 22, 2024	NCT06273553
STR-V003	Starna Therapeutics	Respiratory Syncytial Virus Infections	In-progress (I/II)	April 3, 2024	NCT06344975
mRNA personalized tumor vaccine	Stemirna Therapeutics	Solid tumor	In-progress (I)	May, 2019	ChiCTR1900023000
mRNA personalized tumor vaccine	Stemirna Therapeutics	Advanced NSCLC	In-progress (I)	November 22, 2021	ChiCTR2100052283
Novel Coronavirus (mRNA) Vaccine	CNBG-Virogin Biotech	COVID-19	In-progress (I)	March 7, 2023	ChiCTR2300069133
ABOR2014 Injection (IPM511)	Beijing Immupeutics Medicine Technology	Advanced hepatocellular carcinoma	In-progress (I)	July 12, 2023	ChiCTR2300073495
Coding EpCAM/CD3 Bispecific Antibody mRNA (ABO2202)	Suzhou Abogen Bioscience	Gastric cancer with peritoneal metastasis	In-progress (I)	August 21, 2024	ChiCTR2400088554

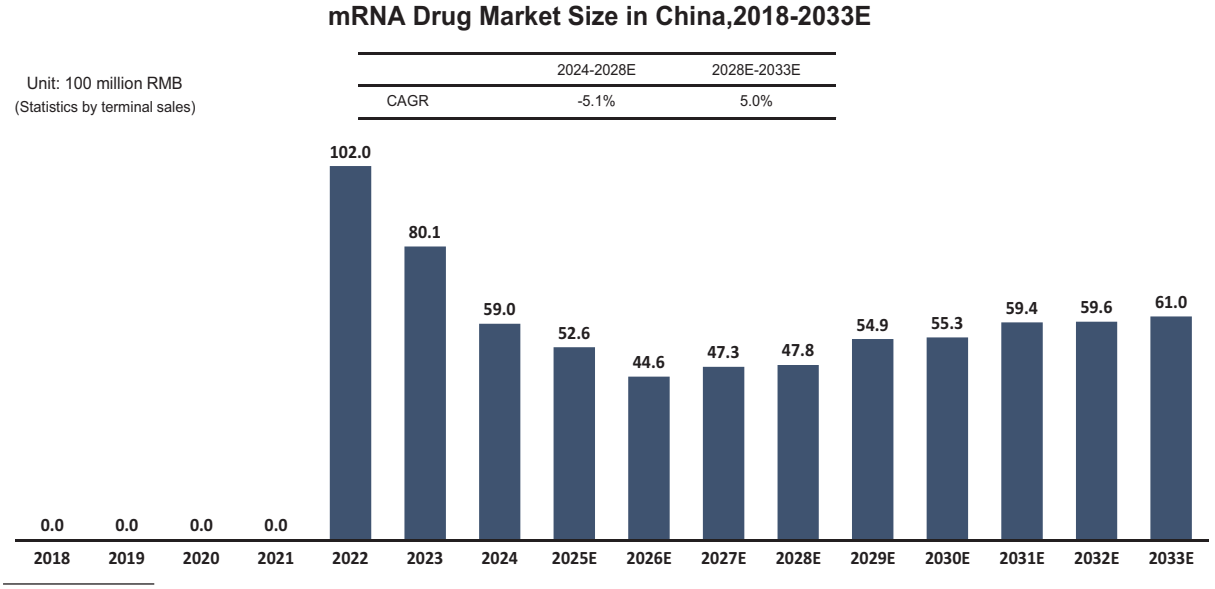
Source: the Frost & Sullivan report
Note: ordered by clinical study phase of each pipeline.

The following table sets forth details on the approved mRNA drugs in China:

Brand Name	Drug	Company	Indication	Approved Year	Price	National Health Insurance
Bivalent Covid-19 mRNA Vaccine	mRNA	CSPC Pharmaceutical Group	Covid-19	2023	RMB598	Not included
Covid-19 variant mRNA Vaccine	mRNA	Walvax Biotechnology	Covid-19	2023	RMB278	Not included
Covid-19 mRNA Vaccine	mRNA	CSPC Pharmaceutical Group	Covid-19	2023	N/A	Not included

Market Size

As of 2021, no mRNA drug existed in the market in China. However, many companies have already entered the field with several clinical trials nearing NDA. In 2024, there begins a rapid growth phase with sales reaching RMB8.0 billion in the mRNA drug market in China. Subsequently, the market is expected to significantly decrease from RMB5.9 billion in 2024 to RMB4.8 billion in 2028, at a CAGR of negative 5.1%, mainly due to the decrease in demand for mRNA vaccines resulting from the gradual mitigation of the development of the COVID-19 outbreaks. The market is projected to gradually recover and reach RMB6.1 billion in 2033, at a CAGR of 5.0%, mainly driven by technological innovations and emerging vaccine demands. The following chart sets forth the historical and forecast mRNA drug market size in China by sales amount from 2018 to 2033:



Source: the Frost & Sullivan report

Future Trends

According to the Frost & Sullivan report, the mRNA drug market has demonstrated the following trends:

- ***High efficiency & safe delivery system.*** Enhancements in the delivery system significantly contribute to the viability of mRNA as a drug candidate. The development of delivery mechanisms, including lipid nanoparticles (LNP), is progressing swiftly, which will facilitate the administration of a broader range of mRNA medicinal formulations. While the stability and toxicity profiles of LNP offer room for further refinement, on the production front, numerous challenges remain to be addressed.

- ***Improving industry value chain.*** The field of mRNA therapeutics represents an emergent sector within the pharmaceutical industry, which is currently in the early stages of development. However, as the number of entrants in the market increases and capital inflows to these companies grow, it is anticipated that the industry's value chain will experience rapid enhancement in the forthcoming period.

- ***Broader medical applications.*** The COVID-19 vaccine currently stands as the sole mRNA drug authorized for market release. Nevertheless, the expanding focus on the development of mRNA therapeutics suggests that infectious diseases will soon cease to be the exclusive focus of this medical technology. Moreover, vaccines represent just one application of mRNA drugs. Numerous mRNA therapies targeting tumors are presently undergoing clinical trials. Looking ahead, it is expected that mRNA treatments will extend to a wider array of conditions, including tumors, rare genetic disorders and hereditary diseases.

Entry Barriers

New entrants to the mRNA drug market are mainly confronted with the following barriers:

- ***RNA sequence design.*** Creating mRNA sequences is a complex process that requires extensive research and expertise. The manner in which the sequence is constructed significantly affects the efficacy of the mRNA and the body's reaction to it.

- ***LNP delivery system.*** The utilization of LNP is crucial for delivering mRNA drugs into the body. Well-established companies have their own systems, which are legally protected, posing challenges for new entrants who wish to utilize such technology without encountering legal complications.

CHINA ASO THERAPY MARKET

Overview

Antisense oligonucleotides (ASOs) are concise fragments of single-stranded DNA or RNA. These molecules operate by selectively binding to specific mRNA sequences through complementary pairing, thereby inhibiting the mRNA's translation process. This targeted approach allows for the precise regulation of gene expression. Such characteristics of ASOs renders them invaluable in a multitude of medical fields, offering therapeutic potential for a range of genetic disorders, oncological conditions, central nervous system ailments, and as therapeutic tools to investigate disease mechanisms.

Competitive Landscape

There is only one ASO drug marketed in China, details of which is set forth below:

Brand Name	Drug	Company	Indication	Approved Year	National Health
Nusinersen (Spinraza®)	ASO	Biogen	Nusinersen is an ASO-based drug developed by Biogen for SMA treatment in pediatric and adult patients.	2019	Class B

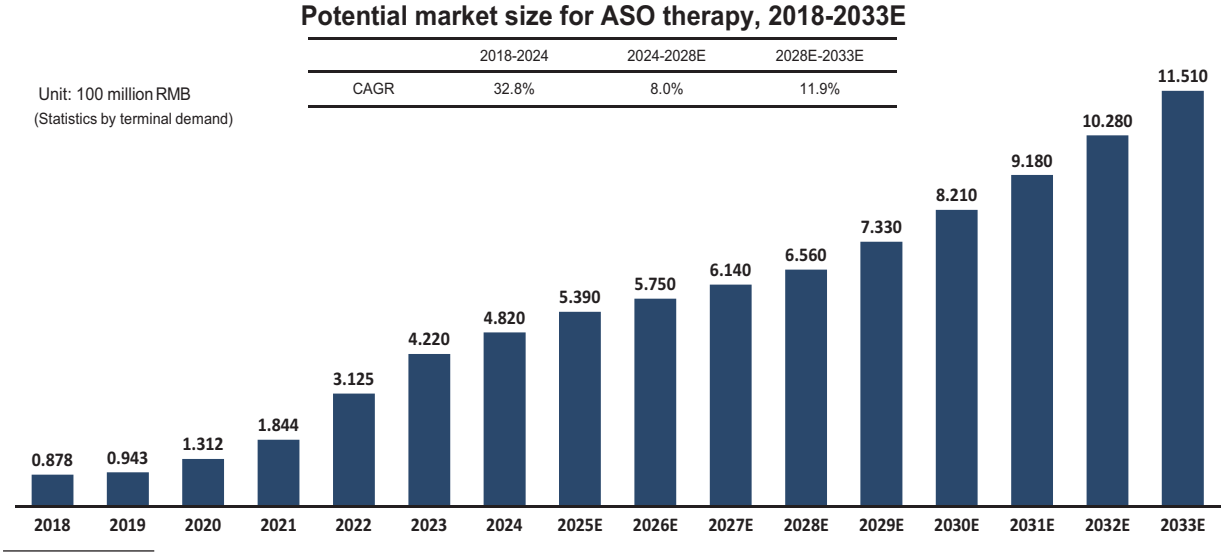
Source: the FDA, the Frost & Sullivan report

The following table sets forth details on the ASO pipelines currently in clinical trial phase in China:

Drug Candidate	Sponsor	Indication	Phase and Status	First Posted Date	Clinical No.
CT102	Youcare Pharmaceuticals	Primary liver cancer	In-progress (II)	May 9, 2022	CTR20220933
RBD1016	Suzhou Ribo Life Science	Chronic Hepatitis B	In-progress (II)	August 21, 2023	NCT05961098
WGI-0301	Zhejiang Haichang Biotech	Advanced Hepatocellular Carcinoma	In-progress (II)	August, 2024	NCT06309485
AHB-137	AusperBio Therapeutics	Chronic Hepatitis B	In-progress (II)	February 28, 2023	NCT05717686

Market Size

The ASO therapy market in China exhibited dynamic growth, increasing from RMB87.8 million in 2018 to RMB482.0 million in 2024, at a CAGR of 32.8%, mainly due to the innovative nature of ASO therapy, which targets specific genetic disorders by modulating gene expression. At the end of 2021, an ASO drug was approved for inclusion on the National Reimbursement Drug List of China, leading to a significant increase in the ASO therapy market in China. The ASO therapy market in China is expected to increase from RMB482.0 million in 2024 to RMB656.0 million in 2028 and further to RMB1,151.0 million in 2033, at a CAGR of 8.0% from 2024 to 2028 and 11.9% from 2028 to 2033, primarily driven by increasing recognition of ASO therapy's efficacy in clinical trials, the expansion into new therapeutic areas and the development of novel ASO candidates. The following chart sets forth the historical and forecast potential market size for ASO therapy in China by estimated demand from 2018 to 2033:



Source: the Frost & Sullivan report

Growth Drivers and Entry Barriers

According to the Frost & Sullivan report, the growth of the ASO therapy market in China has been, and is expected to continually be, driven by:

- ***Precision gene regulation.*** ASOs enable the specific inhibition of target genes by binding to their complementary mRNA sequences, which means ASOs can serve as a highly precise treatment for diseases caused by mutations or the abnormal expression of genes.

- ***Potential for treating intractable diseases.*** ASOs represent an innovative therapeutic approach for conditions that have historically been challenging to address with conventional medications, such as certain genetic diseases and neurodegenerative disorders.

- ***Technological advances.*** Improvements in chemical modification techniques have enhanced the stability and affinity of ASOs, reducing their degradation rate and potential immunogenicity in the body. The development of modern delivery systems, such as nanoparticles and silencing particles, has improved the efficient targeting of ASOs to specific cells and tissues.

New entrants to the ASO drug market mainly face following barriers:

- ***R&D***. The R&D of ASOs requires extensive knowledge and deep understanding in genetic engineering and molecular biology, and the R&D process encompasses complex activities including the selection of target genes, the design and synthesis of oligonucleotides and the development of drug delivery systems.

- ***Production complexities and high costs***. The production process of ASO drugs necessitates a highly controlled manufacturing environments and sophisticated synthesis process. In addition, to enhance the drug stability and reduce immune responses, chemical modifications are frequently imperative, thereby arising higher costs.

SOURCES OF THE INDUSTRY INFORMATION

We engaged Frost & Sullivan, an independent market research consultant, to conduct an analysis of, and to prepare a report on, the wound healing, the growth factor, the mRNA and the ASO markets in China for use in this prospectus, which was commissioned by us for a fee of RMB0.8 million.

In preparing the Frost & Sullivan report, Frost & Sullivan conducted both primary and secondary research to obtain information from various sources. Primary research involved discussing the status of the industry with leading industry participants and industry experts; and secondary research involved reviewing company reports, independent research reports and data based on our own research database. In compiling and preparing the Frost & Sullivan report, Frost & Sullivan assumed that: (i) the global and China's economy is likely to maintain steady growth in the next decade; (ii) the global and China's social, economic and political environment is likely to remain stable in the forecast period; (iii) market drivers like increasing healthcare demand and growing growth factors and innovative technology are likely to drive the global and China's growth factors market; and (iv) the wound healing market, the growth factor market, including the segment of PDGF-BB, the mRNA market and the ASO market, are likely to be propelled by the local development of relevant sectors and supportive policies.

Forecasts and assumptions included in the Frost & Sullivan report are inherently uncertain because of events or combinations of events that cannot be reasonably foreseen, including, without limitation, the actions of government, individuals, third parties and competitors. Except as otherwise noted, all of the data and forecasts contained in this section are derived from the Frost & Sullivan report. Our Directors confirm that to the best of their knowledge, and after making reasonable enquiries, there has been no adverse change in the industry since the date of the Frost & Sullivan report which may qualify, contradict or have an impact on the information set out in this prospectus.

LAWS AND REGULATIONS IN THE PRC

This section summarizes the principal laws and regulations in the PRC that are relevant to our business.

Drug Regulatory Regime

Major Regulatory Authorities

The drug industry in the PRC is mainly administered by three governmental agencies: the National Medical Products Administration (國家藥品監督管理局) (the "**NMPA**"), a department under the State Administration for Market Regulation (國家市場監督管理總局), the National Health Commission of the PRC (中華人民共和國國家衛生健康委員會) (the "**NHC**") and the National Healthcare Security Administration (國家醫療保障局) (the "**NHSA**").

The NMPA, which inherits the drug supervision function from its predecessor the China Food and Drug Administration (the "**CFDA**") (before March 2018), is the primary drug regulator responsible for almost all of the key stages of the life-cycle of pharmaceutical products, including non-clinical researches, clinical trials, marketing approvals, manufacturing, advertising and promotion, distribution and pharmacovigilance.

The NHC, formerly known as the National Health and Family Planning Commission (the "**NHFPC**"), is China's chief healthcare regulator. It is primarily responsible for drafting national healthcare policy and regulating public health, medical services, and health contingency system, coordinating the healthcare reform, and overseeing the operation of medical institutions and practicing of medical personnel.

The NHSA, established in May 2018, is responsible for drafting and implementing policies, plans and standards on medical insurance, maternity insurance and medical assistance; administering healthcare security funds; formulating a uniform medical insurance catalog and payment standards on drugs, medical disposables and healthcare services; formulating and administering the bidding and tendering policies for drugs and medical disposables.

Reform of the Drug Approval System

According to the Administrative Measures for Drug Registration, upon completion of pharmacological and toxicological studies, clinical trials and other research supporting the marketing registration of drugs, determination of quality standards, completion of validation of commercial-scale production processes, and preparation for acceptance of verification and inspection for drug registration, the applicant may apply for the New Drug Approval (the "**NDA**"). The NMPA shall evaluate the application pursuant to applicable laws and regulations. The applicant must obtain the NDA before the drugs can be manufactured and sold in the PRC. If (i) a drug is used for the treatment of severe life-threatening diseases currently lacking effective treatment and the data of clinical trials of the drug can prove the efficacy and forecast the clinical value of the drug; (ii) a drug which is urgently needed for public health and the data of clinical trials of the drug can show the efficacy and forecast the clinical value of the drug; or (iii) a vaccine which is urgently needed to deal with major public health emergencies or deemed to be urgently needed by the NHC, and by assessment the benefit of the vaccine outweighs the risk, the applicant may apply for the conditional NDA during the clinical trials of the drug or vaccine.

On January 7, 2009, according to the Administrative Provisions on Special Examination and Approval of New Drug Registration (《新藥註冊特殊審批管理規定》) issued by the CFDA and effective therefrom, the special examination and approval by the CFDA for new drug registration applications applies when (i) the effective constituent extracted from plants, animals or minerals, etc. or the preparations thereof have never been marketed in the PRC, or the medicinal materials are newly discovered or the preparations thereof; (ii) the chemical raw medicines or the preparations thereof, or the biological products have not been approved for marketing either in the PRC or aboard; (iii) the new drugs are for the treatment of such diseases as AIDS, malignant tumors or rare diseases with distinctive clinical treatment advantages; or (iv) the new drugs are for the treatment of the diseases currently lacking effective treatment. Under the circumstances of (i) or (ii), the drug registration applicant (the "**Applicant**") may apply for the special examination and approval when submitting the application for clinical trials of the new drug; while, under the circumstances of (iii) or (iv), the Applicant may only apply for the special examination and approval when applying for production. The CFDA shall, based on the application of the Applicant, give priority to those registration applications which are determined in compliance with the aforementioned conditions after examination during the registration process, and enhance the communication with the Applicant.

On August 9, 2015, the State Council promulgated the Opinions on the Reform of Evaluation and Approval System for Drugs and Medical Devices (《關於改革藥品醫療器械審評審批制度的意見》) (the "**Reform Opinions**"), which established a framework for reforming the evaluation and approval system for drugs and medical devices. The Reform Opinions indicated enhancing the standard of approval for drug registration and accelerating the evaluation and approval process for innovative drugs.

On November 11, 2015, the Announcement of the CFDA on Several Policies on the Evaluation and Approval of Drug Registration (《國家食品藥品監督管理總局關於藥品註冊審評審批若干政策的公告》) issued by the CFDA further simplified the approval process of drugs that the IND of new drugs are subject to one-off umbrella approval instead of declaration, evaluation and approval by stages.

On March 4, 2016, the General Office of the State Council promulgated the Guiding Opinions on Promoting the Sound Development of the Medical Industry (《國務院辦公廳關於促進醫藥產業健康發展的指導意見》), which aims to accelerate the development of innovative drugs and biological products with major clinical needs, to speed up the promotion of green and intelligent pharmaceutical production technologies, to strengthen scientific and efficient supervision, and to promote the development of industrial internationalization.

On October 8, 2017, the General Office of Chinese Communist Party's Central Committee and the General Office of the State Council jointly issued the Opinion on Strengthening the Reform of the Drug and Medical Device Review and Approval Process to Encourage Drug and Medical Device Innovation (《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 Opinion**"), which seek to streamline the clinical trial process and shorten the timeline. The Innovation Opinion provided special fast-track approval for new drugs and medical devices in urgent clinical need, and drugs and medical devices for rare diseases.

On December 21, 2017, the CFDA promulgated the Opinions on Implementing Priority Review and Approval to Encourage Drug Innovation (《關於鼓勵藥品創新實行優先審評審批的意見》), which further clarified that a fast-track clinical trial approval or drug registration pathway will be available to innovative drugs. The aforementioned opinion was repealed by the Announcement of NMPA on Issuing Three Documents including Working Procedures for Review of Breakthrough Therapeutics (Trial) (issued and took effect on July 7, 2020) (《國家藥監局關於發佈〈突破性治療藥物審評工作程序(試行)〉等三個文件的公告》).

On May 17, 2018, the NMPA and NHC jointly promulgated the Circular on Issues Concerning Optimizing Drug Registration Review and Approval (《關於優化藥品註冊審評審批有關事宜的公告》), which further simplified and accelerated the clinical trial approval process.

On July 7, 2020, the Priority Evaluation and Approval Procedures for Marketing Approvals of Drugs (Trial) (《藥品上市許可優先審評審批工作程序(試行)》) issued by the NMPA further indicated that a fast-track IND or drug registration pathway will be available to the innovative drugs.

On March 31, 2023, the CDE issued the CDE's Standards for Accelerating the Review Work for Marketing Approval Applications of Innovative Drugs (Trial) (《藥審中心加快創新藥上市許可申請審評工作規範(試行)》), which encouraging the development process of the innovative drugs of breakthrough therapy drug program, for children and for rare diseases, and is expected to expedite the marketing process of these drugs to meet relevant patients' medication needs.

Principal Regulatory Provisions

Laws and Regulations on New Drugs

Research and Development of New Drugs

The Drug Administration Law of the PRC (《中華人民共和國藥品管理法》) (the "**Drug Administration Law**") promulgated by the Standing Committee of the National People's Congress (the "**SCNPC**") in September 1984, last amended on August 26, 2019 and became effective on December 1, 2019, and the Implementation Regulations of 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**") promulgated by the State Council in August 2002 and last amended on December 6, 2024, have laid down the legal framework for the establishment and maintenance of pharmaceutical manufacturing and trading enterprises, as well as for the administration of pharmaceutical products including the development and manufacturing of new drugs. According to the Drug Administration Law and 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 and Animal Testing

The non-clinical safety evaluation study for drugs for the purpose of applying for drug registration shall be conducted in accordance with the Administrative Measures for Good Laboratories Practice (《藥物非臨床研究質量管理規範》), which was promulgated in August 2003

and amended in July 2017 by the CFDA. In April 2007, the CFDA issued the Circular on Measures for Certification of Good Laboratory Practice (《藥物非臨床研究質量管理規範認證管理辦法》), last amended on January 19, 2023 and taking effect on July 1, 2023, which set forth the requirements for an institution to apply for a Certification of Good Laboratory Practice to undertake non-clinical research on drugs.

The State Science and Technology Commission, now known as the Ministry of Science and Technology, promulgated the Regulations for the Administration of Affairs Concerning Experimental Animals (《實驗動物管理條例》) on November 14, 1988, which were most recently amended by the State Council on March 1, 2017. The State Science and Technology Commission and the State Bureau of Quality and Technical Supervision (now merged into the State Administration for Market Regulation) jointly promulgated the Administration Measures on Good Practice of Experimental Animals (《實驗動物質量管理辦法》) on December 11, 1997. The Ministry of Science and Technology and other regulatory authorities promulgated the Administrative Measures on the Certificate for Experimental Animals (Trial) (《實驗動物許可證管理辦法(試行)》) on December 5, 2001. All of these laws and regulations require a Certificate for Use of Laboratory Animals for performing experimentation on animals.

Application for Clinical Trial and Drug Clinical Trial Registration

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》) promulgated by the CFDA on March 17, 2017, the decision on the approval of clinical trials of drugs shall be made by China's Center for Drug Evaluation of the NMPA ("**CDE**") from May 1, 2017. According to the Administrative Measures for Drug Registration (《藥品註冊管理辦法》) (the "**Circular 27**"), which was promulgated on January 22, 2020 and took effect on July 1, 2020, 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 Circular 27 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》) issued in July 2018, if a clinical trial 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.

After obtaining the approval of clinical trial from the NMPA, the applicant must complete the clinical trial registration at the Drug Clinical Trial Information Platform for public disclosure in accordance with the Circular on Drug Clinical Trial Information Platform (《關於藥物臨床試驗信息平台的公告》), which came into effect in September 2013. The applicant shall complete the initial registration of the trial within one month after obtaining the approval of clinical trial to obtain an exclusive trial registration number, and then complete the subsequent information registration before the first patient is enrolled in the trial and submit the registration for public disclosure for the first time.

Conduct of Clinical Trial

After obtaining clinical trial approval, the applicant shall conduct clinical trials at qualified clinical trial institutions. The qualified clinical trial institutions 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》), which came into effect on December 1, 2019. Such clinical trial institutions shall be subject to filing requirements, with the exception of institutions that only engage in analysis of biological samples which shall not be subject to such filing requirements. The NMPA is responsible for setting up a filing management information platform for the registration, filing and operation management of drug clinical trial institutions, as well as the entry, sharing and disclosure of information from the supervision and inspection activities conducted by the drug regulatory authorities and competent healthcare authorities.

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》) promulgated by NMPA and NHC on April 23, 2020 and effective on July 1, 2020, which stipulates the requirements for the procedures of conducting clinical trials, including pre-clinical trial preparation, trial protocols, protection of testees' rights and interests, duties of researchers, sponsors and monitors, as well as data management and statistical analysis. There is no specific requirement on the roles and obligations among the co-sponsors in a clinical development project under the Good Clinical Practice for Drug Trials.

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 investigational new 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 the CDE to discuss with the 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》), revised by the NMPA on December 10, 2020, during the research and development periods and in the registration applications of, among others, the innovative drugs, the applicants may propose to conduct communication meetings with the CDE. The communication meetings can be classified into three types. Type I meetings are convened to address key safety issues in clinical trials of drugs and key technical issues in the research and development of breakthrough therapeutic drugs. Type II meetings are held during the key research and development stages of drugs, mainly including meetings before submitting the clinical trial application, meetings upon the completion of Phase II trials and prior to Phase III trials, meetings before submitting the marketing application for a new drug, and meetings for risk evaluation and control. Type III meetings refer to other meetings not classified as Type I or Type II.

On May 26, 2022, the CDE issued the Technical Guidelines for Clinical Trials of Locally Administered and Locally Acting Drugs (《局部給藥局部起效藥物臨床試驗技術指導原則》), which stipulates that, for innovative drugs, companies shall consider designing a tolerability and safety study with a sufficient administration area based on the size of the target lesion, and conduct exploratory studies to fully study the results of drug candidates of different concentrations, which is expected to provide supporting evidence for the design of subsequent confirmatory clinical studies.

New Drug Registration

Pursuant to Circular 27, upon completion of clinical trials, determination of quality standards, completion of validation of commercial-scale production processes and completion of other related preparation works, the applicant may apply with the NMPA for the marketing authorization. The NMPA then determines whether to approve the application according to applicable laws and

regulations and with the comprehensive evaluation opinion provided by the CDE of the NMPA. The applicant must obtain the marketing authorization for a new drag before the drug can be manufactured and sold in the China market. According to Circular 27, the holders of any of the following drugs can apply for conditional approval of such drugs: (i) drugs which are used for the treatment of severe life-threatening diseases currently lacking effective treatment and the data of clinical trials can confirm their efficacy and forecast their clinical value; (ii) drugs which are urgently needed for public health and data of clinical trials can demonstrate their efficacy and forecast their clinical value; and (iii) vaccines which are urgently needed to deal with major public health emergencies or other vaccines which the NHC deems to be urgently needed, the benefits of both of which are assessed to be outweigh the risk.

Regulations relating to International Multi-Center Clinical Trials and Acceptance of Overseas Clinical Trial Data

On January 30, 2015, the CFDA promulgated the Notice on Issuing the International Multi-Center Clinical Trial Guidelines (Trial) (《關於發佈國際多中心藥物臨床試驗指南(試行)的通告》) (the "**IMCT Guidelines**"), which took effect on March 1, 2015, to provide guidance for the regulation of application, implementation and administration of international multi-center clinical trials in China. Pursuant to the IMCT Guidelines, international multi-center clinical trial applicants may simultaneously perform clinical trials in different centers using the same clinical trial protocol. Where the applicant plans to make use of the data derived from the international multi-center clinical trials for application to the CFDA for approval of NDA, such international multi-center clinical trials shall satisfy the requirements set forth in the PRC Drug Administration Law (《中華人民共和國藥品管理法》) and its implementation regulations and relevant laws and regulations.

On July 6, 2018, the NMPA issued the Technical Guiding Principles for the Acceptance of the Overseas Clinical Trial Data of Drugs (《接受藥品境外臨床試驗數據的技術指導原則》) (the "**Guiding Principles**"), which provides that overseas clinical data can be submitted for all kinds of registration applications in China, including the clinical trial authorization and NDA. The Guiding Principles clearly list the basic principles and requirements on the acceptance of overseas clinical trial data, and distinguish different levels of acceptance based on the quality of the data itself and different circumstances. The Guiding Principles require that the applicant shall ensure that the overseas clinical trial data are truthful, complete, accurate and traceable, and the generating process of the overseas clinical trial data shall comply with the relevant requirements of the Good Clinical Practice of the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH-GCP).

Marketing Authorization Holder Mechanism

Under the authorization of the SCNPC, the General Office of the State Council issued the Pilot Plan for the Drug Marketing Authorization Holder System (《藥品上市許可持有人制度試點方案》) on May 26, 2016, which provides a detailed pilot plan for the marketing authorization holder system, or MAH System, for drugs in 10 provinces (cities) in China and the plan ended on November 4, 2018. The pilot period was later extended to November 4, 2019 by the SCNPC.

Pursuant to the Drug Administration Law, China implements the marketing authorization holder mechanism for management of the drug industry. The drug marketing authorization holder refers to an enterprise or a drug research and development institution that has obtained the drug

registration certificate. The drug marketing authorization holder shall be responsible for non-clinical research, clinical trials, production and operation, post-marketing research, adverse reaction monitoring, reporting and processing of drugs in accordance with the provisions of the law.

The marketing authorization holders may manufacture drugs by themselves or entrust a pharmaceutical manufacturing enterprise to manufacture drugs. Likewise, they may sell drugs by themselves or entrust a pharmaceutical distribution enterprise to sell drugs. However, marketing authorization holders may not entrust a pharmaceutical manufacturing enterprise to produce blood products, narcotic drugs, psychotropic drugs, medical-use toxic drugs or pharmaceutical precursor chemicals, except as otherwise stipulated by the drug regulatory department under the State Council. The drug marketing authorization holder shall establish a drug quality assurance system and be equipped with special personnel to take charge of quality management on drugs independently. The drug marketing authorization holder shall regularly review the quality management system of the drug manufacturer and the drug distributor, and supervise its continuous quality assurance and control capabilities.

Where the marketing authorization holder is an overseas enterprise, its designated domestic enterprise shall perform the obligations of the marketing authorization holder and jointly assume responsibilities of the marketing authorization holder with the overseas enterprise.

Gathering, Collection and Filing of Human Genetic Resources

In June 1998, the Ministry of Science and Technology and the Ministry of Health (which was canceled in the institutional reform of the State Council in 2013, its functions were first inherited by the National Health and Family Planning Commission and then by the NHC, which was established in 2018) promulgated the Interim Measures for the Management of Human Genetic Resources (《人類遺傳資源管理暫行辦法》) which sets out rules for the protection and use of human genetic resources in China. Pursuant to the Service Guide for Administrative Licensing of Gathering, Collection, Deal, Export and Exit Approval of Human Genetic Resources of Human genetic resources (《人類遺傳資源採集、收集、買賣、出口、出境審批行政許可事項服務指南》) promulgated by the Ministry of Science and Technology in July 2015 and the Notice on the Implementation of the Administrative License for the Gathering, Collection, Deal, Export and Exit of Human Genetic Resources (《關於實施人類遺傳資源採集、收集、買賣、出口、出境行政許可的通知》) promulgated by the Ministry of Science and Technology in August 2015, the gathering and collection of human genetic resources though clinical trials by a foreign-invested sponsor shall be filed for record with the China Human Genetic Resources Management Office through an online system.

Pursuant to the Regulations on the Management of Human Genetic Resources of the People's Republic of China (《中華人民共和國人類遺傳資源管理條例》) promulgated by the State Council in May 2019 and came into effect on July 1, 2019, and the last amendment will become effective on May 1, 2024, the state supports the rational use of human genetic resources for scientific research, development of the biomedical industry, improvement of diagnosis and treatment technology, improvement of China's ability to guarantee biosafety and improvement of the level of people's health. Foreign organizations, individuals and institutions established or actually controlled by them shall not gather or preserve Chinese genetic resources in China, or provide Chinese genetic resources to foreign countries. In addition, the gathering, preservation, utilization and external provision of Chinese genetic resources shall conform to ethical principles and conduct

ethical review in accordance with relevant regulations. On May 26, 2023, the Ministry of Science and Technology issued the Implementing Rules of the Administrative Regulations on Human Genetic Resources (《人類遺傳資源管理條例實施細則》), effective from July 1, 2023, which further provided specific provisions on the collection, preservation, utilization and external provision of human genetic resources of the PRC.

On October 17, 2020, the PRC Biosecurity Law (《中華人民共和國生物安全法》) (the "**Biosecurity Law**") was promulgated by the SCNPC, taking effect from April 15, 2021 and revised on April 26, 2024. The Biosecurity Law establishes a comprehensive legislative framework for the pre-existing regulations in such areas as epidemic control of infectious diseases for humans, animals and plants; research, development, and application of biology technology; biosecurity management of pathogenic microbials laboratories; security management of human genetic resources and biological resources; countermeasures for microbial resistance; and prevention of bioterrorism and defending threats of biological weapons.

Regulations of Biological Products

According to Circular 27, drug registration shall be subject to registration and administration by categories, namely Chinese medicine, chemical medicine and biological products etc. Biological product registration shall be categorized in accordance with biological product innovative medicine, biological product improved new medicine, marketed biological products (including biosimilars), etc. In order to cooperate with the implementation of the Circular 27, the NMPA formulated the Registration Classification of Biological Products and Requirements for Application Materials (《生物製品註冊分類及申報資料要求》), and the Registration Classification of Biological Products part came into effect on July 1, 2020 while the Requirements for Application Materials part came into effect on October 1, 2020.

According to the Registration Classification of Biological Products and Requirements for Application Materials, biosimilars are classified as category 3.3. According to the Biosimilar Guidelines, biosimilars shall be filed under the application procedures for new drugs. Application materials for therapeutic biological products shall be submitted following specific requirements in the Biosimilar Guidelines. According to Guidelines on the Acceptance and Review for Registration of Therapeutic Biological Products (Trial) (《治療用生物製品註冊受理審查指南(試行)》), in general, therapeutic biological products under Categories 13 to 15 shall conduct Phase III clinical trial only and may submit plans for Phase III clinical trial and relevant clinical application materials.

Special Examination and Approval Procedures

On November 18, 2005, the CFDA promulgated the Procedures of the CFDA for the Special Examination and Approval of Drugs (《國家食品藥品監督管理局藥品特別審批程序》), which stipulates that in the case of any threatening or actual public health emergency, the CFDA shall take a series of measures to facilitate the approval procedures so that the drugs needed in responding to the public health emergency can be approved as soon as possible.

Administrative Protection and Monitoring Periods for New Drugs

According to the Drug Administration Law Implementing Measures, to protect public health, the NMPA may provide for administrative monitoring periods of up to five years for new drugs approved to be manufactured, to consistently monitor the safety of such new drugs. During the monitoring period of a new drug, the NMPA will not approve any other enterprises' applications to manufacture or import a similar new drug.

Laws and Regulations on the Manufacturing of Drugs

Drug Manufacturing Certificate

Pursuant to the Drug Administration Law and the Implementing Regulations, a drug manufacturer must obtain a Drug Manufacturing Certificate (《藥品生產許可證》) from the drug regulatory authority at provincial, autonomous regional or municipal level before it may start manufacturing drugs in the PRC. The Drug Manufacturing Certificate shall indicate the validity period and the scope of production. Each Drug Manufacturing Certificate is valid for a period of five years and the manufacturer is required to apply for renewal of the permit within six months prior to its expiration date.

Good Manufacturing Practice

The World Health Organization encourages the adoption of GMP standards in the drug production, in order to minimize the risks of failure to pass the finished product tests in the drug production.

The Ministry of Health of the PRC (the "**MOH**") first issued the Guidelines on Good Manufacturing Practices (《藥品生產質量管理規範》) on March 17, 1988, which was later revised on December 28, 1992. After its establishment, the NMPA revised the Guidelines on Good Manufacturing Practices on June 18, 1999, which became effective from August 1, 1999. The Guidelines on Good Manufacturing Practices revised by the MOH on October 19, 2010, which took effect on March 1, 2011 provided the basic standards for drug production, including production facilities, qualification of management personnel, production plant and facilities, documentation, material packaging and labeling, testing, production management, sales and return of products, complaints of customers, etc.

On August 2, 2011, the CFDA issued the Circular on Printing and Distributing the Administrative Measures for the Certification of Good Manufacturing Practice (《關於印發藥品生產質量管理規範認證管理辦法的通知》), which provided that newly established drug manufacturers, or existing drug manufacturers that wish to expand manufacturing scope or build new workshops shall apply for the GMP certification in accordance with the Drug Administration Law Implementing Measures. Those drug manufacturers that have already obtained the GMP certificates shall re-apply for the GMP certification within six months prior to the expiration date of the GMP certificates. On December 30, 2015, the CFDA issued the Notice on Effectively Implementing the Good Manufacturing Practice (《關於切實做好實施藥品生產質量管理規範有關工作的通知》), which provided that those drug manufacturers that failed to obtain the GMP certificates shall not be granted the drug manufacturing license.

On November 29, 2019, the NMPA issued the Announcement on Matters relating to the Implementation of the Drug Administration Law of the PRC (《關於貫徹實施〈中華人民共和國藥品管理法〉有關事項的公告》), which confirmed that the GMP certification would be canceled from December 1, 2019, and no application for GMP certification would be accepted and no GMP certificate would be granted. However, according to the Drug Administrative Law, drug manufacturers shall still comply with the GMP, establish and improve the GMP system, and ensure the whole drug production process consistently in compliance with statutory requirements.

On May 24, 2021, the NMPA issued the Administrative Measures for Drug Inspection (Trial) (《藥品檢查管理辦法(試行)》) which became effective on the same day, and last amended on July 19, 2023, and the Administrative Measures for the Certification of Good Manufacturing Practice was repealed. The Administrative Measures for Drug Inspection (Trial) provided that onsite inspections shall be conducted pursuant to the GMP on a drug manufacturer applying for the drug manufacturing license for the first time, while for the drug manufacturers applying for the renewal of drug manufacturing licenses, the review shall be conducted based on the risk management principles, in combination with the drug manufacturers' compliance with the laws and regulations of drug administration, and the operation of the GMP and quality management system, and inspections on the drug manufacturers' conformity to the GMP may be conducted where necessary.

Contract Manufacturing of Drugs

Pursuant to the Administrative Regulations for the Contract Manufacturing of Drugs (《藥品委託生產監督管理規定》) (the "**Contract Manufacturing Regulations**") issued by the CFDA in August 2014, only when a drug manufacturer temporarily lacks manufacturing conditions due to technology upgrade or is unable to ensure market supply due to insufficient manufacturing capabilities, can such drug manufacturer entrust the manufacturing of the drug to another domestic drug manufacturer. Such contract manufacturing arrangements shall be approved by the provincial branch of the NMPA.

The Administrative Measures on Supervision of Drug Manufacturing (《藥品生產監督管理辦法》) (the "**Revised Administrative Measures of Drug Manufacturing**") promulgated by the State Administration for Market Regulation on January 22, 2020 and effective on July 1, 2020 further implements the drug marketing authorization holder system as stipulated in the Drug Administration Law. Drug marketing authorization holders entrusting others to manufacture drugs shall enter into outsourcing agreements and quality agreements with qualified drug manufacturing enterprises and submit the relevant agreements together with the actual manufacturing site application materials to the competent drug administrative authority in order to apply for the Drug Manufacturing Certificate.

Advertising of Drugs

According to the Advertising Law of the PRC (《中華人民共和國廣告法》), which was promulgated by the Standing Committee of the National People's Congress on October 27, 1994 and last amended on April 29, 2021, certain contents such as statement on cure rate or efficiency shall not be included in the advertisement of drugs.

According 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》) issued by the State

Administration for Market Regulation on December 24, 2019 and came into effect on March 1, 2020, the advertisements for drugs shall not be released without being reviewed and the contents of a drug advertisement shall be based on the drug instructions approved by the drug administration departments.

Product Liability

According to the Civil Code of the PRC (《中華人民共和國民法典》) promulgated by the NPC on May 28, 2020 and effective from January 1, 2021, where a patient suffers damage due to defects in a drug, the patient may claim for compensation from the holder of the marketing approval for the drug, manufacturer or the medical institution. Where the patient claims for compensation from the medical institution, the medical institution, after making compensation, shall have the right of recovery against the liable holder of the marketing approval for the drug or manufacturer.

Other PRC Regulations Relating to the Pharmaceutical Industry

National Essential Drug List

According to the Opinions of the General Office of the State Council on Improving the National Essential Drugs System (《國務院辦公廳關於完善國家基本藥物制度的意見》) issued on September 13, 2018 and effective therefrom, the Circular on the Printing and Distribution of the Administrative Measures for the National Essential Drug List (《關於印發國家基本藥物目錄管理辦法的通知》) issued on February 13, 2015 and effective therefrom, and the National Essential Drug List (2018 version) (《國家基本藥物目錄(2018年版)》) (the "**National Essential Drug List**") issued by the NHC on September 30, 2018 and effective from November 1, 2018, basic healthcare institutions funded by the government, which primarily include county-level hospitals, county-level Chinese medicine hospitals, rural clinics and community clinics, shall store up and use drugs listed in the National Essential Drug List. The drugs listed in the National Essential Drug List shall be purchased by centralized tender process and shall be subject to the price control by the National Development and Reform Commission (the "**NDRC**"). Remedial drugs listed in the National Essential Drug List are all listed in the medical insurance catalog and the entire amount of the purchase price of such drugs is entitled to reimbursement.

Price Controls and Two-invoice System

Instead of direct price controls which were historically used in China, the government regulates prices mainly by establishing a consolidated procurement mechanism, revising medical insurance reimbursement standards and strengthening regulation of medical and pricing practices.

According to the Certain Regulations on the Trial Implementation of Centralised Tender Procurement of Drugs by Medical Institutions (《醫療機構藥品集中招標採購試點工作若干規定》) promulgated on July 7, 2000 and the Notice of NMPA on Further Improvement on the Implementation of Centralised Tender Procurement of Drugs by Medical Institutions (《國家藥品監督管理局關於進一步做好醫療機構藥品集中招標採購工作的通知》) promulgated on July 23, 2001, not-for-profit medical institutions established by county or higher level government are required to implement centralized tender procurement of drugs.

The Ministry of Health promulgated the Working Regulations of Medical Institutions for Procurement of Drugs by Centralised Tender and Price Negotiations (for Trial Implementation) (《醫療機構藥品集中招標採購和集中議價採購工作規範(試行)》) on March 13, 2002, which provides rules for the tender process and negotiations of the prices of drugs, operational procedures, a code of conduct and standards or measures of evaluating bids and negotiating prices. According to the Notice of the Financial Planning Department of Ministry of Health on Issue of Opinions on Further Regulating Centralised Procurement of Drugs by Medical Institutions (《衛生部財務規劃司關於印發〈進一步規範醫療機構藥品集中採購工作的意見〉的通知》) promulgated on January 17, 2009, not-for-profit medical institutions owned by the government at the county level or higher or owned by state-owned enterprises (including state-controlled enterprises) shall purchase pharmaceutical products by online centralized procurement. Each provincial government shall formulate its catalog of drugs subject to centralized procurement. Except for drugs in the National List of Essential Drugs (the procurement of which shall comply with the relevant rules on National List of Essential Drugs), certain pharmaceutical products which are under the national government's special control, such as toxic, radioactive and narcotic drugs and traditional Chinese medicines, in principle, all drugs used by not-for-profit medical institutions shall be covered by the catalog of drugs subject to centralized procurement. The Opinions of the General Office of the State Council on Improvement of the Policy of Production, Circulation and Use of Drugs (《國務院辦公廳關於進一步改革完善藥品生產流通使用政策的若干意見》) promulgated on January 24, 2017 by the General Office of the State Council aims to deepen the reform of medicine health system, improve the quality of the drug and regulate the distribution and use of the drug. The Notice of the General Office of the State Council on Issuing Pilot Plan of Centralised Procurement and Use of the Drug Organised by the State (《國務院辦公廳關於印發國家組織藥品集中採購和使用試點方案的通知》) promulgated on January 1, 2019 aims to improve the pricing mechanism of the drug, which also further regulates the scope and mode of centralized procurement.

The centralized tender process takes the form of public tender operated and organized by provincial or municipal government agencies. The centralized tender process is in principle conducted once every year in the relevant province or city in China. The bids are assessed by a committee composed of pharmaceutical and medical experts who will be randomly selected from a database of experts approved by the relevant governmental authorities. The committee members assess the bids based on a number of factors, including but not limited to, bid price, product quality, clinical effectiveness, product safety, qualifications and reputation of the manufacturer, after-sale services and innovation. Only pharmaceuticals that have won in the centralized tender process may be purchased by public medical institutions funded by the governmental or state-owned enterprise (including state-controlled enterprises) in the relevant region.

In order to further optimize the order of purchasing and selling pharmaceutical products and reduce circulation steps, under the 2016 List of Major Tasks in Furtherance of the Healthcare and Pharmaceutical Reforms (《深化醫藥衛生體制改革2016年重點工作任務》) issued by the General Office of the State Council on April 21, 2016, the "two-invoice system" (兩票制) will be fully implemented in the PRC. According to the Circular on Issuing the Implementing Opinions on Carrying out the Two-invoice System for Drug Procurement among Public Medical Institutions (for Trial Implementation) (《印發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)的通知》), or the Two-Invoice System Notice, which came into effect on December 26, 2016, the two-invoice system means one invoice between the pharmaceutical manufacturer and the pharmaceutical distributor, and one invoice between the pharmaceutical distributor and the medical institution, and thereby only allows a single level of distributor for the sale of pharmaceutical products from the pharmaceutical manufacturer to the medical institution.

According to the Two-Invoice System Notice and the Several Opinions of the General Office of the State Council on Further Reforming and Improving the Policies on Drug Production, Circulation and Use (《國務院辦公廳關於進一步改革完善藥品生產流通使用政策的若干意見》) issued on January 24, 2017, the two-invoice system would be promoted in pilot provinces (or autonomous regions and municipalities directly under the central government) involved in the comprehensive medical reform program and pilot cities for public hospital reform on a priority basis, and encouraged to be implemented nationwide in 2018.

Coverage of the National Medical Insurance Program

The national medical insurance program was first adopted according to the Decision of the State Council on Establishing the Urban Employees' Basic Medical Insurance System (《國務院關於建立城鎮職工基本醫療保險制度的決定》) issued by the State Council on December 14, 1998, under which all employers and their employees in urban cities are required to enroll in the basic medical insurance program and the insurance premium is jointly contributed by the employers and employees. On July 10, 2007, the State Council issued the Guiding Opinions of the State Council on the Pilot Urban Resident Basic Medical Insurance (《國務院關於開展城鎮居民基本醫療保險試點的指導意見》), which further expanded the coverage of the basic medical insurance program, and accordingly the urban non-employed residents of the pilot districts may voluntarily enroll in the Urban Resident Basic Medical Insurance. In addition, on January 3, 2016, the Opinions of the State Council on Integrating the Basic Medical Insurance Systems for Urban and Rural Residents (《國務院關於整合城鄉居民基本醫療保險制度的意見》) issued by the State Council required the integration of the urban resident basic medical insurance and the new rural cooperative medical care system and the establishment of a unified basic medical insurance system, which will cover all urban and rural residents other than rural migrant workers and persons in flexible employment arrangements who participate in the basic medical insurance for urban employees. The participants of the medical insurance programs are eligible for full or partial reimbursement of the cost of the medicines included in the national medical insurance catalog.

Pursuant to the Notice of the Tentative Administrative Measures of the Scope of Basic Medical Insurance Coverage for Pharmaceutical Products for Urban Employees (《關於印發城鎮職工基本醫療保險用藥範圍管理暫行辦法的通知》) jointly issued by the Ministry of Labor and Social Security, the Ministry of Finance and other authorities on May 12, 1999, a pharmaceutical product listed in the medical insurance catalog must be clinically necessary, safe, effective, reasonably priced, easy to use, available in sufficient quantity, and must meet any of the following requirements: (i) being included in the pharmacopeia of the PRC, (ii) satisfying the standards as set out by the NMPA, or (iii) having been approved by the NMPA for imported.

According to the Tentative Administrative Measures of the Scope of Basic Medical Insurance Coverage for Pharmaceutical Products for Urban Employees, the Ministry of Labor and Social Security and other relevant governmental authorities have the power to determine the medicines to be included in the national medical insurance catalog, which is divided into two parts of Part A and Part B. Provincial governments are required to include all Part A medicines listed in the national medical insurance catalog in their provincial medical insurance catalog, but have the discretion to adjust upwards or downwards by no more than 15% from the total number of Part B medicines listed in the national medical insurance catalog. As a result, the contents of Part B of the provincial medical insurance catalogs may differ from region to region in the PRC. Patients purchasing medicines included in Part A of the medical insurance catalog are entitled to reimbursement in accordance with the regulations in respect of basic medical insurance. Patients

purchasing medicines included in Part B of the medical insurance catalog are required to pay a certain percentage of the purchase price and the remainder shall be reimbursed in accordance with the regulations in respect of basic medical insurance. The percentage of reimbursement for Part B medicines is decided by local authorities and as a result may differ from region to region.

Medical Insurance Reimbursement Standards

According to the Decision of the State Council on Establishing the Urban Employees' Basic Medical Insurance System, the Opinions on the Establishment of the New Rural Cooperative Medical System (《關於建立新型農村合作醫療制度意見的通知》) issued by the General Office of the State Council on January 16, 2003, the Guiding Opinions of the State Council on the Pilot Urban Resident Basic Medical Insurance and the Opinions of the State Council on Integrating the Basic Medical Insurance Systems for Urban and Rural Residents, medical insurance shall be available to all employees and residents in both rural and urban areas.

According to the Notice on Printing and Distribution of the Opinion on the Management of Diagnosis and Treatment Items, Scope and Payment Standards of Medical Service Facilities Covered by the Urban Employees Basic Medical Insurance Program (《關於印發〈城鎮職工基本醫療保險診療項目管理、醫療服務設施範圍和支付標準意見〉的通知》) issued on June 30, 1999, the basic medical insurance program may cover a portion of the costs of diagnostic and treatment devices and diagnostic testing. The scope and rate of reimbursement shall be decided by provincial policies.

On June 20, 2017, the General Office of the State Council issued the Guidance on Further Deepening the Reform of the Payment Method of Basic Medical Insurance (《關於進一步深化基本醫療保險支付方式改革的指導意見》), which aimed to implement a diverse medical insurance payment mechanism that includes diagnosis-related groups, per-capita caps, and per-bed-day caps. By 2020, such new reimbursement mechanism will be implemented across the country, replacing the current reimbursement method based on service category and product price. Local medical insurance authorities shall implement the total budget control for their respective administrative regions and determine the amount of reimbursement to public hospitals based on their performance and the expenditure targets of the individual basic medical insurance funds.

Laws and Regulations on Intellectual Properties

Patent

Patents in the PRC are mainly protected by the Patent Law of the PRC (《中華人民共和國專利法》), which was promulgated by the SCNPC on March 12, 1984, last amended on October 17, 2020 and became effective on June 1, 2021, and the Implementation Rules of the Patent Law of the PRC (《中華人民共和國專利法實施細則》), which were promulgated by the State Council on June 15, 2001 and last amended on December 11, 2023. The Patent Law of the PRC and its Implementation Rules provide for three types of patents, "invention," "utility model" and "design." "Invention" refers to any new technical solution relating to a product, a process or improvement thereof; "utility model" refers to any new technical solution relating to the shape, structure, or their combination, of a product, which is suitable for practical use; and "design" refers to any new design of the shape, pattern, color or the combination of any two of them, of a product, which creates an esthetic feeling and is suitable for industrial application. The duration of a patent right for "invention" is 20 years, the duration of a patent right for "utility model" is 10 years, and the

duration of a patent right for "design" is 15 years, from the date of application. According to the Patent Law of the PRC, for the purpose of public health, the patent administrative department of the State Council may grant mandatory licensing to manufacture and export patented drugs to countries or regions in comply with provisions of the relevant international treaty participated by the PRC.

Trade Secret

According to the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》), promulgated by the SCNPC in September 1993 and last amended on June 27, 2025, 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 of the PRC, business persons are prohibited from infringing others' trade secrets by: (1) acquiring a trade secret from the right holder by theft, bribery, fraud, coercion, electronic intrusion, or any other means; (2) disclosing, using, or allowing another person to use a trade secret acquired from the right holder by any means as specified in the item (1) above; (3) disclosing, using, or allowing another person use a trade secret in its possession, in violation of its confidentiality obligation or the requirements of the right holder for keeping the trade secret confidential; (4) abetting a person, or tempting another person into or in acquiring, disclosing, using, or allowing another person to use the trade secret of the right holder in violation of his or her non-disclosure obligation of the requirements of the right holder for keeping the trade secret confidential. If a third party knows or should have known of the above-mentioned illegal conduct but nevertheless obtains, uses or discloses trade secrets of others, the third party may be deemed to have committed a misappropriation of the 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 fine on the infringing parties.

Trademark

Pursuant to the Trademark Law of the PRC (《中華人民共和國商標法》) promulgated by the SCNPC on August 23, 1982, last amended on April 23, 2019 and became effective on November 1, 2019, the period of validity for a registered trademark is 10 years, commencing from the date of registration. Upon expiry of the period of validity, the registrant shall go through the formalities for renewal within twelve months prior to the date of expiry as required if the registrant needs to continue to use the trademark. Where the registrant fails to do so, a grace period of six months may be granted. The period of validity for each renewal of registration is 10 years, commencing from the day immediately after the expiry of the preceding period of validity for the trademark. In the absence of a renewal upon expiry, the registered trademark shall be canceled. Industrial and commercial administrative authorities have the authority to investigate any behavior in infringement of the exclusive right under a registered trademark in accordance with the law. In case of a suspected criminal offense, the case shall be timely referred to a judicial authority and decided in accordance with applicable laws.

Copyright

Copyright in the PRC is primarily protected by the Copyright Law of the PRC (《中華人民共和國著作權法》), which was promulgated by the SCNPC on September 7, 1990, last amended on November 11, 2020 and became effective on June 1, 2021, and Implementation Regulations of the

Copyright Law of PRC (《中華人民共和國著作權法實施條例》), which was promulgated by the State Council on August 2, 2002 and last amended on January 30, 2013. These law and regulation provide provisions on the classification of works and the obtaining and protection of copyright.

Domain Name

In accordance with the Measures for the Administration of Internet Domain Names (《互聯網域名管理辦法》) which was issued by the Ministry of Information Industry on August 24, 2017 and came into effect on November 1, 2017, the Ministry of Industry and Information Technology is responsible for supervision and administration of domain name services in the PRC. Communications administrative bureaus at provincial levels shall conduct supervision and administration of the domain name services within their respective administrative jurisdictions. Domain name registration services shall, in principle, be subject to the principle of "first apply, first register." A domain name registrar shall, in the process of providing domain name registration services, ask the applicant for which the registration is made to provide authentic, accurate and complete identity information on the holder of the domain name and other domain name registration related information.

Regulations in Relation to Company Establishment, Foreign Investment and Outbound Investment

Company Establishment

The establishment, operation and management of corporate entities in China are governed by the Company Law of the PRC (《中華人民共和國公司法》) (the "**Company Law**"), which was promulgated by the Standing Committee of the National People's Congress on December 29, 1993 and came into effect on July 1, 1994. It was subsequently amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29, 2023. The last amendment of the Company Law came into effect on July 1, 2024. The major revisions made by the last amendment of the Company Law included improvement of the system for the establishment and exit of companies, optimization of organizational structures of companies, improvement of capital system of companies, strengthening the responsibilities of the controlling shareholder and management staff, enhancing the social responsibilities of companies, etc.

Foreign Direct Investment

According to the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the "**FIL**"), which was promulgated by the National People's Congress on March 15, 2019 and came into effect on January 1, 2020, and the Regulations 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》), which was promulgated by the State Council on December 26, 2019 and came into effect on January 1, 2020, the foreign investment refers to the investment activities in China carried out directly or indirectly by foreign natural persons, enterprises or other organizations, including the following: (i) Foreign Investors establishing foreign-invested enterprises in China alone or collectively with other investors; (ii) Foreign Investors acquiring shares, equities, properties or other similar rights of Chinese domestic enterprises; (iii) Foreign Investors investing in new projects in China alone or collectively with other investors; and (iv) Foreign Investors investing through other ways prescribed by laws and regulations of the State Council. The State adopts the management system of pre-establishment national treatment and negative list for foreign investment. The pre-establishment national

treatment refers to granting to Foreign Investors and their investments, in the stage of investment access, the treatment no less favorable than that granted to domestic investors and their investments; the negative list refers to special administrative measures for access of foreign investment in specific fields as stipulated by the State. The State will grant national treatment to foreign investments outside the negative list. The negative list will be released by or upon approval of the State Council.

Foreign investment in China is subject to the Catalogue for the Encouraged Investment Industries (2022 Edition) (《鼓勵外商投資產業目錄(2022年版)》) issued on October 26, 2022 and took effect on January 1, 2023, and the Special Administrative Measures for the Access of Foreign Investment (Negative List) (2024 Edition) (《外商投資准入特別管理措施(負面清單)》)(2024年版) issued on September 6, 2024 and took effect on November 1, 2024, which together comprise the encouraged foreign-invested industries catalog and the special administrative measures for the access of foreign investments to the restricted or the prohibited foreign-invested industries. The latter sets out restrictions such as percentage of shareholding and qualifications of senior management. According to the Measures for the Reporting of Foreign Investment Information (《外商投資信息報告辦法》) which took effect on January 1, 2020, foreign investments that are not subject to special access administrative measures are only required to complete an online filing to the commerce departments.

Regulations on Data Security

On June 10, 2021, the SCNPC promulgated the Data Security Law of the PRC (《中華人民共和國數據安全法》) (the "**Data Security Law**"), which became effective from September 1, 2021. According to the Data Security Law, a data classification protection system shall be established to protect data by classification. Entities engaged in data processing activities shall, in accordance with the laws and regulations, establish a sound whole-process data security management system, organize data security education and training, and take corresponding technical measures and other necessary measures to ensure data security.

According to the Civil Code of the PRC, personal information of natural persons is protected by law. Any organization or individual that needs to obtain personal information of others shall obtain legally and ensure the information security, and shall not illegally collect, use, process, transmit, trade, provide or disclose 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》) promulgated by the SCNPC on August 20, 2021 and effective from November 1, 2021 further emphasized the duties and responsibilities of the processing personnel for the protection of personal information, and provided stricter protection measures for processing sensitive personal information.

The Cyberspace Administration of China ("**CAC**"), jointly with the other 12 governmental authorities, promulgated the Cybersecurity Review Measures (《網絡安全審查辦法》) on December 28, 2021, which became effective on February 15, 2022. Pursuant to Article 2 of the Cybersecurity Review Measures, to ensure the security of the supply chain of critical information infrastructure, security of network and data and safeguard national security, a cybersecurity review is required when national security has been or may be affected where critical information infrastructure operators (關鍵信息基礎設施運營者) purchase network product or service and network platform operators (網絡平台運營者) conduct data process activities. In addition, Article 7 of the

Cybersecurity Review Measures stipulates that when a network platform operator in possession of personal information of over one million users intends to "list abroad" (國外), it must apply to CAC for a cybersecurity review.

According to the Measures on Security Assessment of Cross-border Data Transfer (《數據出境安全評估辦法》, the "**Security Assessment Measures**"), which was promulgated by the CAC on July 7, 2022 and came into effect on September 1, 2022, data processors shall apply for cross-border security assessment with the CAC through the local provincial-level cyberspace administration department under any of the following circumstances: (i) cross-border transfer of important data by data processors; (ii) cross-border transfer of personal information by critical information infrastructure operators and data processors that process more than 1 million personal information; (iii) cross-border transfer of personal information by data processors that have made cross-border transfer of personal information of 100,000 people or sensitive personal information of 10,000 people cumulatively since January 1 of the previous year; and (iv) other circumstances where an application for security assessment of cross-border data transfer is required as prescribed by the CAC.

According to the Provisions on Promoting and Regulating Cross-border Data Flows (《促進和規範數據跨境流動規定》), which was promulgated by the CAC on March 22, 2024 and came into effect on the same day, if the data have not been informed or publicly announced as important data by relevant departments or regions, data handlers are not required to declare security assessment for cross-border provision of the data as important data.

On July 12, 2018, the NHC issued the Administrative Measures on National Health and Medical Care Big Data Standards, Security and Services (Trial) (《國家健康醫療大數據標準、安全和服務管理辦法(試行)》) (the "**Measures on Health and Medical Care Big Data**"), which became effective on the same day. The Measures on Health and Medical Care Big Data provided the guidelines and principles of health and medical big data standard management, security management and service management. According to the Measures on Health and Medical Care Big Data, the NHC, together with other relevant departments, is responsible for the management of national health and medical care big data, while the authorities of health above the county level, together with other relevant departments, are responsible for the management of health and medical care big data within their respective administrative regions. Medical institutions and relevant enterprises, including those engaged by medical institutions to store or operate health and medical care big data, shall take measures, such as data classification, important data backup and encryption, to ensure the security of health and medical care big data, and provide secured channels for the query and replication of information. The responsible parties shall, pursuant to the Cybersecurity Law, strictly control the authorization to users at different levels to access and use data, and ensure the use of data within the scope of authorization. Without authorization, no unit or individual shall use or disseminate any health and medical care big data or data beyond the scope of authorization, nor obtain any data in illegal ways. The responsible parties shall abide by the relevant regulations when disclosing health and medical care big data, shall not divulge state secrets, trade secrets or personal privacy, shall not infringe upon the interests of the state or the public, and shall not infringe upon the legitimate rights and interests of citizens, enterprise entities or other organizations.

On September 24, 2024, the State Council promulgated the Regulation on Network Data Security Management (《網絡數據安全管理條例》), which has come into force on January 1, 2025. The Regulation on Network Data Security Management introduces several key obligations,

including requiring network data handlers to specify the purpose and method of personal information processing, as well as the types of personal information involved, before any personal information is handled. It also outlines the obligations of those handling important data, establishes broader contractual requirements for data sharing between data handlers, and introduces a new exemption for regulatory obligations regarding cross-border data transfers.

Regulations relating to Outbound Investment

Pursuant to the Administrative Measures on Outbound Investments (《境外投資管理辦法》) issued by the Ministry of Commerce of the PRC (商務部) (the "**MOFCOM**") on March 16, 2009 and amended on September 6, 2014, the MOFCOM and the provincial competent departments of commerce shall subject the outbound investments of enterprises to filing or approval, depending on the actual circumstances of such investments. Outbound investments of enterprises involving sensitive country or region, or sensitive industry shall be subject to approval. Other outbound investments of enterprises shall be subject to filing.

Pursuant to the Administrative Measures for the Outbound Investments of Enterprises (《企業境外投資管理辦法》) issued by the NDRC on December 26, 2017 and effective from March 1, 2018, if an enterprise in the territory of the PRC (the "**Investor**") intends to make outbound investments, it shall go through the formalities, such as approval or filing, for the outbound investment project (the "**Project**"), report relevant information and cooperate in the supervisory inspections. The sensitive Projects invested directly by the Investor or through the foreign enterprises controlled by the Investor shall be subject to approval. The non-sensitive Projects invested directly by the Investor, which involve the direct contribution of assets, rights and interests, or provision of financing or guarantee by the Investor, shall be subject to filing. The aforementioned sensitive Projects include the Projects involving sensitive country of region, or sensitive industry. The Catalogue of Sensitive Sectors for Outbound Investment (2018 Edition) (《境外投資敏感行業目錄(2018年版)》) issued by the NDRC on January 31, 2018 and effective from March 1, 2018 listed in detail the sensitive sectors.

Laws and Regulations on Labor and Employee Incentives

Labor, Social Insurance and Housing Provident Funds

According to the Labor Law of the PRC (《中華人民共和國勞動法》), which was promulgated by the SCNPC in July 1994 and last amended and came into effect in December 2018, the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), which was promulgated by the SCNPC in June 2007 and amended in December 2012 and came into effect in July 2013, and the Implementing Regulations of the Labor Contracts Law of the PRC (《中華人民共和國勞動合同法實施條例》), which was promulgated by the State Council and came into effect in September 2008, labor contracts in written form shall be executed to establish labor relationships between employers and employees. In addition, wages shall not be lower than local minimum wages. The employers must establish a system for labor safety and sanitation, strictly comply with national rules and standards, provide education regarding labor safety and sanitation to its employees, provide employees with labor safety and sanitation conditions and necessary protection materials in compliance with national rules, and carry out regular health examinations for employees engaged in work involving occupational hazards.

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), which was promulgated by the SCNPC in October 2010 and last amended and came into effect in December 2018, and the Interim Regulations on the Collection and Payment of Social Security Funds (《社會保險費徵繳暫行條例》), which was promulgated by the State Council in January 1999 and last amended in March 2019, and the Regulations on the Administration of Housing Provident Funds (《住房公積金管理條例》), which was promulgated by the State Council in April 1999 and last amended in March 2019, employers are required to contribute, on behalf of their employees, to a number of social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, occupational injury insurance and maternity insurance and to housing provident funds. Any employer who fails to make the required contributions may be fined and ordered to compensate the deficit within a stipulated time limit.

Employee Stock Incentive Plans

On February 15, 2012, the State Administration of Foreign Exchange of the PRC (國家外匯管理局) (the "**SAFE**") issued the Circular on Issues concerning the Foreign Exchange Administration for Domestic Individuals Participating in Share Incentive Plans of Overseas Publicly Listed Companies (《關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》) (the "**Share Incentive Rules**"). Under the Share Incentive Rules and relevant rules and regulations, PRC citizens or non-PRC citizens residing in China for a continuous period of not less than one year, who participate in any stock incentive plan of an overseas publicly listed company, subject to a few exceptions, are required to register with SAFE through a domestic qualified agent, which could be a PRC domestic company participating in such stock incentive plan, and complete certain procedures. In addition, the State Taxation Administration of the PRC (國家税務總局) (the "**STA**") has issued circulars concerning employee share options or restricted shares. Under these circulars, employees working in the PRC who exercise share options, or whose restricted shares vest, will be subject to PRC individual income tax. The domestic qualified agent have obligations to file documents related to employee share options or restricted shares with relevant tax authorities and to withhold individual income tax of those employees related to their share options or restricted shares. If the employees fail to pay, or the PRC domestic companies fail to withhold, their individual income tax according to relevant laws, rules and regulations, the PRC domestic companies may face sanctions imposed by the tax authorities or other relevant PRC governmental authorities.

Laws and Regulations on Leasing

On December 1, 2010, the Ministry of Housing and Urban-Rural Development promulgated the Administrative Measures for Commodity Housing Tenancy (《商品房屋租賃管理辦法》), which became effective on February 1, 2011. According to such measures, within 30 days after the execution of the housing lease contract, parties to the leasing of housing shall file and register the leasing of housing at the departments in charge of construction (real estate) of the people's governments at the municipality, city or country level where the leased housing is located. Where the provisions of these measures are violated, the competent construction (real estate) departments of the people's governments of the municipalities directly under the central government, cities and counties shall order the violators to make corrections within a specified time limit. Where the individual failed to make correction within the stipulated period, a fine of not more than RMB1,000 shall be imposed; where the organization failed to make correction within the stipulated period, a fine ranging from RMB1,000 to RMB10,000 shall be imposed.

Laws and Regulations on Environmental and Fire Control

Environmental Protection

The Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) (the "**Environmental Protection Law**"), which was promulgated by the SCNPC on December 26, 1989, came into effect on the same day and last amended on April 24, 2014, outlines the authorities and duties of various environmental protection regulatory agencies. The Ministry of Ecology and Environment is authorized to issue national standards for environmental quality and emissions, and to monitor the environmental protection scheme of the PRC. Meanwhile, local environment protection authorities may formulate local standards which are more rigorous than the national standards, in which case, the concerned enterprises must comply with both the national standards and the local standards.

Environmental Impact Appraisal

According to the Administration Rules on Environmental Protection of Construction Projects (《建設項目環境保護管理條例》), which was promulgated by the State Council on November 29, 1998, amended on July 16, 2017 and became effective on October 1, 2017, depending on the impact of the construction project on the environment, an construction employer shall submit an environmental impact report or an environmental impact statement, or file a registration form. As to a construction project, for which an environmental impact report or the environmental impact statement is required, the construction employer shall, before the commencement of construction, submit the environmental impact report or the environmental impact statement to the relevant authority at the environmental protection administrative department for approval. If the environmental impact assessment documents of the construction project have not been examined or approved upon examination by the approval authority in accordance with the law, the construction employer shall not commence the construction. According to the Environmental Impact Appraisal Law of the PRC (《中華人民共和國環境影響評價法》) (the "**Environmental Impact Appraisal Law**"), which was promulgated by the SCNPC on October 28, 2002, amended on July 2, 2016 and December 29, 2018, for any construction projects that have an impact on the environment, an entity is required to produce either a report, or a statement, or a registration form of such environmental impacts depending on the seriousness of effect that may be exerted on the environment.

Hazardous Wastes Management

According to the PRC Law on the Prevention and Control of Environment Pollution Caused by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》), which was promulgated by the SCNPC on October 30, 1995 with the latest amendment taking effect on September 1, 2020, an entity engaged in the business activities of collecting, storing, utilizing or treating hazardous wastes shall apply for a permit in accordance with applicable laws and regulations; It shall be prohibited to provide or entrust hazardous wastes to an entity or any other producer or trader without a permit to engage in collection, storage, utilization, and treatment.

Fire Control

Pursuant to the Fire Protection Law of the PRC (《中華人民共和國消防法》) promulgated by the SCNPC on April 29, 1998, and last amended on April 29, 2021 and effective therefrom, the Department of Emergency Management under the State Council and the local people's governments at or above county level shall supervise and administer the matters of fire protection, while the fire control and rescue institutions of such people's governments shall be responsible for implementation. The design of fire control of the construction projects must comply with the national technical standards of fire control. If the design of fire control of a construction project has not been examined pursuant to the relevant laws or failed to pass the examination, the construction of such project is not allowed. If a completed construction project has not gone through the fire safety inspection or failed to satisfy the requirements of fire safety upon inspection, such project is not allowed to be put to use or business.

Laws and Regulations on Foreign Exchange and Taxation

Foreign Exchange Administration

The principal law governing foreign currency exchange in the PRC is the PRC Administrative Regulations on Foreign Exchange (《中華人民共和國外匯管理條例》) (the "**Foreign Exchange Regulations**"), which was promulgated by the State Council on January 29, 1996 and most recently revised on August 5, 2008. According to the Foreign Exchange Regulations, international payments in foreign currencies and transfer of foreign currencies under current items shall not be restricted. Foreign currency transactions under the capital account are still subject to limitations and require approvals from, or registration with, the SAFE or its local counterpart and other relevant PRC governmental authorities.

Pursuant to the Regulation of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》) issued by the People's Bank of China on June 20, 1996 which became effective on July 1, 1996, foreign-invested enterprises may only buy, sell or remit foreign currencies at banks authorized to conduct foreign exchange business after providing valid commercial supporting documents and, in the case of transactions under the capital account, obtaining approvals from the SAFE or its local counterpart.

According to the Circular on Reforming the Management Approach regarding the Settlement of Foreign Exchange Capital of Foreign-invested Enterprises (《國家外匯管理局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 "**Circular 19**"), which was promulgated by the SAFE on March 30, 2015, came into effect on June 1, 2015 and revised on December 30, 2019 and March 23, 2023, a foreign-invested enterprise may, according to its actual business needs, settle with a bank the portion of the foreign exchange capital in its capital account, i.e., a bank account opened by a foreign-invested enterprise where the foreign shareholder(s) are required to remit and deposit the amount of respective capital contributions, for which the relevant foreign exchange bureau has confirmed monetary contribution rights and interests (or for which the bank has registered the account-crediting of monetary contribution). Meanwhile, the use of such RMB should still comply with the restrictions set in the Circular 19 that it cannot be directly or indirectly used for making payments beyond the business scope of the enterprise or payments prohibited by national laws and regulations, investing in securities unless otherwise provided by laws and regulations, granting the entrust loans in RMB (unless permitted by the scope of business), repaying the inter-enterprise borrowings (including advances by the third party)

repaying the bank loans in RMB that have been lent to a third party, and paying the expenses related to the purchase of real estate not for self-use, except for the foreign-invested real estate enterprises.

According to the Circular on Optimizing Foreign Exchange Administration to Support the Development of Foreign-related Business (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》) issued by the SAFE on April 10, 2020 which took effect therefrom, the reform to facilitate the payments of proceeds under the capital accounts shall be promoted nationwide by the SAFE. Provided that the use of funds is true and compliant, and in compliance with the current administrative provisions on the use of the proceeds under the capital accounts, enterprises satisfying the requirements are not required to provide the banks with supporting documents to prove authenticity for each transaction beforehand when making domestic payments with the proceeds under the capital accounts, such as the capital funds and the proceeds of foreign debt or overseas listing.

On June 9, 2016, the SAFE promulgated the Notice on Reforming and Standardizing the Administrative Provisions on Capital Account Foreign Exchange Settlement (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) (the "**Circular 16**") and revised on December 4, 2023. According to the Circular 16, enterprises registered in China could settle the external debts in foreign currencies to RMB at their own discretion. The SAFE Circular 16 sets a uniform standard for discretionary settlement of foreign currencies under capital accounts (including but not limited to foreign currency capital and external debts), which is applicable to all enterprises registered in China.

Dividend Distribution

On January 26, 2017, the SAFE promulgated the Notice on Improving the Verification of Authenticity and Compliance to Further Promote Foreign Exchange Control (《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 outbound remittance of profits from domestic entities to offshore entities, including the following: (i) under the principle of genuine transaction, banks shall check board resolutions regarding profit distribution, the original version of tax filing records and audited financial statements; and (ii) domestic entities shall hold income to account for previous years' losses before remitting the profits. Moreover, domestic entities shall make detailed explanations of sources of capital and utilization arrangements, and provide board resolutions, contracts and other proof when completing the registration procedures in connection with an outbound investment.

Taxation

Individual Income Tax

Pursuant to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) (the "**IIT Law**") promulgated by the SCNPC on September 10, 1980, last amended on August 31, 2018 and effective on January 1, 2019, and the Implementation Regulations for the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》) (the "**Implementation Regulations for the IIT Law**") last amended by the State Council on December 18, 2018 and implemented on January 1, 2019, dividend income derived by individual investors from PRC domestic enterprises (no matter the place of payment is in the PRC or not) shall be subject to individual income tax at a tax rate of 20% and shall be withheld by the PRC domestic enterprises,

except for tax-exempt income stipulated in international conventions and agreements to which the PRC Government is a party, as well as other tax-exempt income and tax reduction circumstances stipulated by the State Council.

Pursuant to the IIT Law and the Implementation Regulations for the IIT Law, gains on transfer of properties (including gains derived by individuals from the transfer of priced securities, equity, shares of property in a partnership enterprise) in subject to individual income tax at the rate of 20%. Pursuant to the Circular on Declaring that Individual Income Tax Continues to Be Exempted over Individual Gains from Transfer of Shares (Cai Shui Zi [1998] No. 61) (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知(財稅字[1998]61號)》) issued jointly by the Ministry of Finance and the STA on March 30, 1998 and implemented therefrom, from January 1, 1997, gains of individuals from the transfer of shares of listed companies continue to be exempted from individual income tax.

Enterprise Income Tax

The Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the "**EIT Law**"), promulgated by the NPC on March 16, 2007, came into effect on January 1, 2008 and amended on February 24, 2017 and December 29, 2018, as well as the Implementation Rules of the EIT Law (《中華人民共和國企業所得稅法實施條例》) (the "**Implementation Rules**"), promulgated by the State Council on December 6, 2007, came into force on January 1, 2008 and amended on April 23, 2019 and December 6, 2024, are the principal law and regulation governing enterprise income tax in the PRC. According to the EIT Law and its Implementation Rules, enterprises are classified into resident enterprises and non-resident enterprises. Resident enterprises refer to enterprises that are legally established in the PRC, or are established under foreign laws but whose actual management bodies are located in the PRC. And non-resident enterprises refer to enterprises that are legally established under foreign laws and have set up institutions or sites in the PRC but with no actual management body in the PRC, or enterprises that have not set up institutions or sites in the PRC but have derived incomes from the PRC. A uniform income tax rate of 25% applies to all resident enterprises and non-resident enterprises that have set up institutions or sites in the PRC to the extent that such incomes are derived from their set-up institutions or sites in the PRC, or such income are obtained outside the PRC but have an actual connection with the set-up institutions or sites. And non-resident enterprises that have not set up institutions or sites in the PRC or have set up institutions or sites but the incomes obtained by the said enterprises have no actual connection with the set-up institutions or sites, shall pay enterprise income tax at the rate of 10% in relation to their income sources from the PRC. The Circular on Issues Relating to the Withholding and Remittance of Enterprise Income Tax by PRC Resident Enterprises on Dividends Distributed to Overseas Non-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稅有關問題的通知》) issued by the STA on November 6, 2008 and implemented therefrom, further clarified that a PRC resident enterprise shall withhold enterprise income tax at a rate of 10% on the dividends of the year 2008 and onwards distributed to overseas non-resident enterprise shareholders of H shares.

Pursuant to the EIT Law and the Implementation Regulations for the EIT Law, a non-resident enterprise is subject to enterprise income tax for its PRC-sourced income (including gains from transfers of equity investments in the PRC enterprises), but shall be at a reduced tax rate of 10%, if such non-resident enterprise does not have an establishment or premises in the PRC or has an establishment or premises in the PRC but the PRC-sourced income is not connected with such

establishment or premises in the PRC. The aforementioned income tax which shall be paid by non-resident enterprises shall be withheld at source, with the payer of the income being the withholding agent. Such withholding tax shall be withheld by the withholding agent from the amount paid or amount due and payable upon each payment or payment due and payable.

Pursuant to the EIT Law and the EIT Rules, income from equity investment between qualified resident enterprises such as dividends and bonuses, which refers to investment income derived by a resident enterprise from direct investment in another resident enterprise, is tax-exempt income. Moreover, the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Incomes (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) was promulgated by the STA on August 21, 2006 and was most recently amended by the Fifth Protocol ratified by the STA on July 19, 2019 and came into effect on December 6, 2019. The Arrangement stipulates that a PRC resident enterprise which distributes dividends to its Hong Kong shareholders should pay income tax according to PRC laws; however, if the beneficiary of the dividends is a Hong Kong resident enterprise, which directly holds no less than 25% equity interests of the aforementioned enterprise (i.e. the dividend distributor), the tax levied shall be 5% of the distributed dividends. If the beneficiary is a Hong Kong resident enterprise, which directly holds less than 25% equity interests of the aforementioned enterprise, the tax levied shall be 10% of the distributed dividends. Meanwhile, the Announcement of the State Taxation Administration on Certain Issues Concerning the "Beneficial Owners" in the Tax Treaties (《國家稅務總局關於稅收協定中"受益所有人"有關問題的公告》), promulgated by the STA on February 3, 2018 and came into effect on April 1, 2018, has stipulated some factors that are unfavorable to the determination of "beneficial owner."

In addition, under the Circular of the STA on Relevant Issues Concerning the Implementation of Dividend Clauses in Tax Treaties (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》), which was promulgated by the STA and came into effect on February 20, 2009, all of the following requirements should be satisfied where a tax resident of the counterparty to the tax treaty needs to be entitled to such tax treatment specified in the tax treaty for the dividends paid to it by a PRC resident enterprise: (i) such tax resident who obtains dividends should be a company as provided in the tax treaty; (ii) the equity interests and voting shares of the PRC resident enterprise directly owned by such a tax resident reach a specified percentage; and (iii) the capital ratio of the PRC resident enterprise directly owned by such a tax resident reaches the percentage specified in the tax treaty at any time within 12 consecutive months prior to acquiring the dividends.

*Value-Added Tax (the "**VAT**")*

The major PRC laws and regulations governing value-added tax are the Interim Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例》) issued on December 13, 1993 by the State Council, came into effect on January 1, 1994, and revised on November 10, 2008, February 6, 2016 and November 19, 2017, as well as the Implementation Rules for the Interim Regulations on Value-Added Tax of the PRC (《中華人民共和國增值稅暫行條例實施細則》) issued on December 25, 1993 by the Ministry of Finance (中華人民共和國財政部) (the "**MOF**"), came into effect on the same day and revised on December 15, 2008 and October 28, 2011, any entities and individuals engaged in the sale of goods, supply of processing, repair and replacement services, and import of goods within the territory of the PRC are taxpayers of VAT and shall pay the VAT in accordance with the law and regulation. The rate of VAT for sale of

goods is 17% unless otherwise specified, such as the rate of VAT for sale of transportation is 11%. With the VAT reforms in the PRC, the rate of VAT has been changed several times. The MOF and the STA issued the Notice of on Adjusting VAT Rates (《財政部、國家税務總局關於調整增值税税率的通知》) on April 4, 2018 to adjust the tax rates of 17% and 11% applicable to any taxpayer's VAT taxable sale or import of goods to 16% and 10%, respectively, this adjustment became effect on May 1, 2018. Subsequently, the MOF, the STA and the General Administration of Customs jointly issued the Announcement on Relevant Policies for Deepening the VAT Reform (《財政部、税務總局、海關總署關於深化增值税改革有關政策的公告》) on March 20, 2019 to make a further adjustment, which came into effect on April 1, 2019 and revised on August 22, 2025. The tax rate of 16% applicable to the VAT taxable sale or import of goods shall be adjusted to 13%, and the tax rate of 10% applicable thereto shall be adjusted to 9%.

Laws and Regulations on Overseas Securities Offering and Listing by Domestic Companies

Regulations relating to Overseas Listing

On February 17, 2023, the CSRC promulgated the Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Trial Measures**") and relevant five guidelines. The Trial Measures will comprehensively improve and reform the existing regulatory regime for overseas offering and listing of PRC domestic companies' securities and will regulate both direct and indirect overseas offering and listing of PRC domestic companies' securities by adopting a filing-based regulatory regime.

According to the Trial Measures, a domestic company seeking direct overseas offering and listing shall file with the CSRC, submit the filing report, legal opinions and other relevant materials as required under the Trial Measures, and state the shareholders' information and other matters in a truthful, accurate and complete manner. Where a domestic company submits an application for initial public offering to the competent overseas regulators, such domestic company shall file with the CSRC within three business days after such application is submitted. The Trial Measures also require subsequent reports to be filed with the CSRC on material events, such as a change-of-control event, or voluntary or forced delisting of the issuer who has completed the overseas offering and listing. If the issuer fails to complete the filing procedure or conceals any material fact or falsifies any major content in its filing documents, it may be subject to administrative penalties, such as order 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.

On the same day, the CSRC also held a press conference for the release of the Trial Measures and issued the Notice on Administration for the Filing of Overseas Offering and Listing by Domestic Companies (《關於境內企業境外發行上市備案管理安排的通知》), which, among others, clarified that, a domestic company that has already obtained the approval document from the CSRC for overseas public offering and listing may proceed with the overseas listing within the validity period of the approval document. Where the overseas listing has not been completed upon the expiration of the approval document, filing procedures specified in the Trial Measures shall be made as required.

H-share Full Circulation

"Full circulation" means listing and circulating on the stock exchange of the domestic unlisted shares of an H-share listed company, including unlisted domestic shares held by domestic shareholders prior to overseas listing, unlisted domestic shares additionally issued after overseas listing, and unlisted shares held by foreign shareholders. On November 14, 2019, the CSRC issued the Guidelines for the "Full Circulation" Program for Domestic Unlisted Shares of H-share Listed Companies (《H股公司境內未上市股份申請"全流通"業務指引》) (the "**Guidelines for the Full Circulation**"), which was partly revised on August 10, 2023 according to the Decision on Revising and Abolishing Part of Securities and Futures Policy Documents by CSRC (《中國證券監督管理委員會關於修改、廢止部分證券期貨制度文件的決定》).

According to the Guidelines for the Full Circulation, shareholders of domestic unlisted shares may determine by themselves through consultation the amount and proportion of shares, for which an application will be filed for circulation, provided that the requirements laid down in the relevant laws and regulations and set out in the policies for state-owned asset administration, foreign investment and industry regulation are met, and the corresponding H-share listed company may be entrusted to file the said application for full circulation. To apply for full circulation, an H-share listed company shall file the application with the CSRC according to the administrative filing procedures necessary for the Overseas Listing Trial Measures. After the application for full circulation has been approved by the CSRC, the H-share listed company shall submit a report on the relevant situation to the CSRC within 15 days after the registration with CSDCC of the shares related to the application has been completed.

On December 31, 2019, CSDCC and the Shenzhen Stock Exchange ("**SZSE**") jointly announced the Measures for Implementation of H-share Full Circulation Business (《H股"全流通"業務實施細則》) (the "**Measures for Implementation**"). The businesses 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. are subject to the Measures for Implementation.

On September 20, 2024, the Shenzhen Branch of CSDC issued the Guidelines to the Program for "Full Circulation" of H-shares of Shenzhen Branch of China Securities Depository and Clearing Corporation Limited (《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》), which are applicable to the business preparation, cross-border share transfer registration and overseas centralized custody, the initial maintenance of details of domestic shareholding and the maintenance of its changes, corporate actions, clearing, settlement and risk management measures. On the same day, China Securities Depository and Clearing (Hong Kong) Company Limited issued the H-Share Full Circulation Business Guide of China Securities Depository and Clearing (Hong Kong) Limited (《中國證券登記結算(香港)有限公司H股"全流通"業務指南》), which is applicable to businesses such as share custody and depository, agent service, arrangement for settlement and delivery, and risk management measures.

LAWS AND REGULATIONS IN THE UNITED STATES

This section summarizes the principal laws and regulations in the United States that are relevant to our business.

U.S. Government Regulation of Drug and Biological Products

In the United States, the Food and Drug Administration ("**FDA**") regulates drugs under the Food, Drug, and Cosmetic Act ("**FDCA**") and its implementing regulations, and the FDA regulates biologics under the FDCA and the Public Health Service Act (the "**PHSA**") and their respective implementing regulations. Both drugs and biologics also are subject to other federal, state, and local statutes and regulations, such as those related to competition. The process of obtaining regulatory approvals to manufacture or market drugs and biologics in the United States and the subsequent compliance with appropriate federal, state, local, and non-U.S. applicable statutes and regulations requires the expenditure of substantial time and financial resources. 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 proceedings administrative actions, government prosecution, judicial sanctions or any combination of them in the United States. 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. Any administrative proceeding on action or any judicial enforcement action could have a material adverse effect on our business, financial condition and results of operations as well as the market's acceptance of our products and our reputation. Outside the United States, drugs and biologics are regulated under other statutory and regulatory systems with which we would need to comply if we were to manufacture or market drugs or biologics outside the United States, and failure to comply there could also subject us to administrative actions, government prosecution or judicial sanctions (or any combination of them).

Once a product candidate is identified for development, it enters pre-clinical testing, which includes laboratory evaluations of product chemistry, toxicity, formulation and stability, as well as animal studies. Pre-clinical testing is conducted in accordance with the FDA's Good Laboratory Practice regulations. A sponsor of an Investigational New Drug application ("**IND**") must submit the results of the pre-clinical tests (such as animal tests), manufacturing information, analytical data, the clinical trial protocol, and any available clinical data or literature to the FDA. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA raises concerns or questions and places the trial on a clinical hold within that 30-day period. The FDA may also impose clinical holds or partial clinical holds at any time during clinical trials due to safety concerns or non-compliance. Although information a sponsor submits in an IND is confidential information, general clinical trial information such as the number of patients involved and the type of adverse events studied can be made public information and can be available for public review through publication on government websites such as ***www.clinicaltrials.gov***.

All clinical trials, which involve the administration of the investigational product to humans, must be conducted under the supervision of one or more qualified investigators in accordance with Good Clinical Practice ("**GCP**") and human subject protection 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**"), often under the auspices of a university and sometimes a private, independent organization, 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 the 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 human subject research regulations or if the product has been associated with unexpected serious harm to subjects and the IRB believes patients are at risk.

Clinical trials generally are conducted in three sequential phases, known as Phase I, Phase II and Phase III, and may overlap.

- Phase I clinical trials generally involve a small number of healthy volunteers or disease-affected patients who are initially exposed to a single dose and then multiple doses of the product candidate. The primary purpose of these clinical trials is to assess the metabolism, pharmacologic action, side effect tolerability and safety of the product candidate.

- Phase II clinical trials generally involve studies in disease-affected patients to evaluate proof of concept and/or determine the dose required to produce the desired benefits. At the same time, safety and further pharmacokinetics and pharmacodynamics information is collected, possible adverse effects and safety risks are identified and a preliminary evaluation of efficacy is conducted.

- Phase III clinical trials generally involve a large number of patients at multiple sites and are designed to provide the data necessary to demonstrate the effectiveness of the product for its intended use, its safety in use and to establish the overall benefit/risk relationship of the product and provide an adequate basis for product labeling.

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

Concurrent with clinical trials, companies usually complete additional animal studies and must also finalize a process for manufacturing the product in commercial quantities in accordance with the FDA's current Good Manufacturing Practices ("**cGMP**").

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 a New Drug Application ("**NDA**") or a Biologics License Application ("**BLA**"). Unless deferred or waived, NDAs or BLAs, or supplements, must contain data adequate to assess the safety and efficacy of the product at the proposed commercial dosing regimen and administration for the claimed indications in all relevant populations, including any pediatric subpopulations. The submission of

an NDA or a BLA is subject to the payment of a user fee and an annual prescription drug product program fee to the FDA, although in certain circumstances the FDA may waive the annual prescription drug product program fee if the drug qualifies for orphan drug designation.

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

The FDA may refuse to approve the NDA or the 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 or the 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 withdraw the application and resubmit the NDA or the BLA when all the data addressing all of the deficiencies identified in the letter is available, or the applicant may 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. Furthermore, 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 or BLA approval and may require testing and surveillance programs to monitor the safety of approved products that have been commercialized.

Expedited Development and Review Programs

Fast Track Designation

Fast Track is a process designed to facilitate the development, and expedite the review of, drugs to treat serious conditions and fill an unmet medical need. Fast Track designation must be requested by the drug company. The request can be initiated at any time during the drug development process. The FDA will review the request and make a decision within 60 days based on whether the drug fills an unmet medical need in a serious condition. Determining whether a disease is serious is a matter of judgment, but generally the FDA considers whether the proposed drug will affect factors such as survival, day-to-day functioning, and the likelihood that the disease, if left untreated, will progress from a less severe condition to a more serious one. To address an unmet medical need, the proposed drug may be developed as a treatment or preventative measure for a disease that does not have a current therapy. The type of information

necessary to demonstrate unmet medical need varies with the stage of drug development: early in development, non-clinical data, mechanistic rationale, or pharmacologic data will suffice; later in development, clinical data should be utilized.

A sponsor may request Fast Track designation when the sponsor files an IND application or any time thereafter prior to the receipt of marketing approval. If a new drug product meets the requisite criteria for Fast Track designation, the FDA should grant the application. However, the FDA may rescind Fast Track designation, if the FDA determines the criteria for Fast Track designation are no longer met. The FDA will notify the sponsor in writing of its intent to rescind the designation through a "Intent to Rescind Fast Track Designation" letter, which will include the criteria for making the determination and provide the sponsor with an opportunity to submit additional data and justification to support the continuing designation and request a meeting to discuss the designation for the product. The rescinding of a Fast Track designation does not necessarily mean the product is not promising or that the product may not receive marketing approval. It means that the criteria for Fast Track designation are no longer met. The sponsor may request the designation to be rescinded/withdrawn. The impact of revocation is that the sponsor will lose all of the benefits of Fast Track designation, which include more frequent meetings and written communication with the FDA, rolling review, and eligibility for accelerated approval and priority review.

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 (the "**PDUFA**") guidelines. These six and ten month review periods are measured from the "filing" date rather than the receipt date for NDAs or BLAs, 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.

Accelerated Approval

Under the 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 trials 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 Designation

Another program potentially available for sponsors is the 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 an IND, and according to FAQs published by the FDA (current as of February 3, 2022), 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.

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. Accordingly, manufacturers must continue to expend time, money and effort in the area of production and quality control to maintain cGMP compliance. 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.

Patent Term Restoration and Marketing Exclusivity

After approval, owners of relevant drug or biological product patents may apply for up to a five-year patent extension to restore a portion of patent term lost during product development and FDA review of an NDA or a BLA if approval of the application is the first permitted commercial marketing or use of a biologic containing the active ingredient under the Drug Price Competition and Patent Term Restoration Act of 1984, referred to as the Hatch-Waxman Act. The allowable patent term extension is calculated as one-half of the product's testing phase, which is the time between IND and NDA/BLA submission, and all of the review phase, which is the time between NDA/BLA submission and approval, up to a maximum of five years. The time can be shortened if the FDA determines that the applicant did not pursue approval with due diligence. The total patent term after the extension may not exceed more than 14 years from the date of FDA approval of the product. Only one patent claiming each approved product is eligible for restoration, only those claims covering the approved product, a method for using it, or a method for manufacturing it may be extended, and the patent holder must apply for restoration within 60 days of approval. The USPTO, in consultation with the FDA, reviews and approves the application for patent term restoration. For patents that might expire during the application phase, the patent owner may

request an interim patent extension. An interim patent extension increases the patent term by one year and may be renewed up to four times. For each interim patent extension granted, the post-approval patent extension is reduced by one year. The director of the USPTO must determine that approval of the drug candidate covered by the patent for which a patent extension is being sought is likely. Interim patent extensions are not available for a drug candidate for which an NDA or a BLA has not been submitted.

While the Hatch-Waxman Act addresses the development and approval of generic drugs, the Biologics Price Competition and Innovation Act of 2009 (the "**BPCIA**"), enacted in the Affordable Care Act, or the ACA, amended the Public Health Service Act to create an abbreviated licensure pathway for biological products that are demonstrated to be "biosimilar" to, or "interchangeable", with an FDA-licensed reference product. BPCIA allows for approval of a biosimilar if it is "highly similar" and has no clinically meaningful differences from its approved and existing biological product.

Export Control Law

The Bureau of Industry and Security of the U.S. Department of Commerce (the "**BIS**") controls exports and reexports of commercial and dual-use products, software and technology (collectively, "**Items**"). These controls are implemented by the Export Administration Regulations (the "**EAR**"). The EAR applies to (i) U.S.-origin Items wherever located, (ii) exports of Items from the United States (irrespective of their origin) to foreign countries, (iii) reexports of U.S.-origin Items from one foreign country to another, and (iv) shipments from one foreign country to another of foreign-made Items that are subject to the EAR either because (a) they incorporate more than de minimis amount of controlled U.S.-origin parts, components or materials, or (b) they are the foreign direct product of certain controlled U.S. technology or software. The export, reexport or transfer (in-country) of Items subject to the jurisdiction of the EAR (as described in (i)–(iv) above) must comply with licensing requirements related to the end-destination, the end-users and the end-use of the Items when applicable.

In recent years, the United States has increased export controls restrictions on China through the EAR, administered by the BIS, which includes a list of foreign persons on which certain trade restrictions are imposed, including businesses, research institutions, government and private organizations, individuals and other types of legal persons (the "**Entity List**"). Where a foreign person is included on the Entity List, the export, re-export and/or transfer (in-country) of Items which are subject to the EAR generally is prohibited unless the specified license requirements are met.

OVERVIEW OF LAWS AND REGULATIONS IN JAPAN

This section summarizes the principal laws and regulations in Japan that are relevant to our business.

Laws and Regulations in Relation to New Drug

Japanese Government Regulation of Drug and Biological Products

In Japan, the regulation of drugs and biological products is governed and regulated by the Ministry of Health, Labour and Welfare (the "**MHLW**") and its subordinate independent administrative agency, the Pharmaceuticals and Medical Devices Agency (the "**PMDA**"). The PMDA is responsible for conducting scientific reviews and evaluations of drugs, biological products and regenerative medical products, while the MHLW is responsible for granting final approval of marketing authorization applications and overseeing the activities of the PMDA.

The research, development, manufacturing, importation, marketing and post-marketing safety management of drugs and biological products are primarily regulated under a comprehensive framework of pharmaceutical laws and regulations. The core statute is the Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices (the "**PMD Act**"), together with its implementing cabinet orders, ministerial ordinances and related guidance issued by the competent authorities. Compliance with these laws and regulations is required at each stage of the product lifecycle, including non-clinical studies, clinical trials, manufacturing and quality control, marketing approval and post-marketing safety surveillance. Failure to comply with the applicable Japanese requirements may result in criminal penalty, administrative actions and monetary penalties.

Japanese Review and Approval Processes

The process of obtaining regulatory approvals and the subsequent compliance with the relevant laws and regulations in Japan require the expenditure of substantial time and financial resources.

The development and approval of new drugs generally proceed through several principal stages. The process begins with pre-clinical research and non-clinical studies. After the synthesis method for a candidate compound has been established, non-clinical studies, including pharmacology, toxicology and pharmacokinetic evaluations, are required to be conducted in accordance with Good Laboratory Practice (GLP) and other applicable standards. These studies are designed to assess the basic safety and potential efficacy of the candidate and to provide the evidentiary basis for initiating clinical trials in humans.

Following the completion of non-clinical studies, clinical development is initiated in accordance with Good Clinical Practice (GCP) and other applicable standards. Clinical trials are typically conducted sequentially as Phase I, Phase II and Phase III studies, during which the safety, tolerability, dose range and efficacy of the investigational product are evaluated in healthy volunteers and patients.

After completion of the pivotal clinical studies, upon the submission of a new drug application by the applicant, the PMDA conducts a comprehensive review of the application by organizing an internal review team and, where appropriate, consulting external experts. The review includes an assessment of the product's quality, efficacy and safety, as well as inspections and verifications relating to data integrity, consistency with submitted materials and compliance with applicable standards for study conduct. After completing its review, the PMDA prepares an assessment report and refers the application to the relevant subcommittee of the Pharmaceutical

Affairs and Food Sanitation Council (the "**PAFSC**") for deliberation. Based on the PAFSC's opinion, the MHLW renders the final decision on whether to grant marketing authorization. The total period from acceptance of a standard new drug application through to the final decision on marketing authorization is approximately 12 months.

Post-Marketing Requirements in Japan

Following the approval of a new product, the manufacturer and the approved product are subject to continuing regulations, including the following post-marketing safety measures for information collection and evaluation.

Adverse Drug Reactions and Infections Reporting Measure

When a suspected adverse reaction, infection or similar safety issue occurs in connection with an approved pharmaceutical product, the marketing authorization holder (the "**MAH**"), as well as medical institutions, physicians, pharmacists and other relevant healthcare professionals, must report such cases to the MHLW without delay, with the PMDA acting as the receiving authority. Additionally, the MAH is obliged to submit periodic infection reports, generally every six months for biological products.

As part of this reporting framework, newly approved products are subject to an early post-marketing phase vigilance measure for approximately the first six months after launch, during which the MAH, with the cooperation of medical institutions, is expected to promote appropriate use of the product and to intensify the collection of information on adverse reactions so that serious or unexpected safety concerns can be identified at an early stage and appropriate safety measures can be taken.

Re-examination Measure

Re-examination measure refers to the process by which MAH collects data on new drugs used in medical institutions after a certain period following the approval of a new drug (usually four to ten years), and reconfirm the approved efficacy, effectiveness, and safety. There are three possible results of the re-examination: 1) revocation of approval; 2) deletion or modification of indications; and 3) no specific action taken (in this case, however, the drug's package insert will still be revised).

Re-evaluation Measure

The MHLW initiates the re-evaluation measures at any time, as necessary. It verifies the quality, efficacy, and safety of all approved drugs based on the latest academic standards in medicine, pharmacology, and other fields. After consulting with the PAFSC, the MHLW announces the scope of drugs required for re-evaluation.

Patent Term Extension and Market Exclusivity in Japan

Where the manufacture and sale of a pharmaceutical product require marketing approval under the PMD Act and the studies and review necessary to obtain such approval result in a period during which the patented invention cannot be exploited despite the patent being in force, the patentee may apply to the Japan Patent Office for a patent term extension pursuant to Article 67(4) of the Patent Act. This system is intended to compensate for patent term effectively lost due to the development and regulatory approval process, up to a maximum extension of five years. In principle, the permissible extension period corresponds to the time actually required to obtain the relevant approval under the PMD Act, which is calculated from whichever is later: (i) the date on which the patentee commenced the studies necessary for such approval after registration of the patent right, or (ii) the date of registration of the patent right, up to the day immediately preceding the date on which the approval was granted, excluding any period not directly related to such approval. Upon filing an application for patent term extension, the term of the patent is formally deemed to be extended until a final decision is made on whether to grant the extension. At this point, the deemed extension ceases and the patent term is fixed by the final decision.

OVERVIEW

Founded in 2012, we are a China-based biopharmaceutical company committed to developing therapies with an emphasis on protein drugs for indications with medical needs and market opportunities.

Our history dates back to April 24, 2012 when Beijing Zhonghong Saisi Biotechnology Limited (北京中宏賽思生物技術有限公司), our predecessor, was established in Beijing, PRC as a limited liability company with a registered capital of RMB10 million, led by Ms. Jia, our founder, chairperson of the Board, executive Director and one of our Controlling Shareholders, together with Mr. Li, another Controlling Shareholder of our Company and two then minority shareholders. For background of Ms. Jia and Mr. Li, see "Directors, Supervisors and Senior Management" and "Relationship with our Controlling Shareholders" of this prospectus. On October 21, 2020, our Company changed its name to Beijing Huaren Biotechnology Limited (北京華芒生物技術有限公司) and was further renamed as Huaren Biotechnology (Qingdao) Limited (華芒生物科技(青島)有限公司) on June 25, 2023, with our registered office relocated to Qingdao in Shandong Province, PRC. Our Company was converted into a joint stock company with limited liability on April 1, 2024 and renamed as B&K Corporation Limited (華芒生物科技(青島)股份有限公司). As of the Latest Practicable Date, our Company has an issued share capital of 100,008,722 Shares in a nominal value of RMB1.00 each.

OUR MILESTONES

The following table sets forth our Group's key business development milestones:

Year	Event
2012	• Our Company was established in April 2012
2013	• Commenced research and development of Pro-101-2 with the Institute of Bioengineering of AMMS jointly at the pre-IND stage in August 2013
2014	• The Research & Development Center of our Company was officially established in March 2014
2016	• Continued to optimize our production process with an upgrade from lab-scale to pilot-scale in June 2016
2018	• Recognized as National High and New Tech Enterprise* (國家高新技術企業) in September 2018
	Pro-101-2 for DFUs
	• Completed the pilot-scale production for raw liquids in July 2018
2020	*Pro-101-2 for DFUs*
	• Submitted pre-IND communication application to the CDE in October 2020
2021	*Pro-101-2 for DFUs*

Year	Event
	• Submitted IND application in April 2021 and received the clinical trial notification issued by the CDE in July 2021
	• Commenced Phase I clinical trial in August 2021 and completed the trial in October 2021, with a safety and tolerability profile demonstrated
	Research and development of mRNA
	• Commenced the research and development and patent application of mRNA injection and drugs in June 2021
	Financing
	• Completed Series Pre-A Financing in May 2021 with our post-money valuation reaching RMB805.40 million and Series A Financing in October 2021 with our Company's post-money valuation reaching RMB2,021.11 million
	Pro-101-1 for Thermal Burns
	• Applied to the FDA for pre-IND communication meeting in December 2021
2022	*Pro-101-2 for DFUs*
	• Obtained the CDE's written response, in which it did not raise any objection to our design of the Phase II clinical trial in February 2022, and we initiated the Phase II clinical trial in the same month
	Pro-101-1 for Thermal Burns
	• Obtained the FDA's written feedback in February 2022, in which the FDA agreed that the subsequent registration application would be made through BLA
	• Submitted the CDE clinical trial application in March 2022 and received a clinical trial notification in June 2022
	Research and development of mRNA
	• Established the nucleic acid pharmaceutical platform and synthesized the first batch of ionizable lipids in February 2022
	• Verified the structure and sequence of 3' untranslated regions, which contributed to enhancing the stability of mRNA in April 2022
2023	*Financing*
	• Completed Series B Financing in May 2023 with our post-money valuation being RMB3,300.29 million

Year	Event
	Pro-101-2 for DFUs
	• New product specifications have been added and approved by the CDE in December 2023
	Pro-101-1 for Thermal Burns
	• Completed Phase IIa clinical study in May 2023, with a satisfactory efficacy and safety profiles demonstrated
	• Initiated Phase IIb clinical study and completed the first patient enrollment in December 2023
2024	*Pro-101-1 for Thermal Burns*
	• Conducting Phase IIb clinical study, with 310 patients enrolled as of December 31, 2024
2025	*Pro-101-1 for Thermal Burns*
	• Reached last-patient-out of Phase IIb clinical study in April 2025
	Pro-101-2 for DFUs
	• Conducting Phase II clinical study, with 83 patients enrolled as of the Latest Practicable Date

MAJOR CORPORATE DEVELOPMENT OF OUR COMPANY

1. Establishment of our Company

On April 24, 2012, our Company was established as a limited liability company under the laws of the PRC with an initial registered capital of RMB10 million. The shareholding structure of our Company upon establishment is set forth in the table below:

Shareholders	Registered Capital held	Percentage of shareholding
	(RMB)	*(%)*
Ms. Jia	4,500,000	45.00
Li Desheng (李得聖)[1]	2,500,000	25.00
Guo Jing (郭晶)[1]	2,000,000	20.00
Mr. Li[2]	1,000,000	10.00
Total	10,000,000	100.00

Notes:

(1) To the best of our Company's knowledge, each of Li Desheng and Guo Jing is an Independent Third Party as of the Latest Practicable Date.

(2) Mr. Li became acquainted with Ms. Jia through previous business cooperation and is one of our Controlling Shareholders. See "Relationship with our Controlling Shareholders" in this prospectus for further background of Mr. Li.

2. Equity transfers in March 2013

In January 2013, Guo Jing transferred the registered capital of our Company of RMB2,000,000 (representing 20% of the then total registered capital of our Company, among which RMB1,000,000 remained outstanding and unpaid) to Ms. Jia at a consideration of RMB1,000,000, which was fully settled on March 27, 2013; while Ms. Jia transferred the registered capital of RMB1,000,000 (representing 10% of the then total registered capital of our Company) to Luo Bin (羅斌) at a consideration of RMB1,000,000.

Upon the completion of the above equity transfers, the shareholding structure of our Company in March 2013 was as follows:

Shareholders	Registered Capital held	Percentage of shareholding
	(RMB)	*(%)*
Ms. Jia	5,500,000	55.00
Li Desheng	2,500,000	25.00
Luo Bin[(1)]	1,000,000	10.00
Mr. Li	1,000,000	10.00
Total	10,000,000	100.00

Note:

(1) To the best of our Company's knowledge, Luo Bin is an Independent Third Party as of the Latest Practicable Date.

3. Equity transfers in September 2013

In August 2013, Ms. Jia transferred a total RMB2,000,000 of our registered capital (representing 20% of the then total registered capital of our Company, which remained outstanding and unpaid) to Li Desheng and Mr. Li as to RMB1,000,000 each, which were fully paid in on September 24, 2013 and September 25, 2013, respectively.

Upon the completion of the above equity transfers, the shareholding structure of our Company in September 2013 was as follows:

Shareholders	Registered Capital held	Percentage of shareholding
	(RMB)	*(%)*
Ms. Jia	3,500,000	35.00
Li Desheng	3,500,000	35.00
Mr. Li	2,000,000	20.00
Luo Bin	1,000,000	10.00
Total	10,000,000	100.00

4. Capital increase in December 2013

In October 2013, the registered capital of our Company was increased from RMB10,000,000 to RMB36,000,000 through (i) a capital injection of a total amount of RMB6,000,000 made by Ms. Zhang, which was fully settled on December 18, 2013, and (ii) a capital subscription of a total amount of RMB20,000,000 to be subscribed by the then existing shareholders of our Company.

Upon completion of the capital increase, the shareholding structure of our Company in December 2013 was as follows:

Shareholders	Registered capital held	Percentage of shareholding [(1)]
	(RMB)	*(%)*
Ms. Jia	10,500,000	29.17
Li Desheng	10,500,000	29.17
Mr. Li	6,000,000	16.67
Ms. Zhang[(2)]	6,000,000	16.67
Luo Bin	3,000,000	8.33
Total	36,000,000	100.00

Notes:

(1) Shareholding percentages may not add up to 100% due to rounding.

(2) Ms. Zhang joined the Group in March 2021 and currently serves as our administrative director being responsible for the overall management of the administrative affairs of the Group. She became acquainted with Ms. Jia through previous business cooperation and is one of our Controlling Shareholders. See "Relationship with our Controlling Shareholders" in this prospectus for further background of Ms. Zhang.

5. Equity transfers from January 2015 to November 2020

In January 2015, Luo Bin agreed to transfer the registered capital of our Company of RMB3,000,000 (representing approximately 8.33% of the then total registered capital of our Company) to Shao Yubo (邵煜博), the cousin of Mr. Wang (the son of Ms. Jia and our current President, executive Director and vice chairperson of the Board), at a consideration of RMB3,000,000. Subsequently, in February 2017, Shao Yubo agreed to transfer the registered capital of our Company of RMB3,000,000 (representing approximately 8.33% of the then total registered capital of our Company) to Wang Shen (王紳), the cousin of Mr. Wang, at a consideration of RMB3,000,000.

In January 2018, Li Desheng entered into an equity transfer agreement with Mr. Wang, and agreed to transfer the registered capital of our Company of RMB10,500,000 (representing approximately 29.17% of the then total registered capital of our Company) to Mr. Wang at a consideration of RMB10,500,000. In October 2018, in order to provide financial support for his other business initiatives, Mr. Wang agreed to transfer such total RMB10,500,000 registered capital of our Company to Jia Qiuli (賈秋麗), the sister of Ms. Jia, and Ms. Zhang as to RMB5,250,000 each at a consideration of RMB5,250,000 each. In October 2020, Jia Qiuli, to satisfy personal and family needs for flexibility in cash flow, transferred the registered capital of our Company of RMB5,250,000 (representing approximately 14.58% of the then total registered capital of our Company) to Ms. Jia at a consideration of RMB5,250,000; while Ms. Jia further transferred the

registered capital of RMB5,250,000 (representing approximately 14.58% of the then total registered capital of our Company) to Mr. Wang at a consideration of RMB5,250,000. Such equity transfer and cash flow were among the then Shareholders, the cash flow and financial position of the Group were not affected by such equity transfer.

In November 2020, to satisfy personal and family needs for flexibility in cash flow, Wang Shen transferred the registered capital of our Company of RMB3,000,000 (representing approximately 8.33% of the then total registered capital of our Company) to Jia Qiuli at a consideration of RMB3,000,000. Such registered capital was further transferred to Ms. Jia at a consideration of RMB3,000,000, and subsequently to Mr. Wang at a consideration of RMB3,000,000. The considerations of all the above-mentioned transfers have been fully settled by November 2020. Such equity transfer and cash flow were among the then Shareholders, the cash flow and financial position of the Group were not affected by such equity transfer.

Upon the completion of the abovementioned equity transfers, the shareholding structure of our Company in November 2020 was as follows:

Shareholders	**Registered capital held**	**Percentage of shareholding[(1)]**
	(RMB)	*(%)*
Ms. Zhang	11,250,000	31.25
Ms. Jia	10,500,000	29.17
Mr. Wang	8,250,000	22.92
Mr. Li	6,000,000	16.67
Total	36,000,000	100.00

Note:

(1) Shareholding percentages may not add up to 100% due to rounding.

6. Equity transfer and capital increases in December 2020

In December 2020, to satisfy personal and family needs for flexibility in cash flow, Ms. Zhang transferred the registered capital of our Company of RMB2,880,000 (representing 8% of the then total registered capital of our Company) to Song Jianqing (宋建青) at a consideration of RMB2,880,000, which was fully settled on November 12, 2020 such consideration is commercially negotiated and agreed between Ms. Zhang and Song Jianqing without involvement of the Company. To the best knowledge of the Company, save for acting as a Shareholder and his previous business relationship with Ms. Jia, Song Jianqing has no current or historical relationship with the Group or its connected persons, including Ms. Zhang.

In the same month, the registered capital of our Company was increased from RMB36,000,000 to RMB40,000,000 through a capital subscription of RMB4,000,000 by Qingdao Huaren, one of our Employee Shareholding Platforms. For further details of Qingdao Huaren, see "— Employee Shareholding Platforms" below.

In late December 2020, the registered capital of our Company was further increased from RMB40,000,000 to RMB60,000,000 through a capital subscription of a total RMB20,000,000 by our then existing shareholders on a *pro rata* basis.

Upon completion of the above equity transfer and capital increases, the shareholding structure of our Company in December 2020 was as follows:

Shareholders	Registered capital held	Percentage of shareholding[1]
	(RMB)	*(%)*
Ms. Jia	15,750,000	26.25
Ms. Zhang	12,555,000	20.93
Mr. Wang	12,375,000	20.63
Mr. Li	9,000,000	15.00
Qingdao Huaren	6,000,000	10.00
Song Jianqing[2]	4,320,000	7.20
Total	60,000,000	100.00

Notes:

(1) Shareholding percentages may not add up to 100% due to rounding.

(2) Song Jianqing became acquainted with Ms. Jia through previous business cooperation and is an Independent Third Party, and is an existing Shareholder with approximately 5.76% interest in the Company as of the Latest Practicable Date. Song Jianqing has served as director, supervisor and/or general manager at several affiliated corporations of Hynaut Group Co., Ltd (海氏海諾集團有限公司), including Hynaut Latex (Qingdao) Co., Ltd. (海氏海諾乳膠(青島)有限公司), Hynaut Lexiang Medical Technology (Qingdao) Co., Ltd. (海氏海諾樂享醫療科技(青島)有限公司), and Qingdao Hynaut Biotechnology Co., Ltd (青島惠諾德生物科技有限公司) since July 2010. She founded Qingdao Wanzhiqianhong Investment Consulting Co. (青島萬紫千紅投資諮詢有限公司) and served as its general manager since August 2019. She was awarded Emerging Strengths Women Entrepreneurs (新銳力量女企業家) by Qingdao Association of Women Entrepreneurs (青島市女企業家協會) in August 2023 and has served as a member of the Qingdao Association of Women Entrepreneurs since August 2023.

7. Capital increase in May 2021

In May 2021, the registered capital of our Company was increased from RMB60,000,000 to RMB87,000,000 through (i) a capital injection of RMB4,785,000 by Hainan Huaren; and (ii) a capital subscription of a total RMB22,215,000 by our then existing shareholders, namely, Song Jianqing, Qingdao Huaren, Mr. Wang, Ms. Zhang, Mr. Li and Ms. Jia as to RMB1,440,000, RMB2,000,000, RMB5,605,000, RMB4,920,000, RMB3,000,000 and RMB5,250,000, respectively. Such consideration was decided through arm's length negotiations taking into consideration that the business development of the Group Company, in particular, the Company then expected to receive the clinical trial notification issued by the CDE for Pro-101-2 for DFUs in 2021. See "— Our Milestones."

Similar to Qingdao Huaren, Hainan Huaren was established as one of our Employee Shareholding Platforms. For further details of Hainan Huaren, see "— Employee Shareholding Platforms" below.

Upon completion of the above capital increase, the shareholding structure of our Company in May 2021 was as follows:

Shareholders	Registered capital held	Percentage of shareholding[1]
	(RMB)	*(%)*
Ms. Jia	21,000,000	24.14
Mr. Wang	17,980,000	20.67
Ms. Zhang	17,475,000	20.07
Mr. Li	12,000,000	13.79
Qingdao Huaren	8,000,000	9.20
Song Jianqing	5,760,000	6.62
Hainan Huaren	4,785,000	5.50
Total	87,000,000	100.00

Note:

(1) Shareholding percentages may not add up to 100% due to rounding.

8. Series Pre-A Financing

On May 25, 2021, our Company and Zhang Hong (張鴻), among others, entered into a capital increase agreement, pursuant to which Zhang Hong agreed to subscribe for approximately 0.62% equity interest in our Company with a consideration of RMB5,000,000, which was fully settled on May 28, 2021. RMB543,750 out of such consideration was injected into the registered capital of our Company while the remaining amount of RMB4,456,250 was converted as the capital reserves of our Company. For further details of the Series Pre-A Financing, see "— Pre-IPO Investments" below.

Upon completion of the Series Pre-A Financing, the shareholding structure of our Company as of May 27, 2021 was as follows:

Shareholders	Registered capital held	Percentage of shareholding[1]
	(RMB)	*(%)*
Ms. Jia	21,000,000	23.99
Mr. Wang	17,980,000	20.54
Ms. Zhang	17,475,000	19.96
Mr. Li	12,000,000	13.71
Qingdao Huaren	8,000,000	9.14
Song Jianqing	5,760,000	6.58
Hainan Huaren	4,785,000	5.47
Zhang Hong[2]	543,750	0.62
Total	87,543,750	100.00

Notes:

(1) Shareholding percentages may not add up to 100% due to rounding.

(2) Zhang Hong is an Independent Third Party, and is an existing Shareholder with approximately 0.54% interest in the Company as of the Latest Practicable Date. For further details and background of Zhang Hong (張鴻), see "— Pre-IPO Investments — Information relating to our Pre-IPO Investors" below.

9. Series A Financing

On August 27, 2021, our Company, Ms. Jia, Qingdao CDH and Jiaxing CDH, among others, entered into a capital increase and equity transfer agreement, pursuant to which (i) Qingdao CDH agreed to acquire from Ms. Jia the registered capital of our Company of RMB1,459,063 at a consideration of RMB25,000,000, which was fully settled on October 8, 2021, and to subscribe for additional registered capital of our Company in the amount of RMB1,574,617 at a consideration of RMB35,000,000, which was fully settled on October 8, 2021; and (ii) Jiaxing CDH agreed to subscribe for additional registered capital of our Company in the amount of RMB1,799,562 at a consideration of RMB40,000,000, which was fully settled on September 17, 2021. For further details of the Series A Financing and background of Qingdao CDH and Jiaxing CDH, see "— Pre-IPO Investments" below.

Upon completion of the Series A Financing, the registered capital of our Company was increased from RMB87,543,750 to RMB90,917,929, and the shareholding structure of our Company as of October 29, 2021 was as follows:

Shareholders	Registered capital held	Percentage of shareholding
	(RMB)	*(%)*
Ms. Jia	19,540,937	21.49
Mr. Wang	17,980,000	19.78
Ms. Zhang	17,475,000	19.22
Mr. Li	12,000,000	13.20
Qingdao Huaren	8,000,000	8.80
Song Jianqing	5,760,000	6.34
Hainan Huaren	4,785,000	5.26
Qingdao CDH	3,033,680	3.34
Jiaxing CDH	1,799,562	1.97
Zhang Hong	543,750	0.60
Total	90,917,929	100.00

10. Series B Financing

On May 24, 2023, our Company and Qingdao Hitech, among others, entered into a capital increase agreement, pursuant to which Qingdao Hitech agreed to subscribe for additional registered capital of our Company in the amount of RMB9,090,793 at a consideration of RMB300,000,000, which was fully settled on October 24, 2023. For further details of the Series B Financing and background of Qingdao Hitech, see "— Pre-IPO Investments" below.

Upon completion of the Series B Financing, the registered capital of our Company was increased from RMB90,917,929 to RMB100,008,722, and the shareholding structure of our Company in June 2023 was as follows:

Shareholders	Registered capital held	Percentage of shareholding[1]
	(RMB)	*(%)*
Ms. Jia	19,540,937	19.54
Mr. Wang	17,980,000	17.98
Ms. Zhang	17,475,000	17.47
Mr. Li	12,000,000	12.00
Qingdao Hitech	9,090,793	9.09
Qingdao Huaren	8,000,000	8.00
Song Jianqing	5,760,000	5.76
Hainan Huaren	4,785,000	4.78
Qingdao CDH	3,033,680	3.03
Jiaxing CDH	1,799,562	1.80
Zhang Hong	543,750	0.54
Total	100,008,722	100.00

Note:

(1) Shareholding percentages may not add up to 100% due to rounding.

11. Conversion into a joint stock company with limited liability

On March 26, 2024, our Board passed resolutions approving, among other matters, the conversion of our Company from a limited liability company into a joint stock company with limited liability and the change of name of our Company from Huaren Biotechnology (Qingdao) Limited (華芢生物科技(青島)有限公司) to B&K Corporation Limited (華芢生物科技(青島)股份有限公司). Pursuant to the promoters' agreement dated March 27, 2024 entered into by all the then Shareholders, all then existing Shareholders of our Company approved the conversion of the net assets value of our Company as of February 29, 2024 into 100,008,722 Shares of our Company with a nominal value of RMB1.00 each. On March 27, 2024, our Company convened a shareholders' meeting, and passed the relevant resolutions approving the conversion of our Company into a joint stock company with limited liability, the articles of association and the relevant procedures. Upon completion of the conversion, the registered capital of our Company became RMB100,008,722 divided into 100,008,722 Shares with a nominal value of RMB1.00 each, which were subscribed by all the then Shareholders in proportion to their respective interests in our Company before the conversion. The conversion was completed on April 1, 2024 when our Company obtained a new business license.

SHAREHOLDING STRUCTURE AS OF THE LATEST PRACTICABLE DATE

The table below summarizes the shareholding structure of our Company as of the Latest Practicable Date and immediately prior to the completion of the Global Offering:

Shareholders	Type of Shares held	Number of Shares held	Percentage of shareholding[(1)]
			(%)
Ms. Jia	Unlisted Shares	19,540,937	19.54
Mr. Wang	Unlisted Shares	17,980,000	17.98
Ms. Zhang	Unlisted Shares	17,475,000	17.47
Mr. Li	Unlisted Shares	12,000,000	12.00
Qingdao Hitech	Unlisted Shares	9,090,793	9.09
Qingdao Huaren	Unlisted Shares	8,000,000	8.00
Song Jianqing	Unlisted Shares	5,760,000	5.76
Hainan Huaren	Unlisted Shares	4,785,000	4.78
Qingdao CDH	Unlisted Shares	3,033,680	3.03
Jiaxing CDH	Unlisted Shares	1,799,562	1.80
Zhang Hong	Unlisted Shares	543,750	0.54
Total		100,008,722	100.00

Note:

(1) Shareholding percentages may not add up to 100% due to rounding.

CONFIRMATION BY THE PRC LEGAL ADVISOR

As advised by our PRC Legal Advisor, all the necessary and material regulatory approvals, registrations or filings in relation to the changes in the registered capital and shareholding of our Company described above have been made and obtained, and the aforesaid changes in the registered capital and shareholding of our Company have been legally conducted and completed pursuant to the applicable PRC laws, regulations and rules in all material respects.

CONCERT PARTY AGREEMENT

On April 16, 2024, with a view to acknowledging the previous control status of our Group and ensuring the stable ownership and business development of our Group, Ms. Jia, Mr. Wang, Ms. Zhang and Mr. Li entered into the Concert Party Agreement, pursuant to which they confirmed and acknowledged that, among other things, (i) since October 2020, they had communicated thoroughly before the Board meetings (as the case may be) and shareholders' meetings of the Company, and had been acting in concert by aligning their votes at the Board meetings (as the case may be) and the shareholders' meetings of the Company; and (ii) they will continue to communicate thoroughly and act in concert by aligning their votes at the Board meetings (as the case may be) and shareholders' meetings of the Company until the earlier of (A) any of them ceases to be interested in the Shares directly or indirectly, or (B) the Concert Party Agreement is terminated by agreement among the Controlling Shareholders. See "Relationship with Our Controlling Shareholders" in this prospectus for further information.

EMPLOYEE SHAREHOLDING PLATFORMS

In recognition of the contributions of our employees and the consultants and to incentivize them to further promote our development, Qingdao Huaren was established in November 2020. To further incentivize employees and the consultants of the Group, Hainan Huaren was subsequently established in April 2021. Both of Qingdao Huaren and Hainan Huaren were established pursuant to PRC laws as our Employee Shareholding Platforms.

Qingdao Huaren

Qingdao Huaren is a limited partnership established under the laws of the PRC on November 30, 2020 and managed by its executive partner, Tang Anqi (唐安琪), who currently serves as the head of funds settlement of our Company and holds 0.625% partnership interests therein as of the Latest Practicable Date. As of the Latest Practicable Date, the remaining 99.375% partnership interests of Qingdao Huaren were held by 14 limited partners, including (i) two core connected persons of our Company, namely Dr. Zhai Junhui (翟俊輝) (our executive Director) and Ms. Chen Xuanyu (陳炫宇) (our Supervisor), who held approximately 13.75% and 3.125% partnership interests in Qingdao Huaren, respectively; and (ii) 12 other employees who held in aggregate approximately 82.5% partnership interests in Qingdao Huaren and none of whom is a core connected person of our Company or hold more than one third of interest in Qingdao Huaren. As of the Latest Practicable Date, Qingdao Huaren directly held approximately 8.00% equity interest in our Company. For details of the Employee Incentive Plan in respect of Qingdao Huaren, see "Statutory and General Information — C. Further Information about our Directors and Supervisors — 3. Employee Incentive Plans" in Appendix IV to this prospectus.

Hainan Huaren

Hainan Huaren is a limited partnership established under the laws of the PRC on April 25, 2021 and managed by its executive partner, Zhang Liting (張麗婷), who currently serves as deputy director of finance of our Company and holds approximately 19.82% partnership interests therein as of the Latest Practicable Date. As of the Latest Practicable Date, the remaining approximately 80.18% partnership interests of Hainan Huaren were held by four limited partners, including (i) one core connected person of our Company, namely Ms. Song Bing (宋冰) (our Supervisor), who held approximately 21.66% partnership interests in Hainan Huaren; and (ii) three other employees who held in aggregate approximately 58.52% partnership interests in Hainan Huaren and none of whom is a core connected person of our Company or hold more than one third of interest in Hainan Huaren. As of the Latest Practicable Date, Hainan Huaren directly held approximately 4.78% equity interest in our Company. For details of the Employee Incentive Plan in respect of Hainan Huaren, see "Statutory and General Information — C. Further Information about our Directors and Supervisors — 3. Employee Incentive Plans" in Appendix IV to this prospectus.

As of the Latest Practicable Date, there were a total of 12,785,000 Shares and 17 individual participants under the Employee Incentive Plans. All the partnership interests in Qingdao Huaren and Hainan Huaren and Shares under the Employee Incentive Plans have been fully granted and all the 17 individual participants have been registered as general partners and/or limited parters of Qingdao Huaren and Hainan Huaren, respectively. No further partnership interests in Qingdao Huaren and Hainan Huaren or Shares will be granted under the Employee Incentive Plans after the Listing. The Employee Incentive Plans are not subject to Chapter 17 of the Listing Rules. Among the 17 individual participants, the interests granted to and held by one participant under the

Employee Incentive Plans have been fully vested and the interests granted to and held by the other 16 participants under the Employee Incentive Plans are subject to certain restrictions under the Employee Incentive Plans and are therefore considered not to have been fully vested. For details, see "Statutory and General Information — C. Further Information about our Directors and Supervisors — 3. Employee Incentive Plans — " in Appendix IV to this prospectus.

The share-based payment expenses during the Track Record Period relating to grants under the Employee Incentive Plans have been determined by reference to such restrictions in accordance with applicable accounting principles. Therefore, for this purpose, the interests held by participants subject to these restrictions are considered to be subject to vesting conditions. For details, see Appendix I to this prospectus.

PRE-IPO INVESTMENTS

Overview

Details of the Pre-IPO Investments are set out below:

Name of Pre-IPO Investors	Subscription Method	Date of Investment Agreement	Date of Settlement of Consideration	Number of Shares Acquired	Consideration	Cost Per Share	Discount to the Offer Price[1]	Shareholding in the Company upon Listing (assuming the Over-allotment Option is not exercised)
					(in RMB)	*(in RMB)*		
Series Pre-A Financing								
Zhang Hong (張鴻)	Subscription	May 25, 2021	May 28, 2021	543,750	5,000,000	9.20	77.32%	0.46%
Series A Financing								
Qingdao CDH . .	Transferred by Ms. Jia	August 27, 2021	October 8, 2021	1,459,063	25,000,000	17.13[2]	57.78%	1.24%
	Subscription	August 27, 2021	October 8, 2021	1,574,617	35,000,000	22.23	45.21%	1.34%
Jiaxing CDH . . .	Subscription	August 27, 2021	September 17, 2021	1,799,562	40,000,000	22.23	45.21%	1.53%
Series B Financing								
Qingdao Hitech .	Subscription	May 24, 2023	October 24, 2023	9,090,793	300,000,000	33.00	18.66%	7.73%

Notes:

(1) Calculated based on the assumptions that the Offer Price is HK$44.6 per Offer Share, being the mid-point of the indicative Offer Price range of HK$38.2 to HK$51.0 per Offer Share.

(2) To the best knowledge of our Company who was not a party to such transfer, the consideration of such capital transfer was determined upon arm's length negotiation between Ms. Jia (as transferor) and Qingdao CDH (as transferee).

Principal Terms of the Pre-IPO Investments

Set out below are the principal terms of the Pre-IPO Investments:

	Series Pre-A	Series A[(1)]	Series B
Amount of registered capital increased *(RMB)*	543,750	3,374,179	9,090,793
Amount of registered capital after each round of Pre-IPO Investment *(RMB)*	87,543,750	90,917,929	100,008,722
Amount of consideration paid for the increased registered capital *(RMB)*	5,000,000	75,000,000	300,000,000
Cost per registered capital paid under the Pre-IPO Investments *(RMB)*	9.20	22.23[(1)]	33.00
Post-money valuation of the Company[(2)] *(RMB)*	805.40 million	2,021.11 million	3,300.29 million

Use of proceeds from the Pre-IPO Investments : As of the Latest Practicable Date, we utilized approximately 85.39% of the proceeds Company obtained from the Pre-IPO Investments for research and development of our pipeline products, and our daily operation and administration, and the remaining approximately 14.61% of the net proceeds has not yet been utilized.

Strategic benefits the Pre-IPO Investors brought to our Company : We are of the view that our Company can benefit from the additional capital injected by the Pre-IPO Investors' investments in our Company and the insights for industry, advice on business expansion and strategic direction brought by the Pre-IPO Investors to our Company. Their investments also demonstrated their confidence in our Group's operations and served as an endorsement of our Group's performance, strengths and prospects. Our Company is also of the view that most of the Pre-IPO Investments are made by professional strategic investors in relevant industries which can provide us with their knowledge and experience which we believe are beneficial to our Group's future development.

Basis of determining the consideration paid : The consideration for the Pre-IPO Investments were determined based on arm's length negotiations between our Company (or the selling shareholder, as applicable) and the Pre-IPO Investors with reference to the appraised market value of our equity interests, the timing of the investments and the prospects of our business.

Special rights	:	Pursuant to the supplemental agreement to the shareholders agreement dated February 23, 2024 entered into between the Company and the Shareholders (the "**Supplement Agreement**"), all the special rights granted to the Pre-IPO Investors, including, among others, the pre-emptive right, right of first refusal, director nomination right, information right and redemption right have been terminated on the date of such supplemental agreement and special rights such as redemption right shall be deemed as *void ab initio*. No redemption right was granted to the Pre-IPO Investor participating in the Series Pre-A Financing. In addition, the redemption rights previously granted to the Pre-IPO Investors participating in Series A Financing and Series B Financing (the "**Series A and B Investors**") will not be reinstated upon occurrence of events which are beyond Company control. According to the terms and conditions as set out in the Supplemental Agreement, and there is no specific legal opinion obtained by the Company since January 1, 2023 and up to the date of this Prospectus to support the redemption rights granted to the Series A and B Investors by the Company are unenforceable during the period since January 1, 2023 and up to the date of the Supplemental Agreement. Such redemption obligation of the Company were accounted for as financial liabilities as of December 31, 2023 and up to the date of the Supplemental Agreement. For details, please refer to note 22 of the Accountants' Report.
Lock-up	:	Pursuant to the applicable PRC laws, within the 12 months following the Listing, all current Shareholders (including the Pre-IPO Investors) shall not dispose of any of the Shares held by them.

Notes:

(1) As part of the Series A Financing, Qingdao CDH also acquired from Ms. Jia the registered capital of our Company in the amount of RMB1,459,063 at a consideration of RMB25,000,000, with cost per registered capital paid being RMB17.13. Please see "— Major Corporate Development of our Company — 9. Series A Financing" and "— Pre-IPO Investments — Overview" above. As such, the above share transfer has not been taken into account for the purpose of the amount of registered capital increased, amount of registered capital after each round of Pre-IPO Investment and amount of consideration paid for the increased registered capital as illustrated in the table above. To the best knowledge of our Company who was not a party to such transfer, the consideration of such capital transfer was determined upon arm's length negotiation between Ms. Jia (as transferor) and Qingdao CDH (as transferee).

(2) The corresponding valuation is calculated based on the proposed post-money capitalization of our Company at the time of the investments, as agreed under the relevant investment agreements. The increase of valuation of the Company from Series Pre-A Financing to Series A Financing was due to (i) the R&D progress of pipeline products of our Group and our business growth; and (ii) management team, strategic development and future prospects of our Group. The valuation of our Company increased during the period from our Series A Financing to Series B Financing primarily because (i) we successfully initiated Phase II clinical trial for one of our Core Products, Pro-101-2, in February 2022 and (ii) we also received the approval from the CDE to directly commence the Phase IIa clinical trial of one of our Core Products, Pro-101-1, in June 2022, which was an umbrella approval for Phase IIa, Phase IIb and Phase III clinical trials.

The increase of valuation of the Company from Series B Financing to the Listing was primarily due to the R&D progress of the clinical trial for our pipeline products, as well as the development and exploration of preclinical pipelines, including (i) we successfully initiated Phase IIb clinical trial for one of our Core Products, Pro-101-1, in December 2023 and (ii) new product specifications have been added for one of our Core Products, Pro-101-2, and approved by the CDE in December 2023.

Information relating to our Pre-IPO Investors

Our Pre-IPO Investors include Sophisticated Investor, namely CDH Investors, which has made meaningful investment in the Company at least six months before the Listing Date. The background information on our Pre-IPO Investors are as set out below.

Zhang Hong

Zhang Hong is an individual Pre-IPO Investor and an Independent Third Party. He graduated from the Harbin Medical University with a bachelor's degree in clinical medicine in July 1992 and an executive master of business administration from the University of Science and Technology of China in March 2017. He has over 20 years of experience in the pharmaceutical industry. Zhang Hong joined Astellas Investment (China) Co., Ltd. (安斯泰來(中國)投資有限公司) in March 2000 and held various positions including the manager of the business department, manager of government affairs department and director of market access with his latest position being head of the Greater China Government Affairs & Market Access.

CDH Investors

Qingdao CDH is a limited partnership established under the laws of the PRC, with Qingdao CDH Runzhong Investment Management Co., Ltd. (青島鼎暉潤中投資管理有限公司) as its general partner and manager, which is in turn controlled by Shanghai CDH Baifu Investment Management Co., Ltd. (上海鼎暉百孚投資管理有限公司) ("**Shanghai CDH Baifu**"). Shanghai CDH Baifu is ultimately controlled by Mr. Wu Shangzhi (吳尚志), an Independent Third Party. As of the Latest Practicable Date, based on publicly available information, Sinochem Investment Development Co., Ltd. (中化投資發展有限公司), a company ultimately wholly owned by the State Council, held 90% limited partnership interest in Qingdao CDH, and the other limited partner of Qingdao CDH held less than one-third of the limited partnership interest therein. Based on publicly available information and to the best knowledge of the Company, all of the limited partners of Qingdao CDH are Independent Third Parties.

Jiaxing CDH is a limited partnership established under the laws of the PRC, with Shanghai CDH Baifu as its general partner and manager, which is in turn ultimately controlled by Mr. Wu Shangzhi. As of the Latest Practicable Date, based on publicly available information and to the best knowledge of the Company, Ms. YANG Ruining (楊蕊寧), an Independent Third Party, held approximately 37.50% limited partnership interest in Jiaxing CDH, while neither of the other limited partners held more than one-third of the limited partnership interest therein. Based on publicly available information and to the best knowledge of the Company, all of the limited partners of Jiaxing CDH are Independent Third Parties.

Each of CDH Investors is an investment holding platform established under the laws of PRC. The assets under management by Shanghai CDH Baifu (being the general partner and manager of the CDH Investors) amounted to over RMB10 billion as of December 31, 2024, of which approximately 25% was in biotech, pharmaceutical and healthcare industries. Qingdao CDH,

Jiaxing CDH and Shanghai CDH Baifu are affiliates of CDH Investments group ("**CDH**"). Founded in 2002, CDH is one of the leading alternative investment management firms in China specializing in private equity investments. Based on publicly available information and to the best knowledge of the Company, CDH has invested in a number of biotech, pharmaceutical and healthcare companies, including but not limited to biotech companies listed on the Stock Exchange or other stock exchanges such as Giant Biogene Holding Co., Ltd. (a company listed on the Stock Exchange with stock code: 02367), Grand Pharmaceutical Group Limited (a company listed on the Stock Exchange with stock code: 00512) and HitGen Inc. (成都先導藥物開發股份有限公司) (a company listed on the Shanghai Stock Exchange with stock code: 688222). Accordingly, CDH Investors qualify as a sophisticated investor as required under Chapter 2.3 of the Guide for New Listing Applicants.

Qingdao Hitech

Qingdao Hitech is a limited liability company established under the laws of the PRC on June 26, 2001 and held as to 100% by Qingdao Laoshan Science and Technology Innovation Development Group Co. Ltd. (青島嶗山科技創新發展集團有限公司), which is wholly controlled by Finance Bureau of Laoshan District of Qingdao Municipal City (青島市嶗山區財政局). Qingdao Hitech recorded a total assets of over RMB10 billion as of December 31, 2022. Its major investment areas include artificial intelligence, intelligent manufacturing, and biomedicine, etc. In 2021, Qingdao Hitech participated in the investment of China AI Media & Entertainment Technology Co., Ltd. (中譯文娛科技(青島)有限公司), and in 2022, Qingdao Hitech invested in Qingdao Thunderobot Technology Co., Ltd. (青島雷神科技股份有限公司). It also invested in UBKang (Qingdao) Technology Co., Ltd. (優必康(青島)科技有限公司, being a non-wholly owned subsidiary of UBTECH ROBOTICS CORP LTD 深圳市優必選科技股份有限公司, whose H shares are listed on the Stock Exchange with stock code: 9880).

To the best knowledge of our Directors, each of our Pre-IPO Investors and their respective ultimate beneficial owners is an Independent Third Party.

Compliance with the Guide for New Listing Applicants on Pre-IPO Investment

On the basis that the consideration for the Pre-IPO Investments was settled more than 28 clear days before the date of our first submission of the listing application to the Stock Exchange and all special rights have been terminated, the Joint Sponsors confirmed that the Pre-IPO Investments are in compliance with Chapter 4.2 of the Guide for New Listing Applicants.

BUSINESS COOPERATION IN QINGDAO

The Cooperation Agreement

With a view to further promoting the business development of our Group, we engaged Hainan Qingshui Enterprise Management Consulting Partnership (Limited Partnership) ("**Hainan Qingshui**") as an independent financial adviser to our Company, to conduct research on investment promotion policies within the PRC and to provide advice to our Company for its consideration. Hainan Qingshui presented a number of recommendations to the Company. In particular, the Company became aware of the investment promotion policies of Laoshan District, Qingdao including its welcoming environment for companies in biotech, pharmaceutical and healthcare sector, and initiated contact with Laoshan Investment Promotion Center. Hainan Qingshui was

wholly owned by Wang Yuanqiang (王元強) and Zhang Chao (張超), Independent Third Parties. Prompted by a family member's healthcare needs, Wang Yuanqiang came to know about the Company's products. He therefore approached and became acquainted with the Company. To the knowledge of the Company, Wang Yuanqiang and Zhang Chao have been independent from any state/provincial/local government in China, the Company and its connected persons.

Taking into account the investment promotion policies of Laoshan District, we initiated contact with Qingdao Laoshan District Investment Promotion Center (青島市嶗山區招商投資促進中心, the "**Laoshan Investment Promotion Center**") in September 2022. After completing all necessary internal review process, believing in our Company's capability and business potential and as an incentive for our Company to relocate to Laoshan District of Qingdao to promote the development of Laoshan District, Qingdao in the long run, Laoshan Investment Promotion Center entered into an investment cooperation agreement (the "**Cooperation Agreement**") with our Company in April 2023. The Cooperation Agreement is in substance in the nature of attracting enterprises and investments into Laoshan District, Qingdao. The Cooperation Agreement set forth certain investment targets for the Company. The Company understands that such provision is not uncommon in investment cooperation agreements entered into between local governments and enterprises, and fulfillment of these targets would likely form the basis for the relevant government for offering incentives and benefits to such enterprises. Please see "— Clause 3 of the Cooperation Agreement" and "— Clause 4 of the Cooperation Agreement" for details of the Cooperation Agreement.

Clause 3 of the Cooperation Agreement

Pursuant to the Cooperation Agreement, Laoshan Investment Promotion Center will provide certain policy support, incentives and/or benefits to facilitate our Company's development, including, among other things,

(a) Laoshan Investment Promotion Center shall assist the Company with various matters and procedures such as company registration, tax registration, and land use;

(b) Laoshan Investment Promotion Center shall support a district-owned state-owned enterprise to invest in the Company for an amount of RMB300 million for 9.09% of the Company's total issued share capital, which investment shall be based on the relevant investment agreement (the "**Investment Agreement**") to be separately signed between the district-owned state-owned enterprise (the "**Laoshan Investor**") and the Company;

After the Cooperation Agreement, Laoshan Investment Promotion Centre introduced the Company to Qingdao Hitech. The two parties discussed the potential equity investment in the Company. Following Qinghao Hitech's independent due diligence, internal review and approval process, and the two parties' negotiation of the Investment Agreement, Qingdao Hitech participated in the Series B Financing, see "Pre-IPO Investment" above for details.

Laoshan Investment Promotion Center is a public institution supervised by Commerce Bureau of Laoshan District of Qingdao Municipal City (青島市嶗山區商務局), being responsible for investment promotion in Laoshan District, Qingdao, recommendation of specific investment projects, and coordination of issues arising from investment promotion, etc. Qingdao Hitech is a limited liability company established under the laws

of the PRC on June 26, 2001 and held as to 100% by Qingdao Laoshan Science and Technology Innovation Development Group Co. Ltd. (青島嶗山科技創新發展集團有限公司), which is wholly controlled by Finance Bureau of Laoshan District of Qingdao Municipal City (青島市嶗山區財政局). Each of Laoshan Investment Promotion Center and Qingdao Hitech belong to separate independent administrative systems and have different reporting lines in terms of economic management authority. The negotiations and execution of the Cooperation Agreement and the Investment Agreement were conducted by the Company separately with Laoshan Investment Promotion Centre and Qingdao Hitech, respectively.

(c) Laoshan Investment Promotion Center shall entrust a state-owned enterprise to construct production site, office building and supporting facilities with land area of approximately 40 *mu* in accordance with the needs of the Group (the "**Property**"). The construction of the Property shall be completed by end of 2025, and the Company was expected to lease the Property within one year since the completion and acquire the Property by end of 2027;

To the Company's understanding, following the execution of the Cooperation Agreement, Qingdao Hitech was entrusted to construct the Property.

Whist the Clause 3 and Clause 4 of the Cooperation Agreement has been terminated pursuant to the Mutual Consensus and Understanding since December 31, 2023, the Company understands that the construction of the Property is still ongoing to attract and accommodate multiple tenant/owner enterprises in biotech and pharmaceutical industries. The Property was named as B&K Biotech Industry Park (華芒生物醫藥產業園) as to our best knowledge, we are a representative biotech company registered and located in Laoshan District, Qingdao. Based on the Company's observation and as confirmed by Frost & Sullivan, such situation is not uncommon in PRC where a property is named after a representative company, while other companies engaged in similar industries may also locate there. In light of this clause in the Cooperation Agreement, the Company provided general requirements (rather than customized specifications) at the material time that are made with reference to the market standards for companies engaged in biotech and pharmaceutical industries. For example, the Company proposed the floor-to-ceiling height and load-bearing capacity for production sites, R&D and testing floors, industry incubation service areas, warehouses, and office spaces. As advised by Frost & Sullivan, such construction requirements are in line with market construction standards for companies engaged in biotech and pharmaceutical industries. In addition, the nature of the land on which the Property is situated is designated as M0, which allows the Property to be subdivided and registered with competent authorities or transferred as separate rooms, floors, suites, or buildings within the B&K Biotech Industry Park, making it suitable for attracting and accommodating multiple tenant/owner enterprises in biotech and pharmaceutical industries.

(d) other policy support to be granted by Laoshan Investment Promotion Center including provision of talent housing support, rental subsidy, etc.

In light of the Mutual Consensus and Understanding, the Company did not enjoy any such policy support such as talent housing support, rental subsidy, etc. under the Cooperation Agreement.

Clause 4 of the Cooperation Agreement

Pursuant to the Cooperation Agreement, our Company shall, among others,

(a) commence the relocation of its registered office within 15 business days following the date of the Cooperation Agreement and after the execution of the Investment Agreement and the relevant shareholders agreement of our Company; and relocate our headquarters, management, operation and sales department, as well as part of the R&D team to Laoshan District, Qingdao, within 30 business days following the completion of its registration with local SAMR;

(b) also invest for an aggregate amount of RMB500 million within the four-year period from January 1, 2023 to December 31, 2026, and a further RMB500 million during seven-year period from January 1, 2027 to December 31, 2033 (the "**Investment Targets**");

It was understood that the meeting of the Investment Targets would include spendings and expenses including sales expenses, administrative expenses, R&D expenses, finance cost, and other expenses incurred by the Group in the ordinary course as a whole on a consolidated basis. By way of reference, for the year ended December 31, 2023, the Company incurred cost and expenses of approximately RMB105 million which included administrative expenses, R&D expenses, finance costs and other expenses of the Group as shown in the Accountants' Report. These were targets and expectations of the Laoshan District government in order for the Company to be entitled to incentives and/or benefits that are tied to the registration, business and operations of the Company in the Laoshan District. Had clause 3 and clause 4 of the Cooperation Agreement were not to have been terminated pursuant to the Mutual Consensus and Understanding, these expense were intended to be provided for in the annual budgets of the Company in connection with its business and operations.

(c) legally relocate the two Phase II clinical trial approvals of Class I new drug it holds to Laoshan District, Qingdao, initiate no less than 10 R&D pipelines in Laoshan District. Qingdao and commercialize, produce and sell its products in Laoshan District, Qingdao:

In July 2021 and June 2022, the IND approvals for Pro-101-2 and Pro-101-1 were granted to the Company by NMPA, the national competent authority. Once the clinical trial approval is issued by NMPA, any subsequent changes to the company name or registered address will not trigger a reissuance of the clinical trial approvals which have been already issued. As the Company's registered address have been changed to Laoshan, Qingdao, the IND approvals obtained by the Company (now a company registered in Laoshan, Qingdao), is considered to have relocated to Laoshan, Qingdao. As such, the Company is of the view that it had completed the relocation of its clinical trial approvals. Laoshan Investment Promotion Center has also confirmed the Company had completed the relocation of its clinical trial approvals.

(d) other requirements including talent recruitment, maintenance of bank account within Laoshan, Qingdao, etc.

As the articles of association of the Company and the Company's internal procedures at the relevant time did not specifically require the approval of the Board for the entering of a contract that is in the nature of the Cooperation Agreement, Ms. Jia had signed the Cooperation Agreement in her capacity as legal representative of the Company. Whilst the Cooperation Agreement did not go through a formal board approval process prior to signing, Ms. Jia, noting the arrangements set forth in the Cooperation Agreement and with good intentions and for transparency and close communications with relevant stakeholders, had communicated and consulted with the other Directors and Shareholders at that time prior to the signing of the Cooperation Agreement, and received their acknowledgement and support for entering into the Cooperation Agreement.

Mutual Consensus and Understanding and the Supplemental Agreement

Shortly after the execution of the Cooperation Agreement, the State Administration for Market Regulation (國家市場監督管理總局, "**SAMR**") issued the Regulations on Fair Competition Review (Draft for Comments) (《公平競爭審查條例(徵求意見稿)》, the "**Fair Competition Regulation**") on May 12, 2023, which was further submitted to the Ministry of Justice (中華人民共和國司法部) for legal review in December 2023. The Fair Competition Regulation provided, among others, without the basis of laws, administrative regulations or provisions of the State Council, regulatory authorities shall not promulgate any policy measures which may affect production and operation costs, such as granting tax preferential policies, implementing selective and differentiated financial incentive or subsidy policies, in light of which the favourable policies granted by Laoshan Investment Promotion Center to the Company may not be in line with the spirit of the Fair Competition Regulation when it becomes effective. After further negotiation between Laoshan Investment Promotion Center and the Company, a duly authorized officer of Laoshan Investment Promotion Center and Ms. Jia, on behalf of the Company, held a face-to-face meeting in Qingdao in December 2023 and reached a mutual consensus and understanding on December 27, 2023 that clause 3 and clause 4 under the Cooperation Agreement would cease to be legally binding since December 31, 2023 (the "**Mutual Consensus and Understanding**").

Whilst the Mutual Consensus and Understanding on December 27, 2023 is legally binding as advised by our PRC Legal Advisors, for better record and evidentiary purpose, a supplemental agreement (the "**Supplemental Agreement**") was entered into between Laoshan Investment Promotion Center and the Company on February 6, 2025, which reaffirmed the termination of Clause 3 and Clause 4 of the Cooperation Agreement, and further provided for the termination of all remaining clauses of the Cooperation Agreement including introduction clause, default clause and other ancillary clauses (but excluding confidentiality restriction clause and governing law and dispute resolution clause). The signing of Supplemental Agreement took place after one year of reaching the Mutual Consensus and Understanding was because: (1) the Company was aware that the Commerce Bureau of Laoshan District, the supervising government authority of Laoshan Investment Promotion Center, has memorialized the Mutual Consensus and Understanding by way of minutes of the office meeting at the material time; and (2) both the Laoshan Investment Promotion Center and the Company considered the Mutual Consensus and Understanding is legally binding. Additionally, Laoshan Investment Promotion Center was occupied with other business affairs (including the negotiation with other enterprises which has similar circumstances with the Company in relation to the Fair Competition Regulation) and the Chinese New Year holiday soon after reaching the Mutual Consensus and Understanding, also led to the shelving of the signing of the Supplemental Agreement up until the request by the Company in February 2025.

PRC Legal Adviser's View

The PRC Legal Advisor is of the view that (i) the effectiveness of the Cooperation Agreement and Investment Agreement was not inter-conditional with each other, and the performance and subsequent cancellation of legal obligations of the Cooperation Agreement does not affect the legal validity of the Investment Agreement; (ii) the Company has not breached the Cooperation Agreement and the Investment Agreement, considering (A) the Cooperation Agreement and the Investment Agreement were entered into between the Company and two different contracting parties. Both agreements become effective upon signing, and the termination of any clause of the Cooperation Agreement is not provided in the Investment Agreement as a termination event or event of default; and (B) during the interviews with the Laoshan Investment Promotion Center and Qingdao Hitech, (a) both parties confirmed that these two agreements do not affect each other's validity and are not conditional upon one another; (b) the Qingdao Hitech confirmed there is no breach of the Investment Agreement by the Company; (c) the Laoshan Investment Center confirmed there is no breach of Cooperation Agreement by the Company and it further confirmed the clause 3 and 4 of the Cooperation Agreement ceased to be legally binding since December 31, 2023, and the non-performance of the conditions or obligations does not constitute a breach of contract, and no liabilities shall be borne by either party.

The Internal Control Systems of the Company

The Company has engaged an Independent Third Party professional internal control consultant (the "**Internal Control Consultant**"), a member of a firm with global network, to perform a review of our internal control systems and procedures. After being made aware of the Cooperation Agreement and the Mutual Consensus and Understanding, with a view to strengthen the circumstances surrounding the internal control measures of the Company, the Internal Control Consultant conducted an additional internal control review in contract management process and noted that (i) whist the Cooperation Agreement and Mutual Consensus and Understanding were not formally submitted to Board or Shareholders at material time for approval as the Cooperation Agreement and Mutual Consensus and Undertaking were not required to be subject to board or shareholders approval under the then effective articles of association and contract management policy of the Company, Ms. Jia took proactive actions to communicate and consult with all the other Directors and Shareholders at that time, and received their acknowledgement and support for entering into the Cooperation Agreement and Mutual Consensus and Understanding prior to reaching such agreement and arrangement; and (ii) the Company's then contract review and management policy did not prohibit verbal agreements. The Mutual Consensus and Understanding was reached verbally and took a prolonged time to be documented in writing. Therefore, although there was no non-compliance with the then effective articles of association and contract management policy of the Company, the Internal Control Consultant recommended to the Company to adopt a series enhanced internal control measures including but not limited to (i) contracts above a specified monetary threshold shall be executed in written form; (ii) code of conduct as well as undertaking of chairperson of the Board; and (iii) compliance trainings to directors, supervisors, senior management and employees of the Group. After receiving these recommendations, the Company has adopted all such enhanced internal control measures. Following the implementation of these enhanced internal control measures, the Internal Control Consultant conducted a follow-up review on a sampled basis, and no deficiency was identified, and the Internal Control Consultant did not provide any further recommendation for further enhancement of the internal control system of the Company. The Internal Control Consultant also noted that, following the Company's conversion into a joint-stock company in April 2024, policies

including rules of procedure for the board of directors and shareholders' meeting were established, clearly defining the matters and corresponding monetary thresholds to be approved by the shareholders' meeting and/or the board of directors, and the amended Articles stipulated the specific transaction monetary thresholds, significant transaction or asset acquisitions that require review and approval by the board of directors and the shareholders' meeting, respectively, and also included catch-all clauses requiring material arrangements to obtain board and/or shareholders approval.

Considering (i) the Cooperation Agreement and Mutual Consensus and Undertaking were not required to be subject to board or shareholders approval under the then effective articles of association and contract management policy of the Company; (ii) prior to reaching the Cooperation Agreement and Mutual Consensus and Undertaking, each of the then Directors and Shareholders acknowledged and supported reaching such agreements and arrangements; and (iii) the enhanced internal control measures adopted by the Company as disclosed above, the Directors considers the use of informal consultation process with board and shareholders and the prolonged time taken to document a verbal consent and undertaking did not represent material internal control weakness of the Company.

Save for (i) the Cooperation Agreement, Mutual Consensus and Understanding and the Supplemental Agreement with Laoshan Investment Promotion Center; (ii) the Investment Agreement entered into between the Company and Qingdao Hitech for series B financing and the relevant shareholders agreements; and (iii) the Demonstration Project Agreement with the Qingdao Municipal Science and Technology Bureau and the Qingdao Laoshan District Science and Technology Bureau, our Company does not have any other material agreement or arrangement (express or implied, formal or informal), or is under negotiation for such material agreement or arrangement, with any local governmental bodies and their associates or agents, Laoshan Investment Promotion Center, and/or Qingdao Hitech during the Track Record Period and up to the date of this Prospectus. For details of the Cooperation Agreement and the Investment Agreement, See "— Pre-IPO Investments" and "— Business Cooperation in Qingdao." For details of the Demonstration Project Agreement, see "Business — Collaboration, Licensing and Transfer Arrangements — Demonstration Project Agreement in Relation to Tβ4."

Present state after the termination of clauses of the Cooperation Agreement

Given that the Company's registered address has already been relocated to Qingdao, Laoshan District as a location is part of the planning when the Company plans for the next phase of its business (i.e. the commercialization phase). As the Group's Beijing R&D center is established and has been operated by the Group for quite some years, the Group currently intends to continue to focus on the Beijing R&D center to conduct the R&D for its current products including the Core Products. In light of the welcoming business environment in Qingdao, the Company will look to exploring the opportunities and benefits for increasing its presence and investment in Laoshan District (primarily through investments in the ordinary course) which may include moving of some R&D operations, hiring of staff and moving of personnel, and obtaining site(s) for establishing commercialization capabilities. To the best knowledge of the Company, construction of the Property is still underway and is currently anticipated to reach structural completion by the end of 2027. As the Company will have a genuine need for office space and production site as it moves to the commercialisation phase of its business, and if the constructed Property meets the configurations and specifications of the Company, it may be an option for the Company to occupy certain portions of the Property on terms that are acceptable to the Company. As there's currently no concrete plan for the occupation of the Property by the Company, no proceeds from the Global Offering is currently allocated for this purpose or is expected to be used in this regard. As clause 3 and clause 4 of the Cooperation Agreement have been terminated, there is no obligation or commitment on the Company to undertake any of the above investment or arrangement in Laoshan District.

As of the Latest Practicable Date, there are no concrete proposals. Any such plans and budgets will be presented for board approval under the prevailing corporate governance controls of the Company, and will be subject to future contracts and agreements with any appropriate counterparties. In addition, to the Company's understanding, with respect to any future policy support to be granted by the Laoshan Government, it should comply with all relevant PRC laws and regulations including the Fair Competition Regulation. Any such policy that is generally available to businesses and enterprises in the Laoshan District, Qingdao, including those companies in biotech and pharmaceutical industries, the Company expects that it shall be entitled to enjoy such support if it satisfies the relevant eligibility criteria.

Agreement with Hainan Qingshiu

Save for the service agreement with Hainan Qingshui in relation to its financial advisory services provided, our Company does not have any other material agreement or arrangement (express or implied, formal or informal), or is under negotiation for any such material agreement or arrangement with Hainan Qingshui during the Track Record Period and up to the Latest Practicable Date.

MAJOR ACQUISITION, DISPOSALS AND MERGERS

During the Track Record Period, we had not made any acquisitions, disposals or mergers that we consider to be material to us.

PUBLIC FLOAT

Our Company has applied for H-share full circulation to convert certain of the Unlisted Shares into H Shares as per the instructions of the relevant Shareholders. The conversion of Unlisted Shares into H Shares will involve an aggregate of 65,373,345 Unlisted Shares held by 11 existing Shareholders, representing approximately 55.56% of total issued Share capital of our Company upon completion of the conversion of Unlisted Shares into H Shares and the Global Offering (assuming the Over-allotment Option is not exercised). For further details, see "Share Capital" in this prospectus.

Upon the completion of the Global Offering and the conversion of Unlisted Shares into H Shares, our Company will have 34,635,377 Unlisted Shares and 83,022,145 H Shares, among which:

(i) the 34,635,377 Unlisted Shares (representing approximately 29.44% of our total issued Shares upon Listing) will not be considered as part of the public float as Unlisted Shares will not be converted into H Shares; and

(ii) among the 83,022,145 H Shares, the 52,902,178 H Shares held by Ms. Jia, Mr. Wang, Ms. Zhang, Mr. Li, Qingdao Huaren and Hainan Huaren will not be counted towards the public float as they are core connected persons of the Company.

The following table sets out our shareholding structure of our Company as at the Latest Practicable Date and immediately upon the completion of the Global Offering and the Conversion of Unlisted Shares.

Name of Shareholder	Number of Shares held as at the Latest Practicable Date	Number of Shares upon completion of the Global Offering[1]		Percentage of the Group's total issue Shares as at the Latest Practicable Date	Percentage of the Group's total issue Shares upon completion of the Global Offering[1]	Percentage of H Shares to the Group's total issued Shares upon completion of the Global Offering[1]	Whether the H Shares will be counted to the public float
		Number of Unlisted Shares to be converted to H Shares	Unlisted Share				
				(%)	*(%)*	*(%)*	
Ms. Jia	19,540,937	9,540,065	10,000,872	19.54	16.61	8.11	No
Mr. Wang	17,980,000	16,979,913	1,000,087	17.98	15.28	14.43	No
Ms. Zhang	17,475,000	13,980,000	3,495,000	17.47	14.85	11.88	No
Mr. Li	12,000,000	3,600,000	8,400,000	12.00	10.20	3.06	No
Qingdao Hitech	9,090,793	3,090,870	5,999,923	9.09	7.73	2.63	Yes
Qingdao Huaren	8,000,000	4,400,000	3,600,000	8.00	6.80	3.74	No
Song Jianqing	5,760,000	4,435,200	1,324,800	5.76	4.90	3.77	Yes
Hainan Huaren	4,785,000	4,402,200	382,800	4.78	4.07	3.74	No
Qingdao CDH	3,033,680	3,033,680	—	3.03	2.58	2.58	Yes
Jiaxing CDH	1,799,562	1,367,667	431,895	1.80	1.53	1.16	Yes
Zhang Hong	543,750	543,750	—	0.54	0.46	0.46	Yes
Total	**100,008,722**	**65,373,345**	**34,635,377**	**100**	**85.00**	**55.56**	
Other Public Shareholders of H Shares	17,648,800				15.00	15.00	Yes
Total number of Shares to be counted to the public float	**30,119,967**					**25.60**	**Yes**

Note:

1. Upon conversion of Unlisted Shares into H Shares and assume the Over-allotment Option is not exercised.

As a result of the foregoing, to the best of our Directors' knowledge, information and belief and having made all reasonable inquiries, immediately upon the completion of the Global Offering and conversion of Unlisted Shares into H Shares, an aggregate of 30,119,967 H Shares (including issue of 17,648,800 H Shares pursuant to the Global Offering) representing approximately 25.60% of our total issued Shares will be counted towards the public float. Pursuant to Rule 19A.13A(1) of the Listing Rules, (i) where the expected market value at the time of listing of our Company's H Shares does not exceed HK$6 billion, at least 25% of the total number of H Shares must at the time of the Listing be held by the public. With respect to the indicative Offer Price Range of HK$38.2, HK$44.6 and HK$51.0 per Offer Share (being the low-end, mid-point and the high-end, respectively), the expected market capitalization of the Company's H Shares would not exceed HK$6 billion. As such, our Directors are of the view that our Company will be able to satisfy the public float requirement under Rule 19A.13A(1) of the Listing Rules.

FREE FLOAT

Rule 19A.13C of the Listing Rules provides that, where a new applicant is a PRC issuer with no other listed shares at the time of Listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must: (a) represent at least 10% of the total number of issued shares in the class to which H shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK$50,000,000; or (b) have an expected market value at the time of listing of not less than HK$600,000,000.

To the best knowledge of our Directors, the 17,648,800 H Shares to be issued pursuant to the Global Offering are expected to be held by the public and will not be subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise). Based on the low-end, mid-end and the high-end of the indicative Offer Price range, respectively, our Company will satisfy the free float requirements under Rule 19A.13C of the Listing Rules.

OUR SUBSIDIARIES

We conducted all our material operations through our Company during the Track Record Period and up to the Latest Practicable Date. Set forth below are details of our three subsidiaries as of the Latest Practicable Date. See Note 1 in Appendix I to this prospectus.

Name of subsidiary	Place of incorporation	Date of incorporation	Shareholding	Scope of business based on business license [(1)]
Hainan Huaren Biotechnology	PRC	March 6, 2022	100%	Research and development
Beijing Huarene Biotechnology	Hong Kong	August 8, 2022	100%	Research and development
Huaren Yihai Biotechnology	PRC	July 21, 2023	100%	Research and development

Note:

(1) As of the Latest Practicable Date, save for Huaren Yihai Biotechnology, which is engaged in some research and development work, the other two subsidiaries have not yet commenced any substantive business operation.

CAPITALIZATION

The table below summarizes the shareholding structure of our Company immediately prior to and after the completion of the Global Offering:

	Immediately prior to the completion of the Global Offering		Immediately after the completion of the Global Offering (assuming the Over-allotment Option is not exercised)				
Shareholders	Number of Unlisted Shares held	Percentage of shareholding in the total issued share capital of our Company[1]	Number of H Shares held	Percentage of shareholding in H Shares of our Company[1]	Number of Unlisted Shares held	Percentage of shareholding in Unlisted Shares of our Company[1]	Percentage of shareholding in the total issued share capital of our Company
		(%)		*(%)*		*(%)*	*(%)*
Ms. Jia	19,540,937	19.54	9,540,065	11.49	10,000,872	28.87	16.61
Mr. Wang	17,980,000	17.98	16,979,913	20.45	1,000,087	2.89	15.28
Ms. Zhang	17,475,000	17.47	13,980,000	16.84	3,495,000	10.09	14.85
Mr. Li	12,000,000	12.00	3,600,000	4.34	8,400,000	24.25	10.20
Qingdao Hitech	9,090,793	9.09	3,090,870	3.72	5,999,923	17.32	7.73
Qingdao Huaren	8,000,000	8.00	4,400,000	5.30	3,600,000	10.39	6.80
Song Jianqing	5,760,000	5.76	4,435,200	5.34	1,324,800	3.82	4.90
Hainan Huaren	4,785,000	4.78	4,402,200	5.30	382,800	1.11	4.07
Qingdao CDH	3,033,680	3.03	3,033,680	3.65	—	—	2.58
Jiaxing CDH	1,799,562	1.80	1,367,667	1.65	431,895	1.25	1.53
Zhang Hong	543,750	0.54	543,750	0.65	—	—	0.46
Other H Share public investors	—	—	17,648,800	21.26	—	—	15.00
Total	**100,008,722**	**100.00**	**83,022,145**	**100.00**	**34,635,377**	**100.00**	**100.00**

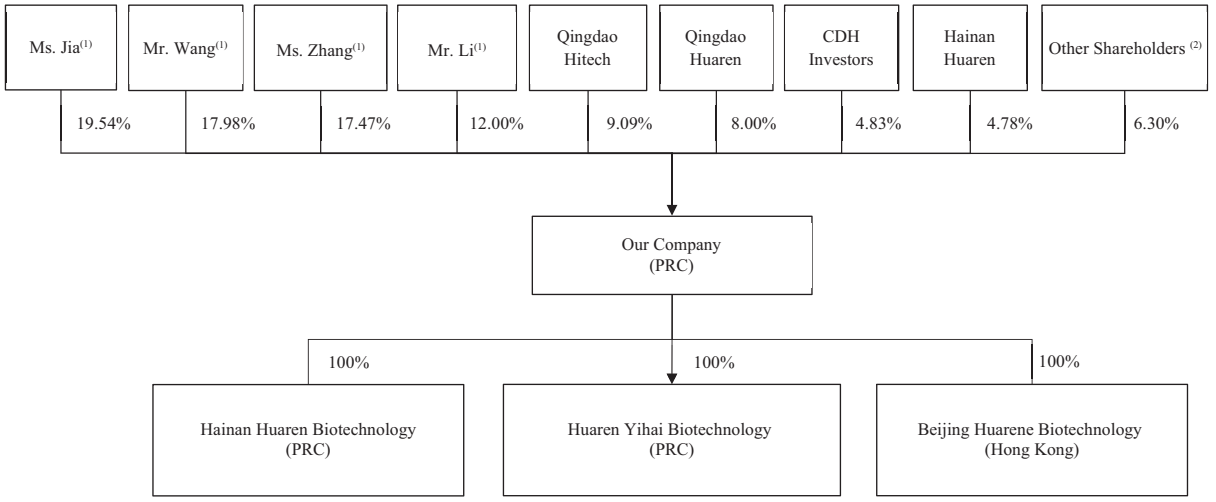
Note:

(1) Shareholding percentages may not add up to 100% due to rounding.

CORPORATE STRUCTURE

Our corporate structure immediately prior to the Global Offering

The following chart sets forth our Group's corporate structure immediately prior to the completion of the Global Offering:

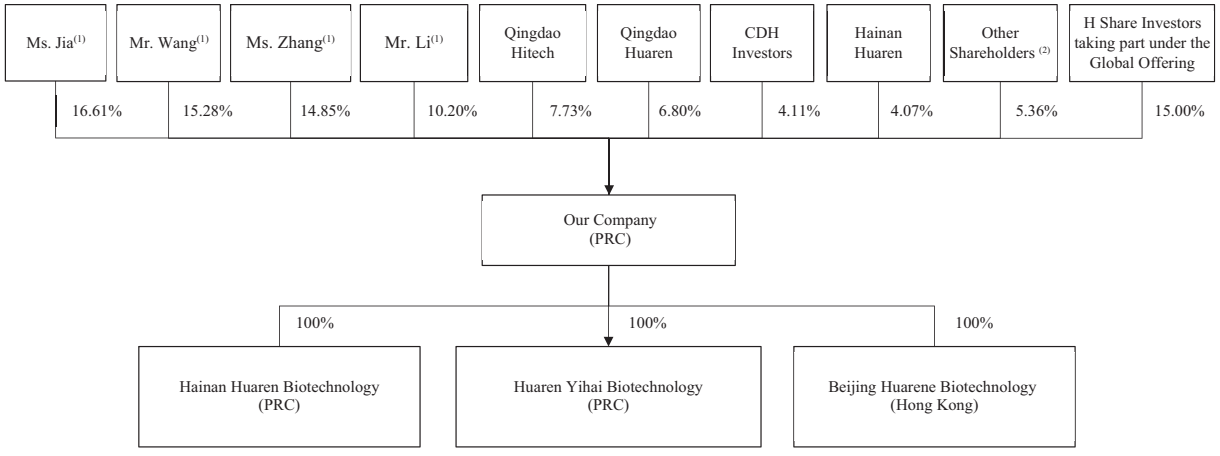


Note (1): Ms. Jia, Mr. Wang, Ms. Zhang and Mr. Li are parties acting in concert. For details of such arrangement, see "Relationship with Our Controlling Shareholders — Overview."

Note (2): Other Shareholders include Song Jianqing and Zhang Hong.

Our corporate structure immediately following the Global Offering

The following chart sets forth our Group's corporate structure immediately after the completion of the Global Offering (assuming that the Over-allotment Option has not been exercised):



Notes (1) to (2): Please refer to the shareholding and corporate structure immediately prior to the completion of the Global Offering.

OVERVIEW

Founded in 2012, we are a China-based biopharmaceutical company committed to developing therapies with an emphasis on protein drugs for indications with medical needs and market opportunities. We primarily focus on the discovery, development and commercialization of therapies for wound healing, currently PDGF drugs. As of the Latest Practicable Date, our pipeline consisted of ten candidates, seven of which are PDGF candidates, including two Core Products, namely Pro-101-1 for the treatment of thermal burns and Pro-101-2 for the treatment of DFUs, which are rhPDGF-BB drugs.

PDGF is one of the growth factors secreted by platelets after injury. It promotes the development of new blood vessels, regulation of inflammation, and stimulation of cell proliferation and migration, among other things, which eventually leads to wound closure and healing. PDGF-BB is one of the five dimeric isoforms of PDGF, and rhPDGF-BB is a clinically utilized version of PDGF-BB, which is a recombinant form of the naturally occurring PDGF-BB. Pro-101-1 is the most advanced PDGF drug candidate in terms of clinical development progress for the treatment of thermal burns in China, according to the Frost & Sullivan report. In addition, our other PDGF candidates also share the same active substance as our Core Products, rhPDGF-BB. PDGF drugs have been clinically used as growth factor therapeutic products in DFUs for more than 20 years mainly in the U.S. PDGF is the sole recombinant growth factor that has received approval from the FDA for topical use, specifically in treating DFUs. PDGF drugs have demonstrated notable efficacy with a favorable safety profile in treating DFUs across multiple clinical studies over the years. Meanwhile, as of the Latest Practicable Date, due to the high barriers in research and development and production of PDGF drugs, including (i) challenge of improving PDGF gene sequences for manufacturing purposes, (ii) complexity of producing purified PDGF, (iii) stringent requirements for quality control to avoid protein aggregation and misfolding, and (iv) proper formulation and storage conditions to maximize protein activity, there were no PDGF drugs commercially available in China.

Designed to address both acute and chronic wounds as well as minor and hard-to-heal wounds, our PDGF candidates, which all share the same active substance, rhPDGF-BB, are currently being developed for a broad spectrum of wound healing indications including (i) thermal burns, (ii) DFUs, (iii) fresh wounds, (iv) pressure ulcers, (v) radiation ulcers, (vi) dry eye syndrome, (vii) corneal injury, (viii) photodermatitis, (ix) alopecia, (x) hemorrhoids and (xi) gastric ulcers. In addition, PDGF drugs have the potential to enjoy applications in nearly 20 other indications of multiple medical specialties, according to the Frost & Sullivan report. As of the Latest Practicable Date, we had reached last patient out for Phase IIb clinical trial of Pro-101-1 for the treatment of deep second-degree thermal burns and superficial second-degree thermal burns in China, and entered the Phase II clinical trial of Pro-101-2 in DFUs in China, and submitted a pre-IND communication application to the FDA in December 2021 with respect to Pro-101-1 for thermal burns. Meanwhile, we are also advancing the pre-clinical development of PDGF candidates for nine other indications.

Given the discrete patient populations that it can target, we believe our PDGF candidates are a key pipeline asset in wound healing area. Their potential extensive applications indicate market opportunities, and enable us to capture the market opportunities in the PRC wound healing market. According to the Frost & Sullivan report, the market size of wound healing drugs in China

increased from RMB82.8 billion in 2018 to RMB95.7 billion in 2024, growing at a CAGR of 2.4%, and is expected to reach RMB118.0 billion in 2033, growing at a CAGR of 2.3% from 2024 to 2033. In particular, with respect to our Core Products:

- **Thermal Burns.** According to the Frost & Sullivan report, China has a relatively high thermal burn incidence rate. Despite a decreasing growth rate due to enhanced awareness and precaution, the PRC thermal burn market size remains large, at RMB1.5 billion in 2024, and is expected to reach RMB1.8 billion in 2033, with second-degree burns making up around 80% of the total market size.

  Our Phase IIa clinical results demonstrate that Pro-101-1 has safety and tolerability profile, and preliminary efficacy studies during the Phase IIa clinical trial demonstrate that it helps to expedite the healing process of superficial second-degree and deep second-degree burn wounds. We entered the Phase IIb clinical trial of Pro-101-1 for the treatment of superficial second-degree burns and deep second-degree burns in China in December 2023. We reached last patient out for the Phase IIb clinical trial in April 2025, and expect to finalize the Phase IIb clinical trial report for the treatment of deep second-degree burns in December 2025, and the Phase IIb clinical trial report for the treatment of superficial second-degree burns in the second quarter of 2026. We intend to initiate the Phase IIIa clinical trial of Pro-101-1 for the treatment of deep second-degree burns in the first quarter of 2026. Progression to Phase III clinical trials of Pro-101-1 for the treatment of superficial second-degree burns will depend on the statistical outcomes from the Phase IIb clinical trial and subsequent communications with the CDE. As of the Latest Practicable Date, we have no plans to progress to the Phase III clinical trial for this indication, as our strategy is to focus the clinical development of Pro-101-1 on the treatment of deep second-degree burns. We plan to launch the Pro-101-1 product in China in 2027. We also submitted a pre-IND communication application to the FDA in December 2021 with respect to Pro-101-1 for thermal burns. In their response, the FDA agreed with our proposal to carry out the clinical trials and submit a BLA via section 351(a) pathway (the pathway for approval of innovator biologics) for Pro-101-1 in thermal burns. We expect to submit the IND application to the FDA to directly start Phase III clinical trials for Pro-101-1 for the treatment of deep second-degree burns in the first quarter of 2026 and initiate the Phase III clinical trials in the U.S. in the first quarter of 2027. We have conducted research into the requirements for conducting clinical trials in Japan, as well as an analysis of the Japanese market. We expect to apply for pre-application consultation meeting with PMDA in the third quarter of 2026 to discuss our plan to commence a Phase III clinical trial for Pro-101-1 for the treatment of deep second-degree burns in Japan, and commence the Phase III clinical trial in the third quarter of 2027.

- **DFUs.** According to the Frost & Sullivan Report, China has one of the largest diabetic populations in the world, at approximately 144.3 million in 2024, which is expected to reach 177.7 million in 2033. According to the same source, around one fourth of the diabetic populations in China are expected to develop DFUs at some point during their lifetime. In 2024, the prevalence of DFUs in China was 8.4 million, which is expected to reach 10.7 million in 2033. Coupled with a lack of existing therapeutics with affirmative efficacy in China, DFUs have placed heavy financial burdens on patients, families and society, which presents a significant medical need with promising market opportunities.

Our Phase I clinical results demonstrate safety and tolerability profile of Pro-101-2 in the treatment of DFUs. We entered the Phase II clinical trial of Pro-101-2 in DFUs in China in February 2022. Since then, we had made registration of new product specification and certain revision to the existing clinical trial protocol. We expect to complete the Phase II clinical trial in the second quarter of 2027. We intend to initiate the Phase III clinical trial in the third quarter of 2027 and complete the trial in the second quarter of 2029. We plan to launch the product in China in 2030. In addition, we intend to submit IND filing in the U.S. and the CTN filing in Japan in the first quarter of 2027 and initiate the Phase III clinical trials in both countries in the third quarter of 2027.

Our Core Products have demonstrated safety profile with notable increases in wound healing rates across multiple clinical studies for different wound healing indications. According to the Frost & Sullivan report, based on several clinical trials, PDGF has demonstrated to help accelerate tissue repair and regeneration, enable patients to recover faster, reduce their hospitalization time, minimize complications and reduce the need for re-treatments. Since the commencement of our research and development of PDGF candidates in 2013, we have improved the gene sequence combination and gene modification of PDGF and developed a proprietary PDGF gene sequence for manufacturing purposes, applicable for our protein/peptide pharmaceutical platform and nucleic acid pharmaceutical platform. These improvements and developments have facilitated the development of PDGF candidates in a more efficient manner and further contributed to a significant technological barrier for our competitors to enter the market.

While developing our PDGF pipeline, we have also invested in and developed our pipelines of early-stage mRNA and ASO candidates to cover solid tumors, brain glioma and TNBC. As of the Latest Practicable Date, all such candidates were in pre-clinical development.

Our pipeline consisted of ten candidates with market potential covering a wide range of indications, comprising two Core Products, namely Pro-101-1 and Pro-101-2. As of the Latest Practicable Date, our Pro-101-1 for the treatment of deep second-degree thermal burns and superficial second-degree thermal burns had reached last patient out for Phase IIb clinical trial in China and was in the process of finalizing the clinical trial report, and our Pro-101-2 for DFUs was undergoing the Phase II clinical trial in China. The following chart summarizes our pipeline and the development status of each pipeline candidate as of the same date:

Candidate	Mechanism/ Target	Indication	Form	Clinical Trial Region	Development Phase	Upcoming Milestone	Competent or Regulatory Authorities	Commercial Rights	Self-developed or Co-developed
★Pro-101-1	PDGF receptor	Thermal burns	Topical gel	China	Pre-Clinical / Phase I / Phase II (IIa, IIb) / Phase III (IIIa, IIIb); (1)	Expected to initiate Phase IIIa clinical trial for the treatment of deep second-degree burns in 2026Q1 and complete Phase IIb clinical trial report for the treatment of superficial second-degree burns in 2026Q2	NMPA	Global	Self-developed
				U.S.	(2)	Expected to submit IND filing to start Phase III clinical trials for Pro-101-1 for the treatment of deep second-degree burns in 2026Q1	FDA	Global	
				Japan	(3)	Expected to apply for pre-application consultation meeting to discuss our plan to commence a Phase III clinical trial for Pro-101-1 for the treatment of deep second-degree burns in 2026Q3	PMDA	Global	
★Pro-101-2		DFUs	Topical gel	China	(4)	Expected to complete Phase II in 2027Q2 and initiate Phase III in 2027Q3	NMPA	Global	Co-developed with the Institute of Bioengineering of AMMS[6]
				U.S.		Expected to submit IND filing to start Phase III clinical trials in 2027Q1	FDA	Global	
				Japan		Expected to submit CTN filing to start a Phase III clinical trial in 2027Q1	PMDA	Global	
Pro-101-3		Fresh wounds, Pressure ulcers, Radiation ulcers, Photodermatitis, Alopecia, Hemorrhoids	Topical gel	China	(5)	For indications of fresh wounds, pressure ulcers and radiation ulcers, IND submission in China expected in December 2025; For indications of photodermatitis, alopecia and hemorrhoids, IND submission in China expected in 2026.	NMPA	Global	Self-developed
Pro-102		Fresh wounds, Photodermatitis	Spray	China		IND submission in China expected in 2028	NMPA	Global	
Pro-103		Dry eye syndrome, Corneal injury	Eye drops	China		IND submission in China expected in 2026	NMPA	Global	
Pro-104		Alopecia	Drug-device combination product[7]	China		IND submission in China expected in 2029	NMPA	Global	
Pro-105		Gastric ulcers	Oral	China		IND submission in China expected in 2027	NMPA	Global	
Mes-201 (mRNA)	TSAs	Solid tumor	Injection	China		IND submission in China expected in 2027	NMPA	Global	Self-developed
Oli-101 (ASO)	lncRNA	Brain glioma	Injection	China		IND submission in China expected in 2028	NMPA	Global	Self-developed
Oli-201 (ASO)		TNBC	Injection	China		IND submission in China expected in 2029	NMPA	Global	

★ **Core Products**

Notes:

1. Phase I clinical trial data of Pro-101-2 for the indication of DFUs are shared with indications of thermal burns and fresh wounds. In March 2022, we submitted application materials of clinical trial of Pro-101-1 based on the Phase I clinical trial results of Pro-101-2. NMPA issued an IND approval for the clinical trial of Pro-101-1 in June 2022, which was an umbrella approval for Phase IIa, Phase IIb and Phase III clinical trials. Considering that the technical aspects of the trials are relatively independent, in the interest of resource efficiency and effective management, and per the recommendations set out in the IND approval for the clinical trial obtained in June 2022, which sets forth ". . . the applicant shall consider the clinical characteristics of different wounds, standardized treatment plans, and

similarities and differences in prognosis, among other things, discuss with researchers and statistical experts, and stratify superficial second-degree and deep second-degree burns, while making overall plans for subsequent clinical research, including carrying out separate clinical trials if necessary. . .," we conducted the Phase IIb clinical trial with two cohorts for the treatment of deep second-degree burns and superficial second-degree burns, respectively. This approach ensures scientific rigour and compliance with regulatory guidance, while also allowing for efficient use of resources and streamlined trial management.

The last patient out for Phase IIb clinical trial of Pro-101-1 for the treatment of deep second-degree burns and superficial second-degree burns was reached in April 2025. We are finalizing the trial report, and expect the trial report for the treatment of deep second-degree burns to be completed in December 2025, and the trial report for the treatment of superficial second-degree burns to be completed in the second quarter of 2026, as the latter involves a larger number of enrolled subjects and consequently requires additional time to complete the related work. For details, see "— Our Candidates — PDGF — Material Communications with Competent Authorities."

2. We submitted a pre-IND communication application to the FDA in December 2021 with respect to Pro-101-1 for thermal burns. In lieu of a meeting, the FDA provided written responses in February 2022. The FDA replied that whether the Phase I clinical trial of Pro-101-2 in the treatment of DFUs and our current non-clinical studies are sufficient to support the initiation of the US IND-opening trial will be determined after the FDA's review of the complete initial IND submission, including the product quality and non-clinical components. The FDA also provided useful guidance on CMC process and the design of our Phase II clinical trial of Pro-101-1 in the treatment of thermal burns. We expect to submit the IND filing to the FDA in the first quarter of 2026 to directly start Phase III clinical trials for Pro-101-1 for the treatment of deep second-degree burns. Such plan is based on a comprehensive analysis of our resources and clinical trial progresses.

3. We expect to apply for pre-application consultation meeting with PMDA in the third quarter of 2026 to discuss our plan to commence Phase III clinical trials for Pro-101-1 for the treatment of deep second-degree burns in Japan. Such meeting aims to clarify requirements, address the need for local data and adapt our trial protocols to Japanese clinical practice, among others.

4. Even though the Phase II clinical trial of Pro-101-2 for DFUs began in February 2022, we expect to complete the same in the second quarter of 2027, mainly because we had made registration of new product specification and certain revision to the existing clinical trial protocol since we entered the Phase II clinical trial of Pro-101-2 in DFUs. We have commenced the patient enrollment process in the third quarter of 2024, and had completed the enrollment of 83 subjects as of Latest Practicable Date. In particular, the revision in the clinical trial protocol is mainly related to our intention to rely on the clinical evidence obtained from immunogenicity studies in the Phase IIa clinical trial of Pro-101-1 in thermal burns, as the enrollment process of thermal burn patients is faster than that of DFU patients. Such revision has been confirmed by the CDE in October 2023.

5. In December 2021, after the completion of the Phase I clinical trial of Pro-101-2, we submitted application materials for a pre-IND meeting with the CDE to discuss the IND application, the plan to directly conduct Phase Ib clinical trial based on the results of the Phase I clinical trial of Pro-101-2 in the treatment of DFUs and the design of the Phase Ib clinical trial. In lieu of a meeting, the CDE provided written responses in March 2022. The CDE provided useful guidance on the design of the Phase Ib clinical trial of Pro-101-3 in the treatment of fresh wounds and suggested that whether additional safety studies are necessary should depend on the MOA, dosage, administration timing and systemic/local exposure of the result of Pro-101-2 in the treatment of DFUs. Meanwhile, as we believe conducting studies to evaluate the safety, tolerability, pharmacokinetics and immunogenicity of Pro-101-1 on thermal burn patients can render more representative results compared to subjects in other indications, we have decided to conduct the Phase IIa clinical trial of Pro-101-1 in thermal burns first. Then, depending on the actual results, we plan to share the relevant results of pharmacokinetics and immunogenicity of Pro-101-1 with clinical studies of Pro-101-3 in fresh wounds, and directly proceed with the Phase II clinical trial on the efficacy and safety of Pro-101-3 in fresh wounds. We have completed the Phase IIa clinical trial of Pro-101-1 in thermal burns in May 2023 and reached last patient out for Phase IIb clinical trial for the treatment of superficial second-degree burns and deep second-degree burns in April 2025. We plan to submit the IND application for Pro-101-3 in fresh wounds to the NMPA in the fourth quarter of 2025 based on the Phase IIa and Phase IIb clinical trial results of the Pro-101-1 in thermal burns and the Phase I clinical trial results of the Pro-101-2 in DFUs. We expect to directly initiate the Phase II clinical trial of Pro-101-3 in fresh wounds upon obtaining the IND approval from the NMPA.

6. Both the Company and the Institute of Bioengineering of AMMS are holders of the Relevant Patents. Nevertheless, according to its written confirmation dated October 8, 2023, the Institute of Bioengineering of AMMS acknowledged that the rights to commercialize and use such patents belong exclusively to the Company. We

cooperated with the Institute of Bioengineering of AMMS in pre-clinical development of Pro-101-2 for DFUs, which we have independently researched and developed after the IND approval. However, since the Institute of Bioengineering of AMMS has not registered a change of ownership for the Relevant Patents, both the Company and the Institute of Bioengineering of AMMS remain co-owners of the Relevant Patents. For details on our arrangements with the Institute of Bioengineering of AMMS, see "— Collaboration, Licensing and Transfer Arrangements — Collaboration with the Institute of Bioengineering of AMMS and JinBang." Other than the Relevant Patents, we do not have any other patent co-owned with the AMMS.

7. Pro-104 is a PDGF microneedle candidate product for the treatment of hair loss. According to the "Notice on Matters Related to the Registration of Drug-Device Combination Products (No. 52 of 2021)" (藥械組合產品註冊有關事宜的通告(2021年第52號)), a drug-device combination product refers to a medical product produced as a single entity composed of both a drug and a medical device. Pro-104, being a PDGF microneedle, is a product composed of PDGF (drug) and microneedles (medical device), which meets the definition of a "drug-device combination product" as per the above regulation.

Over the years, we have achieved a competitive edge in PDGF candidates through overcoming barriers in research and development and production. Such edge is also protected by our bench-to-bedside patent matrix. Leveraging our experienced drug discovery team and rigorous drug discovery methodology, we have proprietary intellectual property rights with respect to all of our clinical-stage and pre-clinical candidates. As of the Latest Practicable Date, we owned a total of 25 granted patents, and had 29 pending patent applications, including two U.S. patent applications. In addition, according to the Frost & Sullivan report, we are the most advanced biopharmaceutical company in terms of the number of PDGF-related technologies and patents in China.

Our research and development capabilities are bolstered by a seasoned research and development team and our robust patent matrix, as well as advanced technology platforms, details of which are as follows:

- Our General Manager, Dr. ZHAI Junhui, is responsible for the overall strategies of our research and development work. He is a distinguished scientist in microbiology, molecular biology, virology and preventive medicine with around 30 years of experience in biomedical science research. Dr. Zhai headed and participated in many national-level and other major medical projects, such as the research and development of nucleic acid-based *in vitro* diagnostic reagents for SARS and H1N1 vaccines. He also published more than 100 scientific papers on subjects concerning microbiology, viral genomics and novel virus detection technologies. In addition, as of the Latest Practicable Date, Dr. Zhai was the co-inventor of 27 of our patents applications, ten of which had been approved.

- Our Chief R&D Officer, Dr. ZHAO Xinghui, is responsible for our research and development work. She is a distinguished scientist in biotechnology, genetics and microbiology with around 20 years of experience in biomedical science research. Her primary research areas include protein engineering drugs, pathogen infection mechanisms, tumor molecular markers and epigenetic regulation, and hematopoietic stem cell aging. As of the Latest Practicable Date, Dr. Zhao published 37 Science Citation Index ("**SCI**") papers, receiving approximately 1,000 citations with an H index of 19. She also led two research projects of the National Natural Science Foundation of China (the "**NSFC**") and taught several students pursuing a master's or a doctorate degree. As of the Latest Practicable Date, Dr. Zhao was the co-inventor of 35 of our patent applications, seven of which had been approved.

- Our research and development team has experience in drug development, comprising talents of different specialties, including biology, medicine, pharmacology, formulation, pathology, chemistry, fermentation and molecular biology. Our scientists previously worked in renowned hospitals, leading Chinese and international pharmaceutical companies and prestigious research institutes. Core members of our research and development team have on average over 15 years of industry experience.

- We have established systematic and well-integrated biomolecular therapeutic drug development platforms, including a protein/polypeptide pharmaceutical platform and a nucleic acid pharmaceutical platform. Our protein/polypeptide pharmaceutical platform is fortified by a combination of technologies, including eukaryotic expression technology, prokaryotic expression technology and recombinant DNA technology. Based on such platform, we have developed capabilities in new drug formulation development and indication expansion. Meanwhile, our nucleic acid pharmaceutical platform is underpinned by mRNA molecular design technology and lipid nanoparticle ("**LNP**") delivery technology. In particular, the protein/polypeptide pharmaceutical platform is integral to the advancement of our product portfolio, particularly that of our Core Products. Its capabilities in both prokaryotic and eukaryotic expression technologies have been instrumental in the creation and refinement of recombinant proteins and peptide drugs.

We aim to dedicate ourselves to developing biological products with a vision to eventually become a leading biopharmaceutical company in China. We intend to leverage our platforms, technologies, patents, pipeline candidates, teamwork and corporate culture to launch products with promising safety and efficacy. We intend to continually advance the pre-clinical and clinical development of our pipeline candidates with our in-house research and development capabilities. Meanwhile, we plan to strategically enhance our manufacturing and sales and marketing capabilities to support the potential commercialization of our pipeline candidates, thereby creating a bench-to-bedside biologics platform integrating the entire biologics value chain.

OUR STRENGTHS

A biopharmaceutical company of PDGF drugs in China in a wound healing market of opportunities with a significant medical need

We are a biopharmaceutical company primarily focused on the discovery, development and commercialization of therapies for wound healing, with a primary emphasis on PDGF drugs. One of our Core Products, Pro-101-1, is the most advanced PDGF drug candidate in terms of clinical development progress for the treatment of thermal burns in China, according to the Frost & Sullivan report. In addition, we are the most advanced biopharmaceutical company in terms of the number of PDGF-related technologies and patents in China, which can effectively ensure the progressiveness of our technologies.

PDGF is one of the growth factors secreted by platelets after injury. It promotes the development of new blood vessels, regulation of inflammation, and stimulation of cell proliferation and migration, among other things, which eventually leads to wound closure and healing. Currently, all of our PDGF candidates are being developed based on the same active substance, rhPDGF-BB, which is a form of PDGF-BB manufactured in laboratories using recombinant DNA technology and used for clinical treatments. Given the discrete patient populations that it can

target, we believe our PDGF candidates are a key pipeline asset in wound healing area. Our PDGF candidates are currently being developed for a broad spectrum of wound healing indications, designed to address both acute and chronic wounds as well as minor and hard-to-heal wounds. As of the Latest Practicable Date, we had reached last patient out for Phase IIb clinical trial of Pro-101-1 for the treatment of deep second-degree thermal burns and superficial second-degree thermal burns in China, and entered the Phase II clinical trial of Pro-101-2 in DFUs in China, and we submitted a pre-IND communication application to the FDA in December 2021 with respect to Pro-101-1 for thermal burns. Meanwhile, we are also advancing the pre-clinical development of PDGF candidates for nine other indications, comprising fresh wounds, pressure ulcers, radiation ulcers, dry eye syndrome, corneal injury, photodermatitis, alopecia, hemorrhoids and gastric ulcers. Other than the indications that we are currently striving to develop, PDGF drugs have the potential to enjoy wide applications in nearly 20 other indications across multiple medical specialties, including general surgery (such as varicose ulcers, phlebitis, and venous ulcers of the lower limbs), radiotherapy (such as skin repair after radiotherapy), dermatology, medical esthetics (such as wound care after plastic surgeries), ophthalmology (such as keratitis, refractive surgeries, refractive errors, cataracts, and glaucoma), orthopedics (such as tennis elbow, fasciitis, osteoarthritis and osteoporosis), dentistry (such as gum recession, periodontal disease and alveolar bone defects), and obstetrics and gynecology (such as cesarean wound care), according to the Frost & Sullivan report. Their potential extensive applications indicate market opportunities, and enable us to capture the market opportunities in the PRC wound healing market. According to the Frost & Sullivan report, the market size of wound healing drugs in China increased from RMB82.8 billion in 2018 to RMB95.7 billion in 2024, growing at a CAGR of 2.4%, and is expected to reach RMB118.0 billion in 2033, growing at a CAGR of 2.3% from 2024 to 2033. Our early entry into the market is expected to help us seize the opportunities in the wound healing market. In particular, with respect to the two indications of our Core Products:

- *Thermal Burns.* According to the Frost & Sullivan report, China has a relatively high thermal burn incidence rate. Despite a decreasing growth rate due to enhanced awareness and precaution, the PRC thermal burn market size remains large, at RMB1.5 billion in 2024 and is expected to reach RMB1.8 billion in 2033, with second-degree burns making up around 80% of the total market size. In particular, young children are particularly susceptible to thermal burns as they generally have less control over their environment and may not be fully aware of the dangers associated with heat sources.

- *DFUs.* According to the Frost & Sullivan Report, China has one of the largest diabetic populations in the world, at approximately 144.3 million in 2024, which is expected to reach 177.7 million in 2033. According to the same source, around one fourth of the diabetic populations in China are expected to develop DFUs at some point during their lifetime. DFUs are associated with high rates of limb amputation and mortality. According to the same source, globally, a diabetic patient undergoes amputation every 20 seconds, with DFU patients experiencing an annual mortality rate of up to 11%, and amputated patients facing an even higher mortality rate of 22%. Meanwhile, the prevalence of DFUs in China was 8.4 million in 2024 and is expected to reach 10.7 million in 2033, growing at a CAGR of 2.7%. As the sores and wounds of DFUs require long-term care that is both labor intensive and costly, and coupled with a lack of existing therapeutics with affirmative efficacy in China, DFUs have placed heavy financial burdens on patients, families and society. According to the Frost & Sullivan Report, the market size of the DFU drugs in China was RMB38.3 billion in 2024 and is expected to reach RMB48.5 billion in 2033, growing at a CAGR of 2.3%.

Moreover, hard-to-heal wounds are typically prevalent among the elderly, with decreased healing speed and increased risk of wound complications, which can greatly reduce the patient's quality of life and requires continuous and frequent treatment. PDGF drugs can help speed up patient healing, shorten hospitalization time, and reduce medical costs, thereby alleviating clinical, social, and patients' economic burdens, which indicates potentially a demand for PDGF drugs upon commercialization. In addition, benefiting from its wide applications and favorable efficacy, PDGF drugs have both consumer and medical attributes in the area of wound healing, thereby enjoying an even wider market potential.

As of the Latest Practicable Date, due to the high barriers in research and development and production of PDGF drugs, including (i) challenge of improving PDGF gene sequences for manufacturing purposes, (ii) complexity of producing purified PDGF, (iii) stringent requirements for quality control to avoid protein aggregation and misfolding, and (iv) proper formulation and storage conditions to maximize protein activity, there were no PDGF drugs commercially available in China, leaving a significant medical need. In contrast, PDGF drugs have been clinically used as growth factor therapeutic products in DFUs for more than 20 years mainly in the U.S. According to the Frost & Sullivan report, PDGF is the sole recombinant growth factor that has received approval from the FDA for topical use, specifically in treating DFUs. PDGF drugs have demonstrated notable efficacy with a favorable safety profile in treating DFUs in several clinical studies over the years. As PDGF drugs, our Core Products have demonstrated safety profile with notable increases in wound healing rates across multiple clinical studies. According to the Frost & Sullivan report, based on several clinical trials, PDGF has demonstrated to help accelerate tissue repair and regeneration, enable patients to recover faster, reduce their hospitalization time, minimize complications and reduce the need for re-treatments. Accordingly, we believe our position as a biopharmaceutical company of PDGF drugs can enable us to capitalize on the opportunities of the wound healing market.

Competitive edge achieved in PDGF drugs through overcoming multi-dimensional barriers in research and development and production

One of our Core Products, Pro-101-1, is the most advanced PDGF drug candidate in terms of clinical development progress for the treatment of thermal burns in China, according to the Frost & Sullivan report. Since the commencement of our research and development of PDGF drugs in 2013, we have improved the gene sequence combination of PDGF and developed a proprietary PDGF gene sequence for manufacturing purposes, applicable for our protein/peptide pharmaceutical platform. These improvements and developments have facilitated the development of PDGF drugs in a more efficient manner and further contributed to a significant technological barrier for our competitors to enter the market. Compared to the only PDGF drug for treating DFUs approved by the FDA in the U.S. which used the *Saccharomyces cerevisiae* expression technology, our PDGF candidates employ *Pichia pastoris* as their carrier and have a lower glycosylation level, extracellular secretion and expression of the target product, a mature fermentation process and an easy separation and purification process. In comparison with *Saccharomyces cerevisiae*, the *Pichia pastoris* expression system has a higher efficiency of secretory expression, and can make purification of recombinant protein easier due to its limited production of endogenous secretory proteins. They are based on PDGF of DNA sequences distinct from those of the only PDGF drug approved by the FDA in the U.S. for treating DFUs. In particular, the sequence of our PDGF candidates is reduced by five amino acids that are prone to cleavage, which enables higher stability and consistency of our PDGF candidates.

Leveraging our research and development expertise and experience with PDGF drugs, we have made achievements in preparation techniques of PDGF drugs in terms of purity, production volume and stability, among other things. In particular, the production of purified PDGF is sophisticated and involves several challenges due to its complex structure and biological activity. It requires the selection of an appropriate expression system for optimal bioactivity. Meticulous gene engineering efforts are necessary to the extent to enhance the expression efficiency and protein production volume and quality. Moreover, PDGF is prone to protein aggregation and misfolding, which can lead to impaired functionality and reduced yield and requires robust quality control methods to manage. Additionally, as PDGF is a protein molecule, compared to small chemical molecules, it also calls for proper formulation and storage conditions to maximize protein activity. Capitalizing on our accumulated knowhow and technology platforms, we are able to tackle the foregoing challenges and develop PDGF in a cost-effective and scalable manner.

Meanwhile, our competitive edge is protected by our bench-to-bedside patent portfolio. We have established a robust patent matrix that encompasses a diverse range of indications, processes and new formulations. Patents are the cornerstone of our product research and development. Leveraging our experienced drug discovery team and rigorous drug discovery methodology, we have proprietary intellectual property rights with respect to all of our clinical-stage and pre-clinical candidates. As of the Latest Practicable Date, we owned a total of 25 granted patents, and had 29 pending patent applications, including two U.S. patent applications. According to the Frost & Sullivan report, we are the most advanced biopharmaceutical company in terms of the number of PDGF-related technologies and patents in China. Such patent matrix brings challenges to new market entrants and potential competitors that are in clinical development of PDGF drugs. Meanwhile, we are able to capitalize on such patent matrix and continually explore new technologies and opportunities so as to fully exploit the innovation potential of PDGF drugs. Additionally, to protect our existing patent advantages, we have implemented a number of measures such as making patent applications as to our Core Products in unpatented indications and techniques. In light of the scope of coverage by and the number of our existing granted patents and pending patent applications, as well as high technological barriers in producing biologic drugs, we believe we are well protected by our patent portfolio.

In particular, our proprietary patent portfolio features industry leading patents with technical characteristics, including a recombinant human platelet-derived growth factor gel, and a pH-responsive hydrogel bio carrier and its application. Moreover, our patent matrix encompasses the full bench-to-bedside cycle of drug development from discovery, development to clinical applications. For example, we have filed applications for two process invention patents in April 2023, one pertaining to fermentation and the other to purification processes, and for one patent relating to drug inspecting method in December 2023. Such patent portfolio can effectively ensure the quality, safety and consistency of our candidates. Furthermore, our proprietary patent portfolio covers patent applications of four different indications (namely, thermal burns, DFUs, pressure ulcers and radiation ulcers), and two patent applications for eye drops, which indicates our notable pipeline and formulation expansion capabilities.

In addition, we have the rights to develop and commercialize all of our candidates currently in our pipelines globally. Meanwhile, we have some pending patent applications in China and overseas, which we believe can enable us to develop candidates in more indications and formulations. This may in turn bring about opportunities for us to work with well-known multinational pharmaceutical companies, which can potentially pave the way for our expansion into the overseas market in the future.

Clinical data of our Core Products demonstrating safety profile with notable increases in wound healing rates

Our Core Products have demonstrated safety profile with notable increases in wound healing rates across multiple clinical studies for different wound healing indications. As of the Latest Practicable Date, we had completed the Phase IIb clinical trial of Pro-101-1 in thermal burns in China, and entered the Phase II clinical trial of Pro-101-2 in DFUs in China. As to thermal burns, our Phase IIa clinical results demonstrate that Pro-101-1 has safety and tolerability profile, and preliminary efficacy studies during the Phase IIa clinical trial demonstrate that it helps to expedite the healing process of superficial second-degree and deep second-degree burn wounds. Meanwhile, our Phase I clinical results demonstrate safety and tolerability profile of Pro-101-2 in the treatment of DFUs. The below is a summary of our clinical studies. For the details on our clinical studies, see "— PDGF — Summary of Clinical Trial Results."

- *Thermal Burns.* Thermal burns are typically classified into first-degree burns, second-degree burns (further divided into superficial and deep second-degree burns), and third-degree burns, and Pro-101-1 is expected to be effective in treating superficial and deep second-degree burns. We completed the Phase IIa clinical trial of Pro-101-1 in May 2023. During the Phase IIa clinical trial, neither serious adverse events (the "**SAEs**") nor deaths were reported, and Pro-101-1 demonstrated safety and tolerability profile and was able to promote the healing of superficial second-degree and deep second-degree burn wounds, shortening the healing time and accelerating the healing process.

  We entered the Phase IIb clinical trial of Pro-101-1 in thermal burns for the treatment of deep second-degree burns and superficial second-degree burns in China in December 2023. We reached last patient out for Phase IIb clinical trial in April 2025, and expect to finalize the clinical trial report for the treatment of deep second-degree burns in December 2025, and the clinical trial report for the treatment of superficial second-degree burns in the second quarter of 2026.

  We intend to structure the Phase III clinical trial of Pro-101-1 for the treatment of deep second-degree burns into two stages: Phase IIIa and Phase IIIb, and initiate the Phase IIIa clinical trial in the first quarter of 2026. As of the Latest Practicable Date, we had no plan to progress to the Phase III clinical trial for Pro-101-1 for the treatment of superficial second-degree thermal burns. We plan to launch the Pro-101-1 product in China in 2027. We also submitted a pre-IND communication application to the FDA in December 2021 with respect to Pro-101-1 for thermal burns. In their response, the FDA agreed with our proposal to carry out the clinical trials and submit a BLA via section 351(a) pathway (the pathway for approval of innovator biologics) for Pro-101-1 in thermal burns. We expect to submit the IND application to the FDA in the first quarter of 2026 to directly start Phase III clinical trials for Pro-101-1 for the treatment of deep second-degree burns, and initiate the Phase III clinical trials in the U.S. in the first quarter of 2027 in the U.S. We have conducted research into the requirements for conducting clinical trials in Japan, as well as an analysis of the Japanese market. We expect to apply for pre-application consultation meeting with PMDA in the third quarter of 2026 to discuss our plan to commence a Phase III clinical trial for Pro-101-1 for the treatment of deep second-degree burns in Japan, and commence the Phase III clinical trial in the third quarter of 2027.

- *DFUs.* As one of the common complications caused by diabetes, DFUs can be classified into six grades in terms of severity under the Wagner Ulcer Grade Classification System, with grade 0 being the least severe and grade 5 being the most. See "Industry Overview" for more details. Pro-101-2 is expected to be effective in treating Wagner grade 1 to 5 DFUs. In particular, Pro-101-2 has shown good efficacy in the treatment of Wagner grade 1 and grade 2 DFUs and can prevent Wagner grade 1 and grade 2 DFUs from deteriorating to Wagner grade 3. We completed the Phase I clinical trial of Pro-101-2 in DFUs in October 2021, during which Pro-101-2 demonstrated safety and tolerability profile. During the Phase I clinical trial, neither SAE nor deaths were reported, and all adverse events (the "**AEs**") were Grade 1 in terms of severity.

  We entered the Phase II clinical trial of Pro-101-2 in DFUs in China in February 2022. Since then, we had made registration of new product specification and certain revision to the existing clinical trial protocol. We expect to complete the Phase II clinical trial in the second quarter of 2027. We intend to initiate the Phase III clinical trial in the third quarter of 2027 and complete the trial in the second quarter of 2029. We plan to launch the product in China in 2030. In addition, we intend to submit IND filing in the U.S. and the CTN filing in Japan in the first quarter of 2027 and initiate the Phase III clinical trials in both countries in the third quarter of 2027.

Concurrently, we are advancing the pre-clinical development of PDGF candidates for nine other indications, while exploring more indications for which topical medications are possible. Moreover, we are also seeking to expand our range of formulations. For example, other than the topical gel form of our Core Products used in treating thermal burns and DFUs, we are researching a spray for fresh wounds and photodermatitis, eye drops for dry eye syndrome and corneal injury, an oral medication for gastric ulcers, and a medical device for alopecia. We believe our favorable clinical trial results can benefit the clinical development of PDGF candidates for other indications and enhance the certainty of commercialization of such candidates.

Capabilities to continually develop new products, as bolstered by our research and development team and well-established methodical technology platforms encompassing core areas such as protein/polypeptide and mRNA

Our research and development team is the driving force behind our success. Directed by our corporate value of independent research and innovation, we have assembled a professional research and development team with extensive experience in drug development. Our scientists are specialized in biology, medicine, pharmacology, formulation, pathology, chemistry, fermentation and/or molecular biology, and previously worked in renowned hospitals, leading Chinese and international pharmaceutical companies and/or prestigious research institutions, such as AMMS, the Chinese Academy of Sciences, North China Pharmaceutical, Columbia University, and University of Kentucky. Core members of our research and development team have on average over 15 years of industry experience.

Our General Manager, Dr. ZHAI Junhui, is responsible for the overall strategies of our research and development work. He is a distinguished scientist in microbiology, molecular biology, virology and preventive medicine with around 30 years of experience in biomedical science research, and his primary research areas include microbiology and viral genomics, discovery of new pathogens in emerging infectious diseases, and development of novel virus detection technologies. He obtained his doctorate degree in preventive healthcare from AMMS and was a

postdoctoral research scientist in microbiology at Columbia University School of Public Health (Infection and Immunity Center Laboratory). His postdoctoral supervisor is Professor Walter Ian Lipkin, biomedical expert known as the "Virus Hunter." As a former researcher of a research institute of AMMS, Dr. Zhai headed and participated in many national-level and other major medical projects, such as the research and development of nucleic acid-based *in vitro* diagnostic reagents for SARS and H1N1 vaccines. He served as the UN inspector of Iraq's biological weapons and the deputy chief of the biosecurity team for the 2008 Olympic Games in China. He also published more than 100 scientific papers on subjects concerning microbiology, viral genomics and novel virus detection technologies, and he is the owner of multiple national invention patents. In addition, as of the Latest Practicable Date, Dr. Zhai was the co-inventor of 27 of our patent applications, ten of which had been approved.

Our Chief R&D Officer, Dr. ZHAO Xinghui, is responsible for our research and development work. She is a distinguished scientist in biotechnology, genetics and microbiology with around 20 years of experience in biomedical science research. Her primary research areas include protein engineering drugs, pathogen infection mechanisms, tumor molecular markers and epigenetic regulation, and hematopoietic stem cell aging, and she is specialized in multiple expression systems, including mammalian expression systems based on *Escherichia coli*, *Pichia pastoris* and CHO cells. Dr. Zhao obtained her bachelor's degree in biotechnology major at Shandong University and doctorate degree in genetics from AMMS, and was a postdoctoral fellow at Cincinnati Children's Hospital Medical Center and a research associate at University of Kentucky School of Medicine. As of the Latest Practicable Date, Dr. Zhao published 37 SCI papers, receiving approximately 1,000 citations with an H index of 19. She also led two research projects of the NSFC and taught several students pursuing a master's or a doctorate degree. In addition, as of the Latest Practicable Date, Dr. Zhao was the co-inventor of 35 of our patent applications, seven of which had been approved.

Bolstered by our research and development team and our robust patent matrix, we have successfully established advanced platforms of solid technologies, encompassing core areas such as protein/polypeptide and mRNA, which empower us with the capabilities to continually develop new products and technologies of significance. The details of our technology platforms are as follows:

Protein/polypeptide Pharmaceutical Platform. Our protein/polypeptide pharmaceutical platform benefits from a robust combination of eukaryotic expression technology, prokaryotic expression technology and recombinant DNA technologies. Based on such platform, we have developed capabilities in new drug formulation development and indication expansion. This platform plays a pivotal role in the progression of our pipelines, particularly in the development of PDGF therapies. Our protein/polypeptide pharmaceutical platform has eukaryotic and prokaryotic expression technologies. In particular, eukaryotic expression technology, predicated on the *Pichia pastoris* system, is crucial in ensuring the exemplary quality and yield of PDGF products, and poised to facilitate the robust commercialization potential for our PDGF pipeline. Meanwhile, prokaryotic expression technology, utilizing the *Escherichia coli* system, features straightforward culture conditions, expeditious growth and reproduction, commendable safety profile, cost-effectiveness, high efficiency and scalability. These attributes render it an ideal expression system for the production of recombinant proteins and peptides, and we expect to augment our protein/polypeptide therapeutic pipeline based on such expression system. We protect the novelty of these two technologies through invention patent applications. Meanwhile, by leveraging the aforementioned technologies, our research and development endeavors encompass a diverse array

of formulations, including but not limited to, gels, eye drops and sprays. We are also dedicated to researching various transdermal preparations and medical devices, such as soluble microneedles. We have obtained an invention patent for a pH-responsive gel in China since May 2022, and filed a PCT patent application for the same in March 2022, which, as of the Latest Practicable Date, had proceeded to the national phase in the United States. Additionally, we have applied for two invention patents for eye drops.

Nucleic Acid Pharmaceutical Platform. Our nucleic acid pharmaceutical platform is underpinned by mRNA molecular design and LNP delivery technologies, ensuring we remain at the forefront of the rapidly evolving field of genetic and RNA-based therapeutics. Our research includes developing mRNA and ASO candidates for indications such as solid tumors, brain glioma and TNBC. We are currently conducting pre-clinical research on these candidates. Key technologies of this nucleic acid pharmaceutical platform include mRNA molecular design technology and LNP delivery technology. In particular, mRNA molecular design technology helps to ensure that mRNA drugs achieve high levels of expression and reduce potential side effects. We have filed five invention patents in August 2022 for this technology. Meanwhile, LNP delivery technology can help us design and screen several ionizable lipids so as to identify our proprietary molecule candidates. We screened multiple new cationic lipids and obtained four invention patents in China in November 2022, and applied for a new LNP formulation invention patent in May 2022.

We intend to further develop our biomolecular therapeutic drug development platforms to support more application scenarios for our pipeline candidates. We believe that our research and development capabilities empowered by such platforms can contribute to the sustainable development of PDGF candidates and cancer therapeutics and enhancement of our product portfolio, and enable us to maintain a competitive position in the biopharmaceutical industry.

Seasoned management team and strong support from Shareholders

Our corporate culture is characterized by inclusiveness, collaboration, professional pride, commitment and innovation. Led by our experienced management team, we have been fully committed to implementing such corporate culture to develop and commercialize our candidates and achieve sustainable business growth. Details of some of our management team members are as follows:

- Our chairperson of the Board and founder, Ms. JIA Lijia, has around 30 years of experience in the pharmaceutical industry. She has extensive experience in the operation and management of pharmaceutical companies. Prior to the establishment of our Company in 2012, Ms. Jia held senior positions at in various pharmaceutical companies. She has maintained well-established long-term cooperative relationships with various domestic pharmaceutical research institutions, such as Institute of Biophysics and Chinese Academy of Science.

- Our president and vice chairperson of the Board, Mr. WANG Kelong, is an experienced entrepreneur with over nine years of experience in corporate operation and management. Before joining us in 2018, he held management positions in various technology companies for an extended period, accruing years of industry experience in cutting-edge fields such as biotechnology and artificial intelligence technology, along with a wealth of experience in the management of technology enterprises. After joining us, Mr. Wang was a co-inventor of 39 of our patent applications. Mr. Wang previously worked for

Berkshire Hathaway Automotive. Mr. Wang was named in the Hurun China under 30s to Watch list in 2018 and the Forbes Under 30 list in 2019. Mr. Wang also co-authored several published papers on aspects such as cyber intelligence and drug delivery.

- Our Chief Financial Officer, vice president and secretary to the Board, Mr. HO Hung Tim Chester, has over 20 years of experience in the management and development of various listed companies. Prior to joining us in 2023, Mr. Ho served as the senior deputy chief financial officer at China Resources Holdings Company Limited and assistant general manager of Corporate Planning and Development Department at China Resources Beer (Holdings) Company Limited (successor of China Resources Enterprise, Limited). He currently also serves as an independent non-executive director and a member of the Audit Committee at Grand Baoxin Auto Group Limited, a company listed on the Hong Kong Stock Exchange (stock code: 1293). Mr. Ho holds a Master of Business Administration from the University of Toronto, and a Bachelor of Arts with First Class Honor in Economics and Social Studies from the University of Manchester. Mr. Ho holds various professional qualifications in finance and accounting in the U.S., Canada and Hong Kong.

- Our Chief Marketing Officer and vice president, Mr. XU Zhenyu, has over 25 years of experience in the life sciences industry and over 20 years of leadership experience in multinational pharmaceutical sales. Before joining us in 2021, he served as a sales director at Eli Lilly (Asia) Co., Limited, and has a profound understanding of product commercialization, cross-cultural business operations, resource integration, emerging business development, international mergers and acquisitions, as well as corporate management. His extensive background positions him as a seasoned leader in the global life sciences sector.

- Our medical director, Dr. CHENG Long, is a highly qualified medical professional with a doctorate degree and postdoctoral experience in Medicine. He is an associate pharmacist and serves as a supervisor for master's degree students. With around 15 years of experience in medicine research and development, Dr. Cheng's expertise spans pre-clinical pharmacology and toxicology, pharmaceutics and clinical research. He also held positions at multiple listed biopharmaceutical companies. He has been involved in two national-level research projects and has led three research projects. Dr. Cheng has published over ten academic papers, including 11 in SCI-indexed journals, with six as the first or corresponding author. Dr. Cheng has been serving as our medical director since October 2020, formulating strategies for new drug registration, and directing approval processes and market planning for our product candidates. His responsibilities also include conducting clinical trials, developing clinical strategies in line with our strategic framework, and guiding the clinical development process. In particular, he is in charge of the strategic planning and execution of clinical trials, drafting of protocols and research plans, management of trial progress to ensure standards and timelines are met, budgeting and risk management for clinical projects, and maintaining effective communication with regulatory bodies to ensure compliance with current guidelines and principles.

- For biographies of Dr. Zhai and Dr. Zhao, our research and development key personnel, see "— Capabilities to continually develop new products, as bolstered by our research and development team and well-established methodical technology platforms encompassing core areas such as protein/polypeptide and mRNA" and "— Research and Development — Our Research and Development Team."

In addition to our seasoned management team, strong shareholder support is also one of the key factors of our success. We have introduced CDH Investments as a strategic investor and completed a round of financing in October 2021. In May 2023, we also obtained strategic investment from Qingdao High-Tech Industrial Development Co., Ltd. The support of remarkable and professional investors not only gives us financial assistance, recognition and industry guidance, but also creates mutually beneficial cooperation for our future development.

OUR STRATEGIES

Continually advance the research and development of our Core Products to reach commercialization

Our pipeline candidates consist primarily of the PDGF pipeline, as complemented by the mRNA and ASO pipeline. In particular, our PDGF pipeline comprised seven candidates, including two Core Products, currently being developed for 11 wound healing indications. Such layout enables us to maximize the synergies of pre-clinical and clinical studies among different indications. For example, we directly commenced the Phase IIa clinical trial of Pro-101-1 in thermal burns based on the Phase I clinical trial data of Pro-101-2 in DFUs. Supported by our research and development capabilities, research and development experience and extensive clinical resources, we plan to continually advance the pre-clinical and clinical development of our pipeline candidates, particularly our PDGF pipeline, to reach commercialization soon. We expect to commercialize at least two innovative drugs independently in the next six years. In particular:

- ***Thermal Burns.*** We plan to conduct the clinical trials for this indication in China, the U.S. and Japan, In China, we applied for NMPA approval to directly commence clinical trial of Pro-101-1 from the Phase IIa clinical trial for the treatment of thermal burns based on the data of the treatment of DFUs' Phase I clinical trial, and received such approval for the clinical trial of Pro-101-1 in June 2022, which was an umbrella approval for Phase IIa, Phase IIb and Phase III clinical trials. We completed the Phase IIa clinical trial of Pro-101-1 in thermal burns in May 2023, during which Pro-101-1 demonstrated safety and tolerability profile, and preliminary efficacy studies during the Phase IIa clinical trial demonstrate that it helps to expedite the healing process of superficial second-degree and deep second-degree burn wounds. We entered the Phase IIb clinical trial of Pro-101-1 in thermal burns in China in December 2023. We reached last patient out for Phase IIb clinical trials for the treatment of deep and superficial second-degree burns in April 2025, and expect to finalize the clinical report for the treatment of deep second-degree burns in December 2025, and the clinical trial report for the treatment of superficial second-degree burns in the second quarter of 2026. We intend to initiate the Phase IIIa clinical trial of Pro-101-1 for the treatment of deep second-degree burns in the first quarter of 2026. Progression to Phase III clinical trials of Pro-101-1 for the treatment of superficial second-degree burns will depend on the statistical outcomes from the Phase IIb trial and subsequent communications with the CDE. As of the Latest Practicable Date, we have no plans to progress to the Phase III

trial for this indication, as our strategy is to focus the clinical development of Pro-101-1 on the treatment of deep second-degree burns. We plan to launch the Pro-101-1 product in China in 2027. In the U.S., we submitted a pre-IND communication application to the FDA in December 2021 with respect to Pro-101-1 for thermal burns. In their response, the FDA agreed with our proposal to carry out the clinical trials and submit a BLA via section 351(a) pathway (the pathway for approval of innovator biologics) for Pro-101-1 in thermal burns. We expect to submit the IND application to the FDA to directly start Phase III clinical trials for Pro-101-1 for the treatment of deep second-degree burns in the first quarter of 2026 and initiate the Phase III clinical trials in the U.S. in the first quarter of 2027. We have conducted research into the requirements for conducting clinical trials in Japan, as well as an analysis of the Japanese market. We expect to apply for pre-application consultation meeting with PMDA in the third quarter of 2026 to discuss our plan to commence a Phase III clinical trial for Pro-101-1 for the treatment of deep second-degree burns in Japan, and commence the Phase III clinical trial in the third quarter of 2027. We have the rights to develop and commercialize Pro-101-1 for thermal burns globally.

- ***DFUs.*** We received the IND approval of Pro-101-2 from NMPA for the treatment of DFUs in July 2021, which was an umbrella approval for all phases of the clinical development of Pro-101-2, and completed the Phase I clinical trial in October of the same year. We entered the Phase II clinical trial in China in February 2022, and expect to complete the Phase II clinical trial in the second quarter of 2027[(1)]. We intend to initiate the Phase III clinical trial in the third quarter of 2027 and complete the trial in the second quarter of 2029. We plan to launch the product in China in 2030. In addition, we intend to submit IND filing in the U.S. and the CTN filing in Japan in the first quarter of 2027 and initiate the Phase III clinical trials in both countries in the third quarter of 2027. We have the rights to develop and commercialize Pro-101-2 for DFUs globally. For details relating to our arrangements on Pro-101-2 for DFUs, see "— Collaboration, Licensing and Transfer Arrangements — Collaboration with the Institute of Bioengineering of AMMS and JinBang."

- ***Fresh Wounds.*** We submitted application materials with the CDE to request approval for directly commencing the Phase Ib clinical trial of Pro-101-3 for treating fresh wounds based on the data from the Phase I clinical trial of Pro-101-2 in DFUs in December 2021. In lieu of a meeting, the CDE provided written responses in March 2022. The CDE provided useful guidance on the design of the Phase Ib clinical trial of Pro-101-3 in fresh wounds and suggested that whether additional safety studies are necessary should depend on the MOA, dosage, administration timing and systemic/local exposure of the result of Pro-101-2 in the treatment of DFUs. We plan to submit the

(1) Even though the Phase II clinical trial of Pro-101-2 for DFUs began in February 2022, we expect to complete the same in the second quarter of 2027, mainly because we had made registration of new product specification and certain revision to the existing clinical trial protocol since we entered the Phase II clinical trial of Pro-101-2 in DFUs. We have commenced the patient enrollment process in the third quarter of 2024, and had completed the enrollment of 83 subjects as of Latest Practicable Date.

IND application to the NMPA in the fourth quarter of 2025[(2)] based on the Phase IIa and Phase IIb clinical trial results of the Pro-101-1 in deep second-degree burns and the Phase I clinical trial results of the Pro-101-2 in DFUs.

We believe that experience and recognition to be gained from the initial commercialization of Pro-101-1 will benefit the regulatory approval process and commercialization of Pro-101-2 and other PDGF candidates in the future.

Rapidly establish production and commercialization systems of Core Products and well-rounded capabilities encompassing research, manufacture and sales

We plan to continually advance the establishment of production and commercialization systems of our Core Products, in order to reinforce our capabilities encompassing research, manufacture and sales.

In anticipation of future commercialization of our pipeline candidates, we plan to build our commercial manufacturing capabilities in compliance with the GMP standards of China, the U.S. and other relevant jurisdictions. As of the Latest Practicable Date, we were exploring effective strategies to initiate the large-scale production of our product candidates upon commercialization. Options under consideration include leasing production facilities, constructing our own manufacturing sites, and collaborating with CMOs to ensure GMP-compliant production of such candidates. We will ascertain in due course the most appropriate option for the Company in light of subsequent developments and the interests of the Shareholders. For details, see "— Manufacturing and Quality Control — Our Planned Manufacturing Capacities" In connection with any such new facilities constructed or leased, we may also recruit qualified personnel to strengthen our in-house manufacturing capabilities.

In addition, while continually enhancing our research and development and production capabilities, we intend to build supply chain systems and gather market development team to strategically enhance our sales and marketing capabilities to support the potential commercialization of our pipeline candidates, thereby creating a bench-to-bedside biologics platform integrating the entire biologics value chain. We expect to capitalize on our first-mover advantages in PDGF drugs so as to further enhance our competitive position to ensure our solid competitive edge. In line with our pipeline expansion, we plan to build our in-house commercialization team by recruiting qualified and experienced business development personnel, sales and marketing personnel and legal professionals to support and promote the future commercialization of our pipeline candidates. In terms of commercialization strategies, we will consider starting from key hospitals with advantages in thermal burn and DFU treatment in China's first- and second-tier cities to establish brand name and reputation, and extend our efforts

(2) Even though the application with the CDE in respect of Pro-101-3 for fresh wounds was submitted in December 2021, in response to which we received written responses in March 2022, we plan to submit the IND application to the NMPA in the fourth quarter of 2025, mainly because we plan to base the clinical research of Pro-101-3 in fresh wounds on the relevant results of pharmacokinetics and immunogenicity evaluations observed in the Phase IIa clinical trials of Pro-101-1 in thermal burns. We have completed the Phase IIa clinical trial of Pro-101-1 in thermal burns in May 2023 and entered the Phase IIb clinical trial in December 2023. We reached last patient out for Phase IIb clinical trial of Pro-101-1 for the treatment of deep and superficial second-degree burns in April 2025. We are finalizing the Phase IIb clinical trial report for the treatment of deep second-degree burns, which is expected to be completed in December 2025 and for the treatment of superficial second-degree burns, which is expected to be completed in the second quarter of 2026. We plan to submit the IND application for Pro-101-3 in fresh wounds to the NMPA in the fourth quarter of 2025.

to hospitals in second- and third-tier cities through business partners. We will also extend sales of our products to channels such as retail pharmacies and e-commerce platforms, so as to enhance our brand image and patient awareness, and thereby quickly increasing our products' market share. In addition, we also intend to participate in meetings with well-established organizations such as the Chinese Burn Physicians Association, the Chinese Dermatologists Association, and the Endocrinologists Association to jointly enhance the awareness of our Core Products once commercialized.

Further enhance our research and development capabilities and collaborations, and continually upgrade and launch product pipelines leveraging our core technology platforms

We intend to further expand our talent pool to reinforce our research and development capabilities. To attract and retain talents, we encourage and motivate innovation and we are committed to building a dynamic corporate culture. We have also set up a scientific technology committee to support the research and development of our pipeline candidates, the design of clinical trials and the selection of pipeline candidates and target indications for development. We intend to continually provide various internal and external training opportunities for our research and development personnel and optimize our employee incentive programs.

In addition, we plan to continually enhance our advanced biomolecular therapeutic drug development platforms to support the research and development of our candidates. In particular, we have established a protein/polypeptide pharmaceutical platform that plays a vital role in the development of PDGF therapies, and a nucleic acid pharmaceutical platform underpinned by mRNA molecular design and LNP delivery technologies, which ensure that we remain at the forefront of the rapidly evolving field of protein and peptide as well as genetic and RNA-based therapeutics.

Moreover, innovation in formulations is pivotal for the strategic market positioning of a product. In particular, our patent matrix included two patent applications for eye drops, while our research and development endeavors also encompass a diverse array of other formulations such as sprays. We intend to continually research innovative formulations to support more application scenarios for our pipeline candidates towards commercialization.

Leveraging our experience in building our existing drug development platforms, we intend to further strengthen our collaborations with leading Chinese and international pharmaceutical companies and research institutions to continually invest in the research and development of innovative drugs, and expand the capabilities of our existing drug development platforms. For example, we are collaborating with a leading university in Hong Kong to screen for natural small molecule compounds that activate or inhibit PDGF and their role in treating depression. We are currently in the process of selecting the most pivotal molecules for patent application. Furthermore, we are collaborating with a company in Hong Kong focusing on ultrasound-mediated delivery. Preliminary experiments have been conducted and have yielded positive results. We anticipate to commence the animal efficacy evaluation by the end of 2025. Meanwhile, we are committed to continually developing and accumulating in-house technical and biological know-how for purposes of exploring new therapeutics and developing candidates of great potential in the future.

Continue to explore potential business development opportunities overseas, deepen international development strategy and reinforce global partnerships

We have established strategic partnerships with prestigious academic institutions and industry leaders, including well known universities and research institutions. We intend to continually maintain a close and stable collaborative relationship with top pharmaceutical companies in China and proactively pursue cooperation opportunities with well-known pharmaceutical companies around the world. In particular, leveraging our Hong Kong laboratory, we expect to establish an overseas research and development platform and strengthen scientific research collaborations with universities in Hong Kong. In addition, we plan to promote and strengthen the collaboration with our business partners in product identification and research and development.

We are also seeking opportunities in overseas markets for our pipeline candidates to strengthen our overseas business development. We expect to actively enhance our brand awareness and continually explore the commercial value of our pipeline candidates and proprietary technology in the overseas market through international collaborations, out-licensing and technology transfers. We aim to increase our international influence by utilizing Hong Kong's geographical location, talent pool, and investment and financing advantages. Additionally, to support our business development and overseas expansion strategies mentioned above, we also plan to continually recruit new and retain existing talents with outstanding backgrounds and rich experience in the relevant fields.

Furthermore, as a biopharmaceutical company, we plan to further explore opportunities to expand our pipelines via acquisitions, investments or in-licensing to identify biomolecular drugs or inhibitors, enhancers or compounds closely related to biomolecular drugs that are in line with our positioning, target markets and overall strategies, in order to reinforce our impacts in the relevant fields.

OUR CANDIDATES

As of the Latest Practicable Date, we had researched and developed three pipelines consisting of ten candidates covering 14 indications, comprising two Core Products, namely Pro-101-1 and Pro-101-2, currently undergoing the Phase IIb and II clinical trials for two indications in China, respectively. Seven of our candidates are PDGF candidates covering a broad spectrum of wound healing indications comprising (i) thermal burns, (ii) DFUs, (iii) fresh wounds, (iv) pressure ulcers, (v) radiation ulcers, (vi) dry eye syndrome, (vii) corneal injury, (viii) photodermatitis, (ix) alopecia, (x) hemorrhoids and (xi) gastric ulcers. Our PDGF candidates are being developed in several formulations, including (i) topical gel, (ii) spray, (iii) eye drops and (iv) oral, while we are also exploring routes of administration that are supported by medical devices. We are also developing mRNA and ASO injections.

Our Core Products, Pro-101-1 and Pro-101-2, are PDGF candidates for the treatment of thermal burns and DFUs, respectively. As of the Latest Practicable Date, we had completed the Phase IIb clinical trial of Pro-101-1, and entered the Phase II clinical trial of Pro-101-2, while we were also advancing the pre-clinical development of the PDGF candidates for the nine other indications. Meanwhile, we have developed our pipeline of early-stage mRNA candidate for the treatment of solid tumor, as well as ASO candidate to cover brain glioma and TNBC. The following chart summarizes our pipeline and the development status of each product candidate and indication as of the Latest Practicable Date:

Candidate	Mechanism/ Target	Indication	Form	Clinical Trial Region	Development Phase	Upcoming Milestone	Competent or Regulatory Authorities	Commercial Rights	Self-developed or Co-developed
★Pro-101-1	PDGF receptor	Thermal burns	Topical gel	China	Pre-Clinical / Phase I / Phase II (IIa, IIb) / Phase III (IIIa, IIIb) (1)	Expected to initiate Phase IIIa clinical trial for the treatment of deep second-degree burns in 2026Q1 and complete Phase IIb clinical trial report for the treatment of superficial second-degree burns in 2026Q2	NMPA	Global	Self-developed
				U.S.	(2)	Expected to submit IND filing to start Phase III clinical trials for Pro-101-1 for the treatment of deep second-degree burns in 2026Q1	FDA	Global	
				Japan	(3)	Expected to apply for pre-application consultation meeting to discuss our plan to commence a Phase III clinical trial for Pro-101-1 for the treatment of deep second-degree burns in 2026Q3	PMDA	Global	
★Pro-101-2		DFUs	Topical gel	China	(4)	Expected to complete Phase II in 2027Q2 and initiate Phase III in 2027Q3	NMPA	Global	Co-developed with the Institute of Bioengineering of AMMS[6]
				U.S.		Expected to submit IND filing to start Phase III clinical trials in 2027Q1	FDA	Global	
				Japan		Expected to submit CTN filing to start a Phase III clinical trial in 2027Q1	PMDA	Global	
Pro-101-3		Fresh wounds, Pressure ulcers, Radiation ulcers, Photodermatitis, Alopecia, Hemorrhoids	Topical gel	China	(5)	For indications of fresh wounds, pressure ulcers and radiation ulcers, IND submission in China expected in December 2025; For indications of photodermatitis, alopecia and hemorrhoids, IND submission in China expected in 2026.	NMPA	Global	Self-developed
Pro-102		Fresh wounds, Photodermatitis	Spray	China		IND submission in China expected in 2028	NMPA	Global	
Pro-103		Dry eye syndrome, Corneal injury	Eye drops	China		IND submission in China expected in 2026	NMPA	Global	
Pro-104		Alopecia	Drug-device combination product[7]	China		IND submission in China expected in 2029	NMPA	Global	
Pro-105		Gastric ulcers	Oral	China		IND submission in China expected in 2027	NMPA	Global	
Mes-201 (mRNA)	TSAs	Solid tumor	Injection	China		IND submission in China expected in 2027	NMPA	Global	Self-developed
Oli-101 (ASO)	lncRNA	Brain glioma	Injection	China		IND submission in China expected in 2028	NMPA	Global	Self-developed
Oli-201 (ASO)		TNBC	Injection	China		IND submission in China expected in 2029	NMPA	Global	

★ **Core Products**

Notes:

1. Phase I clinical trial data of Pro-101-2 for the indication of DFUs are shared with indications of thermal burns and fresh wounds. In March 2022, we submitted application materials of clinical trial of Pro-101-1 based on the Phase I clinical trial results of Pro-101-2. NMPA issued an IND approval for the clinical trial of Pro-101-1 in June 2022, which was an umbrella approval for Phase IIa, Phase IIb and Phase III clinical trials. Considering that the technical aspects of the trials are relatively independent, in the interest of resource efficiency and effective management, and per the recommendations set out in the IND approval for the clinical trial obtained in June 2022, which sets forth ". . . the applicant shall consider the clinical characteristics of different wounds, standardized treatment plans, and

similarities and differences in prognosis, among other things, discuss with researchers and statistical experts, and stratify superficial second-degree and deep second-degree burns, while making overall plans for subsequent clinical research, including carrying out separate clinical trials if necessary. . .," we conducted the Phase IIb clinical trial with two cohorts for the treatment of deep second-degree burns and superficial second-degree burns, respectively. This approach ensures scientific rigour and compliance with regulatory guidance, while also allowing for efficient use of resources and streamlined trial management.

The last patient out for Phase IIb clinical trial of Pro-101-1 for the treatment of deep second-degree burns and superficial second-degree burns was reached in April 2025. We are finalizing the trial report, and expect the trial report for the treatment of deep second-degree burns to be completed in December 2025, and the trial report for the treatment of superficial second-degree burns to be completed in the second quarter of 2026, as the latter involves a larger number of enrolled subjects and consequently requires additional time to complete the related work. For details, see "— Our Candidates — PDGF — Material Communications with Competent Authorities."

2. We submitted a pre-IND communication application to the FDA in December 2021 with respect to Pro-101-1 for thermal burns. In lieu of a meeting, the FDA provided written responses in February 2022. The FDA replied that whether the Phase I clinical trial of Pro-101-2 in the treatment of DFUs and our current non-clinical studies are sufficient to support the initiation of the US IND-opening trial will be determined after the FDA's review of the complete initial IND submission, including the product quality and non-clinical components. The FDA also provided useful guidance on CMC process and the design of our Phase II clinical trial of Pro-101-1 in the treatment of thermal burns. We expect to submit the IND filing to the FDA in the first quarter of 2026 to directly start Phase III clinical trials for Pro-101-1 for the treatment of deep second-degree burns. Such plan is based on a comprehensive analysis of our resources and clinical trial progresses.

3. We expect to apply for pre-application consultation meeting with PMDA in the third quarter of 2026 to discuss our plan to commence a Phase III clinical trial for Pro-101-1 for the treatment of deep second-degree burns in Japan. Such meeting aims to clarify requirements, address the need for local data and adapt our trial protocols to Japanese clinical practice, among others.

4. Even though the Phase II clinical trial of Pro-101-2 for DFUs began in February 2022, we expect to complete the same in the second quarter of 2027, mainly because we had made registration of new product specification and certain revision to the existing clinical trial protocol since we entered the Phase II clinical trial of Pro-101-2 in DFUs. We have commenced the patient enrollment process in the third quarter of 2024, and had completed the enrollment of 83 subjects as of Latest Practicable Date. In particular, the revision in the clinical trial protocol is mainly related to our intention to rely on the clinical evidence obtained from immunogenicity studies in the Phase IIa clinical trial of Pro-101-1 in thermal burns, as the enrollment process of thermal burn patients is faster than that of DFU patients. Such revision has been confirmed by the CDE in October 2023.

5. In December 2021, after the completion of the Phase I clinical trial of Pro-101-2, we submitted application materials for a pre-IND meeting with the CDE to discuss the IND application, the plan to directly conduct Phase Ib clinical trial based on the results of the Phase I clinical trial of Pro-101-2 in the treatment of DFUs and the design of the Phase Ib clinical trial. In lieu of a meeting, the CDE provided written responses in March 2022. The CDE provided useful guidance on the design of the Phase Ib clinical trial of Pro-101-3 in the treatment of fresh wounds and suggested that whether additional safety studies are necessary should depend on the MOA, dosage, administration timing and systemic/local exposure of the result of Pro-101-2 in the treatment of DFUs. Meanwhile, as we believe conducting studies to evaluate the safety, tolerability, pharmacokinetics and immunogenicity of Pro-101-1 on thermal burn patients can render more representative results compared to subjects in other indications, we have decided to conduct the Phase IIa clinical trial of Pro-101-1 in thermal burns first. Then, depending on the actual results, we plan to share the relevant results of pharmacokinetics and immunogenicity of Pro-101-1 with clinical studies of Pro-101-3 in fresh wounds, and directly proceed with the Phase II clinical trial on the efficacy and safety of Pro-101-3 in fresh wounds. We have completed the Phase IIa clinical trial of Pro-101-1 in thermal burns in May 2023 and reached last patient out for Phase IIb clinical trial for the treatment of superficial second-degree burns and deep second-degree burns in April 2025. We plan to submit the IND application for Pro-101-3 in fresh wounds to the NMPA in the fourth quarter of 2025 based on the Phase IIa and Phase IIb clinical trial results of the Pro-101-1 in thermal burns and the Phase I clinical trial results of the Pro-101-2 in DFUs. We expect to directly initiate the Phase II clinical trial of Pro-101-3 in fresh wounds upon obtaining the IND approval from the NMPA.

6. Both the Company and the Institute of Bioengineering of AMMS are holders of the Relevant Patents. Nevertheless, according to its written confirmation dated October 8, 2023, the Institute of Bioengineering of AMMS acknowledged that the rights to commercialize and use such patents belong exclusively to the Company. We

cooperated with the Institute of Bioengineering of AMMS in pre-clinical development of Pro-101-2 for DFUs, which we have independently researched and developed after the IND approval. However, since the Institute of Bioengineering of AMMS has not registered a change of ownership for the Relevant Patents, both the Company and the Institute of Bioengineering of AMMS remain co-owners of the Relevant Patents. For details on our arrangements with the Institute of Bioengineering of AMMS, see "— Collaboration, Licensing and Transfer Arrangements — Collaboration with the Institute of Bioengineering of AMMS and JinBang." Other than the Relevant Patents, we do not have any other patent co-owned with the AMMS.

7. Pro-104 is a PDGF microneedle candidate product for the treatment of hair loss. According to the "Notice on Matters Related to the Registration of Drug-Device Combination Products (No. 52 of 2021)" (藥械組合產品註冊有關事宜的通告(2021年第52號)), a drug-device combination product refers to a medical product produced as a single entity composed of both a drug and a medical device. Pro-104, being a PDGF microneedle, is a product composed of PDGF (drug) and microneedles (medical device), which meets the definition of a "drug-device combination product" as per the above regulation.

In particular, Pro-101-1, Pro-101-2, and Pro-101-3 refer to the same rhPDGF-BB drug of the same formulation. However, they are intended for different indications, and have different PDGF concentrations, major functions and dosages.

The following table sets forth some similarities and differences between each of these three PDGF candidates:

	Pro-101-1	Pro-101-2	Pro-101-3
Similarities:	Same mechanism and target (PDGF receptor), same active substance (rhPDGF-BB), same formulation (topical gel)		
Differences:			
— Indication	Thermal burns	DFUs	Fresh wounds
— Major functions	Can promote the chemotactic recruitment and proliferation of cells involved in wound repair, and promote the formation of granulation tissue. To increase the wound healing rate of superficial/deep second-degree burns, improve the recovery of wound damage, and promote the formation of new blood vessels and the proliferation of fibroblasts and fibrocytes	Has biological activity similar to endogenous platelet-derived growth factors, which include promoting chemotactic recruitment and proliferation involved in wound repair, and promoting the formation of granulation tissue. To promote the healing of full-thickness wounds of DFUs and the early reconstruction of wound skin	Can promote the chemotactic recruitment and proliferation of cells involved in wound repair, and promote the formation of granulation tissue. To promote granulation tissue proliferation, wound repair and shortening healing time in the repair of skin defect wounds
— PDGF concentration designed for the product to be commercialized[(1)]	50 or 200 μg/g	100 μg/g	50 μg/g
— Dosages[(2)]	35 or 140 mg/cm^2	70mg/cm^2	35mg/cm^2
— Longest treatment cycle	Four weeks	20 weeks	One to two weeks

Notes:

(1) PDGF concentration refers to the amount of PDGF present in a given volume of a solution or biological sample.

(2) Dosage refers to the amount of a medicine or drug that a person should take at one time or over a certain period.

We have submitted and intend to submit IND applications with the CDE separately for Pro-101-1, Pro-101-2 and Pro-101-3. After completion of the relevant clinical trials, We also expect to market Pro-101-1, Pro-101-2, and Pro-101-3 under different market names and file separate trademark applications accordingly. Pro-101-1, Pro-101-2 and Pro-101-3 are expected to be regulated as three separate drug products by the NMPA.

In addition, our other PDGF candidates also share the same active substance as our Core Products, rhPDGF-BB. Despite sharing the same active substance, drug candidates labeled with "Pro-101-" and those with the prefix "Pro-10" differ as to the forms of medications, with details set forth below:

	Forms of medications
Pro-101	Topical gel
Pro-102	Spray
Pro-103	Eye drops
Pro-104	Medical devices
Pro-105	Oral

The choice over the forms of medications mainly depends on the indications that the PDGF candidates are intended to address. The drug candidates labeled with the prefix "Pro-101-" and those labeled with the prefix "Pro-10" are not expected to be considered or regulated by the NMPA as the same drug product.

We have selected Pro-101-1 and Pro-101-2 as our Core Products based on our development strategies, market demand, clinical significance and resource allocation concerns.

- For Pro-101-1, we recognize that compared to other indications, thermal burns generally have a shorter product research and launch cycle, and hence are likely to reach commercialization faster. Thermal burns also have a wide range of clinical needs, which are not fully met due to a lack of effective drugs that can heal thermal burn wounds fast while demonstrating safety and scar-reducing features.

- For Pro-101-2, as there was a successfully marketed PDGF drug for topical use in treating DFUs that has been approved by the FDA in the U.S., we believe that there is a higher probability as to receipt of regulatory approval for Pro-101-2 for commercialization compared to PDGF candidates for other indications. Furthermore, the market demand for effective DFU drugs is large, given the scale of the affected patient group. The clinical significance is also notable since for DFUs, the recurrence rate as well as disability and mortality rates in patients are high, while the medical expenses for treating DFUs are great.

We prioritize the development of Pro-101-1 over other candidates, mainly because compared to other indications, thermal burns generally have a shorter product research and launch cycle. In particular, the patient enrollment for clinical trials of thermal burns is relatively less difficult and faster than many other indications such as DFUs given the high incidence rate. Meanwhile, we have taken and expect to continue taking the advantages of the clinical evidence obtained from clinical trials of Pro-101-1 in thermal burns, and refine the clinical trial designs for other PDGF candidates.

We believe there is no material risk of cannibalization among PDGF candidate drugs in different formulations (topical gel or spray) for the same indication. In fact, diversified PDGF candidates have expanded the target market by catering to the varying demands and lifestyles of different user groups. Specifically, the gel formulation is mainly designed for individuals who need a high concentration of medication to remain on the wound for an extended period, making it ideal for patients who can administer care at home. In contrast, the spray formulation is better suited for situations requiring convenience and quick application, such as outdoor settings or workplaces, allowing for frequent use and portability. Even for the same indication, different patient groups may have distinct usage habits. Additionally, there may be variations in drug dosage and absorption rates between the formulations. For example, the gel has a higher drug concentration, making it suitable for deep penetration and prolonged retention, whereas the spray is designed to provide a rapid but short-term effect.

To mitigate the risk of cannibalization among our PDGF candidate drugs, we plan to implement differentiated marketing and sales strategies based on the unique characteristics of each product to prevent market overlap. For instance, the gel product will be promoted more extensively through professional channels such as hospitals and clinics, while the spray will primarily be sold through retail market channels to cater to patients with milder conditions.

PDGF

Overview

As of the Latest Practicable Date, we had seven PDGF candidates, including 2 clinical-stage Core Products, namely Pro-101-1 and Pro-101-2. The advancement of clinical trials for Pro-101-1 and Pro-101-2 is instrumental in the progression of our research and development of other PDGF candidates in the development pipeline. The active substance of the PDGF candidates is rhPDGF-BB, which is a form of PDGF-BB manufactured in laboratories using recombinant DNA technology and used for clinical treatments. rhPDGF-BB shares the same biological functions of PDGF-BB, which stimulates the proliferation and migration of key cells involved in wound healing, such as fibroblasts and endothelial cells, leading to faster tissue repair and regeneration. We acquired the PDGF-related technology, patents and know-how in relation to the treatment of DFUs at a pre-clinical stage in 2013 and have been independently developing the PDGF candidates for the treatment of other indications since then.

As of the Latest Practicable Date, we had completed the Phase IIb clinical trials of Pro-101-1 and entered the Phase II clinical trial of Pro-101-2. We completed the Phase I clinical trial of Pro-101-2 in October 2021 in China. As Pro-101-2 demonstrated safety and tolerability profile in the Phase I clinical trial, we applied for NMPA approval to directly commence clinical trial of Pro-101-1 from the Phase IIa clinical trial based on such clinical results and received the approval for the clinical trial of Pro-101-1 in June 2022, which was an umbrella approval for Phase IIa, Phase IIb and Phase III clinical trials. We completed the Phase IIa clinical trial of Pro-101-1 in May 2023, and commenced the Phase IIb clinical trial for the treatment of superficial second-degree burns and deep second-degree burns in December 2023. We reached last patient out for Phase IIb clinical trial of Pro-101-1 for the treatment of superficial second-degree burns and deep second-degree burns in April 2025. We are finalizing the Phase IIb clinical trial report for the treatment of deep second-degree burns in December 2025, and the clinical trial report for the treatment of superficial second-degree burns in the second quarter of 2026.

According to the Frost & Sullivan Report, as of the Latest Practicable Date, due to the high barriers in research and development and production of PDGF drugs, including (i) challenge of improving PDGF gene sequences for manufacturing purposes, (ii) complexity of producing purified PDGF, (iii) stringent requirements for quality control to avoid protein aggregation and misfolding, and (iv) proper formulation and storage conditions to maximize protein activity, there were no PDGF drugs commercially available in China. With strong mitogenic properties, PDGF stimulates cell proliferation and angiogenesis and is particularly effective in healing chronic wounds. One of our Core Products, Pro-101-1, is the most advanced PDGF drug candidate in terms of clinical development progress for the treatment of thermal burns in China, according to the Frost & Sullivan report. We hold patents and have filed patent applications related to our PDGF candidates in China. We also have exclusive rights to develop and commercialize our PDGF candidates globally.

Our R&D contribution to the PDGF pipeline dates back to 2013, when we commenced R&D of Pro-101-2 jointly with the Institute of Bioengineering of AMMS at the pre-IND stage. We initially dispatched R&D team members to work with the Institute of Bioengineering of AMMS to perform R&D work on the preparation, formulation, quality testing and establishment of standards of PDGF candidates, and gradually expanded our R&D team and started to independently produce PDGF from scratch. We generally co-designed the trial schemes for each PDGF research with Institute of Bioengineering of AMMS. In the pilot and mid-scale process research, we conducted literature reviews and executed the experimental work, and the Institute of Bioengineering of AMMS provided the necessary infrastructure, such as experimental sites, and supporting staff.

In October 2020 and January 2021, we and AMMS jointly made pre-IND communications with the CDE with respect to Pro-101-2. Subsequently, we and AMMS jointly submitted the IND application of Pro-101-2 in April 2021 and received the IND approval in July 2021, which was an umbrella approval for all phases of the clinical development of Pro-101-2. Since then, AMMS has not been involved in any clinical development or communications with competent authorities relating to our Core Products or other PDGF product candidates. For details, see "— Collaboration, Licensing and Transfer Arrangements — Collaboration with the Institute of Bioengineering of AMMS and JinBang."

We have independently completed the clinical trials of our Core Products throughout the clinical development of our Core Products, including the Phase I clinical trial of Pro-101-2 in October 2021 and the Phase IIa clinical trial of Pro-101-1 in May 2023, and we are expected to independently complete the subsequent clinical trials for our Core Products, including the Phase II clinical trial of Pro-101-2. We have also been independently engaged in communications with relevant competent authorities with respect to the clinical development of our Core Products since our receipt of the IND approval for Pro-101-2 in July 2021, which was an umbrella approval for all phases of the clinical development of Pro-101-2.

The following table sets forth some material pre-clinical and clinical results of our Core Products:

Candidate	Pre-clinical/clinical trials	Study results
Pro-101-1 . .	a pre-clinical study to investigate the efficacy of Pro-101-1 in second degree scald model of miniature pigs	The results demonstrated that the control substance (300IU/cm^2) and the Pro-101-1 (14μg/cm^2) could significantly increase the wound healing rate of miniature pigs with superficial and deep second-degree scald. The Pro-101-1 (3.5μg/cm^2) could significantly increase the wound healing rate of superficial second-degree scald model miniature pigs. The Pro-101-1 (7μg/cm^2) could significantly increase the wound healing rate of deep second-degree scald model pigs during the 14-day observation period. The control substance (300IU/cm^2) and the Pro-101-1 (3.5, 7, 14μg/cm^2) could improve the recovery of wound injury in miniature pigs with superficial and deep second-degree scald, and promote neovascularization and proliferation of fibroblasts. The improvement degree of healing of superficial and deep second-degree scald model was as follows: control substance (300IU/cm^2) > Pro-101-1 (14μg/cm^2) > Pro-101-1 (7μg/cm^2) > Pro-101-1 (3.5μg/cm^2).
	Phase IIa	Safety: Based on the facts that (i) approximately 8.5% of subjects experienced AEs related to the trial drug, (ii) no instances of SAE occurred during the clinical trial and (iii) the majority of the AEs were resolved/recovered or alleviated, Pro-101-1 has demonstrated safety and tolerability when applied topically once a day for a continuous period of 4 weeks at dosage 14 μg/cm^2 and 7 μg/cm^2 respectively for subjects with superficial second-degree and deep second-degree burns. Efficacy: For both superficial second-degree and deep second-degree burns, the High Dose Groups and Low Dose Groups exhibited shorter healing times compared to the Placebo Groups. Furthermore, based on PPS, the High Dose Groups' efficacy surpassed that of the Placebo Groups'. The reduction in target wound surface area from baseline was also more pronounced in the High Dose Groups and Low Dose Groups when compared to the Placebo Groups. Pro-101-1 can accelerate the healing of superficial second-degree and deep second-degree burn wounds, shorten the healing time and accelerate the healing speed.

Candidate	Pre-clinical/clinical trials	Study results
Pro-101-2 . .	a toxicity study of Pro-101-2 in Bama miniature pigs to evaluate toxicity of Pro-101-2 administered by dermal application or subcutaneous injection to Bama miniature pigs for 26 weeks, and the reversibility of toxicity following a four-week recovery period*	Pro-101-2 by dermal wound application to animals did not result in significant systemic or local toxicity, and the drug substance (DS) of Pro-101-2 by subcutaneous injection to animals did not result in significant systemic toxicity, but pathological examination showed inflammatory changes (subcutaneous fibrosis, hemorrhage, vessel wall/perivascular necrosis, dermal/subcutaneous inflammatory cell infiltration) at the injection site, which could be completely recovered after the end of the 4-week recovery period. Under the conditions of the study, the no observed adverse effect level (NOAEL) by Pro-101-2 was 2,100 μg/animal. Serum anti-rhPDGF antibody detection showed that some animals had low antibody titers, suggesting that miniature pigs had a minimal immune response to the test article.
	Phase I	Safety: The common ADRs reported in subjects receiving Pro-101-2 included erythema and papules at the application sites and increased blood uric acid. The common ADRs reported in subjects receiving placebo included erythema and papules at the application sites. As drug-related administration site reactions were observed in both groups, they may be related to skin irritation due to the method of application. Only one case of increased blood uric acid was reported in the Pro-101-2 groups. This increased blood uric acid case was not deemed meaningful due to the limited number of subjects participating in the study. As a conclusion, a single administration of Pro-101-2 to healthy subjects demonstrated safety profile, with the subjects exhibiting a high degree of tolerance.

Note:

* This pre-clinical study was independently conducted by us.

For further details, see "— Summary of Clinical Trial Results" and "— Summary of Pre-clinical Studies Results."

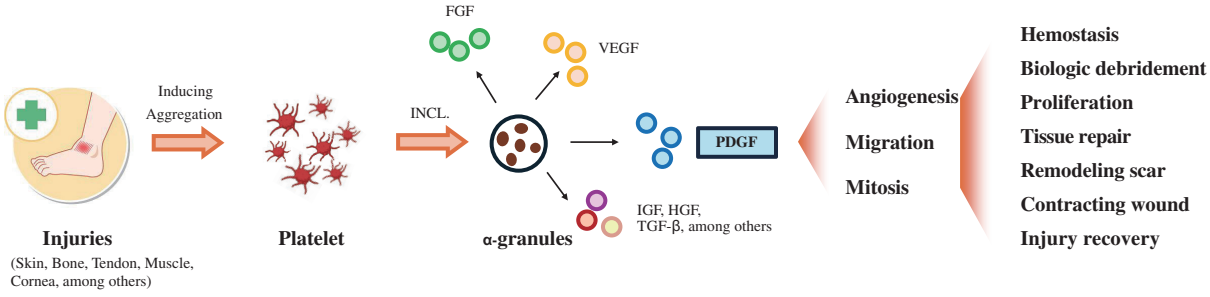
MOA

PDGF is a potent mitogen, chemoattractant and survival factor for cells of mesenchymal origin such as fibroblasts, smooth muscle cells, or glial cells. In adult organisms, PDGFs participate in wound healing, regulation of blood vessel tonus, and maintenance of the interstitial fluid pressure.

The primary role of PDGF in wound healing includes stimulating cell proliferation and angiogenesis, and, with strong mitogenic properties, it is effective in healing chronic wounds. The PDGF family contains five members found naturally in the body — AA homodimer, AB heterodimer, BB homodimer, CC homodimer and DD homodimer. The various forms of PDGF manifest their effects on cells through interaction with and activation of two closely related protein tyrosine kinase receptors, known as the α-receptor and the β-receptor. The engagement of these PDGF receptors results not only in the promotion of cellular proliferation but also in alterations to

cellular morphology and movement. PDGF triggers the reorganization of the actin filament network and incites chemotaxis, that is, the directed movement of cells towards a PDGF gradient. Such directed movement is critical for recruiting cells, such as fibroblasts and macrophages, to the wound site. By guiding these cells to the site of injury, PDGF ensures that essential cellular activities, such as inflammation, formation of granulation tissue, and remodeling of the tissue, occur in a coordinated and timely manner, thereby enhancing the overall process of wound healing.

The following illustration demonstrates the mechanism and role of PDGF in healing and angiogenesis:

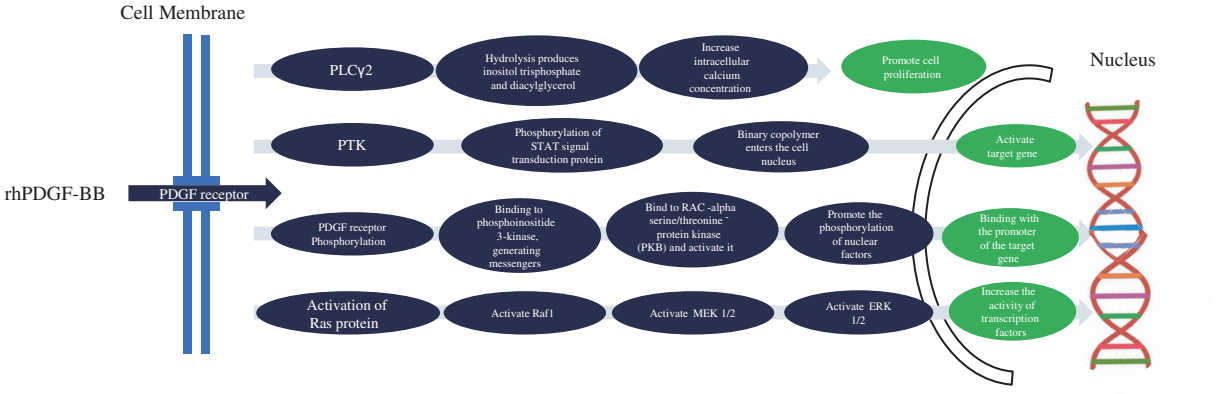


Source: the Frost & Sullivan report

Upon injury, platelets aggregate at the site of damage, releasing contents from their α-granules, which include growth factors like VEGF (Vascular Endothelial Growth Factor), IGF (Insulin-like Growth Factor), HGF (Hepatocyte Growth Factor), TGF-β (Transforming Growth Factor-beta), and PDGF itself.

PDGF specifically stimulates several key processes in the healing cascade, which are: (i) angiogenesis, which is essential for providing oxygen and nutrients to the injured area to support the healing process; (ii) migration, where PDGF contributes to tissue repair by promoting the movement of cells, such as fibroblasts and endothelial cells; and (iii) mitosis, where PDGF increases the number of cells available for repairing the damaged tissue by encouraging cell division.

PDGF-BB is a cytokine consisting of two BB subunits forming a homodimer that facilitates cell processes such as proliferation, migration, and tissue repair. It interacts with specific receptors on the cell surface, initiating signals that regulate cellular functions, and is integral to wound healing by activating fibroblasts and other crucial cell types. rhPDGF-BB is a form of PDGF-BB. rhPDGF-BB and PDGF-BB share the same biological functions but differ in their origin, with PDGF-BB being a protein that naturally occurs in the human body and is involved in physiological processes such as cell proliferation and tissue repair, and rhPDGF-BB being a form of PDGF-BB manufactured in laboratories using recombinant DNA technology and used for clinical treatments, such as promoting wound healing. rhPDGF-BB, the active ingredient in our Core Products and other PDGF candidates, mimics the biological activities of PDGF-BB, including stimulating cell growth, migration, and angiogenesis, and is used for therapeutic purposes, such as in wound healing. The following illustration demonstrates the roles of rhPDGF-BB in injury repair as an example:



Source: the Frost & Sullivan report

rhPDGF-BB can stimulate cells in the G0/G1 phase to enter the S phase by increasing the concentration of calcium ions in the cells, activating transcription factors in the cell nucleus, inducing the synthesis of growth factors, among others. It promotes cell growth, differentiation, and migration.

There are four pathways of rhPDGF-BB's action within cells: (i) when PDGF binds to PDGFR, phospholipase Cγ is activated by protein tyrosine kinase, hydrolyzing phosphatidylinositol biphosphate to generate inositol triphosphate (IP3) and diacylglycerol (DAG). IP3 can induce an increase in intracellular Ca ions and mitosis. The shared activity of DAG and Ca ions can enhance cellular proliferation; (ii) after being phosphorylated by tyrosine protein kinase, STATs create homodimers or heterodimers. These dimers enter the nucleus and instigate gene transcription upon binding to DNA; (iii) the phosphorylation and binding of PDGF receptor to phosphatidylinositol 3-kinase produce signals used in downstream signaling. Coupling and activation with PKB promote the phosphorylation of nuclear factors and their entry into the nucleus, where they bind with the target gene promoter; and (iv) the transformation of stationary Ras-GDP into activated Ras-GTP triggers Ras, which subsequently activates Raf1, MEK1/2, and ERK1/2 in order, transferring the corresponding signals into the nucleus, thereby instigating the phosphorylation of various transcription factors to amplify transcription activity, and triggering cell growth, differentiation, and migration.

Market Opportunity and Competition

Market Opportunities

PDGF has demonstrated effectiveness in promoting wound healing and ensuring safety profile. PDGF has shown promising results in the clinical evaluations for the treatment of thermal burns and DFUs, and shown positive results in pre-clinical trials of fresh wounds, dry eye syndrome, corneal damages, radiation ulcers and pressure ulcers. PDGF has the potential to broaden its therapeutic applications across various indications within the wound healing market. According to the Frost & Sullivan report, the market size of wound healing drugs in China is expected to increase from RMB95.7 billion in 2024 to RMB118.0 billion in 2033, growing at a CAGR of 2.3%.

The large number of thermal burn incidence cases, DFU patients and fresh wound incidents demonstrate considerable market opportunities in the treatment of DFUs, thermal burns and fresh wounds. According to the Frost & Sullivan report, China's annual thermal burn incidence cases are expected to increase from 30.0 million in 2024 to 33.1 million in 2033 over a CAGR of 1.1%. Further, China's thermal burn market is expected to grow from RMB1.5 billion in 2024 to RMB1.8 billion in 2033 over a CAGR of 2.1%. In addition, the number of diabetic patients in China is expected to increase from 140.5 million in 2023, to 174.0 million in 2032. DFUs are one of the most common complications of diabetes. If not treated timely and properly, DFUs could lead to amputation. According to the Frost & Sullivan report, the number of DFU patients in China is expected to increase from 8.4 million in 2024 to 10.7 million in 2033 at a CAGR of 3.0%. According to the Frost & Sullivan report, the market size of DFU drugs in China is expected to increase from RMB38.3 billion in 2024 to RMB48.5 billion in 2033, growing at a CAGR of 2.7%.

In addition, benefited from its ability to stimulate cell proliferation and angiogenesis, which is critical for tissue repair and regeneration, PDGF plays an effective role in fresh wound healing. The application of PDGF in fresh wounds has shown to enhance the strength of the healing tissue, reduce recovery time, and minimize the risk of complications, making it a valuable adjunct in postoperative care and tissue engineering. According to the Frost & Sullivan report, the fresh wound healing market in China is expected to increase from RMB39.2 billion in 2024 to RMB47.7 billion in 2033, growing at a CAGR of 2.2%.

Competitive Advantages

According to the Frost & Sullivan report, with an aging global population and a rise in chronic conditions such as diabetes, the demand for effective treatments for non-healing wounds is increasing. PDGF-BB-based products are gaining traction for their ability to accelerate the healing process, leading to a growing market presence in both clinical and consumer-oriented applications. As research uncovers more about the growth factor's functions, its market potential is likely to diversify further, opening up new avenues for product development and application across different sectors.

PDGF products have advantages in wound healing when compared to other growth factor products, which include: (i) being able to create optimal conditions for the healing process to occur; (ii) acting as a self-delivery depot to sustain the release of PDGF, ensuring a continuous supply of the growth factor at the wound site; (iii) promoting angiogenesis and tissue regeneration essential for wound healing; (iv) reducing the time taken for the wound to completely heal by enhancing the pace and quality of wound healing; and (v) being particularly beneficial in instances where the healing process may be slowed down or compromised, such as in diabetic wounds, as they help to increase healing efficiency by overcoming down-regulation of growth factor receptors.

Treatment of DFUs include medical treatment, *i.e.* metabolic management and medication, as well as surgical treatment. Existing DFU treatment mainly includes local wound care with surgical debridement, dressings promoting a moist wound environment, wound off-loading, vascular assessment, treatment of active infection, and glycemic control. Many types of growth factors have been studied for adjunct use in the treatment of DFUs, among which PDGF has notable features in stimulating cell proliferation and angiogenesis, thus effective in chronic wounds. PDGF can increase the tear strength of the wound tissue, shorten the wound healing time and significantly increase fibroblasts and mast cells in the granulation tissue. As Pro-101-2 is an rhPDGF-BB drug, it has the common advantages of PDGF.

As of the Latest Practicable Date, Regranex was the only commercialized PDGF drug for the treatment of DFUs in the world. However, Regranex is not commercially available in China, primarily because (i) the high price of Regranex renders it less competitive in the Chinese market, (ii) China was not included in the strategic market expansion plan of Regranex, and (iii) alternative and more affordable treatment options are available within China, diminishing the demand for a premium-priced product like Regranex. Therefore, as of the Latest Practicable Date, there was no PDGF drug commercially available to treat DFUs in China. Compared to Regranex, in terms of molecular structure, the sequence of our PDGF candidates is reduced by five amino acids, which enables higher molecular activity in human body so that our PDGF candidates can reach the action sites faster and stimulate cell proliferation faster. In terms of manufacturing process, we adopt the *Pichia pastoris* expression technology. We have optimized the strain based on glycosylation to make the glycosylation strategy of the strain more reasonable and closer to the glycosylation level of human body. In contrast, Regranex uses *Saccharomyces cerevisiae* expression technology, whose PDGF peptide chains generally have relatively long sugar chains. Based on the results of a parallel control experiment conducted by us on the comparison between the *Pichia pastoris* and *Saccharomyces cerevisiae* expression, relatively long sugar chains could limit the protein activity and hence the efficacy of PDGF drug candidates. In particular, the experiment showed that the activity of PDGF drug candidates using the *Pichia pastoris* expression technology was 75 times higher than that of PDGF drug candidates using the *Saccharomyces cerevisiae* expression technology. During the Phase I clinical trial, Pro-101-2 demonstrated encouraging results in safety and tolerability in healthy subjects, indicating a promising commercial and therapeutic potential to address the sizable and growing DFU drug market in China.

We have completed the Phase IIa clinical trial of Pro-101-1. We have completed the Phase I clinical trial of Pro-101-2 and have initiated the Phase II clinical trial of Pro-101-2. According to the Frost & Sullivan report, our Core Products Pro-101-1 is the most advanced PDGF drug candidate in terms of clinical development progress for the treatment of thermal burns in China. The following table illustrates the PDGF-BB drugs currently undergoing clinical trials in China for the treatment of thermal burns and DFUs as of the Latest Practicable Date:

Drug	Applicants	Indication	Stage	Status	Initial Date[3]	Clinical No.
rhPDGF-BB (gel)	Tasly Pharmaceutical	Skin ulceration of lower extremity in chronic diabetes	III	In-progress	January 22, 2014	CTR20132176
rhPDGF-BB (gel)[1].	B&K Corporation	Thermal burns	IIb	In-progress	November 14, 2023	CTR20233683
rhPDGF-BB (gel)[2].	B&K Corporation	DFUs	II	In-progress	March 24, 2022	CTR20220638

Notes:

1. This refers to Pro-101-1.

2. This refers to Pro-101-2.

3. This refers to the date of the initial publication of the clinical trial.

Based on advanced clinical designs and scientific validation, our PDGF candidates address critical limitations of existing therapies for DFUs and thermal burns by promoting tissue regeneration and wound repair, and are expected to meet and surpass stringent regulatory requirements. Furthermore, recent advancements in biotechnology and drug delivery technologies enhance the efficacy and safety of PDGF drugs. Innovations such as precision local delivery technologies which enable the direct delivery of drugs to specific affected areas, can enhance therapeutic efficacy and reduce systemic side effects, while advancements in genomics and proteomics enable more accurate patient selection. We integrate advanced platforms to develop PDGF drugs with improved efficacy. Additionally, we are exploring the potential of combining PDGF drugs with other therapies to optimize therapeutic outcomes and broaden the scope of product applications.

The limited competition in the PDGF drug market also provides us with a strategic advantage. Historically, patent protections and safety concerns related to Regranex have hindered other companies from entering this market. However, as these barriers gradually diminish, the market still lacks strong competitors. Through independent research and development, we have established a comprehensive intellectual property system. We are committed to developing safer and more effective PDGF drugs, driving long-term growth, and maintaining a leading position in future market competition.

Summary of Clinical Trial Results

The following table sets forth some details of the completed clinical trials of our Core Products:

Clinical trial	Time	Enrollment of subjects		Endpoints	
		Number	key selection criteria	Primary	Secondary
Pro-101-1, Phase IIa[(1)]	From June 2022 to May 2023	60 (enrolled)	• male subjects and non-pregnant and non-lactating female subjects, aged between 18 and 75 years old • admitted to hospital within 48 hours after burn • diagnosed as superficial/deep second-degree burns, with a total burn area of ≤15%, where the target wound surface is an isolated wound surface or a wound surface with distinguishable boundaries and an area between 20 and 400 cm^2 and the target wound surface does not include the face, eye area, ears, perineum and genital area	• the time it took for each group of subjects to achieve complete healing of the target wound	• the proportion of subjects with complete healing of the medication area in each group on days 2, 4, 6, 10, 14, 21 and 28 of treatment • the percentage change in target wound area from baseline on the wound assessment date • the condition of target wound healing, including the presence or absence of erythema, edema, ulceration, scab, rash and/or blisters, among other things
Pro-101-2, Phase I	From August 2021 to October 2021[(2)]	38 (enrolled)	• subjects aged between 18 and 45 years old • with a body mass index of between 19.0 and 28.0 (BMI = weight (kg)/height^2 (m^2)), and weight no less than 50.0kg for males and no less than 45.0kg for females • all normal or abnormal with no clinical significance during the screening and baseline periods for vital signs, physical examinations, laboratory tests and related tests	• drug-related adverse events (determined according to NCI CTCAE v5.0 grading standards)	• adverse events (determined by NCI CTCAE v5.0 grading criteria), vital signs, physical examinations, laboratory tests, 12-lead electrocardiogram, observation and special examination of the medication application site, pregnancy test (only for female subjects)

(1) Each of our Phase IIa and Phase IIb clinical trials of Pro-101-1 is a separate phase, and has its own clinical trial goals, designs and protocols. Our Phase IIa clinical trial is designed to demonstrate safety and tolerability profile, and preliminary efficacy, whereas Phase IIb clinical trial is designed to determine the efficacy and the optimal dose at which the drug shows biological activity with minimal side-effects. In fact, the safety and tolerability, as well as preliminary efficacy results of the Phase IIa clinical trial of Pro-101-1 allowed us to optimize the protocols of the Phase IIb clinical trial. Based on such results, in July 2023, we submitted a clinical

trial supplementary application with the NMPA, which was accepted by the NMPA in August 2023, that sought to cover two additional product specifications for our Phase IIb clinical trial of Pro-101-1, and we received approval for such application from the NMPA in October 2023. We commenced the Phase IIb clinical trial of Pro-101-1 in December 2023.

Accordingly, there is no need to complete Phase IIb clinical trial for the Phase IIa clinical trial to be considered one clinical trial. According to Frost & Sullivan, such subdivided trials (e.g., Phase IIa or Phase IIb) are considered independent from each other in line with industry practice.

(2) It took us around four months to execute the Phase I clinical trial of Pro-101-2 to its completion, benefitted from the reasonableness and scientificity of the clinical trial design. In fact, we paid close attention to the clinical trial design before the commencement of the Phase I clinical trial of Pro-101-2. We carefully designed the clinical trial with reference to the pre-clinical studies of Pro-101-2 and the relevant regulatory requirements for clinical trials, and kept in touch with the CDE so as to further enhance such design. Our pre-IND communications with the CDE lasted for around three months after the initial submission of the IND application for Pro-101-2. Even before the submission of the IND application, we had several rounds of communications with the CDE for purposes of optimizing the design of the clinical trial since October 2020. In between our communications with the CDE, we conducted further pre-clinical studies and literature review in response to the CDE's guidance and questions. For details, see "— Material Communications with Competent Authorities — Pro-101-2."

We believe both the design and execution is crucial to the completion of clinical trials. Both reasonable and scientific design (particularly the inclusion and exclusion criteria and the dose design) and smooth execution of clinical trials can increase the likelihood of producing reliable and reproducible results with efficiency. Meanwhile, the reasonable and scientific design of clinical trials can positively contribute to the smooth execution of clinical trials. Accordingly, we highly value the importance of clinical trial design and generously devote time and effort into such process.

For the completed Phase IIa clinical trial of Pro-101-1 and Phase I clinical trial of Pro-101-2, we have achieved each endpoint as set out in the initial clinical trial design without any suspension. There were not any treatment emergent adverse events during the clinical trials of our Core Products.

Phase I Clinical Trial of Pro-101-2

We have completed the Phase I trial of Pro-101-2 in healthy volunteers, based on the results of which we subsequently achieved the IND approval for clinical trial for Pro-101-1 from the Phase IIa clinical trial in China. We are currently evaluating Pro-101-1 in a Phase IIb trial in patients with second-degree thermal burns.

As Pro-101-2 demonstrated encouraging results in pre-clinical studies, with the IND approval obtained in July 2021, which was an umbrella approval for all phases of the clinical development of Pro-101-2, we initiated our Phase I clinical trial of Pro-101-2 in August 2021. During the Phase I clinical trial, Pro-101-2 demonstrated encouraging results in safety and tolerability in healthy subjects, indicating a promising commercial and therapeutic potential to address the sizable and growing DFU drug market.

Trial status: The Phase I clinical trial was completed in October 2021, and we finalized the clinical report in November 2021. The trial was conducted in Beijing of China.

Trial design: The Phase I clinical trial was a single-center, randomized, double-blind, placebo-controlled, single-dose, dose-escalation study to evaluate the safety and tolerability of Pro-101-2 by topical administration to healthy volunteers. The primary and secondary endpoints are drug-related adverse events as determined following the NCI CTCAE v5.0 grading criteria. During the Phase I clinical trial, after cleaning the back with normal saline, Pro-101-2 was applied evenly at one time to a designated area on the back of the trial subjects. The trial subjects were required to keep the prone position for 1.5 hours. Afterwards, the area was covered with sterile gauze. Then the subjects could stop maintaining the prone position and change the position under the guidance of the researcher. The administration sites shall not be washed or wiped within 24 hours after administration. The dressing shall be removed 24 hours after administration and the administration area shall be rinsed with water to remove residual gel.

We planned to enroll 36 heathy subjects in the trial, who would be divided into five cohorts at dose levels of 2.1 μg/cm^2 (Cohort 1), 7 μg/cm^2 (Cohort 2), 14 μg/cm^2 (Cohort 3), 21 μg/cm^2 (Cohort 4) and 21 μg/cm^2 (Cohort 5), with the respective application areas of 10x10 cm^2, 10x10 cm^2, 10x10 cm^2, 10x10 cm^2 and 16×16 cm^2. Each cohort consisted of eight subjects (six receiving Pro-101-2 and two receiving placebo) except for Cohort 1, which enrolled four subjects (three receiving Pro-101-2 and one receiving placebo). During the Phase I clinical trial, eligible subjects were administered with Pro-101-2 or placebo once on the back area on Day 1, followed by 48-hour in-hospital observation and received end-of-treatment examinations on Day 3 (discharge).

Safety data: At the beginning of the Phase I clinical trial, we enrolled in total 38 subjects, including two alternative trial subjects. Among the 38 subjects, two subjects withdrew from the study. Among these two subjects, one subject in Cohort 2 withdrew from the study within half an hour after being administered with Pro-101-2 because the subject was unable to remain in prone position for 1.5 hours. This subject was still included in the safety analysis set according to the

clinical trial protocol. The other withdrawing subject in Cohort 4 withdrew from the study before receiving any treatment or placebo. Therefore, in total 37 subjects were included in the safety analysis set.

The table below summarizes the drug exposure information of Pro-101-2 Phase I clinical trial:

Cohort	Dose ($\mu g/cm^2$)	Medication area (cm^2)	No. of subjects receiving Pro-101-2	No. of subjects receiving placebo
1	2.1	10×10	3	1
2	7	10×10	6	2
3	14	10×10	6	2
4	21	10×10	7[(1)]	2
5	21	16×16	6	2

Source: Company data

Note:

1. Represents 6 subjects who finished the study and 1 subject who withdrew from the study within half an hour after being administered with Pro-101-2 who was included in the safety analysis.

Among the 37 subjects in the study, 30 subjects (81.1%) experienced AEs with a total of 47 cases and 25 subjects (67.6%) experienced ADRs with a total of 32 cases. Among the 28 subjects who received Pro-101-2, 24 (85.7%) had 38 cases of AEs and 20 (71.4%) had 26 cases of ADRs. Of the 9 subjects receiving placebo, 6 (66.7%) had 9 cases of AEs and 5 (55.6%) had 6 cases of ADRs. Except for the outcome of two AEs that was unknown due to the subjects' refusal to review, the other AEs disappeared spontaneously before the end of the study without treatment. The table below sets forth the summary of AEs and ADRs during Pro-101-2 Phase I clinical trial:

	AEs			ADRs		
	Subject Number	%	Case number	Subject Number	%	Case Number
37 subjects in total	30	81.1	47	25	67.6	32
— 28 subjects receiving Pro-101-2	24	85.7	38	20	71.4	26
— 9 subjects receiving placebo	6	66.7	9	5	55.6	6

Source: Company data

The AEs (incidence of ≥3%) observed in both the Pro-101-2 group and the placebo group were erythema (67.9% vs 44.4%) and papules (3.6% vs 11.1%) at the administration sites. AEs (incidence of ≥7%) observed only in the Pro-101-2 group included: elevated aspartate aminotransferase (7.1%), abnormal T wave of electrocardiogram (7.1%) and prolonged QT interval of electrocardiogram (7.1%); AEs (incidence of ≥7%) observed only in the placebo group included: ventricular extrasystole (11.1%), sinus bradycardia (11.1%) and skin redness (11.1%). The abovementioned AEs all occurred at least once. The common ADRs reported in subjects receiving Pro-101-2 included erythema and papules at the application sites and increased blood uric acid. The common ADRs reported in subjects receiving placebo included erythema and papules at the application sites. As drug-related administration site reactions were observed in both groups, they

may be related to skin irritation due to the method of application. Only one case of increased blood uric acid was reported in the Pro-101-2 groups. This increased blood uric acid case was not deemed meaningful due to the limited number of subjects participating in the study.

All AEs were Grade 1 (mild) in terms of severity under the Common Terminology Criteria for Adverse Events (CTCAE version 5.0) and neither serious adverse events (the "**SAEs**") nor deaths were reported. No early withdrawal of the trial subjects was caused by the AEs. Among the 47 cases of AEs, 32 cases were possibly drug-related, 14 cases were possibly non-drug-related and 1 case was non-drug-related. No abnormal changes in physical examinations and vital signs were observed in the study.

On the basis that: (i) the drug related administration site reactions were observed in both the Pro-101-2 and placebo groups, possibly related to skin irritation due to the topical application on the back of the subjects; (ii) all such adverse events or adverse drug reactions were Grade I without any serious adverse events or deaths reported; and (iii) all cases of adverse events disappeared before the end of the study without treatment (except for two unknown cases due to the relevant subjects' refusal to review), a single administration of Pro-101-2 to healthy subjects demonstrated safety profile, with the subjects exhibiting a high degree of tolerance.

Phase IIa Clinical Trial of Pro-101-1

Trial status: The Phase IIa clinical trial for Pro-101-1 was completed in May 2023, and we finalized the clinical report in November 2023. The trial was conducted in Wuxi, Zhengzhou, Kunming, Shenzhen, Weihai, Xining, Huizhou, Shantou and Nanchang of China.

Trial design: The Phase IIa clinical trial on Pro-101-1 was a multi-center, randomized, double-blind, placebo-controlled study evaluating the safety, tolerability, preliminary efficacy, and pharmacokinetics of Pro-101-1 with localized superficial second-degree and deep second-degree burns. The primary endpoint is the time it takes for subjects in each group to achieve complete healing. The secondary endpoints include: (i) the proportion of subjects in each group with complete healing of the treated area on days 2, 4, 6, 10, 14, 21, and 28; (ii) the percentage change in the target wound area from baseline at the dates of wound assessment; and (iii) the healing status of the target wound, including the presence or absence of erythema, oedema, ulceration, crusting, rash or blistering symptoms. Trial subjects were divided by burn depth into superficial second-degree and deep second-degree groups and randomized to receive either the trial drug or a placebo. Concomitant with standard of care, subjects were administered the trial drug or placebo once daily. The standard of care primarily includes the management of co-existing conditions, cleaning of the wound and removal of burn-damaged tissue, treatment of wound infections, pain control and nutritional support. Commencing on the second day of treatment, prior to the administration of the daily dose, the target wound area was evaluated, with subsequent assessments occurring on alternate days. During routine dressing changes, investigators conducted examinations to monitor wound healing progress and signs of infection. An increase in the target wound area or exacerbation of wound condition, such as infection, could necessitate withdrawal from the study, with such events documented as AEs. At the conclusion of week two, subjects who had completed 14 days of treatment underwent a safety evaluation. Subjects with superficial second-degree burns whose target wound areas remained unhealed at the end of week two, and who were assessed by investigators as tolerating the investigational drug well with clinical benefit, were eligible to continue treatment until week four or until complete wound healing, or treatment failure was observed; subjects with deep second-degree burns continued treatment until week four or until

complete wound healing or treatment failure. The occurrence of any SAEs mandated cessation of treatment. Upon completion of the medication regimen, all subjects were subjected to a safety assessment, and, irrespective of recovery, treatment failure, early withdrawal or completion of the treatment phase, a safety follow-up visit was scheduled on the 14th day after the last application of the trial drug.

We planned to enroll 60 subjects in the trial, consisting of 2 cohorts each with 30 subjects with superficial second-degree burns and 30 subjects with deep second-degree burns respectively. Each cohort consisted of 10 subjects at dose levels of 14 μg/cm^2 (the "**High Dose Group**"), 10 subjects at 7 μg/cm^2 (the "**Low Dose Group**"), and 10 subjects receiving placebo (the "**Placebo Group**"). We utilized a digital camera in conjunction with a ruler-based analysis method to measure the surface area of burn wounds. Subjects were randomly assigned to the three groups, and the exact drug dosage is calculated based on the target wound surface area. A one-time application tool is used to evenly spread the drug or placebo across the wound surface. The treated area must not be washed or wiped within 12 hours post-application.

Safety data: During the Phase IIa clinical trial, we enrolled 60 subjects, and 59 were actually treated. In the Low Dose Group for superficial second-degree burns, there were 9 subjects, one fewer than the planned 10. Among the superficial second-degree burn cohort, a total of 27 subjects completed the treatment: one subject from each of its High Dose Group and Placebo Group decided to withdraw, leading to an early termination of the treatment. Among the deep second-degree burn cohort, all its High Dose Group subjects completed the treatment; in its Low Dose Group, one subject, and in its Placebo Group, two subjects, withdrew from the treatment prior to completion, all due to the subjects' personal decisions.

Among the 59 subjects in the study, 23 subjects (39.0%) experienced 54 AEs, with 5 subjects (8.5%) experiencing 8 AEs related to the trial drug. There were no instances of SAE. Specifically,

- Out of the subjects with superficial second-degree burns, 9 subjects (31.0%) experienced a total of 18 AEs: in the High Dose Group, there were 4 subjects (40.0% of participants) with 11 AEs; in the Low Dose Group, there were 3 subjects (33.3%) with 4 AEs; and in the Placebo Group, there were 2 subjects (20.0%) with 3 AEs. Out of these, 13 AEs in 9 subjects were resolved/recovered, 2 AEs in 2 subjects were alleviated, 2 AEs in 2 subjects were unresolved/unrecovered, and 1 AE in 1 subject was of unknown outcome.

- Among the subjects with deep second-degree burns, 14 subjects (46.7%) experienced a total of 36 AEs: in the High Dose Group, there were 3 subjects (30.0% of subjects) with 6 AEs; in the Low Dose Group, there were 4 subjects (40.0%) with 14 AEs; and in the Placebo Group, there were 7 subjects (70.0%) with 16 AEs. Out of these, 27 AEs in 13 subjects were resolved/recovered, 1 AE in 1 subject was alleviated, 7 AEs in 5 subjects were unresolved/unrecovered, and 1 AE in 1 subject had an unknown outcome.

Based on the facts that (i) approximately 8.5% of subjects experienced AEs related to the trial drug, (ii) no instances of SAE occurred during the clinical trial and (iii) the majority of the AEs were resolved/recovered or alleviated, Pro-101-1 has demonstrated safety and tolerability when applied topically once a day for a continuous period of 4 weeks at dosage 14 μg/cm^2 and 7 μg/cm^2 respectively for subjects with superficial second-degree and deep second-degree burns.

The following tables set forth some details on the results of the Phase IIa clinical trial:

Time to complete healing of target wound surface in subjects with superficial second-degree burns (FAS)

	High Dose Group N=10	Low Dose Group N=9	Placebo Group N=10
Case number (missing case).	10 (0)	9 (0)	10 (0)
Average time to complete healing (days)	10.4	11.6	17.6
Testing method, P value	Wilcoxon rank sum test, 0.069	Wilcoxon rank sum test, 0.140	

Time to complete healing of target wound surface in subjects with deep second-degree burns (FAS)

	High Dose Group N=10	Low Dose Group N=10	Placebo Group N=10
Case number (missing case).	10 (0)	10 (0)	10 (0)
Average time to complete healing (days)	14.3	19.0	20.5
Testing method, P value	Wilcoxon rank sum test, 0.017	t test, 0.603	

Source: Company data

Note:

(1) Time to complete healing is defined as the time from a randomized date to the date of complete healing. For missing data on key efficacy indicators, the time to complete healing for subjects with superficial/deep second-degree burns was 28 days; if assumption of normality is met, group comparisons were made using a t test with two independent samples; if assumption of normality is not met, group comparisons were made using a Wilcoxon rank sum test.

(2) According to the p-value of FAS, the difference for the primary endpoint between the low dose group and the placebo group and between the high dose treatment group and the placebo group is not statistically significant for patients with superficial second-degree burns. The primary aim of our Phase IIa clinical trial was to evaluate the safety, tolerability, pharmacokinetics, and immunogenicity of the drug in patients, rather than to test efficacy through statistical hypotheses. Efficacy exploration was a secondary objective, serving as a preliminary assessment rather than a conclusive measure. Thus, the lack of statistical significance in the P value is due to the trial's design, which did not include efficacy as a primary endpoint with statistical hypothesis testing, and the small sample size, which limits the ability to draw statistically significant conclusions about efficacy. The trial involved a limited sample size of 10 patients per group, totalling 60 patients across six groups. While this number is sufficient for pharmacokinetic studies, which typically require 8 to 10 subjects, it is not adequate for conducting statistical hypothesis testing on efficacy. A larger sample size would be necessary to achieve the statistical power needed to detect significant differences in efficacy. We believe that the trial's design fulfilled its intended objectives, aligning with regulatory expectations by focusing on safety and tolerability. The clinical development plan for Pro-101-1 includes a progression from Phase IIa to Phase IIb and Phase III trials, each designed in accordance with regulatory guidelines and the product's characteristics. The ongoing development plan anticipates a more detailed exploration of efficacy in subsequent trial phases. The Phase IIb trial will investigate dosage safety and efficacy, while Phase III will provide confirmatory clinical evidence.

Efficacy data: After treatment of superficial second-degree burn wound, the mean time for wound healing based on FAS was 10.4 days in the High Dose Group and 11.6 days in the Low Dose Group, which were 7.2 days and 6 days shorter than 17.6 days in the Placebo Group, respectively. Based on the Per Protocol Set (PPS) analysis, the mean time for wound healing was 10.8 days in the High Dose Group and 11.6 days in the Low Dose Group, which were 6.8 days and 6 days shorter than the 17.6 days in the Placebo Group, respectively. The healing time of the High Dose Group and the Low Dose Group was shorter than that of the Placebo Group. Based on PPS, the comparison of efficacy between the High Dose Group and the Placebo Group was $P < 0.05$ ($P = 0.047$), indicating that the efficacy of the High Dose Group was better than that of the Placebo Group. During wound healing, the proportion of completely healed subjects in the High Dose Group and Low Dose Group was higher than that in the Placebo Group, and the reduction of target wound area from baseline in High Dose Group and Low Dose Group was also better than that in the Placebo Group.

After treatment of deep second-degree burn wound, the mean time for wound healing based on FAS was 14.3 days in the High Dose Group and 19.0 days in the Low Dose Group, which were 6.2 days and 1.5 days shorter than the 20.5 days in the Placebo Group, respectively. Based on PPS, the mean time for wound healing was 14.3 days in the High Dose Group and 19.0 days in the Low Dose Group, which were 5 days and 0.3 days shorter than the 19.3 days in the Placebo Group, respectively. The healing time of the High Dose Group and the Low Dose Group was shorter than that of the Placebo Group, and based on PPS, the comparison of efficacy between the High Dose Group and the Placebo Group showed a significant difference ($P < 0.05$ ($P = 0.017$)), indicating that the efficacy of the High Dose Group was better than that of the Placebo Group. During wound healing, the proportion of completely healed subjects in the High Dose Group and the Low Dose Group was higher than that in placebo group, and the reduction of target wound area from baseline in the High Dose Group and the Low Dose Group was also better than that in the Placebo Group.

For both superficial second-degree and deep second-degree burns, the High Dose Groups and Low Dose Groups exhibited shorter healing times compared to the Placebo Groups. Furthermore, based on PPS, the High Dose Groups' efficacy surpassed that of the Placebo Groups'. The reduction in target wound surface area from baseline was also more pronounced in the High Dose Groups and Low Dose Groups when compared to the Placebo Groups. Pro-101-1 can accelerate the healing of superficial second-degree and deep second-degree burn wounds, shorten the healing time and accelerate the healing speed.

The preliminary results of Phase IIb Clinical Trial of Pro-101-1 for the treatment of deep second-degree burns

Trial status: The Phase IIb clinical trial for Pro-101-1 for the treatment of deep second-degree burns reached last patient out in April 2025. The clinical trial took place in Shenzhen, Beijing, Nanjing, Xining, Kunming, Zibo, Zhengzhou, Jinan, Linyi, Weihai, Foshan, Guangzhou, Huizhou, Shantou, Guiyang, Kaifeng, Taizhou, Luoyang, Ganzhou, Nanchang, Langfang, Jiangyin, Nanyang, Xinxiang and Taiyuan of China.

Trial design: This Phase IIb clinical trial is a multicenter, randomized, double-blind, placebo-controlled study in China designed to evaluate both the efficacy and safety of Pro-101-1 in patients with deep second-degree burns. The primary objective is to determine how effective the investigational drug is in promoting wound healing in these patients, while the secondary objective is to assess its safety profile.

81 eligible patients with deep second-degree burns are randomized in a 1:1:1 ratio into three groups: a high-dose treatment group (dose levels of 14 μg/cm^2) , a medium-dose treatment group (dose levels of 7 μg/cm^2), and a placebo group. Randomization is stratified by the size of the target wound area, either small (20–100 cm^2, including 100 cm^2) or large (100–400 cm^2).

Wound assessments are conducted before the second day of treatment and then every other day (on days D2, D4, D6, etc.). At each dressing change, investigators conducted examination to evaluate wound healing progress and signs of infection. If the wound area increases or the wound condition worsens (such as infection), the patient may be withdrawn from the study. All adverse events except for simple wound area increase are recorded as AE. The maximum treatment duration is four weeks, or until complete wound healing or treatment failure. The occurrence of any SAEs mandated cessation of treatment. At the end of treatment, all patients, whether cured, withdrawn early, or having completed the four-week period, will receive a final safety assessment.

In practice, a total of 82 patients were enrolled: 27 in the high-dose group, 27 in the medium-dose group, and 28 in the placebo control group. The medication is applied topically to the skin once daily. Six participants ended treatment early, of which one participant discontinued due to an AE, while the other five withdrew because they were either unwilling or unable to continue in the trial.

All 82 patients participants received at least one dose of the study drug and were included in the Full Analysis Set (FAS). The Per Protocol Set (PPS) is a subset of the FAS, excluding 11 patients who had major protocol deviations[1] affecting the primary efficacy endpoint assessment. Thus, 71 patients (24 medium-dose, 24 high-dose, 23 placebo) were included in the PPS. For safety analysis, all 82 treated participants were included in the Safety Set (SS).

Efficacy data:

The Primary Efficacy Endpoint is the time required for the target wound to achieve complete healing in each treatment group.

Secondary Efficacy Endpoints are: (i) the proportion of patients in each group whose treated area is completely healed on days 4, 6, 10, 14, 21, and 28 (calculated separately for superficial and deep second-degree burns); and (ii) assessment of wound healing status, including the presence or absence of symptoms such as erythema, edema/swelling, ulceration, scab formation, rash, blistering, and pigmentation.

In the FAS group, the numbers of patients aged ≤65 years in the medium-dose, high-dose, and placebo groups were 26, 20, and 27, respectively. The median time to complete healing (with 95% confidence intervals) were 18.5 days for the medium-dose group, 17.0 days for the high-dose group and 17.0 days for the placebo group. There was no statistically significant overall difference

[1] Major protocol deviations are significant departures from the clinical trial protocol that may affect participant rights, safety, or the validity of efficacy data. In this study, subjects excluded from the FAS experienced deviations that had a substantial impact on efficacy evaluation. These included misjudgment of burn depth, where patients were incorrectly diagnosed and enrolled with wounds more severe than specified, and cases of infection that compromised the reliability of outcome assessments.

among the groups (P=0.681), nor between the high-dose and placebo groups (P=0.509) or the medium-dose and placebo groups (P=0.992). Nevertheless, the complete healing rate in the high-dose group was higher than in the placebo group (95.0% vs. 77.8%).

Table 1. Summary of survival analysis results for complete healing time of patients with a burn target area of 20–400 cm^2 and age ≤ 65 years — FAS

	High-dose group (N=20)	Medium-dose group (N=26)	Placebo Group (N=27)
Number of events (complete healing rate), n (%)	19 (95.0)	21 (80.8)	21 (77.8)
Number of Censored, n (%)	1 (5.0)	5 (19.2)	6 (22.2)
Median complete healing time and its 95% CI	17.0 (13.00, 19.00)	18.5 (14.00, 23.00)	17.0 (12.00, 24.00)
P-value, overall comparison among the three groups	0.681	—	—
P-value, comparison between the high-dose group and the placebo group	0.509	—	—
P-value, comparison between the medium-dose group and the placebo group	—	0.992	—

Note: The P-value was calculated using the log-rank test.

In the PPS group, the numbers of patients aged ≤65 years in the medium-dose, high-dose and placebo groups were 24, 18, and 22, respectively. The median time to complete healing was 18.5 days for the medium-dose group, 16.5 days for the high-dose group and 19.0 days for the placebo group. The overall comparison showed a statistically significant overall difference (P=0.043) and the high-dose group also had a shorter median healing time than the placebo group with statistical significance (P=0.014). The medium-dose group also showed a shorter healing time, although without statistical significance (P=0.387). The PPS results indicate that the complete healing rate in the high-dose group was higher than in the placebo group (100.0% vs. 72.7%).

Table 2. Summary of survival analysis results for complete healing time of patients with a burn target area of 20–400 cm^2 and age ≤ 65 years — PPS

	High-dose group (N=18)	Medium-dose group (N=24)	Placebo Group (N=22)
Number of events (complete healing rate), n (%)	18 (100)	20 (83.3)	16 (72.7)
Number of Censored, n (%)	0	4 (16.7)	6 (27.3)
Median complete healing time and its 95% CI	16.5 (13.00, 18.00)	18.5 (12.00, 23.00)	19.0 (14.00, 27.00)
P-value, overall comparison among the three groups	0.043	—	—
P-value, comparison between the high-dose group and the placebo group	0.014	—	—
P-value, comparison between the medium-dose group and the placebo group	—	0.387	—

Note: The P-value was calculated using the log-rank test.

Furthermore, it became evident that age exerted a significant influence on treatment outcomes, introducing a critical source of variability. Our IIb clinical trial is designed to enroll subjects aged between 18 and 75 years old without implementing age-based stratification. This lack of stratification resulted in a pronounced imbalance among subjects aged over 65 years: among a total of 9 subjects aged over 65 years, 1 was assigned to the placebo group, 7 to the high-dose group, and 1 to the medium-dose group. Subjects over 65 showed markedly different response patterns compared to the rest of the population, introducing high variability and reducing the interpretability and reliability of the overall treatment effect. We thus concluded that age represents an essential stratification factor for exploratory efficacy analyses. At the same time, as such disproportionate distribution created a substantial risk of bias, we excluded data of subjects aged over 65 years from the efficacy analysis of our Phase IIb clinical trial data to mitigate bias in the Phase IIb clinical trial analysis and preserve analytical integrity. Following this adjustment, in the efficacy analysis, the FAS comprised of 73 subjects (excluding the 9 patients aged over 65 from the 82 subjects), while the PPS comprised of 64 subjects (of the 11 subjects excluded from the FAS due to major protocol deviations, two were over 65 years old). Accordingly, we incorporated age-stratification measures into the Phase IIIa clinical trial design to ensure balanced allocation and statistical validity.

For the subgroup with small target wound areas (20–100 cm^2) in the FAS, the numbers of patients aged ≤65 years in the medium-dose, high-dose and placebo groups were 11, 10 and 13, respectively. The median healing times were 18.0 days for the medium-dose group, 15.5 days for the high-dose group, and 18.0 days for the placebo group. There was no significant difference among the groups overall (P=0.374), nor in pairwise comparisons, but the complete healing rate in the high-dose group was higher than in the placebo group (100.0% vs. 84.6%).

Table 3. Summary of survival analysis results for complete healing time of patients with a burn target area of 20–100 cm^2 and age ≤ 65 years — FAS

	High-dose group (N=10)	Medium-dose group (N=11)	Placebo Group (N=13)
Number of events (complete healing rate), n (%)	10 (100)	11 (100)	11 (84.6)
Number of Censored, n (%)	0	0	2 (15.4)
Median complete healing time and its 95% CI	15.5 (11.00, 17.00)	18.0 (7.00, 20.00)	18.0 (9.00, 20.00)
P-value, overall comparison among the three groups	0.374	—	—
P-value, comparison between the high-dose group and the placebo group	0.244	—	—
P-value, comparison between the medium-dose group and the placebo group	—	0.265	—

Note: The P-value was calculated using the log-rank test.

For the subgroup with small target wound areas (20–100 cm^2) in the PPS, the numbers of patients aged ≤65 years in the medium-dose, high-dose and placebo groups were 11, 10 and 9, respectively. The median healing times were 18.0 days for the medium-dose group, 15.5 days for the high-dose group, and 20.0 days for the placebo group. The overall difference was not statistically significant (P=0.058). However, the high-dose group had a significantly shorter healing time than the placebo group with statistical significance (P=0.02). The medium-dose group also showed a shorter healing time but without statistical significance (P=0.060). The complete healing rate in the high-dose group was higher than in the placebo group (100.0% vs. 77.8%).

Table 4. Summary of survival analysis results for complete healing time of patients with a burn target area of 20–100 cm^2 and age ≤ 65 years — PPS

	High-dose group (N=10)	Medium-dose group (N=11)	Placebo Group (N=9)
Number of events (complete healing rate), n (%)	10 (100)	11 (100)	7 (77.8)
Number of Censored, n (%)	0	0	2 (22.2)
Median complete healing time and its 95% CI	15.5 (11.00, 17.00)	18.0 (7.00, 20.00)	20.0 (13.00, —)
P-value, overall comparison among the three groups	0.058	—	—
P-value, comparison between the high-dose group and the placebo group	0.020	—	—
P-value, comparison between the medium-dose group and the placebo group	—	0.060	—

Note: The P-value was calculated using the log-rank test.

The subgroup analysis for patients aged 65 years or younger with deep second-degree burns covering 30–300 cm^2[2]:

In the FAS, the medium-dose, high-dose and placebo groups included 25, 20 and 26 patients, respectively. The median healing times were 18.5 days for the medium-dose group, 17.0 days for the high-dose group, and 16.5 days for the placebo group. Overall, there was no statistically significant difference among the groups (P>0.05), and the hazard ratios (HR) were greater than 1 but not significant. However, the high-dose group showed a higher complete healing rate compared to the placebo group (95.0% vs. 76.9%).

In the PPS, the medium-dose, high-dose and placebo groups included 23, 18 and 21 patients, respectively. The median healing times were 19.0 days for the medium-dose group, 16.5 days for the high-dose group, and 18.0 days for the placebo group. There was no overall significant difference (P>0.05). However, non-stratified analysis revealed that the high-dose group healed significantly faster than the placebo group, with a hazard ratio of 2.10 (95% CI: 1.039–4.241, P=0.032), indicating a trend toward quicker healing. The high-dose group also had a higher complete healing rate (100% vs. 71.4%).

Multiple exploratory analyses showed that, in the PPS, the treatment groups (especially the high-dose group) had shorter median healing times, suggesting a trend of therapeutic benefit. While the FAS did not show statistically significant differences between groups, it confirmed that the size of the target burn area significantly affects healing time. In the PPS population aged ≤65 years, the high-dose group demonstrated a clear clinical advantage (P=0.014), with a median healing time 2.5 days shorter than the placebo group (16.5 days vs. 19.0 days). This benefit was even more pronounced in patients with smaller burn areas (20–100 cm^2), where the high-dose group's median healing time was 4.5 days shorter than the placebo group (15.5 days vs. 20.0 days), a statistically significant difference (P=0.02).

Safety data:

The safety endpoints are (i) incidence of adverse events and serious adverse events; and (ii) safety assessments including physical examination, vital signs, laboratory tests, pregnancy tests and 12-lead electrocardiograms.

In the SS, a total of 38 patients with deep second-degree burns (46.3% of all participants) experienced 95 treatment-emergent adverse events (TEAEs). The incidence of TEAEs was similar across groups: 12 patients (44.4%) with 32 events in the medium-dose group, 13 patients (48.1%) with 38 events in the high-dose group, and 13 patients (46.4%) with 25 events in the placebo group. There was no statistically significant difference in the rate of AE between groups.

[2] When developing the Phase III clinical trial protocol, we identified two key considerations. First, larger burn areas are more prone to infection and other confounding factors, which could compromise the reliability of efficacy assessments. Second, in the Phase IIb trial, deep second-degree burn subjects with wound areas exceeding 300 cm^2 were relatively few, indicating limited data for this subgroup. Based on these observations, we proposed narrowing the inclusion criteria from 20–100 cm^2 to 30–300 cm^2. During the discussions with the CDE, the CDE requested an analysis of data within the 30–300 cm^2 range. Accordingly, we performed this supplementary analysis. See "— Material Communications with Competent Authorities — Pro-101-1."

Five patients (6.1%) experienced six TEAEs considered related to the study drug, among which were three patients (11.1%) with three events in the medium-dose group, none in the high-dose group, and two patients (7.1%) with three events in the placebo group[(1)]. Nine patients (11.0%) had nine TEAEs of grade 3 or higher (CTCAE ≥3) that were not related to the study drug: two patients (7.4%) with two events in the medium-dose group, five patients (18.5%) with five events in the high-dose group, and two patients (7.1%) with three events in the placebo group.

The most common AE (incidence ≥5%) during the trial were hypertriglyceridemia (6.1%), wound complications (7.3%), fever (7.3%), and constipation (6.1%). One patient (1.2%) in the medium-dose group experienced a serious adverse event (SAE) unrelated to the study drug (wound infection, which led to discontinuation of treatment and was classified as grade 3 (severe), resulting in prolonged hospitalization but ultimately resolved). 76 AEs in 32 patients were resolved/recovered, one AE in one patient was alleviated, 11 AEs in nine patients were not resolved, and seven AEs in four patients had unknown outcomes. There were no drug-related grade 3 or higher AE, no drug-related AE leading to treatment interruption or discontinuation, and no drug-related SAE in any group. Laboratory tests (including blood counts, biochemistry, urinalysis, and coagulation), vital signs, ECGs, and physical examinations showed no significant safety differences among the medium-dose, high-dose, and placebo groups.

In summary, all treatment groups and the placebo group demonstrated good safety and tolerability, with no significant safety concerns identified during the study.

Summary on the preliminary results of Phase IIb Clinical Trial of Pro-101-1 for the treatment of deep second-degree burns

Based on the preliminary research data and analysis, topical application of Pro-101-1 was shown to accelerate wound healing in patients with deep second-degree burns, shortening the time to complete healing and increasing the rate of full recovery. In the PPS population aged 65 years or younger, the high-dose group demonstrated a significant clinical advantage, with a median healing time 2.5 days shorter than the placebo group (P=0.014). Across the PPS population (ages 18–75), the treatment groups, especially the high-dose group, showed a clear trend toward higher complete healing rates compared to placebo (91.7% vs. 73.9%). Four weeks of continuous topical application was well tolerated and demonstrated a favorable safety profile.

However, in the FAS population, two main factors affected the statistical results: major protocol deviations (including misclassification of burn depth and inclusion of patients with third-degree burns or infections) and uneven age distribution among groups (with most patients over 65 in the high-dose group). Given the exploratory nature and limited sample size of this Phase IIb study, these factors had a greater impact, resulting in no statistically significant difference in the primary efficacy endpoint. Nevertheless, the high-dose group consistently showed a trend toward better outcomes in both primary and secondary efficacy measures.

(1) Although TEAEs were observed in subjects receiving placebo, these events are considered drug-related. This classification is based on the fact that the dosage form itself constitutes an integral part of the investigational product. The placebo used in the trial was identical to the investigational drug in terms of formulation and delivery system, except that it did not contain the active ingredient PDGF. Consequently, any adverse events attributable to the formulation components or the mode of administration are regarded as related to the drug, even in the absence of the active ingredient.

Overall, the trial achieved its Phase IIb safety objectives. Based on PPS, the high-dose group achieved the Phase IIb trial objectives for both primary and secondary endpoints, whereas the medium-dose group did not reach either the primary or secondary endpoints. Based on FAS, neither the high-dose group nor the medium-dose group reached the primary or secondary endpoints, which may be attributable to protocol deviations, uneven age distribution and insufficient sample size. Despite these limitations, the high-dose formulation (200 μg/g) was identified as the optimal specification for this indication and the high-dose group continued to show a positive trend in complete healing rates and other efficacy indicators.

Clinical Development Plan

We initiated the Phase IIb clinical trial of Pro-101-1 for the treatment of deep second-degree burns and superficial second-degree burns in December 2023, and reached last patient out for Phase IIb clinical trial in April 2025. We are finalizing the Phase IIb clinical trial report for the treatment of deep second-degree burns, which is expected to be completed in December 2025, and the clinical trial report for the treatment of superficial second-degree burns, which is expected to be completed in the second quarter of 2026. Our Phase IIb clinical trial on Pro-101-1 is designed as a multi-center, randomized, double-blind, placebo-controlled study in China to evaluate the safety and efficacy of Pro-101-1 by topical administration to patients with superficial and deep second-degree thermal burns to ascertain the effective dose and provide dose design basis for the Phase III clinical trial. The clinical trial took place in Shenzhen, Beijing, Nanjing, Xining, Kunming, Zibo, Zhengzhou, Jinan, Linyi, Weihai, Foshan, Guangzhou, Huizhou, Shantou, Guiyang, Kaifeng, Taizhou, Luoyang, Ganzhou, Nanchang, Langfang, Jiangyin, Nanyang, Xinxiang and Taiyuan of China. We intend to initiate the Phase IIIa clinical trial of Pro-101-1 for the treatment of deep second-degree burns in the first quarter of 2026. Progression to Phase III clinical trials of Pro-101-1 for the treatment of superficial second-degree burns will depend on the statistical outcomes from the Phase IIb trial and subsequent communications with the CDE. As of the Latest Practicable Date, we have no plans to progress to the Phase III trial for this indication, as our strategy is to focus the clinical development of Pro-101-1 on the treatment of deep second-degree burns. We plan to launch the Pro-101-1 product in China in 2027. In addition, we expect to submit the IND application to the FDA in the first quarter of 2026 to directly start Phase III clinical trials for Pro-101-1 for the treatment of deep second-degree burns and initiate the Phase III clinical trials in the U.S. in the first quarter of 2027. We have conducted research into the requirements for conducting clinical trials in Japan, as well as an analysis of the Japanese market. We expect to apply for pre-application consultation meeting with PMDA in the third quarter of 2026 to discuss our plan to commence a Phase III clinical trial for Pro-101-1 for the treatment of deep second-degree burns in Japan, and commence the Phase III clinical trial in the third quarter of 2027.

We initiated the Phase II clinical trial of Pro-101-2 in February 2022. Our Phase II clinical trial is designed as a multi-center, randomized, double-blind, placebo-controlled study in China to evaluate the safety and efficacy of Pro-101-2 by topical administration to patients with DFUs. Since the commencement of Phase II clinical trial in February 2022, we have made significant progress in the research and development of Pro-101-2. In terms of the process development, we have successfully established a 2000L-scale commercial production process, increasing the expression level of PDGF by more than two-fold and improving its purity to over 99%. Additionally, we have developed an 80L-scale gel preparation process and completed pilot studies for 50μg and 200μg formulations. Furthermore, we have completed the research on localization of major components, laying the foundation for reducing future production costs. In terms of quality

control study, we applied advanced high-resolution mass spectrometry for the comprehensive structural elucidation of PDGF. To address its complex structure, we have also innovatively established various analytical methods to ensure comprehensive product quality assurance. In October 2023, we submitted a supplementary IND application with the CDE to commence the Phase II clinical trial under the revised clinical trial protocol and expand the products to cover more specifications, and we received an IND approval for such supplementary application in December 2023. We have commenced the patient enrollment process for the Phase II clinical trial of Pro-101-2 in DFUs in the third quarter of 2024, and had completed the enrollment of 83 subjects as of Latest Practicable Date. The clinical trial is expected to take place in Beijing, China. We expect to complete the Phase II clinical trial in the second quarter of 2027. The Phase II clinical trial of Pro-101-2 is anticipated to last over five years, mainly because (i) we had made registration of new product specification and certain revision to the existing clinical trial protocol since we entered the Phase II clinical trial of Pro-101-2 in DFUs; (ii) the strict enrollment criteria for subjects have resulted in a relatively slow enrollment pace; and (iii) the dosing cycle is 20 weeks, necessitating a prolonged follow-up period. We expect to initiate the Phase III clinical trial in the third quarter of 2027 and complete the Phase III clinical trial in the second quarter of 2029 and to launch the product in China in 2030. In addition, we intend to submit IND filing in the U.S. and the CTN filing in Japan in the first quarter of 2027 and initiate the Phase III clinical trials in both countries in the third quarter of 2027.

We plan to proceed directly to phase III clinical trials of Pro-101-1 and Pro-101-2 in the U.S. and Japan. However, such plan is subject to further communications with the FDA and PMDA, respectively. Based on the Ethnic Factors in the Acceptability of Foreign Clinical Data under the ICH Harmonised Tripartite Guideline of International Conference on Harmonisation of Technical Requirements for Registration of Pharmaceuticals for Human Use (ICH) Tripartite Guidelines (the "**ICH-E5 (R1)**"), it is not necessary to repeat the entire clinical drug development program in the new region. In some situations, extrapolation of clinical data may be feasible without a bridging study, including if the medicine is ethnically insensitive and extrinsic factors such as medical practice and conduct of clinical trials in the two regions are generally similar.

Clinical trials conducted in China may be applicable to other ICH member countries, including the United States and Japan, provided they adhere to ICH guidelines and address any relevant ethnic or regional differences. Based on our preliminary assessment, as Pro-101-1 is a topical biological product administered locally to the skin, there are no identified ethnic differences that would impact its safety, efficacy, dosage, or administration regimen. Accordingly, we believe that extrapolation of the clinical data may be feasible without the need for a bridging study, allowing for direct progression to Phase III clinical trials.

However, while ICH-E5 (R1) is adopted as guidance in both the United States and Japan, it does not constitute legally binding or enforceable regulation in either jurisdiction. The ultimate acceptance of our Phase I and Phase II clinical trial results from China in the United States and Japan will depend on the review and specific requirements of the FDA and PMDA, respectively. We may not be successful in our plan to proceed directly to Phase III clinical trials in the U.S. and Japan. See "Risk Factors — Risks Relating to the Research and Development of Our Candidates — We may not be able to obtain regulatory approval for our product candidates in the United States and Japan in a timely manner, or at all."

Additionally, in Japan, according to "Basic principles for conducting phase 1 studies in Japanese prior to initiating multi-regional clinical trials including Japan for drugs in which early clinical development is preceding outside Japan — Basic Principles on Global Clinical Trials (Reference Cases)" from Director, Pharmaceutical Evaluation Division, Pharmaceutical Safety Bureau, Ministry of Health, Labor and Welfare of Japan, it is recognized that the types of global development with the involvement of Japan may be divided into world-wide development conducted in cooperation with East Asian global development conducted in East-Asian countries such as Japan, China and South Korea. The characteristics of different development strategies should be thoroughly considered to develop an optimal protocol for the subsequent development phase in Japan based on the properties of the investigational drug and data available at the moment. It is also recommended to utilize the clinical trial consultation with the PMDA for individual cases in global drug development activities. As such, we plan to apply for pre-application consultation meeting with PMDA to discuss our plan to commence a Phase III clinical trial for Pro-101-1 for the treatment of deep second-degree burns in Japan before the CTN filing.

Additionally, for each of the Pro-101-1 and Pro-101-2 Phase III clinical trials in the U.S., we plan to conduct two separate Phase III clinical trials, considering that, according to the requirements of the FDA and prevailing industry practice, it is generally necessary to conduct at least two adequate and well-controlled clinical trials to establish substantial evidence of effectiveness for innovative drugs. This is stipulated in the FDA's industry guidance, "Providing Clinical Evidence of Effectiveness for Human Drug and Biological Products" (May 1998), which states that "*it has been FDA's position that Congress generally intended to require at least two adequate and well-controlled studies, each convincing on its own, to establish effectiveness*."

- The Phase III clinical trial for Pro-101-1 for the treatment of deep second-degree burns in the U.S. is expected to involve approximately 50 U.S. subjects as part of a multicenter study conducted simultaneously in both the U.S. and China. For the subsequent submission of an NDA to the FDA, an additional trial with about 300 subjects will be required under FDA regulations. In contrast, we plan to conduct an independent Phase III clinical trial in Japan and, based on the requirements of the PMDA and the characteristics of thermal burns, the estimated sample size in Japan is approximately 600 subjects.

- The Phase III clinical trial for Pro-101-2 for the treatment of deep second-degree burns in the U.S. is expected to involve approximately 200 subjects as part of a multicenter study for one clinical trial, and approximately 150 subjects as part of a multicenter study for the second trial. In contrast, we plan to conduct an independent Phase III clinical trial in Japan and, based on the requirements of the PMDA and the characteristics of DFUs, the estimated sample size in Japan is approximately 300 subjects.

Summary of our Phase III clinical trial plan in China

The Phase III clinical trial of Pro-101-1 for the treatment of deep second-degree burns is designed to evaluate the efficacy of Pro-101. We divide the trial into Phase IIIa and Phase IIIb with an aim for a more structured and data-driven overall design. Specifically, the Phase IIIa clinical trial is intended to further validate the efficacy of the drug and to provide key parameters in larger number of enrolled subjects for the design of the subsequent Phase IIIb clinical trial. The

number of subjects to be enrolled in the IIIa clinical trial of Pro-101-1 for the treatment of deep second-degree burns is planned to be 176 (consisting of 88 in the high-dose treatment group and 88 in the placebo group), compared to 82 (consisting of 27 in the high-dose treatment group, 27 in the medium-dose treatment group and 28 in the placebo group) of the Phase IIb clinical trial. The Phase IIIb trial will be designed based on data obtained from Phase IIIa to enable precise sample size calculation and refinement of the study protocol. The number of subjects to be enrolled in the IIIb clinical trial of Pro-101-1 for the treatment of deep second-degree burns is planned to be further increased to around 300 (consisting of around 150 in the high-dose treatment group and around 150 in the placebo group). Overall, the approach is intended to ensure that sufficient data are generated to meet the endpoints required for drug registration.

The clinical trial design of Phase IIIa clinical trial for Pro-101-1 for the treatment of deep second-degree burns.

The Phase IIIa clinical trial for Pro-101-1 for the treatment of deep second-degree burns is a multicenter, randomized, double-blind, placebo-controlled study designed to evaluate the efficacy and safety of Pro-101-1 in patients with deep second-degree burns.

Trial Design. The trial plans to enroll 176 patients, who will be randomly assigned in equal numbers to either the treatment group (88 subjects) receiving the Pro-101-1 or the control group (88 subjects) receiving a placebo gel. Stratification is based on age (≥18 and ≤65 years, and >65 and ≤75 years) and wound area (≥30cm^2 and ≤150cm^2 , and >150cm^2 and ≤300cm^2) to ensure balanced groups. All participants receive standard supportive care in addition to their assigned study medication, which is applied once daily for up to four weeks, or until the target wound is completely healed or the participant withdraws early.

The treatment involves calculating the dose of gel based on wound area, applying it as a thin layer after cleaning with saline, and covering the wound with Vaseline gauze, sterile gauze, and a bandage or tape. The placebo group receives a similar regimen with a blank matrix gel. Wound assessments are conducted on the first day, every other day for the first two weeks, and daily from day 14 to 28, or until healing or withdrawal. Additional assessments are performed at the end of treatment, during safety follow-up, and if a participant withdraws early.

Trial Objectives. The primary objective of the trial is to determine whether Pro-101-1 accelerates wound healing in deep second-degree burns, with the primary endpoint being the time to complete healing of the target wound. Secondary endpoints include (i) time required for the healed area of the target wound to be ≥95%; (ii) the proportion of subjects with complete healing of the medication area on days 11, 13 and 14 to 28 of treatment; (iii) the reduction rate of the area of the target wound measured and compared to the baseline area on each of day 11, 13 and 14 to 28; and (iv) wound healing status (including if there is any presence or absence of symptoms such as erythema, oedema/redness and swelling, ulceration, scab formation, scab detachment and rash). Safety is monitored through the incidence of adverse events, serious adverse events, and results from physical exams, laboratory tests, ECGs and pregnancy tests.

Eligibility criteria of subjects. Subjects must be male subjects and non-pregnant and non-lactating female aged between 18 and 75 years old, with deep second-degree burns. Subjects must be admitted to hospital within 48 hours after burn, with a total burn area of ≤30% and burn depth of the target wound consistent with deep second-degree burns. The target wound surface should be an isolated wound surface or a wound surface with distinguishable boundaries and an

area between 30 and 300 cm^2, and the target wound surface should not include the face, eye area, ears, perineum and genital area. Exclusion criteria include chemical or electrical burns, infection at admission, extensive third-degree burns, complicated injuries, severe systemic diseases, skin conditions that could affect healing, psychiatric disorders, low BMI, prior use of growth factors or functional dressings, recent participation in other trials, malignancy, and other investigator-determined reasons.

Statistical Analysis. The sample size of 176 patients (88 per group) was determined based on previous Phase IIb results. The expected mean time to complete wound healing is 16.9 days for the treatment group and 19.8 days for the placebo group, with standard deviations of 5.25 and 6.75 days, respectively. The calculation assumes 80% statistical power, a two-sided significance level of 0.05, and accounts for a 20% dropout rate. Stratification factors (age and wound area) are also considered in the estimation.

Subjects will be analyzed based on:

- **Full Analysis Set (FAS):** All randomized patients who received at least one dose of study drug or placebo. Used for baseline and efficacy analyses.

- **Per Protocol Set (PPS):** Subset of FAS who completed at least one post-treatment efficacy assessment and did not have major protocol deviations affecting the primary endpoint. Used for efficacy analyses.

- **Safety Set (SS):** All randomized patients who received at least one dose and had at least one safety assessment. Used for safety analyses.

Data will be analyzed using established statistical methods, including analysis of variance, Kaplan-Meier survival analysis, and subgroup analyses. Adverse events will be coded using MedDRA and summarized descriptively.

We are required to communicate with the CDE on the Phase IIIa clinical trial results and the Phase IIIb clinical trial design before commencing the Phase IIIb clinical trial for Pro-101-1 for the treatment of deep second-degree thermal burns based on a communication meeting in August 2025 which was held between the CDE and us to discuss the Phase IIb clinical trial data for Pro-101-1 in the treatment of deep second-degree burns.

The following table sets forth some details of the ongoing clinical trials of our Core Products:

Clinical trial	Time	Enrollment of subjects		Endpoints	
		Number	Key selection criteria	Primary	Secondary
Pro-101-1 for the treatment of deep second-degree burns and superficial second-degree burns, Phase IIb	From December 2023 Last-patient-out reached in April 2025 Clinical trial report for the treatment of deep second-degree burns to be completed in December 2025; Clinical trial report for the treatment of superficial second-degree burns to be completed in the second quarter of 2026	Superficial second-degree burns: 270 (planned) 270 (actually enrolled) Deep second-degree burns: 81 (planned) 82 (actually enrolled)	• subjects with superficial second-degree or deep second-degree burns • male subjects and non-pregnant and non-lactating female subjects, aged between 18 and 75 years old • admitted to hospital within 48 hours after burn • with a total burn area of ≤30% and burn depth of the target wound consistent with superficial/deep second-degree burns, where the target wound surface is an isolated wound surface or a wound surface with distinguishable boundaries and an area between 20 and 400 cm^2 and the target wound surface does not include the face, eye area, ears, perineum and genital area	• the time it takes for each group of subjects to achieve complete healing of the target wound	• the proportion of subjects with complete healing of the medication area in each group on days 4, 6, 10, 14, 21 and 28 of treatment (separately reported for superficial/deep second-degree burns) • the condition of target wound healing, including the presence or absence of erythema, edema/redness, ulceration, scab, thawing scab, rash and/or blisters, among other things • safety endpoints: o incidence of adverse events and serious adverse events o safety examinations, including physical examinations, vital signs, laboratory tests, blood pregnancy test, 12-lead electrocardiogram, among other things

Clinical trial	Time	Enrollment of subjects		Endpoints	
		Number	Key selection criteria	Primary	Secondary
Pro-101-2, Phase II	From July 2024 (ongoing)	160 (planned)	• subjects with Wagner grade 3 and below (excluding those with osteomyelitis); subjects who have previously undergone toe amputation for various reasons, including past diabetic foot issues, may be selected, provided the amputation site is completely healed at the time of screening; • male and female subjects aged ≥18 and ≤80 years old; • with type 1 or type 2 diabetes, clinically diagnosed with diabetic foot ulcer, and with at least one subcutaneous or deeper ulcer below the ankle; • the target ulcer have persisted for at least 4 weeks before enrollment; if there are multiple ulcers, the ulcer below the ankle with the largest area will be selected as the target ulcer; • the target ulcer wound surface should be measurable and between 1cm^2 and 40 cm^2 after debridement, after the lead-in treatment period, the percentage change in the target ulcer area should not exceed 30%; for participants with infections, the infection must be effectively controlled at baseline, as determined by the investigator; • at screening, glycated hemoglobin (HbA1c)≤ 12%; • at screening and baseline, fasting blood glucose concentration≤ 11.1 mmol/L;	• proportion of subjects with completely healed target ulcers in each group at the end of treatment	• the percentage of subjects with 50% reduction in target ulcer area from baseline at the end of treatment; • the median time for subjects in each group to achieve complete healing; • the percentage change from baseline in target ulcer area at each follow-up visit; • ulcer recurrence rate of completely healed target ulcers subjects 3 months after the end of medication

Clinical trial	Time	Enrollment of subjects		Endpoints	
		Number	Key selection criteria	Primary	Secondary
			• there should be no severe ischaemia (insufficient blood supply) during both the screening and baseline phases of a clinical trial, with at least one of the following criteria met: • for the lower limb on the side of the target ulcer: 0.7< ankle-brachial index (ABI)<1.3; • for the lower limb on the side of the target ulcer: ABI≥1.3, and toe-brachial index (TBI)≥0.5; • for the lower limb on the side of the target ulcer: 0.4< ABI≤0.7, and toe pressure (TP) or transcutaneous oxygen pressure (TcPO2)≥30mmHg.		

The Phase IIa and IIb clinical trials of Pro-101-1 are different in terms of the following aspects:

- For the Phase IIa clinical trial, the goal is to evaluate the safety, tolerability, preliminary efficacy and pharmacokinetics of Pro-101-1 with localized superficial second-degree and deep second-degree burns. There were 60 subjects enrolled and they were required to be diagnosed as superficial/deep second-degree burns, with a total burn area of ≤15%.

- For the Phase IIb clinical trial, the goal is to evaluate the efficacy and safety of different doses of Pro-101-1 in treating superficial second-degree and deep second-degree burns in patients to ascertain the effective dose and provide dose design basis for the Phase III clinical trial. There were 270 subjects with superficial second-degree burns and 82 subjects with deep second-degree burns for enrollment and they shall be diagnosed as superficial or deep second-degree burns, respectively, with a total burn area of ≤30%.

In July 2023, we submitted a clinical trial supplementary application with the NMPA, which was accepted by the NMPA in August 2023, that sought to cover two product specifications (in addition to 100 μg/g as used in the Phase IIa clinical trial) for our Phase IIb clinical trials of Pro-101-1, namely 50 μg/g and 200 μg/g, and we received approval for such application from the NMPA in October 2023. We commenced the Phase IIb clinical trials of Pro-101-1 in December 2023. Notably, the Phase IIb clinical trial was not imposed by the NMPA due to insufficient or unsatisfactory results from the Phase IIa clinical trial; rather, the Phase IIb clinical trial of Pro-101-1 was required under (i) our overall clinical trial design and (ii) the Technical Guidelines for Clinical Trials of Locally Administered and Locally Acting Drugs (《局部給藥局部起效藥物臨床試驗技術指導原則》) of the CDE.

When applying for the IND approval for the clinical trials of Pro-101-1, we submitted the overall clinical trial design for Phase IIa, Phase IIb and Phase III as three standalone clinical trials, along with the clinical trial protocol for the Phase IIa clinical trial. In our current clinical trial design, our main purpose is to (i) evaluate the safety and tolerability of Pro-101-1 and to preliminarily explore the efficacy of Pro-101-1 in a small number of patients using the 100μg/g dosage form through the Phase IIa clinical trial; and (ii) explore the relationship between the dosage and efficacy of Pro-101-1 in a large number of patients using the 50μg/g, 100μg/g and 200μg/g dosage forms through the Phase IIb clinical trials, and provide the dosage and usage basis for the Phase III clinical trial protocol. The therapeutic endpoints of Phase IIa and IIb are largely the same because the criteria for determining complete healing in thermal burns are well-defined, and the efficacy of the drugs is typically assessed based on the time taken to achieve complete healing. Each of the Phase IIa and IIb clinical trials has its own clinical trial registration number (CTR20221760 for Phase IIa clinical trial and CTR20233683 for Phase IIb clinical trial), registered with the CDE and published on the CDE's website.

In May 2022, CDE issued the Technical Guidelines for Clinical Trials of Locally Administered and Locally Acting Drugs (《局部給藥局部起效藥物臨床試驗技術指導原則》), which sets out that, for innovative drugs, companies shall consider designing a tolerability and safety study with a sufficient administration area based on the size of the target lesion, and conduct exploratory studies to fully study the results of drug candidates of different concentrations, which is expected to provide supporting evidence for the design of subsequent confirmatory clinical studies. With reference to such guidelines and building on the efficacy and safety data from the Phase IIa clinical trial, we designed the Phase IIb trial to examine the efficacy

and safety of different doses of Pro-101-1 in treating superficial second-degree and deep second-degree burns in patients to ascertain the effective dose. Our phase IIa clinical trial fulfilled its intended objectives, aligning with regulatory expectations by focusing on safety and tolerability and preliminary efficacy.

Furthermore, our Directors are of the view that the Phase IIb clinical trial was required under the relevant guidelines of the CDE and our overall clinical trial design, and it is a clinical trial complete in itself and independent from the Phase IIa clinical trial that has been communicated to the CDE by us, with detailed reasons set forth below:

(i) We have communicated our plans for the Phase IIb clinical trial before its commencement with the NMPA, and registered the Phase IIb clinical trial with NMPA in November 2023. We had not received any objection from the NMPA as of the Latest Practicable Date with respect to the Phase IIb clinical trial of Pro-101-1.

(ii) As set out in the June 2022 IND approval for the Phase IIa clinical trial of Pro-101-1, we are required to "refer to relevant PRC and overseas guidelines" as part of the clinical development requirements. According to the Technical Guidelines for Clinical Trials of Locally Administered and Locally Acting Drugs (《局部給藥局部起效藥物臨床試驗技術指導原則》) issued by the CDE in May 2022, for innovative drugs, we shall consider designing a tolerability and safety study with a sufficient administration area based on the size of the target lesion, and conduct exploratory studies to fully study the results of drug candidates of different administration areas, concentrations of active ingredients and dosage intervals, which is expected to provide supporting evidence for the design of subsequent confirmatory clinical studies. See "Regulatory Overview — Laws and Regulations in the PRC — Principal Regulatory Provisions — Laws and Regulations on New Drugs — Conduct of Clinical Trial." Our Phase IIb clinical trial of Pro-101-1 was designed with reference to such guidelines to explore the efficacy and safety of different concentrations (namely 50 μg/g, 100 μg/g and 200 μg/g), with its primary objective to ascertain the effective dose and provide dose design basis for the Phase III clinical trial. This is different from the objective of the Phase IIa clinical trial, which is to conduct safety, tolerability, pharmacokinetics and immunogenicity studies.

(iii) On September 23, 2024, we communicated and interviewed with an employee at the CDE of the NMPA providing drug acceptance consultation via the consultation hotline available from the CDE's official website. Our communications and interview were summarized as below:

  (a) with respect to whether the Phase IIa and IIb clinical trials of Pro-101-1, as long as the relevant approvals are obtained, we can commence the Phase IIb clinical trial, and such clinical trial and the Phase IIa clinical trial can be considered two independent trials.

(b) with respect to whether Pro-101-1, Pro-101-2 and Pro-101-3 will be regulated as three separate products, on the basis that such candidates sharing the same active ingredient, MOA, target and formulation differ as to intended indications, concentrations of active ingredient, major functions and dosages, the reply was as follows:

It is confirmed that Pro-101-1, Pro-101-2 and Pro-101-3 will be considered different drug products independent from each other for regulation.

(c) with respect to the roles and responsibilities of a sponsor of a drug candidate under the relevant PRC laws and regulations, the reply was as follows:

If there are two institutions co-sponsoring the same clinical trials, the CDE will regulate based on the relevant laws and regulations; and if there are legal consequences arising from the clinical trials, the co-sponsors still have to bear the relevant legal responsibilities. The CDE will not impose additional requirements on the arrangements between the co-sponsors under which only one sponsor is responsible for clinical development work.

With respect to the arrangements between the AMMS and us that we are responsible for the clinical development of Pro-101-2, the CDE has not raised any queries as to such work allocation.

(iv) On November 18, 2024, we communicated and interviewed with a representative of the NMPA via a phone call, during which we elaborated our clinical-stage process arrangement and execution in relation to Pro-101-1, summarized below:

(a) The IND approval for the clinical trials is an umbrella approval for all phases regarding a specific indication.

(b) Each of the Phase IIa and IIb clinical trials is one complete clinical trial independently conducted. The Phase IIa clinical trial results have satisfied the endpoints of such clinical trial, and we commenced the Phase IIb clinical trial accordingly to ascertain the effective dose and provide dose design basis for the Phase III clinical trial.

(c) The main objectives of the Phase IIa and IIb clinical trials of Pro-101-1 are different. The main objective of the Phase IIa clinical trial, which is to conduct safety, tolerability, pharmacokinetics and immunogenicity studies over 60 subjects. Meanwhile, the Phase IIb clinical trial's main objective is to conduct dose exploration for safety and efficacy. As such, we believe that Phase IIb clinical trial of Pro-101-1 is the necessary condition for progressing to the confirmatory Phase III clinical trials.

After listening to the above clinical-stage process arrangement and execution narrative regarding Pro-101-1, the representative of the NMPA raised no objection to our understanding.

Our PRC Legal Advisor is of the view that the representative of the CDE of the NMPA and the representative of the NMPA are the responsible personnel of the relevant authorities to provide the abovementioned response.

(v) Our PRC Legal Advisor is of the view that:

(a) According to public searches, relevant laws and materials and relevant explanations provided by our Company, the Phase IIa and IIb clinical studies are two clinical trials of different phases, each complete in itself and independent from each other among the clinical trials for the thermal burn indication, and the CDE has not raised any opposition to our commencement of the Phase IIb clinical study.

(b) We have obtained the IND approval for Pro-101-1, the PDGF drug candidate for thermal burns. We do not need additional approval from the NMPA for conducting subsequent phased clinical trials within the scope of the IND approval.

(c) We have been conducting our Phase IIb clinical study based on the requirements to fully explore different dosages and obtain support for drug efficacy and safety as instructed in the Technical Guidelines for Clinical Trials of Locally Administered and Locally Acting Drugs (《局部給藥局部起效藥物臨床試驗技術指導原則》) as well as our product research plans, among other things, and thus the Phase IIb clinical study is the necessary requirement before progressing to the confirmatory Phase III clinical trials.

As of the Latest Practicable Date, no material unexpected or adverse changes had occurred since the date of the issue of the relevant regulatory approvals for our Core Products. There has not been any adjustment made to the endpoints in the ongoing clinical trials of our Core Products.

Admittedly, recruiting sufficient participants with DFUs that fit the trial criteria for the Phase II clinical trial of Pro-101-2 is expected to present a challenge, which is a common and often time-consuming hurdle in clinical research. For related risks, see "Risk Factors — Risks Relating to the Research and Development of Our Candidates — If we encounter difficulties in enrolling patients for our clinical trials, our clinical development activities could be delayed or otherwise materially and adversely affected." To manage such risks, we carefully screen patient recruitment companies and research centers, and prefer those with relevant backgrounds and experience in respect of recruitment of DFU patients. We currently do not recognize any other technical hurdle in relation to patient enrollment or completion of patient engagement of the Phase II clinical trial of Pro-101-2. We have commenced the patient enrollment process for this clinical trial in the third quarter of 2024. We had completed the enrollment of 83 subjects as of Latest Practicable Date and plan to complete such enrollment process by the fourth quarter of 2026.

Licenses, Rights and Obligations

We hold patents and patent applications related to Pro-101-1 and Pro-101-2 in China. For details, see "Risk Factors — Risks Relating to Our Intellectual Property Rights — Even if we are able to obtain patent protection for our candidates, the term of such protection, if any, is limited, and third parties could develop and commercialize products and technologies similar or identical to ours and compete directly against us after the expiration of our patent rights, if any, and it would

have a material adverse effect on our ability to successfully commercialize any product or technology" and "Business — Intellectual Property Rights." We hold the rights to develop and commercialize Pro-101-1 and Pro-101-2 globally.

Material Communications with Competent Authorities

Pro-101-2

In October 2020, we, together with AMMS, submitted application materials of Pro-101-2 for a pre-IND meeting with the CDE to discuss the sufficiency of pharmacological and toxicological studies, the dosage design and the necessity of immunogenicity testing of the Phase I clinical trial design of Pro-101-2. In lieu of a meeting, the CDE provided written responses in January 2021. In its responses, the CDE raised questions on the adequacy of the pre-clinical pharmacodynamics studies, the selection basis of species for pre-clinical drug toxicity studies, the clinical trials of domestic and foreign growth factors products (both commercialized and under development) for DFUs and the *in vivo* behavior of the related substance of active pharmaceutical ingredients of Pro-101-2. In addition, the CDE provided useful guidance on the design of the Phase I clinical trial. In January 2021, we and AMMS submitted supplemental data to address the CDE's questions and revised our dose design of the Phase I clinical trial for Pro-101-2. In April 2021, we and AMMS jointly submitted the IND application for Pro-101-2 to the CDE and received the IND approval in July 2021, which is an umbrella approval for all phases of the clinical development of Pro-101-2. The IND approval notice states that we should continue non-clinical studies during the clinical trial and complete non-clinical safety studies in support of subsequent corresponding clinical trials and marketing applications in accordance with the progress of the clinical trial. As we intended to extend the dosing cycle from 12 weeks (the treatment duration is 4 weeks. After 4 weeks of continuous medication, subjects may continue the treatment up to the 12th week if the investigator determines that the drug is safe and well-tolerated, and treatment has not failed) to 20 weeks in the Phase II clinical trial of Pro-101-2 for a comprehensive evaluation of its safety and efficacy, we were required to conduct non-clinical trials with a duration that matches or exceeds the proposed dosing cycle. According to the Guidance on Nonclinical Safety Studies for the Conduct of Human Clinical Trials and Marketing Authorization for Pharmaceuticals M3(R2) (the "**M3(R2) Guidance**"), the duration of the animal toxicity studies conducted in two mammalian species (one no-rodent) should be equal to or exceed the duration of the human clinical trials up to the maximum recommended duration of the repeated-dose toxicity studies. Accordingly, we initiated a toxicity study of Pro-101-2 in Bama miniature pigs to evaluate toxicity of Pro-101-2 administered by dermal application or subcutaneous injection to Bama miniature pigs for 26 weeks, and the reversibility of toxicity following a four-week recovery period in August 2021. The sponsors for Pro-101-2 are our Company and AMMS, and the R&D team members mainly include Dr. ZHAI Junhui, Dr. CHENG Long, Dr. ZHAO Xinghui, Ms. WANG Huixiao and Mr. HONG Wei, all of which are employees of our Company. Although the AMMS remains as a co-sponsor of Pro-101-2, we are expected to be the sole MAH licensee of Pro-101-2 once the clinical development is complete. AMMS, as a sponsor for the clinical trials of Pro-101-2, did not participate in any subsequent R&D work for the clinical trials. For details, see "— Collaboration, Licensing and Transfer Arrangements — Collaboration with the Institute of Bioengineering of AMMS and JinBang."

After the completion of the Phase I clinical trial in October 2021, we submitted application materials for a meeting with the CDE to discuss the design of the Phase II clinical trial of Pro-101-2 (with respect to dose levels and schedules, as well as pharmacokinetic and

immunogenicity testing procedures) and whether we can initiate such trial after receiving the approval of the institutional review board. The CDE responded in writing in February 2022 that we have the discretion to assess the timing of the commencement of the Phase II clinical trial and did not raise any objection to our design of the Phase II clinical trial. We initiated the Phase II clinical trial in February 2022, as our pre-clinical study of the four-week toxicity study to observe possible toxic reactions and metabolism in the body after continuous skin application of Pro-101-2 once a day for four weeks in Bama miniature pigs provided sufficient non-clinical safety study support for the then Phase II clinical trial protocol of Pro-101-2.

In October 2023, we submitted a supplementary IND application with the CDE to include a new 50 μg/g dosage group and commence the Phase II clinical trial under the revised clinical trial protocol. The primary objective of revising the protocol was to enhance our understanding of the dose-efficacy relationship and to determine whether a lower dosage could provide equivalent clinical benefits. In May 2022, CDE issued the Technical Guidelines for Clinical Trials of Locally Administered and Locally Acting Drugs (《局部給藥局部起效藥物臨床試驗技術指導原則》), which sets out that, for innovative drugs, companies shall consider designing a tolerability and safety study with a sufficient administration area based on the size of the target lesion, and conduct exploratory studies to fully study the results of drug candidates of different concentrations, which is expected to provide supporting evidence for the design of subsequent confirmatory clinical studies. Taking into consideration of dosage designs from similar drug trials approved by the FDA, we determined that a 50 μg/g concentration should be added to the protocol to further investigate the dose-efficacy relationship. Subsequently, the clinical trial protocol for Pro-101-2 was revised to include the new 50 μg/g dosage group. In addition, we extended the dosing cycle from 12 weeks to 20 weeks in the Phase II clinical trial protocol because we completed the 26-week toxicity study of Pro-101-2 in March 2023, which supported an extended period of dosing cycle according to the M3(R2) Guidance. At the same time, we removed the pharmacokinetic and immunogenicity studies due to the fact that the Phase IIa clinical trial of Pro-101-1, which was completed in May 2023, had already conducted pharmacokinetic and immunogenicity studies, the results of which were also applicable to Pro-101-2, as they share the same active ingredient.

We received an IND approval for such supplementary application in December 2023. Following the receipt of approval for the increased dosage in December 2023, we held further discussions on the protocol, evaluated the clinical trial execution, and arranged other related matters, including obtaining ethical approval for the clinical trial. The enrollment process began in October 2024, with 83 patients enrolled as of the Latest Practicable Date. We initiated the work to revise the protocol over a year from starting the Phase II clinical trial, primarily because we would like to base our new protocol on the results of the Phase IIa clinical trial and the pre-clinical toxicity study. Although the AMMS remains as a co-sponsor of Pro-101-2, we are expected to be the sole MAH licensee of Pro-101-2 once the clinical development is complete.

Pro-101-1

Communications with the CDE: In March 2022, we submitted application materials of clinical trial of Pro-101-1 for the Phase IIa clinical trial based on the Phase I clinical trial results of Pro-101-2. NMPA issued an IND approval for the clinical trial in June 2022, which is an umbrella approval for all phases of the clinical development of Pro-101-1, and required us to communicate with the NMPA regarding key issues of the Phase III clinical trial design before we initiate the Phase III clinical trial. We expect to meet such condition before the commencement of

the Phase III clinical trial of Pro-101-1 in due course. The other requirements regarding the clinical development as set out in such IND approval include that: (i) the applicant shall refer to the clinical research and development status of drugs for the same indication in the PRC and abroad as well as relevant PRC and overseas guidelines, discuss and improve the trial plan with the researchers, and ensure the balance of baseline and basic treatment between research groups, to support the evaluation and analysis of research results; (ii) the applicant shall consider the clinical characteristics of different wounds, standardized treatment plans, and similarities and differences in prognosis, among other things, discuss with researchers and statistical experts, and stratify superficial second-degree and deep second-degree burns, while making overall plans for subsequent clinical research, including carrying out separate clinical trials if necessary; (iii) the applicant shall refer to the relevant guidelines, appropriately extend the follow-up period, and further observe the wound healing (such as distinguishing between true healing and temporary wound coverage), observe the healing quality (such as appearance and function), and safety, among other things; (iv) the applicant shall refer to the relevant statistical guidelines when handling missing data for those who discontinued treatment due to serious adverse reactions during the clinical study; and (v) the applicant shall pay attention to administration site reactions, liver and heart safety, and improve relevant risk management measures. We have continually been focusing on these points during the course of our clinical development of Pro-101-1.

We initiated the Phase IIa clinical trial in September 2022, and completed the trial in May 2023. In May 2022, CDE issued the Technical Guidelines for Clinical Trials of Locally Administered and Locally Acting Drugs (《局部給藥局部起效藥物臨床試驗技術指導原則》), which sets out that, for innovative drugs, companies shall consider designing a tolerability and safety study with a sufficient administration area based on the size of the target lesion, and conduct exploratory studies to fully study the results of drug candidates of different concentrations, which is expected to provide supporting evidence for the design of subsequent confirmatory clinical studies. With reference to such guidelines and building on the data from the Phase IIa clinical trial, in July 2023, we submitted a clinical trial supplementary application with the NMPA, which was accepted by the NMPA in August 2023, that sought to cover two product specifications (in addition to 100 μg/g as used in the Phase IIa clinical trial) for our Phase IIb clinical trial of Pro-101-1, namely 50 μg/g and 200 μg/g. As part of the clinical trial supplementary application, we also submitted (i) major research results from the Phase IIa clinical trial and (ii) our plans for the Phase IIb clinical trial for the NMPA's review. We accounted for the inclusion of Phase IIb clinical trial in the initial design of the Phase II clinical trial. The conduct of a Phase IIb clinical trial is an ordinary part of the drug development process, and we would also like to conduct the trial to comply with the Technical Guidelines for Clinical Trials of Locally Administered and Locally Acting Drugs (《局部給藥局部起效藥物臨床試驗技術指導原則》) issued in May 2022. The NMPA did not mandate a Phase IIb clinical trial, despite that, according to the p-value from FAS, the difference for the primary endpoint between the low dose group and the placebo group, and the high dose treatment group and the placebo group is not statistically significant for patients with superficial second-degree burns. The p-value from the FAS in the Phase IIa clinical trial has no impact on the Phase IIb clinical trial.

According to the overall clinical trial design submitted to NMPA while applying for the IND approval, we voluntarily submitted the detailed Phase IIb clinical trial protocol to the NMPA in July 2023 before we commenced our Phase IIb clinical trial. The purpose of this submission is to communicate with NMPA for the confirmation of the Phase IIb clinical trial protocol. The submission was made more than one year after the issuance of the Technical Guidelines for Clinical Trials of Locally Administered and Locally Acting Drugs (《局部給藥局部起效藥物臨床

試驗技術指導原則》), primarily because (i) it took us about one year to complete the prerequisite work necessary for the supplementary application submission, which specifically involves obtaining stability data of the drug samples, compiling and organizing relevant data, and drafting necessary administrative and clinical documents. We coordinated with a CMO to produce the necessary drug samples to be used in clinical trials. After signing the contracts and arranging for production, we worked with the CMO to produce three batches of 50μg/g and three batches of 200μg/g drug samples between November and December 2022 to be used in the Phase IIb clinical trial. After that, we conducted stability studies, obtained three months of stability data, and then compiled the application materials and drafted the Phase IIb clinical trial protocol for Pro-101-1; and (ii) we wanted to base the trial design on the Phase IIa clinical trial results. In addition, we submitted the clinical trial supplementary application with the NMPA after taking into consideration of the Phase IIa clinical trial results because it allows for informed decision-making and optimization of the subsequent trial phase. The Phase IIa trial provides data on the drug's safety and tolerability, as well as preliminary data on efficacy, and allows us to have a more effective exploration of the dose-response relationship, specifically to determine whether a lower/higher dose can achieve the same clinical efficacy. Our dosage design also took reference from the clinical trial results on dosage from similar drugs.

We received approval for such clinical trial supplementary application from the NMPA in October 2023, in which the NMPA required us to reasonably formulate subsequent R&D plans and proposals based on research results of Phase IIa clinical trial and other phases, communicate with the NMPA only if necessary, and continually focus on the requirements as set out in the original IND approval in June 2022.

The Phase IIb clinical study is the necessary requirement before progressing to the confirmatory Phase III clinical trials because the Technical Guidelines for Clinical Trials of Locally Administered and Locally Acting Drugs (《局部給藥局部起效藥物臨床試驗技術指導原則》) issued by the CDE clearly set out the requirements to fully explore different dosages and obtain preliminary information regarding drug efficacy and safety, so as to ascertain whether it is viable to conduct subsequent confirmatory trials. We have been conducting the Phase IIb clinical study based on the requirements to fully explore different dosages and obtain support for drug efficacy and safety as set out in the Technical Guidelines for Clinical Trials of Locally Administered and Locally Acting Drugs (《局部給藥局部起效藥物臨床試驗技術指導原則》) as well as our product research plans, among other things. As our goal for the Phase IIb clinical trial of Pro-101-1 is to ascertain the effective dose and provide dose design basis for the Phase III clinical trial, we believe such approval along with the inclusion of the two additional product specifications in our Phase IIb clinical trial can positively contribute to the clinical development for Pro-101-1.

We received ethical approval for the Phase IIb clinical trial and registered the Phase IIb clinical trial with NMPA in November 2023, and then initiated the Phase IIb clinical trial in December 2023 with two cohorts for the treatment of deep second-degree burns and superficial second-degree burns, respectively. The IND approval obtained from the NMPA in June 2022 is an umbrella approval that is applicable to each of the Phase IIa, Phase IIb and Phase III clinical trials. We had not received any objection from the NMPA as of the Latest Practicable Date with respect to the Phase IIb clinical trial of Pro-101-1.

After reaching last patient out for Phase IIb clinical trial of Pro-101-1 for the treatment of deep second-degree burns in April 2025, in the same month, we initiated communications with the CDE based on the preliminary IIb clinical trial data. The CDE provided several comments regarding the progression of Pro-101-1 for the treatment of deep second-degree burns, and we provided detailed replies to each:

- The statistical and clinical pharmacology department of the CDE noted that the FAS population showed no statistically significant difference (P>0.05) between the treatment groups and the placebo. They advised us to further explore the reasons for this lack of significance, especially since the target population for the Phase III study (burn area 30–300 cm^2) is not fully consistent with that of the Phase IIb (20–400 cm^2). The CDE also requested a clinical summary report for the Phase IIb clinical trial, which shall include subgroup analyses consistent with the Phase III target population, HR point estimates with 95% confidence intervals, and a robust justification for the Phase III sample size parameters.

  We responded by conducting additional survival and subgroup analyses, focusing on the Phase III target population (burn area 30–300 cm^2, age≤65), and found that, in the PPS set, the high-dose group showed a statistically significant difference compared to placebo (P = 0.032, HR (95%CI) = 2.10 (1.039, 4.241)). We acknowledged the limitations of the Phase IIb clinical trial, such as small sample size and protocol deviations, and committed to stratified analysis by age in future studies. We also explained that protocol deviations and the inclusion of elderly patients in the trial group affected efficacy assessment, and outlined plans to reinforce standardization and patient management in upcoming trials. The sample size for Phase III was justified based on HR estimates, and inclusion criteria were refined to improve homogeneity and efficacy evaluation.

- The clinical division of the CDE highlighted that the Phase IIb exploratory trial results showed no statistically significant difference in mean healing time between the treatment and placebo groups. They requested a thorough evaluation of whether the current data sufficiently supports proceeding to Phase III. In response, we performed a deep dive and subgroup analysis of the Phase IIb data, using survival analysis for the primary efficacy endpoint. We found that, although the overall mean healing time differences were not statistically significant, the high-dose group consistently showed higher healing rates, especially in the Phase III target population. We explained that the PPS results better reflect actual efficacy, as protocol deviations in the FAS set diluted the treatment effect. We also described operational improvements for future studies, such as enhanced wound assessment, standardized procedures, reduced loss to follow-up, and better infection management.

- The pharmacology and toxicology department of the CDE stated that, based on the submitted pharmacology and toxicology summary data, the non-clinical research materials appear to generally meet the requirements for a Phase III clinical trial application. However, whether these materials are sufficient to support the proposed clinical trial protocol will be determined after formal submission and review. At the time of formal application, it will be necessary to provide pharmacology and toxicology test reports that fully comply with the application documentation requirements. We replied

by summarizing the completed GLP-compliant pharmacology and toxicology studies, including efficacy, safety pharmacology and local tolerance, and committed to submitting all formal reports as required during the formal application process.

- Finally, the clinical pharmacology department of the CDE noted that there were no significant differences in blood concentrations before and after dosing among groups, and suggested further analysis of the reasons, as well as consideration of exposure-response (E-R) relationships and population PK modeling in phase III if feasible. We explained that both clinical and preclinical studies showed minimal systemic exposure after topical application, consistent with the properties of endogenous PDGF and similar to the FDA-approved comparator (REGRANEX). We explained that E-R and population PK analysis may not be informative due to the lack of systemic exposure, and that phase III would focus on pharmacodynamic endpoints while continuing to monitor safety closely.

In August 2025, a communication meeting was held between the CDE and us to discuss the Phase IIb clinical trial data for Pro-101-1 in the treatment of deep second-degree burns.

During the meeting, the CDE provided the following feedback: the CDE acknowledged the significant clinical need for effective therapeutic agents to promote wound healing in patients with second-degree burns. Both domestic and international literature suggest that PDGF may have clinical value in accelerating wound healing and improving the quality of wound repair in burn patients. However, the CDE noted that the current evidence is insufficient to support the direct initiation of confirmatory clinical trials for Pro-101-1 in this indication. The applicant is therefore advised to carefully evaluate the results of previous clinical studies and to conduct further exploratory research prior to proceeding with confirmatory clinical trials.

In response, we presented the following points: The results of the Phase IIb clinical trial demonstrated that the high-dose group in the PPS population achieved a statistically significant reduction in wound healing time, thereby meeting the objective of identifying an advantageous exploratory dose. Although the FAS population did not show statistically significant differences, which was primarily attributable to major protocol deviations, imbalanced age stratification and limited sample size, the high-dose group consistently exhibited a favorable efficacy trend across multiple endpoints, including complete healing rate. To facilitate further clinical development, we proposed dividing the Phase III clinical trial or Pro-101-1 into two stages: Phase IIIa and Phase IIIb. Before initiating the confirmatory Phase IIIb trial, a Phase IIIa trial, as an exploratory research, will be conducted to address the design limitations identified in the Phase IIb clinical trial, with a focus on optimizing the protocol (e.g., appropriate randomization stratification and pre-specification of strategies for managing major protocol deviations). This approach aims to provide a comprehensive assessment of efficacy to support the subsequent Phase IIIb clinical trial, which is a confirmatory clinical trial.

The CDE expressed no objections to the initiation of a Phase III clinical trial of Pro-101-1 for the treatment of deep second-degree burns in China.

The sponsor for Pro-101-1 is our Company, and the R&D team members comprise Dr. ZHAI Junhui, Dr. CHENG Long, Dr. ZHAO Xinghui, Ms. WANG Huixiao and Mr. HONG Wei, all of which are employees of our Company, and the expected marketing holder is our Company.

Communications with the FDA: In December 2021, we submitted application materials for a pre-IND meeting with the FDA to discuss the CMC aspects, the adequacy of our proposed non-clinical development plan and the proposed initial clinical study and overall clinical development plan in the United States. In lieu of a meeting, the FDA provided written responses in February 2022. The FDA replied that whether the Phase I clinical trial of Pro-101-2 and our current non-clinical studies are sufficient to support the initiation of the US IND-opening trial will be determined after the FDA's review of the complete initial IND submission, including the product quality and non-clinical components. The FDA also provided useful guidance on CMC process and the design of our Phase II clinical trial of Pro-101-1. As of the Latest Practicable Date, we are not aware of any legal claims or proceedings that may have an adverse effect on development for the pipeline, any objection to the clinical development plans, or any material adverse change had occurred with respect to the regulatory review or approval process.

Pro-101-3 for the treatment of fresh wounds

In December 2021, after the completion of the Phase I clinical trial of Pro-101-2, we submitted application materials for a pre-IND meeting with the CDE to discuss the IND application, the design of the Phase Ib clinical trial and the plan to directly conduct Phase Ib clinical trial based on the results of the Phase I clinical trial of Pro-101-2. In lieu of a meeting, the CDE provided written responses in March 2022. The CDE provided useful guidance on the design of the Phase Ib clinical trial of Pro-101-3 for the treatment of fresh wounds and suggested that whether additional safety studies are necessary should depend on the MOA, dosage, administration timing and systemic/local exposure of the result of Pro-101-2.

Summary of Pre-clinical Studies Results

Pre-clinical Studies Results of Pro-101-1

We conducted a pre-clinical study to investigate the efficacy of Pro-101-1 in second degree scald model of miniature pigs. Each miniature pig received two scald surfaces, one superficial second-degree scald and one deep second-degree scald, located on the left and right sides of the spine, respectively. After the scald modeling, the animals were randomly divided into five groups, namely the model control group (group A), control substance group (group B), Pro-101-1 low-dose group (group C), Pro-101-1 medium-dose group (group D) and Pro-101-1 high-dose group (group E). On the second day of modeling, percutaneous administration was performed on the scalded sites of the miniature pigs, with the area of administration covering the burnt sites, once a day for 21 consecutive days. The drug should be removed before the next administration. Group A was not administrated and only the back skin (or burnt sites) was disinfected daily. Group B was administrated with 300IU/cm^2 of control substance, and groups C, D, and E were administrated with 3.5 μg/cm^2, 7 μg/cm^2, and 14 μg/cm^2 of Pro-101-1, respectively.

The results demonstrated that the control substance (300IU/cm^2) and the Pro-101-1 (14μg/cm^2) could significantly increase the wound healing rate of miniature pigs with superficial and deep second-degree scald. The Pro-101-1 (3.5μg/cm^2) could significantly increase the wound healing rate of superficial second-degree scald model miniature pigs. The Pro-101-1 (7μg/cm^2) could significantly increase the wound healing rate of deep second-degree scald model pigs during the 14-day observation period. The control substance (300IU/cm^2) and the Pro-101-1 (3.5, 7, 14μg/cm^2) could improve the recovery of wound injury in miniature pigs with superficial and deep second degree scald, and promote neovascularization and proliferation of fibroblasts. The

improvement degree of healing of superficial and deep second-degree scald model was as follows: control substance (300IU/cm^2) > Pro-101-1 (14μg/cm^2) > Pro-101-1 (7μg/cm^2) > Pro-101-1 (3.5μg/cm^2).

Wound healing rate of miniature pigs with superficial and deep second-degree scald

Parts	Group	Number of animals	Healing rate (%) D3	D6	D9	D14	D22
Left side (superficial second-degree)	Group A	6	4.2±5.0	5.5±6.0	11.4±8.2	27.9±6.3	57.6±11.3
	Group B	6	0.0±0.0	16.9±18.7	16.4±9.1	41.4±10.1*	77.1±16.6*
	Group C	6	2.9±5.6	9.0±7.5	11.2±8.7	28.9±8.5	80.2±12.6**
	Group D	6	0.2±0.4	10.0±8.3	8.6±1.9	33.5±8.1	66.8±11.1
	Group E	6	0.0±0.0	6.3±8.3	8.0±11.8	32.7±15.9	75.5±10.7*
Right side (deep second-degree)	Group A	6	0.6±1.3	3.7±4.4	5.6±4.1	20.2±7.1	50.6±14.0
	Group B	6	3.0±4.9	21.0±17.4	19.1±10.3*	40.2±10.6**	76.6±18.9*
	Group C	6	3.8±5.9	5.1±6.6	11.3±8.3	28.3±5.0*	65.4±12.2
	Group D	6	3.3±4.9	9.8±8.5	16.7±7.7*	35.0±11.5*	59.5±17.7
	Group E	6	2.6±6.5	10.7±7.9	12.5±8.7	29.0±9.5	71.1±16.5*

Source: *Company data*

Notes:

1. "*" indicates that the difference is significant (P<0.05) when compared with the model control group (Group A);
   "**" indicates that the difference is very significant (P<0.01) when compared with the model control group (Group A).
2. Groups A, B, C, D, and E represent the model control group, listed control substance group, and PDGF low-, medium-, and high-dose groups, respectively.

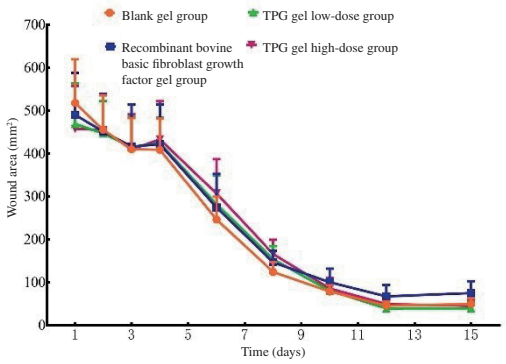
Pre-clinical Studies results of Pro-101-2

The Institute of Bioengineering of AMMS initiated the pre-clinical pharmacodynamics studies of Pro-101-2 in May 2005. The pre-clinical studies of Pro-101-2 included eight pharmacodynamic studies, three toxicity studies and one pharmacokinetic study. Pro-101-2 has demonstrated safety and efficacy results in these studies.

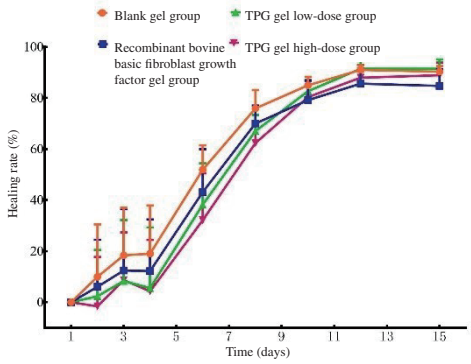
— Pharmacodynamic Studies

We conducted a study to observe the effect of Pro-101-2 on skin incision healing of diabetic SD rats induced by streptozotocin ("**STZ**"). The SD rats were evenly assigned into four groups including a blank gel group, a recombinant bovine basic fibroblast growth factor gel group, a Pro-101-2 low-dose group (30 μg/g), and a Pro-101-2 high-dose group (300 μg/g). A single STZ was injected to induce diabetes. After anesthesia, two (left/right) round full-thickness resection wounds with a diameter of about 20 mm at symmetrical positions on both sides of the spine were prepared by resection. The transparent dressing film was applied to the surface of the wounds to prevent animals from scratching and licking. The drugs were applied topically to each wound once a day for a total of 12 days. The results demonstrated that compared with the recombinant bovine basic fibroblast growth factor gel group, the wound area in the Pro-101-2 low-dose group significantly decreased on Day 15 ($P \leq 0.05$) and its wound healing rate increased significantly on Day 15 ($P \leq 0.05$), and there was no statistically significant difference in wound area or wound healing rate between the groups at other observation time points ($P > 0.05$).

Change in wound area of rats

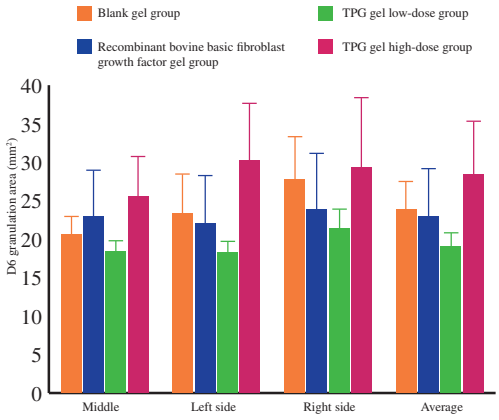


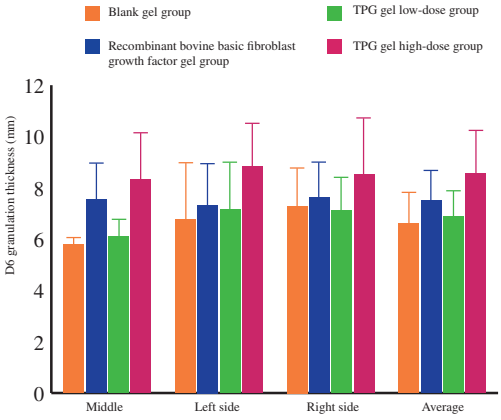
Change in healing rate of rats



Source: Company data

The results also demonstrated that compared with the recombinant bovine basic fibroblast growth factor gel group, the high-dose of Pro-101-2 had better effect on the proliferation of granulation tissues on Day 6.





Source: Company data

— Toxicity Studies

We conducted a four-week toxicity study to observe possible toxic reactions and metabolism in the body after continuous skin application of Pro-101-2 once a day for four weeks in Bama miniature pigs. The Bama minipigs were randomly assigned to five groups. Group 1 was given sodium chloride injection as a negative control; Group 2 was given a blank gel as an excipient control; Groups 3 and 4 were given 700 μg/animal and 2,100 μg/animal of Pro-101-2, respectively; and Group 5 was given 50 μg/kg Pro-101-2 drug substance as a subcutaneous injection control. Groups 1 and 5 were administered subcutaneously, and Groups 2 to 4 were given dermal administration. Doses were administered once daily for 28 consecutive days.

During the study, no mortality or moribundity was observed in any group and no treatment-related abnormal changes were observed in body temperature, ECG parameters and waveforms, blood cell counts, urinalysis or lymphocyte subsets of animals in any group. The results demonstrated in Groups 3 and 4, inflammatory reaction and stress reaction after skin removal in animals were found and no toxicity related to administration was found. After repeated skin application of Pro-101-2 to miniature pigs for 28 days and repeated subcutaneous injection of Pro-101-2 drug substance to miniature pigs for 28 days, a slight immune reaction to Pro-101-2 with low antibody titers was observed in miniature pigs.

We conducted a skin irritation study of Pro-101-2 to observe whether 14-day repeated skin application of Pro-101-2 would induce irritation reaction at the administration sites in female New Zealand rabbits. The rabbits were randomly divided into two groups, namely the normal skin group and the damaged skin group. The study was conducted using the homologous left- and right-side control method with simultaneous dermal administration to the normal and damaged skin. The test article, or Pro-101-2, was administered at a concentration of 0.2%. After the negative control article and test article were uniformly applied, the surface was covered with a layer of cellophane and fixed with nonirritating tape, gauze, or bandage for a period of 4 hours (± 10 min). Doses were administered once daily for 14 consecutive days.

During the study, no mortality or moribundity was observed in any of the animal, and no test article-related abnormalities were observed during clinical observations. The results demonstrated that repeat application of 100 μg/g Pro-101-2 once a day for 14 days to the normal skin of New Zealand rabbits had no irritation at the administration sites. After repeated application of 100 μg/g Pro-101-2 to the damaged skin of New Zealand rabbits, microscopic examination showed epidermal squamous cell hyperplasia and ulcers, as well as dermal inflammation cell infiltration, dermal fibrous tissue hyperplasia, dermal hemorrhage, and aggravated epidermal scab, which indicated that Pro-101-2 had mild irritation.

We conducted an active cutaneous anaphylaxis test of Pro-101-2 in guinea pigs to observe whether Guinea pigs develop active cutaneous anaphylaxis by applying Pro-101-2 during Day 1 to Day 15 once a week, and after sensitization of Guinea pigs 3 times to evoke the reaction on Day 29. The guinea pigs were divided into 4 groups: negative control group, positive control group, test article (Pro-101-2) group and excipient control group.

During the study, no animals in any group died or were moribund. Erythema, edema, ulceration, and scabbing were observed at the administration sites of all animals in the positive control group after sensitization. No abnormalities were observed at the administration sites of all animals in the negative control group, test article group, and excipient control group after sensitization. After evoking any reactions, no local erythema and edema were observed in the animals of the negative control group, the test article group, and the excipient control group, with sensitization rate of 0% for these groups. Mild/moderate erythema and mild/moderate edema were observed in all animals of the positive control group, with sensitization rate of 100%, indicating extreme sensitization. The results demonstrated that repeated dermal application of Pro-101-2 did not result in skin allergic reactions in the Guinea pigs.

We conducted a toxicity study of Pro-101-2 in Bama miniature pigs to evaluate toxicity of Pro-101-2 administered by dermal application or subcutaneous injection to Bama miniature pigs for 26 weeks, and the reversibility of toxicity following a four-week recovery period. The Bama miniature pigs were randomly assigned to five groups, were treated with sodium chloride injection

as negative control for Groups 1 and 2, and Pro-101-2 at doses of 700 μg/animal and 2,100 μg/animal for Groups 3 and 4, respectively. The drug substance (DS) of Pro-101-2 at a dose of 50 μg/kg was treated for Group 5 as subcutaneous injection control. Animals from Groups 1 and 5 were injected subcutaneously and animals from Groups 2 to 4 were administered via dermal application once daily for 182 consecutive days. The animals in each group were euthanized by batches after 13 weeks of dosing (Day 92), after 26 weeks of dosing (Day 183), and following a 4-week recovery period (Day 211). Parameters evaluated in this study were clinical observations, body weight, body temperature, electrocardiogram, ophthalmoscopic examinations, hematology, coagulation, clinical chemistry, urinalysis, Immunophenotype (CD3*, CD* and CD8), cytokines detection (VEGF-A and PDGF), antibody detection, toxicokinetics, organ weights, macroscopic and microscopic examinations.

During the study, two animals from subcutaneous injection negative control group were found dead due to accidental infection; and one animal from dermal application negative control group and one animal from Pro-101-2 at 700 μg/animal group were found dead, which was unrelated to the test article. Pro-101-2 by dermal wound application to animals did not result in significant systemic or local toxicity, and the drug substance (DS) of Pro-101-2 by subcutaneous injection to animals did not result in significant systemic toxicity, but pathological examination showed inflammatory changes (subcutaneous fibrosis, hemorrhage, vessel wall/perivascular necrosis, dermal/subcutaneous inflammatory cell infiltration) at the injection site, which could be completely recovered after the end of the 4-week recovery period. Under the conditions of the study, the no observed adverse effect level (NOAEL) by Pro-101-2 was 2,100 μg/animal. Serum anti-rhPDGF antibody detection showed that some animals had low antibody titers, suggesting that miniature pigs had a minimal immune response to the test article.

— Pharmacokinetic Studies

We conducted a study to assess the distribution characteristics of Pro-101-2 in the local tissues of Bama miniature pigs after a dermal administration of Pro-101-2. The Bama miniature pigs were randomly divided into two groups according to the gender segment using the computer system. All animals were cut at 10 cm×10 cm full-thickness skin on the left and right sides of the back to make a miniature pig trauma model, with the subcutaneous tissue exposed. The animals were euthanised by batches 4 hours, 12 hours, 48 hours and 72 hours after dosing. Sample tissues were collected at the wound sites.

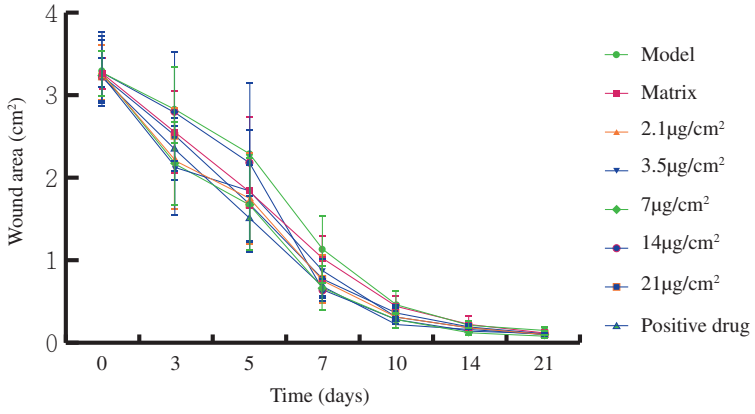
The results demonstrated that Pro-101-2 was distributed in all tissues after a single dermal administration to Bama miniature pigs. Pro-101-2 reached the highest concentration at 4 hours post-dosing (except for the 0.5 cm and 1.5 cm skin tissues in females, which reached the highest concentration at 48 hours post-dosing). Pro-101-2 was detected in all local tissues 72 hours after the administration. Except for the adipose tissue of the wounds, the Pro-101-2 content in other tissues was low and close to the lower limit of quantification. The higher concentration was detected in the adipose tissue 72 hours after the administration, indicating that Pro-101-2 can still remain in the wound sites after 72 hours, which is conducive to the continuous exertion of the pharmaceutical effect.

Pre-clinical Studies results of Pro-101-3 for the treatment of fresh wounds

We conducted a study to observe the effect of Pro-101-3 for the treatment of fresh wounds on wound repair and to explore the time-effect and dose-effect relationship of the Pro-101-3 for the treatment of fresh wounds on wound healing in full-thickness skin defect animal model of Wistar rats. Circular wounds with a diameter of 20 mm were made on each side of the Wistar rat spine to create a full-thickness skin defect model. The Wistar rats were divided into eight groups: model group, matrix control group, five kinds of Pro-101-3 for the treatment of fresh wounds treatment group (2.1μg/cm^2, 3.5μg/cm^2, 7μg/cm^2, 14μg/cm^2 and 21μg/cm^2) and positive drug group (300IU/cm^2 recombinant bovine basic fibroblast growth factor gel). The Wistar rats were dosed once a day.

During the study, it was observed that Pro-101-3 for the treatment of fresh wounds can significantly promote the proliferation of granulation tissue, repair the wounds and shorten the healing time in the repair of full-thickness skin defect wounds in Wistar rats. The 3.5μg/cm^2, 7μg/cm^2 and 14μg/cm^2 Pro-101-3 for the treatment of fresh wounds dose groups showed reduction of the wound area of the Wistar rats, acceleration in wound healing and improvement in the quality of wound healing on Day 7, Day 10 and Day 14, and there is a certain dose-effect and time-effect relationship. There was significant difference in wound area between the 7μg/cm^2 dose group and the matrix control group. There was no obvious repair effect in the 2.1μg/cm^2 and 21μg/cm^2 dose groups. The granulation tissue of the wound surface gradually disappeared, and the new epithelium increased significantly on Day 7. After the wound surface was completely healed on Day 21, the wound surface of each dose group of Pro-101-3 for the treatment of fresh wounds was smoother than that of the control group and the wound healing result was better.

Changes of wound area at different time in Wistar rats model



Source: Company data

We conducted an efficacy evaluation and preliminary study of the MOA of Pro-101-3 on wound healing in Wistar rats. Circular wounds with a diameter of 20 mm were made on each side of the Wistar rat spine to create a full-thickness skin defect model. The Wistar rats were divided into seven groups: normal control group, model control group, matrix control group, three kinds of Pro-101-3 treatment group (3.5μg/cm^2, 7μg/cm^2 and 14μg/cm^2) and positive drug group (recombinant bovine basic fibroblast growth factor gel, 300IU/cm^2). Administration was applied once a day to observe the effect of Pro-101-3 on wound healing.

During the study, it was observed that Pro-101-3 can significantly promote the proliferation of granulation tissue and increase angiogenesis in the repair of full-thickness skin defect wounds in Wistar rats. In particular, the high dose of Pro-101-3 (14μg/cm^2) significantly promoted the proliferation of granulation tissue and angiogenesis in the wounds from Day 3 to Day 7. However, the wound area was larger than the control group, indicating that high-dose Pro-101-3 would affect the wound repair process. Pro-101-3 significantly promoted the growth of wound granulation tissue and increased angiogenesis, and the wound area was significantly reduced on Day 7. The wound area was reduced, the granulation tissue of the wounds gradually disappeared, and the new epithelium was obvious in all Pro-101-3 groups from Day 7 to Day 14. After the wound surface was completely healed on Day 21, the wound surface of each dose group of Pro-101-3 was smoother than that of the control group and the wound healing quality was better. In addition, no adverse reactions were observed during the study.

Effect of Pro-101-3 on wound healing of full-thickness skin defect in Wistar rats (cm^2, mean±SD)

Group	1d	3d	7d	14d	21d
Model group	3.64±0.43 (n=16)	2.34±0.37 (n=16)	0.8±0.13 (n=16)	0.2±0.06 (n=16)	0.14±0.06 (n=16)
Matrix control group	3.54±0.52 (n=16)	2.42±0.34 (n=I6)	0.81±0.14 (n=16)	0.19±0.05 (n=16)	0.12±0.02 (n=16)
Pro-101-3 treatment group (3.5μg/cm^2)	3.56±0.47 (n=18)	2.44±0.34 (n=16)	0.83±0.14 (n=18)	0.14±0.05 (n=20)	0.1±0.03 (n=18)
Pro-101-3 treatment group (7μg/cm^2)	3.56±0.44 (n=20)	2.49±0.39 (n=20)	0.64±0.22* (n=18)	0.13±0.04** (n=20)	0.1±0.04 (n=18)
Pro-101-3 treatment group (14μg/cm^2)	3.62±0.61 (n=20)	2.57±0.58 (n=20)	0.88±0.16 (n=16)	0.14±0.04 (n=20)	0.09±0.03 (n=20)
Positive drug group	3.34±0.62 (n=18)	2±0.28* (n=18)	0.62±0.16** (n=18)	0.12±0.04** (n=18)	0.09±0.04 (n=18)

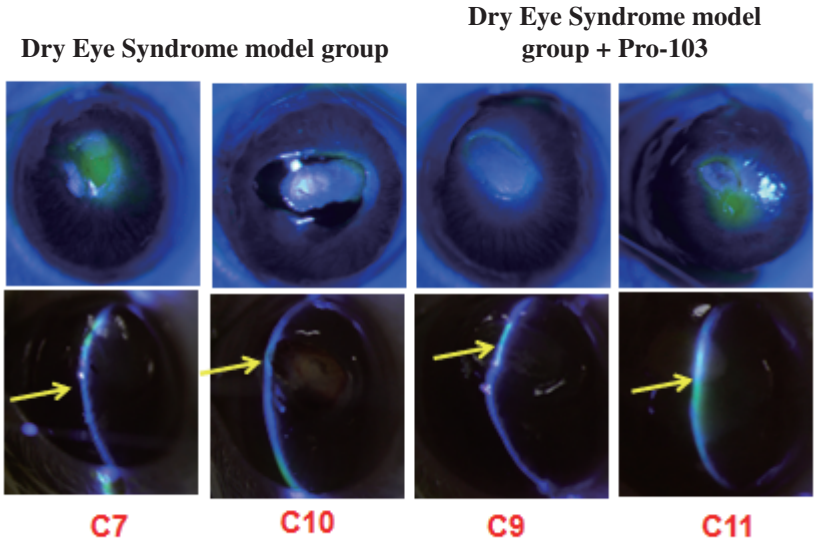
Source: *Company data*

Note: Changes in wound area of Wistar rats on the day of surgery and in wound area of each group on Day 1, 3, 7, 14, and 21 post-injury, *P<0.05 when compared with the matrix control group at the same time point; ** P<0.01 when compared with the matrix control group at the same time point; n= number of wounds.

Pre-clinical Studies results of Pro-103 for the treatment of dry eye syndrome

We conducted a study to observe the therapeutic effect of Pro-103 by establishing an animal model of dry eye syndrome in Sprague-Dawley rats and to explore the reparative function of Pro-103 on dry eye damage. Our preliminary experimental results found that Pro-103 can increase the tear content in the conjunctival sac after injury, suggesting that PDGF may have a certain reparative effect on dry eye syndrome. The effect of Pro-103 at 5μg/ml was better than that of other groups, indicating that Pro-103 can improve the ocular surface microenvironment in dry eye syndrome and play a role in the treatment of the condition.

The comparison of a rat model of dry eye (benzalkonium chloride-induced damage) and the reparative results of Pro-103



Note: The yellow arrows indicate the degree of smoothness of the reparative surface, in which the surface of C7/C10 in the damage group is uneven with bumps; the surface of C9/C11 in the Pro-103 group is relatively smooth and even

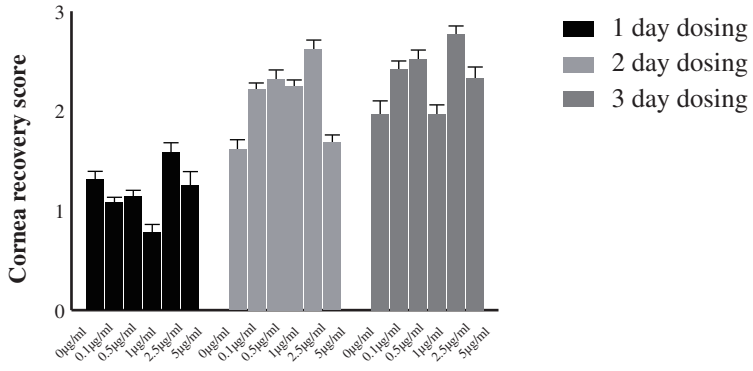
Source: Company data

The corneas of dry eye rat models showed signs of damage, losing their smooth and intact appearance. Following the application of Pro-103, a measure of therapeutic enhancement was observed. Slit-lamp photography showed that the corneal surface of rats with dry eye syndrome was not smooth and was accompanied by neovascularization. Phenol red thread testing revealed that after the administration of Pro-103, symptoms of dry eye were alleviated to a certain extent, showing a degree of therapeutic improvement. The concentration of Pro-103 suitable for treating dry eye syndrome in rats has been identified as the group with 5 μg/ml, which has a certain reparative effect.

Pre-clinical Studies results of Pro-103 for the treatment of corneal injuries

We conducted a study to observe the effects of Pro-103 on the repair of corneal epithelial tissue damage by establishing rat and rabbit corneal alkali burn models. The models were also used to explore the dosage and timing of Pro-103 for the treatment of corneal alkali burns administration, aiming to select an appropriate formulation prescription. Our rat corneal damage experiment results indicate that timely treatment with Pro-103 for the treatment of corneal alkali burns after injury can effectively promote the repair of corneal damage. On Day 2 of treatment, 2.5μg/ml Pro-103 for the treatment of corneal alkali burns showed good therapeutic effects. The timing of Pro-103 for the treatment of corneal alkali burns administration and cessation is crucial for the repair effect; stopping Pro-103 for the treatment of corneal alkali burns after 3 days and observing on Day 10 showed significant repair. The rabbit corneal damage experiment results indicated that the best therapeutic effect was achieved when the PDGF concentration was 500-5,000ng/ml, with a designated prescription formula.

Statistical results of corneal alkali burn repair in rats using different concentrations of Pro-103



* p<0.05, PDGF 0μg/ml vs. PDGF 2.5μg/ml

Source: Company data

Pre-clinical Studies results of Pro-101-3 for the treatment of radiation ulcers

We conducted a study to investigate the healing effect of Pro-101-3 for the treatment of radiation ulcers on radiation-induced skin ulcers in Wistar rats by establishing a radiation-induced skin ulcer model in Wistar rats through a single application of local X-ray irradiation to the dorsolateral skin of such rats. The SPF-grade male Wistar rats had their dorsolateral region shaved and then received a localized X-ray irradiation over a 3cm x 3cm area. The parameters of the irradiation included an absorbed dose rate of 350 cGy/min, a duration of 660 seconds, and a total dose of 38.5 Gy. After 22 days post-irradiation, rats that exhibited successful ulcer development were chosen and randomly assigned to groups, categorized by the size of the ulcerated skin area: the model control group, the positive control group and the test substance group. The positive control group was treated with 600 IU/cm^2 of a recombinant bovine basic fibroblast growth factor gel, the test substance group with 14 μg/cm^2 of Pro-101-3 for the treatment of radiation ulcers, and the model control group with a corresponding volume of inert gel matrix, for a continuous period of 24 days. Throughout the treatment phase, the rats' overall health, body weight and the ulcerated area was assessed regularly.

During the study, animal fatalities occurred in the model control, positive control, and test substance groups. At the study's conclusion, the survival rates from highest to lowest were as follows: test substance group (8 out of 10) > positive control group (7 out of 10) > model control group (5 out of 10). The trial demonstrated that the test substance Pro-101-3 for the treatment of radiation ulcers, administered at a daily total dose of 14 μg/cm^2 effectively mitigated inflammatory responses at the wound sites, reduced dermal necrosis, encouraged the growth of fibrous connective tissue, and improved the healing process of radiation-induced ulcerated skin. It also significantly lowered the mortality rate in the Wistar rat model for radiation-induced ulcers. Notably, the test substance group exhibited a considerably smaller average ulcer surface area on Day 18, 21, and 24 when compared to the model control group, achieving the smallest average ulcer size by Day 24, the final point of the study.

Statistical Data Table for Wound Surface Area (cm^2, Mean±SD)

No.	Group	Dose levels (mg/kg)	Pre	D2	D4	D7	D10	D14	D18	D21	D24
1	Model control group	—	3.78±0.89	3.52±0.77	2.62±0.90	2.66±0.90	1.69±0.62	1.28±0.58	1.14±0.56	1.05±0.64	0.69±0.55
2	Positive control group	600IU/cm^2	3.80±0.96	3.01±0.87	2.32±0.90	2.18±1.14	1.58±1.23	0.99±0.87	0.84±1.14	0.65±1.00	0.53±0.89
3	Test substance group	14μg/cm^2	3.80±0.94	2.97±0.74	2.40±0.71	2.14±0.65	1.34±0.65	0.95±0.55	0.52±0.45	0.32±0.37	0.29±0.29

Statistical Data Table for Wound Healing Rate (%, Mean±SD)

No.	Group	Dose levels (mg/kg)	D2	D4	D7	D10	D14	D18	D21	D24
1	Model control group	—	4.15±23.46	29.36±22.26	28.73±21.10	53.68±21.13	66.99±16.39	70.12±19.71	73.06±16.28	81.88±14.12
2	Positive control group	600IU/cm^2	19.89±14.33	38.51±16.60	44.69±19.84	63.36±22.82	79.54±17.51	81.26±22.16	85.92±19.59	88.51±17.54
3	Test substance group	14μg/cm^2	22.72±9.41	38.19±8.01	45.17±5.70	66.27±9.51	77.54±9.89	87.98±8.40	91.86±7.78	92.90±7.49

Source: Company data

Pre-clinical Studies results of Pro-101-3 for the treatment of pressure ulcers

We conducted a study in Bama miniature Pigs to evaluate the efficacy of Pro-101-3 for the treatment of pressure ulcers by creating a Stage II pressure ulcer model. Following an acclimatization period, the selected Bama miniature pigs were subjected to the induction of Stage II pressure ulcers, with four wounds generated on each animal. Subsequently, the pigs were evenly and randomly allocated into four groups according to the scores of the ulcer locations and gender distribution, respectively, the untreated model control group (Group A), the group treated with a commercially available product (Group B), and two groups treated with Pro-101-3 for the treatment of pressure ulcers at low doses (Group C) and high doses (Group D) respectively. Groups C and D received 7μg/cm^2 and 21μg/cm^2 of Pro-101-3 for the treatment of pressure ulcers, respectively, corresponding to one and three times the clinical dose, respectively. In contrast, the group treated with the commercially available product received 300IU/cm^2 of recombinant bovine basic fibroblast growth factor gel, which is equivalent to the standard clinical dose. Group A did not receive any medication and only underwent daily disinfection of the skin at the sites of the induced ulcers. From the second day post-ulcer induction, Groups B, C, and D had the respective test substances applied to the pigs, covering not only the ulcers but also extending 0.5cm beyond their edges. The treatment regimen was maintained for a continuous period of 21 days, during which various healing indicators were closely monitored.

During the study, no changes of toxicological relevance were observed in parameters including weight, rectal temperature, hematology and coagulation functions, biochemistry, or in the pathological examination of major organs (except for the area where the model was applied). Both Pro-101-3 for the treatment of pressure ulcers at the specified dosages and the recombinant bovine basic fibroblast growth factor gel significantly enhanced the healing rate of wounds in miniature pigs with Stage II pressure ulcers. Additionally, both Pro-101-3 for the treatment of pressure ulcers at the specified dosages and the recombinant bovine basic fibroblast growth factor gel markedly increased the expression of Ki-67 in the wound areas of the pressure ulcer model in miniature pigs, which is indicative of enhanced fibroblast proliferation at the wound sites. This suggests an improvement in the repair processes of wound damage in Stage II pressure ulcer models in miniature pigs, including the promotion of new blood vessel formation, proliferation of fibroblasts and fibrocytes, and the regeneration of collagen fibers. The extent of improvement in the wound area of the Stage II pressure ulcer model in miniature pigs was in the order of: Pro-101-3 for the treatment of pressure ulcers at 3 times the clinical dosage (21 μg/cm^2) > the commercial control product recombinant bovine basic fibroblast growth factor gel at the clinical dosage (300IU/cm^2) > Pro-101-3 for the treatment of pressure ulcers at the clinical dosage (7 μg/cm^2).

Results of the wound healing rate for pressure ulcers in miniature pigs ($\bar{x}$ ±S)

Time	Healing rate (%)			
	Group A	Group B	Group C	Group D
Number of samples (n)	24	24	24	24
D8	38.61±8.47	45.34±6.79**	46.28±8.51**	44.14±9.15*
D15	46.58±4.89	52.63±6.43*	56.80±6.16**	52.08±5.31*
Number of samples (n)	12	12	12	12
D22	49.38±4.88	59.14±11.05*	57.82±11.19*	58.34±5.44**

Source: Company data

Notes:

1. Group A, Group B, Group C, and Group D represent the model control group, the commercial control product group, and the Pro-101-3 for the treatment of pressure ulcers low- and high-dose groups, respectively.
2. "*" indicates P<0.05 compared with the model control group (Group A); "**" indicates P<0.01 compared with the model control group (Group A).

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OUR PDGF CANDIDATES SUCCESSFULLY.

mRNA AND ASO

In addition to our PDGF candidates for several pre-clinical-stage indications, we are developing three pre-clinical candidates in our pipeline, namely an mRNA drug Mes-201 and two ASO drugs, Oli-101 and Oli-201. With the support of the nucleic acid pharmaceutical platform, we meticulously evaluate these candidates' toxicity and pharmacological effects in a variety of pre-clinical studies using *in vitro* and *in vivo* laboratory testing techniques, and we actively explore their clinical development opportunities. As of the Latest Practicable Date, we were intensively researching the continuous optimization of PDGF in application, developing new PDGF formulations and expanding PDGF indications. At the same time, we were conducting pre-clinical biological, cytological and pharmacological researches on mRNA and ASO molecules.

We are developing Mes-201, an mRNA injection targeting solid tumors to determine their safety and efficacy in treating various types of solid tumors. mRNA products targeting tumors represent an approach in the field of cancer therapy. These products are designed to harness the body's own immune system to fight cancer by instructing cells to produce proteins that can trigger an immune response against tumor cells. The mRNA sequence encodes antigens that are specific to cancer cells, and once delivered into the body, these antigens are presented on the surface of cells, alerting the immune system to the presence of cancer and stimulating an attack on the tumor. mRNA tumor vaccines are personalized, as they can be tailored to the genetic makeup of an individual's cancer, potentially increasing their effectiveness.

According to the Frost & Sullivan report, mRNA injection is expected to become a new therapy with great potential for tumor immunotherapy in the future. The new case number of cancer in China is expected to increase from 5.1 million in 2024 to 6.2 million in 2033 over a CAGR of 2.3%. The oncology drug market in China is expected to increase from RMB350.0 billion in 2024 to RMB894.7 billion in 2033 over a CAGR of 11.0%.

The development of mRNA drugs involves multiple key technologies and optimisation processes, including the design, preparation, and delivery of mRNA. The mRNA structure is optimized for stability and efficient translation, with components such as the 5' cap, 5' and 3' UTRs, and the poly-A tail being crucial for protecting the mRNA and regulating its translation. The lipid nanoparticle (LNP) delivery system is a leading non-viral method for delivering genetic drugs, with low immunogenicity and high stability. Our nucleic acid pharmaceutical platform incorporates mRNA molecular design technology, which enables the enhancement of the stability and efficient expression of mRNA, allowing for the optimized combination to be applied to the development of various mRNA drugs. This technology has made innovations in the optimization of 3'-UTR, for which we have filed five invention patents in China in August 2022. Such technology helps to ensure that mRNA drugs achieve high levels of expression and reduce potential side effects. With the LNP delivery technology incorporated in the mRNA platform, we are designing and screening several ionizable lipids based on existing well-established LNP technology and expect to identify our proprietary molecule candidates. We possess a proprietary LNP formulation that boasts high delivery efficiency, for which we have filed a patent application in China. We have also been granted four patents in China for ionizable lipids. The technologies we grasp in the mRNA delivery system could significantly enhance the efficacy of mRNA-based therapeutics and injections, positioning our Company at the cutting edge of genetic medicine technology.

In addition to our work on mRNA, we have been conducting pre-clinical studies of ASO drugs, namely, Oli-101 and Oli-201, based on lncRNA technologies. lncRNAs are a diverse class of RNA molecules that have significant regulatory roles within the cells and can influence tumor behavior and patient outcomes. They can act as oncogenes or tumor suppressors, modulating cancer progression through various mechanisms, such as affecting gene expression, altering cell signaling pathways, and interacting with other molecular players within the cell. The role of lncRNA has been recognized as crucial in glioma pathogenesis, with their aberrant expression linked to tumor growth, metastasis, and therapy resistance, thereby correlating with adverse patient outcomes. The development of drug resistance and continuous recurrence are the main causes of mortality in patients with glioma. ASOs designed to target oncogenic lncRNAs present a therapeutic avenue in gliomas, aiming to inhibit tumor growth and progression by modulating the expression of these lncRNAs, disrupting the molecular pathways essential for tumor survival and

proliferation. The ASO therapy market in China is expected to increase at a CAGR of 16.5% from RMB482.0 million in 2024 to RMB656.0 million in 2028, after which the growth is projected to reach RMB1,151.0 million by 2033 at a CAGR of 11.9% from 2028 to 2032.

Our Oli-101 is designed for the treatment of brain glioma. Malignant gliomas represent the most frequently occurring primary brain tumors in the adult population. The incidence rate of these tumors differs among various demographics, typically falling within the range of 5 to 10 cases per 100,000 individuals annually. Prognostically, malignant gliomas are associated with relatively poor outcomes. Survival rates for these tumors can vary, influenced by factors such as the specific type of glioma, patient age, how extensively the tumor can be surgically removed, and the tumor's molecular properties. Generally speaking, for glioblastoma, which is the most prevalent type of malignant glioma, the median overall survival rate is usually estimated to be between 12 and 15 months. According to the Frost & Sullivan report, the market size of glioma drugs and therapies for the treatment of glioma in China is expected to reach RMB1.9 billion in 2033. Our Oli-201 is designed for the treatment of TNBC. TNBC stands out as a particularly aggressive breast cancer subtype, characterized by its heterogeneity and intricate molecular pathways. This type of cancer is notorious for its high metastatic risk and presents significant challenges in patient management. According to the Frost & Sullivan report, the market size of TNBC drugs and therapies for the treatment TNBC in China is expected to reach RMB9.0 billion in 2033. There are currently no ASO drugs targeting lncRNA on the market, presenting us with an opportunity to pioneer this space and develop innovative treatments.

Specifically, we have been developing an *in vivo* platform that identifies lncRNAs associated with drug resistance based on lncRNA technologies for the treatment of brain glioma and TNBC, which is also part of our layout in our development of the nucleic acid pharmaceutical platform. The analysis of lncRNA differences between resistant and sensitive cell strains through bioinformatics plays a pivotal role in the treatment of glioma. By utilizing advanced computational tools to scrutinize the vast array of genomic data, we can identify specific lncRNAs that are associated with resistance to chemotherapy. This platform allows for the development of targeted therapies that can overcome resistance mechanisms, thereby improving the efficacy of glioma treatments. Moreover, the identification of lncRNA signatures can also serve as biomarkers for predicting patient response to therapy, enabling personalized treatment plans that are tailored to the individual's genetic profile, thus enhancing the chances of successful intervention and patient survival rates.

lncRNA plays critical roles in modulating epigenetic gene expression, cellular proliferation and apoptosis, as well as tumor invasiveness and the propensity for metastasis. Consequently, lncRNA-focused strategies hold potential for early diagnosis and therapeutic intervention, particularly in severe TNBC cases. The cell- and tissue-specific expression of lncRNA makes them valuable for the precise diagnosis, treatment planning, and ongoing monitoring of TNBC patients. Thus, identifying novel diagnostic and prognostic biomarkers within the realm of lncRNA is paramount.

In our pre-clinical studies of the *in vivo* platform, the process for screening lncRNAs involved in glioma resistance begins by implanting glioma cell lines into immunodeficient mice, which are then allowed to develop tumors. Once tumor formation is confirmed, the mice are administered temozolomide (TMZ), a standard treatment for glioma. As resistance to TMZ develops, the process of inoculation and drug administration is repeated to enhance the selection of resistant cells. After three iterations, the resulting resistant cells undergo high-throughput

sequencing to identify lncRNAs related to TMZ resistance. We then employ CRISPR activation (CRISPRa) and interference (CRISPRi) libraries to pinpoint lncRNAs that contribute to TMZ resistance in gliomas. For particular lncRNA candidates, ASOs are engineered based on the sequence and structure of lncRNA. Effects of these ASOs are then evaluated in patient-derived xenograft (PDX) models using human glioma tissues. We found one lncRNA is a potential target for overcoming TMZ resistance. ASOs targeting this lncRNA have demonstrated a therapeutic effect, significantly shrinking the tumors. Furthermore, extensive administration of these ASOs in mice over a 30-day period has not resulted in any significant organ damage or immune response, indicating that the treatment may be both safe and efficacious.

Licenses, Rights and Obligations

We developed the mRNA and ASO products in-house and will have the global rights to develop and commercialize such technology.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET mRNA AND ASO PRODUCTS SUCCESSFULLY.

RESEARCH AND DEVELOPMENT

We focus on utilizing our systematic and well-integrated biomacromolecule therapeutic drug development platforms to develop innovative biopharmaceutical drugs for a wide variety of diseases, including thermal burns, DFUs, pressure ulcers, hemorrhoids, photodermatitis, radiation ulcers, fresh wounds, gastric ulcers, dry eye syndrome, corneal injury and alopecia. We believe research and development is critical to our future growth and our ability to remain competitive in the global biopharmaceutical market. We are dedicated to building a product pipeline with a focus on PDGF- and RNA-based therapeutics by leveraging our in-house research and development capabilities, which span internal discovery, CMC, pre-clinical, and clinical development. We incurred research and development expenses of approximately RMB39.9 million, RMB91.3 million, RMB69.8 million and RMB61.2 million in 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively, accounting for 48.7%, 43.9%, 43.8% and 45.4%, respectively, of our total operating expenses in the same periods. In 2023, 2024 and the nine months ended September 30, 2024 and 2025, we incurred R&D costs for our Core Products of RMB33.3 million, RMB56.6 million, RMB43.6 million and RMB31.8 million, respectively, accounting for 40.6%, 27.2%, 32.4% and 23.6% of our operating expenses and 83.4%, 61.9%, 62.5% and 52.0% of our total research and development expenses during the same periods, respectively. The increase in such expenses was primarily in line with the progress of the R&D of our Core Products. See "Financial Information — Description of Major Components of Our Results of Operations — Research and Development Expenses."

Our Research and Development Platforms

With more than a decade of experience in research and application of biomolecular therapeutic technologies, we have established systematic and well-integrated biomolecular therapeutic drug development platforms, including a protein/peptide pharmaceutical platform and a nucleic acid pharmaceutical platform.

Protein/peptide pharmaceutical platform

The protein/peptide pharmaceutical platform is integral to the advancement of our product portfolio, particularly with the development of PDGF therapies. This platform's capabilities in both prokaryotic and eukaryotic expression technologies have been instrumental in the creation and refinement of recombinant proteins and peptide drugs. Our PDGF candidates, especially our Core Products, have greatly benefited from the innovations and efficiencies provided by this platform. The protein/peptide pharmaceutical platform is also crucial for our future research and development of other proteins, peptides and polypeptides. The platform has the potential to support a greater variety of active proteins, peptides, and polypeptide molecules, and will involve further research into the molecular structure and function of protein/peptide drugs, including targeted mutagenesis, to achieve the desired functionality and activity.

The platform is set to underpin the research and development of an expanded range of biomolecules. With the potential to explore and produce a diverse array of active proteins, peptides, and polypeptides, the platform will also facilitate in-depth research into the molecular structure and function of these biomolecules. Through techniques such as targeted mutagenesis, we aim to fine-tune the functionality and activity of our protein/peptide drugs to meet specific therapeutic needs, thereby enhancing our competitive edge in the biopharmaceutical market. Especially, the support of the technologies embedded in the platform enables our exploring a variety of indications for PDGF across various pharmacodynamic models. Core technologies of the protein/peptide platform include:

- *Eukaryotic Expression Technology.* Our proprietary eukaryotic expression technology, predicated on the *Pichia pastoris* system, is crucial in ensuring the exemplary quality and yield of PDGF products. We are dedicated to continually refining this technology and have sought to secure its innovations through the application for two process invention patents filed in April 2023, one pertaining to fermentation and the other to purification processes. This suite of technology is poised to facilitate the robust commercialization strategy for our PDGF pipeline.

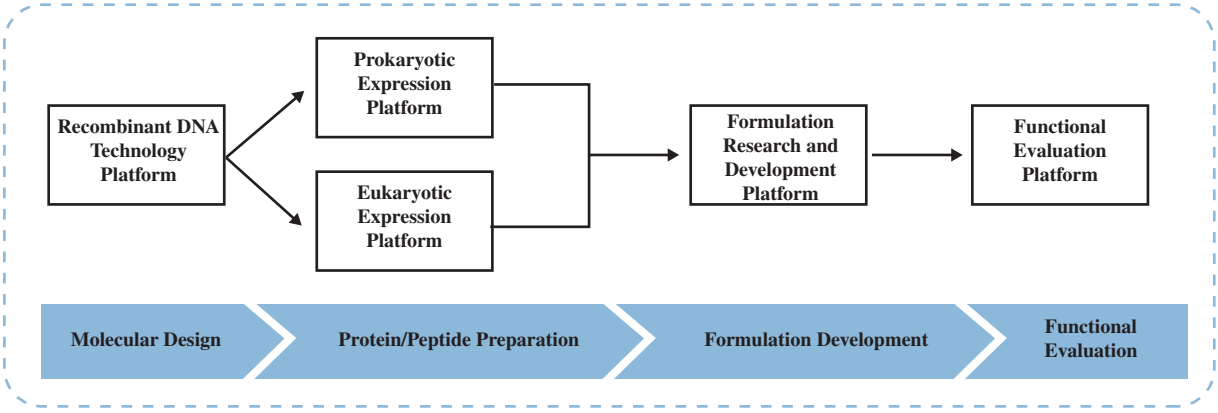
- *Prokaryotic Expression Technology.* Our prokaryotic expression technology, utilizing the *Escherichia coli* system, features straightforward culture conditions, expeditious growth and reproduction, commendable safety profile, cost-effectiveness, high efficiency and scalability. These attributes render it an ideal expression system for the production of recombinant proteins and peptides. We applied for a patent grounded in this technology in China, a recombinant protein drug for the prevention and treatment of influenza virus and its application, specifically for sialidase, which was authorized in February 2022. The deployment of this technology is anticipated to augment our protein/polypeptide therapeutic pipeline.

- *New Drug Formulation Development.* Our research and development endeavors encompass a diverse array of formulations, including but not limited to, gels, eye drops and sprays. We are also dedicated to researching various transdermal preparations and medical devices, such as soluble microneedles. We have obtained an invention patent for a pH-responsive gel in China since May 2022, and filed a PCT patent application for the same in March 2022, which, as of the Latest Practicable Date, had proceeded to the

national phase in the United States. Additionally, we have applied for two invention patents for eye drops. This technology enables us to further diversify our pipeline candidate portfolio in response to different clinical needs in terms of formulations.

- *Recombinant DNA Technology.* Our expertise in recombinant DNA molecular cloning technology enables us to manipulate and recombine DNA sequences to create novel genetic constructs. We have applied for a patent related to a PDGF-B mutant in December 2023.

The following flowchart illustrates the research and development processes of our protein/polypeptide pharmaceutical platform:



- **Molecular Design Phase**: This stage employs recombinant DNA technology to identify and construct the target protein/peptide, using bioinformatics for structure-function prediction and gene sequence optimization.

- **Protein/Peptide Preparation Phase**: This stage involves (i) the Prokaryotic Expression Platform, which focuses on maximizing expression in prokaryotic cells and refining purification and (ii) the Eukaryotic Expression Platform, which ensures proper folding and modifications in eukaryotic cells, with scale-up for testing needs.

- **Formulation Development Phase**: This stage develops stable, bioavailable formulations, selecting optimal components and conducting stability studies to determine shelf life.

- **Functional Evaluation Phase**: This stage assesses biological activity, efficacy and safety through assays and pre-clinical studies, informing refinements before clinical trials.

Nucleic acid pharmaceutical platform

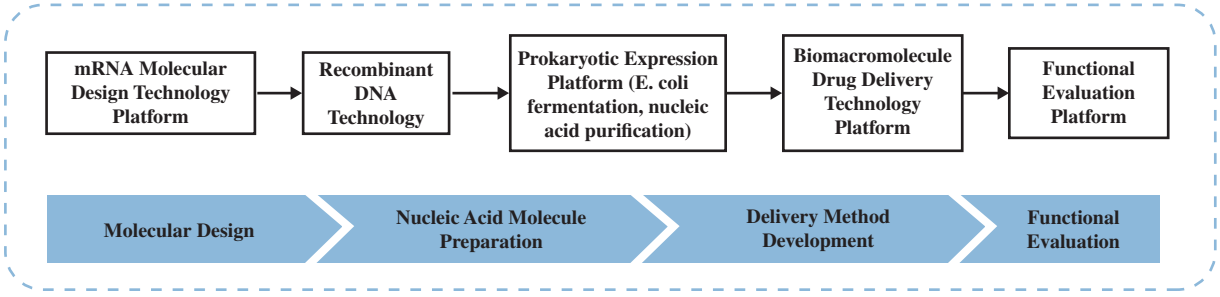
Our nucleic acid pharmaceutical platform is underpinned by mRNA molecular design and LNP delivery technologies, ensuring that we remain at the forefront of the rapidly evolving field of genetic and RNA-based therapeutics. Our research includes developing RNA candidates for indications such as solid tumors, brain glioma and TNBC. We are currently conducting pre-clinical research of our RNA candidates, including mRNA injectables targeting tumor and injectables where the ASO is used to modulate the activity of a lncRNA implicated in glioma and TNBC. As

of the Latest Practicable Date, we owned proprietary intellectual property rights to our mRNA candidates as a result of our in-house research and development efforts. Core technologies of the nucleic acid pharmaceutical platform include:

- *mRNA Molecular Design Technology.* mRNA molecular design technology plays a critical role in the research and development of mRNA therapeutics. Advances in enzymatic capping, the design of the length and structure of 3' and 5' untranslated regions ("**UTRs**"), optimization of the Poly(A) tail length, codon optimization, and nucleotide modifications all contribute to enhancing the stability and efficient expression of mRNA. The combination of different modifications is crucial for the efficiency and stability of mRNA. Our technology combination allows for the optimized combination to be applied to the development of various mRNA drugs. This technology has made innovations in the optimization of 3'-UTR, for which we have filed five invention patents in August 2022. Such technology helps to ensure that mRNA drugs achieve high levels of expression and reduce potential side effects.

- *LNP Delivery Technology.* LNPs are among the most frequently used non-viral vectors for *in vivo* RNA delivery. We are designing and screening several ionizable lipids based on existing well-established LNP technology and expect to identify our proprietary molecule candidates. We screened multiple new cationic lipids and have been granted four invention patents in China in June 2023, and applied for a new LNP formulation invention patent in May 2022.

The following flowchart illustrates the research and development processes of our nucleic acid pharmaceutical platform:



- **mRNA Molecular Design Phase:** This stage focuses on the computational design and optimization of mRNA sequences for robust stability and efficient translation.

- **Nucleic Acid Molecule Preparation Phase:** This stage involves cloning the optimized gene into vectors and using prokaryotic systems like E. coli fermentation for plasmid DNA production and purification.

- **Delivery Method Development Phase:** This stage optimizes the formulation of delivery vectors, such as lipid nanoparticles for effective cellular uptake and reduced immunogenicity.

- **Functional Evaluation Phase:** This stage assesses the therapeutic efficacy, specificity and safety of the nucleic acid-based treatment through rigorous pre-clinical testing.

Our Research and Development Team

Our research and development team is supervised by our General Manager, Dr. ZHAI Junhui. Dr. Zhai is a distinguished scientist in microbiology, molecular biology, virology and preventive medicine with around 30 years of experience in biomedical science research. He obtained his doctorate degree in preventive healthcare from AMMS and was a postdoctoral research scientist in microbiology at Columbia University School of Public Health (Infection and Immunity Center Laboratory).

Our research and development is led by our Chief R&D Officer, Dr. ZHAO Xinghui. Dr. Zhao is a distinguished scientist in biotechnology, genetics, and microbiology, specifically, majoring in protein-engineered drugs, pathogen infection mechanisms, tumor molecular markers and epigenetic regulation, and hematopoietic stem cell aging, with around 20 years of experience in biomedical science research. Dr. Zhao has been our Chief R&D officer leading the management of our R&D department since she joined us in May 2021. Her role encompasses overseeing the R&D center, team development, strategic planning for product development, and supervising ongoing research projects. Additionally, she is tasked with the management of project and patent filing, and managing our intellectual property. Dr. Zhao has played a pivotal role in the initiation and progression of our projects, ensuring their adherence to technical standards and successful implementation. She is an active participant in the scientific technology committee meetings, where she contributes to the strategic planning for our research endeavors.

Dr. ZHAI Junhui is responsible for handling the research and development of our PDGF candidates and has over 20 years of research experience in such area. Dr. Zhai held the position of general manager from October 2019 to December 2020, during which he was responsible for our technical strategy and the comprehensive management of our R&D activities. This included overseeing the IND applications for our Core Products. He was subsequently appointed as a Director in December 2020 and Executive Director in April 2024, where he has been overseeing the Company's overall operations, including R&D and Core Product-related activities. Dr. Zhai significantly enhanced our R&D capacity through several strategic initiatives. Firstly, he expanded the R&D team by recruiting personnel tailored to specific project needs, thereby increasing both the scale and capability of our research efforts. He also optimized the R&D centre's infrastructure by organising laboratories and acquiring advanced experimental instruments, ensuring they met the evolving requirements of our research activities. Furthermore, Dr. Zhai established internal control processes to guarantee that R&D operations were conducted efficiently and in compliance with relevant standards. His leadership was instrumental in the rapid advancement of the Pro-101-1 and Pro-101-2 pipelines, which progressed swiftly from IND submission in 2020 to Phase II clinical trials following the completion of Phase I trials in 2021. Additionally, he facilitated the initiation and clinical research of other protein and nucleic acid pipeline products, aligning with our strategic plans. Dr. Zhao is responsible for handling the research and development for our PDGF and mRNA candidates and has years of research experience on such area. Dr. Zhai and Dr. Zhao are responsible for handling the research and development for our ASO candidates.

Our research and development team has four segments (namely, early detection, clinical development, regulatory affairs and quality assurance) and can be further divided into nine functional areas, including protein/nucleic acid molecule construction, functional evaluation, fermentation, purification, formulation, clinical trial, clinical registration, quality assurance and quality control, and each functional area is headed by experienced professionals. As of the Latest

Practicable Date, our research and development department in China had six members holding doctorate degrees and nine members holding master's degrees. The following table sets forth a breakdown of our research and development team by function as of the Latest Practicable Date:

	Number of employees by function as of the Latest Practicable Date
Early Detection	17
Clinical Development	6
Regulatory Affairs	11
Quality Assurance	14
Total	**48**

Our early detection staff are primarily responsible for designing, planning and conducting our research experiments, as well as managing our CROs, CDMOs, CMOs and research and medical institutions, with respect to the development of our delivery platforms and our product candidates that utilize our delivery platforms. Our clinical development staff are primarily responsible for regulatory filings, planning of clinical trials and protocols and the management and oversight of the relevant CROs and research and medical institutions. As of the Latest Practicable Date, we had only six clinical development staff, primarily because, according to Article 33 of the "Good Clinical Practice" (2020 edition) ((藥物臨床試驗質量管理規範(2020版)), the sponsor may delegate part or all of the work and tasks of their clinical trials to the CRO, and to accelerate the progress of clinical trials and ensure the quality of clinical research, we entrusted the Phase II clinical trials to CROs. Our clinical development staff were primarily responsible for overseeing the project process and advancing progress to meet the clinical trial development needs. Our regulatory affairs staff are primarily responsible for the development of manufacturing processes, the production of clinical trial samples, and the management and oversight of CDMOs and CMOs during this process. Our quality assurance staff are mainly responsible for quality assurance and quality control management.

During the Track Record Period, 30 key R&D staffs were involved in the development of the Core Products, among which 11 belong to Early Detection, including R&D consultants, head of the formulation research, the General Manager and the Chief R&D Officer; 4 belong to Clinical Development, including the medical director and the main contact person for clinical trials; 6 belong to Quality Assurance, including the quality control manager, the quality assurance manager and the quality research manager; and 9 belong to Regulatory Affairs, including process managers, the purification manager and the industrialization manager. During the Track Record Period and as of the Latest Practicable Date, the majority of our key R&D personnel involved in the development of our Core Products remained employed. As we continually provide various internal and external training opportunities for our research and development personnel, and plan to support our business development and overseas expansion strategies by continually recruit new and retain existing talents with outstanding backgrounds and rich experience in the relevant fields, we believe the departure of our key R&D employees will not have material impact on our R&D of Core Products.

Currently, our primary research laboratory is located in Fengtai District in Beijing. Our facilities in Fengtai District consist of laboratory facilities and office space with GFA of approximately 1,781 square meters. Our laboratory facilities include cell and tissue culture laboratory, liquid chromatography laboratory, molecular biology laboratory, physical and chemical testing laboratory, fermentation laboratory and sample preparation laboratory. To ensure the efficient and scientific utilization of our equipment and the success of our research and development, each laboratory facility is equipped with well-trained professionals and technicians. Our laboratory facilities have over 100 pieces of imported and domestic instruments and equipment for molecular biology, cytology, fermentation, formulation and physicochemical testing.

In addition, we have set up a scientific technology committee to support the R&D of our pipeline candidates, the design of clinical trials and the selection of pipeline candidates and target indications for development. Our scientific technology committee determines our development strategy and acts as a strategic decision-making and advisory body. In particular, the scientific technology committee's responsibilities include approving R&D and pipeline strategies, providing strategic consultation and liaising with think tanks and R&D talents. It also designates responsible persons for R&D projects and oversees project research, initiation, implementation, changes or termination, and arranges resources for other R&D-related tasks.

The scientific technology committee is a comprehensive platform composed of core management from various functional areas, covering all aspects from scientific research, production, and quality control to clinical research and market development. It is overseen by the general manager's office, led by the R&D managing general manager, Dr. Zhai, and its members primarily include the chairperson, president and department leaders from early detection, clinical development, regulatory affairs and quality assurance, as well as our Company's consultants and advisory experts. All the members of the scientific technology committee have an average of over 15 years of industry experience as of the Latest Practicable Date. The committee convenes meetings on a monthly basis to summarize R&D work and strategies, and other significant issues.

Our plan to enhance R&D is structured around strategic talent acquisition and team development across various key business areas to meet the demands of R&D progress and quality, and to improve industrialization capabilities. Specifically, by the end of 2027, we plan to hire over eighty R&D team members with advanced degrees in scientific fields including Biotechnology and Process, Microbiology and Biochemical Pharmacy, Bioengineering, Biochemistry and Biology, Pharmacology, Biology, Medicine, Pharmacy, Biology, Biopharmaceuticals, Chemical Engineering and Process, who will help, among others, develop upstream and downstream processes for Core Products, prepare samples, research and produce Core Products, assist with drug registration tasks, enhance the R&D quality system to meet national requirements, ensure regulatory compliance, organize and review documentation, develop new indications, conduct cell and animal experiments, and support new pipeline projects and other potential initiatives. Such new R&D team members are expected to span various levels, including production center managers, clinical project managers, quality directors, and research scientists. Their expected duties primarily include overseeing core product production, developing clinical trial strategies, establishing quality systems, and conducting research on new formulations and indications. The primary areas of product focus are primarily the development and production of Core Products, clinical trials, quality control and new project research. For example, in 2025, we plan to:

- Strengthen R&D team expertise. We aim to further enhance the team's research and development strength by recruiting 1-2 R&D team members with a proven track record in successful industrialization and project management capabilities. As of the Latest Practicable Date, we had successfully on-boarded one with expertise in the technology transfer and the commercial production of biologics. Additionally, there will be a focus on hiring developers with specialized and in-depth technical skills in frontline R&D. This approach is expected to improve the team's industrial capabilities and optimize the personnel structure.

- Enhance clinical development. To improve the capabilities in clinical R&D, we plan to hire 1-2 scientists with successful experience and outstanding credentials in clinical development. This move is intended to boost the quality and efficiency of clinical development processes. As of the Latest Practicable Date, we had hired a senior quality director with extensive experience in quality control during the clinical development process.

- Enhance regulatory science expertise. In line with the clinical progress and planning for the future NDA, we anticipate the addition of 1-2 experienced regulatory affairs professionals to enhance our ability to prepare and submit NDAs. As of the Latest Practicable Date, we had appointed a senior registration manager with extensive experience in the quality management of biopharmaceuticals and dual registration expertise in both China and the United States. This individual possesses a comprehensive understanding of relevant domestic and international registration regulations and is well-equipped to provide strategic guidance on various research directions from a regulatory perspective, ensuring thorough and effective preparation for NDA submissions and facilitating a more efficient application process.

Our strategy for advancing product candidates involves a self-development approach, supplemented by strategic partnerships with external service providers. We plan to establish collaborations with CROs conduct specialized studies in toxicology, pharmacology and pharmacokinetics, as well as with CDMOs to manage the production process. Additionally, we will engage experts for certain specialized tests that are essential for the research and development stages, ensuring comprehensive expertise is applied throughout the development cycle to meet safety standards and regulatory requirements. Regarding Pro-101-1, we anticipate submitting the IND application to the FDA in the first quarter of 2026. We hold the rights to develop and commercialize this product globally for the treatment of thermal burns. We will then conduct clinical trials for new drugs overseas and to apply for NDA. At the same time, we will actively seek partnerships with overseas companies, leveraging business partners' resources, market channels, and experience to promote the entry of Pro-101-1 into the international market.

Engagement of Third Parties in Research and Development

We engage reputable CROs, CDMOs, CMOs and research and medical institutions to manage and support our pre-clinical studies and clinical trials. In particular, CROs provide us with an array of products and services necessary for pre-clinical experimentation and complex clinical trials. We select CROs by reviewing various factors, including their professional qualifications, research experience and industry reputation. We have selected CROs that have experience serving large

international pharmaceutical companies. In order to protect the integrity and authenticity of the data from our trials and studies, we closely supervise our CROs to ensure that they perform their obligations in a manner that complies with our protocols and applicable laws.

Our pre-clinical CROs mainly provide us with services related to pre-clinical toxicity and safety evaluations and efficacy testing, such as animal studies, of our candidates. Our clinical CROs assist us in the implementation and management of clinical trials, including submission of ethical documents, data management, and statistical analysis for clinical trials. We will make payments after fulfillment of certain milestones under the relevant agreements. Key terms of an agreement we typically enter into with our CROs are summarized as below:

- *Services*. The CRO provides us with services related to a pre-clinical or clinical research project as specified in the agreement or a work order.

- *Term*. The CRO is required to complete the pre-clinical or clinical research project within the prescribed time limit.

- *Payments*. We are required to make payments to the CRO in accordance with the payment schedule agreed by the parties.

- *Intellectual property rights*. We own all intellectual property rights arising from the pre-clinical or clinical research project.

Our CDMOs are responsible for manufacturing candidates for pre-clinical and clinical studies and provide manufacturing process development and optimization services.

Our CMOs are responsible for manufacturing candidates for pre-clinical studies and clinical trials.

Research and medical institutions engaged by us generally include academic and other research institutions that conduct pre-clinical studies for us. During the Track Record Period, we also engaged medical institutions that provide clinical trial facilities and related services.

We are the owner of our candidates and the sponsor of the relevant clinical development activities. The CROs, CDMOs, CMOs and research and medical institutions engaged by us do not have any rights to our candidates. We are in charge of the full lifecycle management of the candidate including research and development, manufacturing and future commercialization. We make key decisions regarding the overall development direction, clinical trial plans and procedures and provide funding for the trials and studies.

The involvement and roles of third-party service providers in the development of novel molecule candidates are typically standardized and similar among different projects. The work scope of these third parties in the development of our candidates may vary slightly, subject to our overall management and instructions. To the Company's knowledge, other than the ordinary business relationship, the CROs, CDMOs and CMOs engaged by us during the Track Record Period are Independent Third Parties who did not have any relationship with our current or former employees, the AMMS or our other collaborative third parties.

The following table sets forth the number of independent CROs, CDMOs, CMOs and research and medical institutions we engaged during the Track Record Period:

	As of December 31,		As of September 30,
	2023	2024	2025
CRO	3	2	2
CDMO	1	1	1
CMO	2	1	1
Research and medical institutions	—	15	18
Total	**6**	**19**	**22**

The following table sets forth the total fees incurred by us with respect to all CROs, CDMOs, CMOs and research and medical institutions for the Track Record Period:

	Year ended December 31,		Nine months ended September 30,
	2023	2024	2025
CRO	8,612	15,118	3,783
CDMO	2,487	7,724	3,838
CMO	4,001	689	562
Research and medical institutions	—	131	177
Total	**15,100**	**23,662**	**8,360**

During the Track Record Period, our expenses attributable to CROs, CDMOs, CMOs and research and medical institutions have increased, reflecting our R&D progress and advancement.

The following table sets forth the identities and background of CROs, CDMOs and CMOs engaged by us wherein aggregate expenses incurred exceeded RMB1 million during the Track Record Period. The amount of expenses incurred to research and medical institutions did not exceed RMB1 million in aggregate for any one institution during the Track Record Period.

	Name/Background	Expenses incurred by us during the Track Record Period
		(RMB in thousands)
CRO	Tianjin Happy Life Tech Co., Ltd., a private company that provides clinical research services for life science solutions based in Tianjin	19,578
	Joinn Laboratories (China) Co., Ltd., a public company that provides research and experimental development services based in Beijing	1,449
	Boji Medical Technology Co., Ltd., a public company that provides services of R&D and production of drugs and medical device based in Guangzhou	6,044

	Name/Background	Expenses incurred by us during the Track Record Period
		(RMB in thousands)
CDMO.	Feifan Biopharmaceutical (Changchun) Co., Ltd., a private company that provides drug consignment development and manufacturing services based in Changchun	10,211
CDMO	TransReco, a private company that provides R&D, process optimization and manufacturing services of recombinant protein drugs and related biologics	3,838

To the knowledge of our Directors, other than the ordinary business relationship, none of the CROs, CDMOs and CMOs, nor any research and medical institution engaged by us (including their directors, shareholders and senior management), had any past or present relationships (including, without limitation, business, employment, family, trust, financing or otherwise) with our Group, our shareholders, Directors, senior management or any of their respective associates during the Track Record Period. As of the Latest Practicable Date, we have not engaged a CDMO for the manufacturing of our product after the commercialization.

COLLABORATION, LICENSING AND TRANSFER ARRANGEMENTS

Collaboration with the Institute of Bioengineering of AMMS and JinBang

Timeline of the Collaboration

The following table sets forth the timeline of our collaboration with the Institute of Bioengineering of AMMS and JinBang:

Time	Parties involved	Events
June 2004	JinBang and AMMS	JinBang and AMMS reached a cooperation agreement to research on PDGF in DFUs (which later became Pro-101-2) (the "**Project**").
From June 2004 to July 2013	JinBang and AMMS	JinBang and AMMS conducted the research on PDGF in DFUs.
July 2013	JinBang and Our Company	JinBang and we entered into a technology transfer contract, where we took over JinBang's ongoing rights and obligations stipulated in the terms and conditions of the original contract between JinBang and AMMS.

Time	Parties involved	Events
August 2013	JinBang, AMMS and our Company	JinBang, AMMS and we entered into a statement of amendment to contract implementation entity (the "**Statement of Amendment**"), where the implementation entity of the Project would be changed from JinBang and AMMS to AMMS and us. In addition, AMMS and we should jointly complete the follow-up work for the Project.
From August 2013 to April 2021.	Our Company and AMMS	We took the lead in the research of the Project, while AMMS's contribution to the Project was limited.
From April 2021 to July 2021	Our Company and AMMS	We and AMMS jointly submitted the IND application of Pro-101-2 in April 2021 and received the IND approval in July 2021.
From July 2021 to now.	Our Company	Since July 2021, AMMS has not been involved in any clinical development or communications with competent authorities relating to our Core Products or other PDGF product candidates and we have independently conducted and will continue to independently conduct R&D on Pro-101-2 and other PDGF candidates.
From March 2024 to now	Our Company and AMMS	We and AMMS jointly participate in the project "the Research and Development of Ophthalmic Drugs Based on Biosynthesis Human Thymosin β4"

Background and Key Terms of the Collaboration

In August 2013, the Institute of Bioengineering of AMMS, JinBang and we entered into a Statement of Amendment, under which the parties agreed that the implementation entity of the Project would be changed to the Institute of Bioengineering of AMMS and us, and the Institute of Bioengineering of AMMS and us should jointly complete the follow-up work for the Project. Such Statement of Amendment to contract implementation entity was subject to the technology transfer contract entered into between JinBang and us in July 2013 (the "**Technology Transfer Contract**"), under which we took over JinBang's ongoing rights and obligations stipulated in the terms and conditions of the original contract between JinBang and AMMS (the "**Original Contract**"). Such Original Contract was entered into based on the fact that JinBang had successfully completed the upstream strain construction, pilot-scale process development and comprehensive testing of the pilot product of PDGF. To our best knowledge, the AMMS and JinBang commenced the research on PDGF in DFUs in June 2004. Given AMMS's strengths in scientific research infrastructure, expertise in new drug registration filings, and biopharmaceutical research and development capabilities, the partnership between JinBang and the AMMS aims to advance the PDGF products through joint research efforts and to facilitate the PDGF new drug registration process.

Under the terms of the Original Contract, the AMMS would carry out the necessary preclinical trials, leveraging the foundational work already accomplished by JinBang. JinBang, in turn, would supply all the technical documentation, background materials, and samples it has developed, supporting AMMS in the preclinical research phase. Both parties were committed to collaboratively preparing and compiling the necessary documentation for the drug registration. The agreement also stipulates that both JinBang and AMMS will jointly submit the new drug registration application and pursue market authorization. As part of this partnership, JinBang was required to provide the agreed research funding to AMMS in accordance with the established payment schedule in the agreement.

We would like to take over JinBang's rights and obligations under the Original Contract, primarily because we recognized the Project's market prospects and technological advancement, and the Project aligned with our own expertise in the biotechnology. After comprehensive research, we decided to join the Project. At the same time, JinBang and the Institute of Bioengineering of AMMS, after full analysis of our resources, agreed that we met all the requirements for the Project in terms of financial strength, research and development capabilities and personnel resource. We then entered into the Technology Transfer Contract with JinBang, after which the three parties of the Institute of Bioengineering of AMMS, JinBang and we entered into the Statement of Amendment to contract implementation entity in August 2013. To our best knowledge, JinBang wished to withdraw from the Project for lack of funds and R&D capabilities to carry on with the Project. By the time JinBang exited, although JinBang had completed the upstream strain construction, pilot-scale process development and comprehensive testing of the pilot product of PDGF due to the complexity of the structure of PDGF, to our best knowledge, by the time JinBang exited in 2013, the results of its research were far from satisfying the requirements for PDGF drug development, and the relevant processes and quality of the production of PDGF required more in-depth research before the PDGF drug could meet the requirements for new drug registration. Since we joined the Project, JinBang has made no contribution to the R&D of the Project. Our role elevated from JinBang's, as we have undertaken more comprehensive research on the process and quality of PDGF, adhering to both domestic and international new drug registration requirements. We have significantly enhanced the expression level and total yield, as well as the product's purity. Using the latest analytical techniques, we have thoroughly confirmed the structure of PDGF and established a complete quality standard alongside advanced quality control methods. Additionally, we have independently completed the pharmacodynamic and toxicology studies of PDGF, developed clinical trial strategies and protocols, and managed the drafting, reviewing, and finalization of various trial data.

According to the relevant documents issued by the Central Military Commission, the General Office of the CPC Central Committee, the General Office of the State Council, and the General Office of the Central Military Commission, paid services by the military should be comprehensively and fully stopped by the end of 2018, except for those approved according to national and military regulations. The Project has been submitted for approval in accordance with relevant requirements and has obtained project filing and approval. The approval and execution of the Project (including the collection of technology transfer fees) comply with the relevant regulations of the competent authorities and superior institutions, according to the confirmation issued by the Institute of Bioengineering of AMMS. Therefore, the AMMS continued to be involved in the Project. However, following such development, to clarify the rights and obligations of the Institute of Bioengineering of AMMS and us in the Project, in January 2019, the Institute of Bioengineering of AMMS and we signed a supplemental agreement for the Project (the "**Supplemental Agreement**"). Pursuant to the Supplemental Agreement, the parties agreed that:

(i) The main pre-clinical studies of the Project have been completed and the Project is eligible for application for clinical studies.

(ii) The Institute of Bioengineering of AMMS has transferred the Technical Information of the Project to us, which includes data on strain construction, preliminary process study reports on PDGF solution and PDGF gel information, and a preliminary report on detection methods (together, the "**Technical Information**"). We will be responsible for the subsequent clinical studies and the NDA application for Pro-101-2 after obtaining the IND approval for the same from the NMPA. In particular, the Institute of Bioengineering of AMMS acknowledged that the rights to commercialize and use the two PDGF-related patents, which include patents of a recombinant human platelet-derived growth factor and its encoding gene and expression method (expired on July 14, 2024) and a recombinant human platelet-derived growth factor gel (together, the "**Relevant Patents**"), belong exclusively to the Company. We will hold exclusive ownership and full rights to any new patents we create, develop and register that are based on such technological advancements, as well as to any new patents we file independently after the expiration of the patents acquired from the Project. We are not required to seek any form of consent, confirmation, or authorization from the Institute of Bioengineering of AMMS when applying for new patents.

(iii) After obtaining the NDA approval, we will be responsible for the manufacturing and marketing of Pro-101-2, and the Institute of Bioengineering of AMMS will not participate in the commercialization of the same.

(iv) We would pay a fixed technology transfer fee of RMB550,000 to the Institute of Bioengineering of AMMS upon receipt of the IND approval for Pro-101-2.

(v) We will pay an annual transfer fee to the Institute of Bioengineering of AMMS at a fixed single-digit percentage of the annual sales of Pro-101-2 after we launch the same.

(vi) We are not allowed to transfer or license the Project to any third party without the written consent of the Institute of Bioengineering of AMMS.

(vii) Should any dispute arise, both parties shall settle it through mutual consultation, or alternatively, initiate legal proceedings before a court of competent jurisdiction.

Subsequently, in August 2021, we made the payment of the RMB550,000 fixed technology transfer fee to the Institute of Bioengineering of AMMS, after obtaining the IND approval for Pro-101-2 in July 2021. The single-digit percentage of annual transfer fee charged by the Institute of Bioengineering of AMMS ensures that the Institute of Bioengineering of AMMS's research achievements receive a reasonable economic return. According to Frost & Sullivan, such arrangement is in line with industry practice. The Supplemental Agreement does not specify any conditions under which AMMS may terminate the collaboration with us. There is no stipulation in the agreements between the Institute of Bioengineering of AMMS and us regarding conditions under which AMMS can terminate the collaboration with us, which we believe showcases our robust cooperative relationship. In addition, the Supplemental Agreement does not specify the specific terms related to the transfer of rights of the Relevant Patents and Technical Information,

since the AMMS and we had reached mutual understanding on such matters when we entered into the Supplemental Agreement. For details on the Relevant Patents, see "— Summary of Material Patents and Patent Applications — Patents."

On October 8, 2023, to ensure clear understanding regarding each party's rights and obligations, the Institute of Bioengineering of AMMS issued a written confirmation to us with respect to the Project to further clarify the rights and obligations of the Institute of Bioengineering of AMMS and us in the Project, including that it had transferred the Technical Information to us and had not taken part in the research or clinical trial after the achievement of the IND approval for Pro-101-2. In July 2013, we took over JinBang's roles and commitments in the Project. JinBang transferred its ownership interest in the Relevant Patents and Technical Information to us in July 2013 when the Technology Transfer Contract took effect. We enjoy the exclusive right to use and commercialize the Relevant Patents and Technical Information. After that, we were able to use the technological know-how transferred from JinBang and the AMMS onto the development of our other products candidates. Our PRC legal advisor is of the view that we have owned exclusive rights, decision-making and all obligations related to the research and development, manufacturing, regulatory registration, and commercialization of Pro-101-2 since August 2013, following the execution of the Statement of Amendment. The exclusive right to use and commercialize the Relevant Patents and the transfer of the Technical Information relating to the Project from the Institute of Bioengineering of AMMS to us was primarily due to the different positioning of AMMS and us. AMMS is a research institution that does not prioritize commercialization. In contrast, we are a corporation that has the relevant capabilities to develop fermentation and purification techniques for purposes of producing PDGF candidates, and are able to further develop sales and marketing capabilities to get ready for the commercialization of PDGF candidates if approved by the relevant competent authorities. Such confirmation further clarifies that the execution of the Project of the AMMS and us complies with the relevant regulations of the competent authorities, as the necessary project filing has been completed and approval obtained. According to the Supplementary Agreement, we shall not transfer or license the Project to any third party without written consent of AMMS. Apart from that, we believe there is no residual risk on us.

In June 2020, JinBang and we entered into a supplementary agreement to amend the terms of the Technology Transfer Contract signed between JinBang and us in 2013 (the "**Supplemental Agreement to the Technology Transfer Contract**"), under which the technology transfer fee we shall pay to JinBang shall be RMB22 million, of which we shall pay RMB17 million in cash to JinBang immediately upon signing the contract. We shall pay a second installment of RMB3 million in cash to JinBang within two months after the effective date of the agreement. The remaining balance of RMB2 million shall be paid in full within ten working days after we obtain the IND approval for Pro-101-2. JinBang and we entered into a supplementary agreement in June 2020 to amend the term regarding the remaining balance of RMB2 million technology transfer fee agreed in the Supplementary Agreement to the Technology Transfer Contract, given JinBang intended to enter the process of deregistration and the IND approval for Pro-101-2 was not yet obtained. JinBang and we agreed that the remaining RMB2 million technology transfer fee should be waived. After that, we no longer have any outstanding obligations towards JinBang. Both the technology transfer fee to the Institute of Bioengineering of AMMS and that to JinBang have been settled.

In October 2020, we, together with AMMS, submitted application materials of Pro-101-2 for a pre-IND meeting with the CDE to discuss the sufficiency of pharmacological and toxicological studies, the dosage design and the necessity of immunogenicity testing of the Phase I clinical trial design of Pro-101-2. In April 2021, we and AMMS jointly submitted the IND application for Pro-101-2 to the CDE, and received the IND approval in July 2021, which was an umbrella approval for all phases of the clinical development of Pro-101-2. Both AMMS and we were the sponsors leading up to the initial IND submission for Pro-101-2. AMMS, as a sponsor for the clinical trials of Pro-101-2, did not participate in any subsequent R&D work. We are solely responsible to conduct each phase of the clinical trials of Pro-101-2. The AMMS being the co-sponsor for Pro-101-2 was intended to recognize AMMS's work in the early development of Pro-101-2 during the pre-clinical development stage and to ensure continuity in the IND application documents, even though AMMS did not participate in the R&D during the clinical development stage of Pro-101-2. Although the AMMS remains as a co-sponsor of Pro-101-2, we are expected to be the sole MAH licensee of Pro-101-2 once the clinical development is complete.

Following the issuance of the IND approval for Pro-101-2 in July 2021, the Institute of Bioengineering of AMMS ceased participation in any further clinical trials or research and development activities of ours. Our PRC Legal Advisor is of the view that the AMMS is one of the sponsors of Pro-101-2 in a sense that AMMS applied for the IND approval of Pro-101-2 together with us, and, as a sponsor, the AMMS is required to assume the corresponding responsibilities as per the Good Clinical Practice for Drug Trials (《藥物臨床試驗質量管理規範》). The AMMS assisted us in optimizing and refining pre-clinical development stage work until the IND approval was obtained in July 2021. The AMMS's involvement in the R&D of Pro-101-2 was limited to the early development work before obtaining the IND approval, and the AMMS did not participate in any subsequent R&D or other types of work during the clinical development stage. In addition, per our arrangements with the AMMS, the AMMS will not be involved in the future commercialization or continuous regulatory compliance of Pro-101-2. According to the Good Clinical Practice for Drug Trials, the sponsor's primary responsibilities include initiating, managing, and providing funding for the clinical trials. If required by the competent authorities, the AMMS is obliged to assume responsibilities. However, pursuant to our arrangement with the AMMS, we shall assume all actual losses in such circumstances. See "Regulatory Overview — Laws and Regulations in the PRC — Principal Regulatory Provisions — Laws and Regulations on New Drugs — Conduct of Clinical Trial." We will hold exclusive ownership and full rights to any new patents we create, develop and register that are based on these technological advancements, as well as to any new patents we file independently after the expiration of the patents acquired from the Project. We are not required to seek any form of consent, confirmation, or authorization from the Institute of Bioengineering of AMMS when applying for new patents. We believe that we have the full capability to independently complete all work in the clinical trial phases for Pro-101-2 after obtaining the IND approval, including pharmaceutical and clinical research work, among others.

The following timeline sets forth our ownership and right to use the patents co-owned with AMMS (the Relevant Patents that expired in July 2024 and November 2025, respectively):

- In July 2013, JinBang and we entered into the Technology Transfer Contract, pursuant to which JinBang (i) transferred to us its rights and obligations under the Project signed with the Institute of Bioengineering of AMMS, and (ii) transferred to us the Relevant Patents and Technical Information relating to the Project.

- In August 2013, the Institute of Bioengineering of AMMS, JinBang and we jointly signed a Statement of Amendment to contract implementation entity, under which the parties agreed that the implementation entity of the Project would be changed to the Institute of Bioengineering of AMMS and us, and the Institute of Bioengineering of AMMS and we should jointly complete the follow-up work for the Project. In August 2013, the Technical Information was transferred to us and we have enjoyed the exclusive right to use and commercialize the Relevant Patents since then.

- In February 2014 and July 2014, respectively, the patent holders of the co-owned patents namely, "a recombinant human platelet-derived growth factor and its encoding gene expression method" and "a recombinant human platelet-derived growth factor gel," were changed from the Institute of Bioengineering of AMMS and JinBang to the Institute of Bioengineering of AMMS and us.

- In January 2019, the Institute of Bioengineering of AMMS and we signed the Supplemental Agreement for the Project, which clarifies that the Institute of Bioengineering of AMMS has transferred the technical achievements of PDGF to us, and the subsequent work relating to clinical research, application for new drug certificates and obtaining the approval of PDGF shall be funded and completed by us. The Institute of Bioengineering of AMMS would not participate in the industrialization and production and operation of the Project.

- In October 2023, the Institute of Bioengineering of AMMS issued a written confirmation that all rights of the Relevant Patents (including ownership, income rights and rights to use) jointly owned by the Institute of Bioengineering of AMMS and us and Technical Information shall be enjoyed by us.

Since August 2013, we have in reality exclusively used the aforementioned co-owned patents, as the AMMS's contribution to the Project was limited to ascertaining the pre-clinical and clinical trial design with us, providing experimental sites and supporting staff, the execution of the experimental work jointly with us, as well as some other peripheral tasks. See "— Pre-Clinical Stage Contributions to Pro-101-2." All of the AMMS's aforementioned work was carried out in pre-clinical stage and did not involve the use of the patents. In addition, there has been no transfer or out-licensing of the aforementioned co-owned patents to external parties. The Relevant Patents remain co-owned by the AMMS and us, mainly because (i) in August 2013, the Technical Information was transferred to us and we have enjoyed the exclusive right to use and commercialize the Relevant Patents since then. This arrangement ensures that our R&D on PDGF drugs are not impeded by the co-ownership status; and (ii) the Relevant Patents expired in July 2024 and November 2025, respectively. Given the limited remaining duration of the patent's validity, the urgency to alter the ownership structure is significantly reduced. Considering the imminent expiry and our exclusive right to use and commercialize the Relevant Patents, pursuing a change in ownership at that stage might not be the most efficient course of action. Therefore, the Institute of Bioengineering of AMMS did not registered a change of ownership for the Relevant Patents and both the Company and the Institute of Bioengineering of AMMS remained co-owners of the Relevant Patents. Other than the Relevant Patents, we do not have any other patent co-owned with the AMMS.

Our PRC Legal Advisor is of the view that we are able to use and enjoy the technological know-how and benefits transferred from AMMS onto the development of other product candidates and technologies obtained from such Project without limitations, based on the Supplemental Agreement entered into between the Institute of Bioengineering of AMMS and us, and as further confirmed in the written confirmation issued by the Institute of Bioengineering of AMMS in October 2023, where the Institute of Bioengineering of AMMS acknowledged that the Technical Information is transferred to us and the rights to commercialize and use the Relevant Patents belong exclusively to the Company, except that (i) we shall not transfer or license the PDGF Project to any third party without written consent of AMMS; and (ii) we will pay an annual transfer fee to AMMS at a fixed single-digit percentage of the annual sales of Pro-101-2 after its commercialization.

Pre-Clinical Stage Contributions to Pro-101-2

The Institute of Bioengineering of AMMS initiated the pre-clinical pharmacodynamics studies of Pro-101-2 in May 2005. Shortly after the establishment of our Company in 2012, we dispatched R&D team members to work with the Institute of Bioengineering of AMMS to perform R&D work on the preparation, formulation, quality testing and establishment of standards of PDGF candidates. We gradually expanded our R&D team and started to independently produce PDGF from scratch, and has become able to perform certain quality controls on PDGF independently since April 2021, which mainly includes identification tests, physical inspections (appearance, loading), chemical tests (pH, content), purity and impurity control, safety tests (bacterial endotoxin, sterility) and biological activity measurements. Such R&D achievements were applied in the Phase I clinical trial of Pro-101-2.

For pre-clinical trials that we completed together with the Institute of Bioengineering of AMMS, we generally co-designed the pre-clinical trial schemes for each PDGF research with Institute of Bioengineering of AMMS. In the pilot and mid-scale process research, which primarily included the development of fermentation, purification and formulation processes for PDGF, the PDGF quality research and the establishment of bioactivity assay method for PDGF, we conducted literature reviews and executed the experimental work, and the Institute of Bioengineering of AMMS provided the necessary infrastructure, such as experimental sites, and supporting staff. In a pharmacodynamic study, we co-designed pre-clinical trial schemes with the Institute of Bioengineering of AMMS, and monitored the experiments, which involved assessing the healing effects of PDGF on Wistar rats and Bama miniature pigs with various wound models. We also independently completed the non-clinical toxicology research and the pharmacodynamics studies of our Core Products. See "— Pre-clinical Studies Results of Pro-101-2 — Pharmacodynamic Studies" and "— Pre-clinical Studies Results of Pro-101-2 — Toxicity Studies."

The following table sets forth the respective contributions to the early-stage pre-clinical development of Pro-101-2 from our Company and AMMS:

Item	Our Company	AMMS
Pilot and mid-scale process research on PDGF	• Ascertained the trial design jointly with AMMS • Assigned staff to execute the experimental work	• Ascertained the trial design jointly with our Company • Provided experimental sites and supporting staff*

Item	Our Company	AMMS
Quality research on PDGF. . . .	• Ascertained the trial design jointly with AMMS • Conducted literature review • Assigned staff to execute the experimental work	• Ascertained the trial design jointly with our Company • Provided experimental sites and supporting staff* • Sent samples for testing
Establishment of bioactivity assay method for PDGF. . . .	• Ascertained the trial design jointly with AMMS • Conducted literature review • Assigned staff to execute the experimental work	• Ascertained the trial design jointly with our Company • Provided experimental sites and supporting staff*
Pharmacodynamic studies for PDGF.	• Ascertained the trial design and executed the experimental work together with AMMS: (i) a study to observe the effect of Pro-101-2 on skin incision healing of diabetic SD rats induced by streptozotocin	• Ascertained the trial design and executed the experimental work jointly with our Company: (i) a study to observe the effect of Pro-101-2 on skin incision healing of diabetic SD rats induced by streptozotocin
Toxicology research for PDGF .	• Ascertained the trial design and executed the experimental work independently: (i) a toxicity study of Pro-101-2 in Bama miniature pigs to evaluate toxicity of Pro-101-2 administered by dermal application or subcutaneous injection to Bama miniature pigs for 26 weeks, and the reversibility of toxicity following a four-week recovery period • Ascertained the trial design and executed the experimental work together with AMMS: (i) a four-week toxicity study to observe possible toxic reactions and metabolism in the body after continuous skin application of Pro-101-2 once a day for four weeks in Bama miniature pigs	• Ascertained the trial design and executed the experimental work jointly with our Company: (i) a four-week toxicity study to observe possible toxic reactions and metabolism in the body after continuous skin application of Pro-101-2 once a day for four weeks in Bama miniature pigs

* Three supporting staffs were primarily responsible for maintaining the operation of the experimental sites, equipment and testing instruments. They were all technical personnel with technical experience in their respective fields.

During the pre-IND stage that led up to the clinical development of Pro-101-2, AMMS and we participated in the pre-IND communications and submission of the IND application for clinical trial of Pro-101-2 with the CDE. Otherwise AMMS did not take on any other role or carry out other pre-IND work in preparation for the clinical development of Pro-101-2. In particular, we were solely responsible for, and independently carried out the following tasks:

- Developing clinical trial strategies;
- Preparing, reviewing and finalizing the first drafts of clinical trial plans and various trial materials;
- Selecting third-party CROs;
- Participating in selection of research institutions and investigators;
- Purchasing insurance for enrolled subjects;
- Formulating drug production plans, arranging drug production, testing and release, drug blinding, as well as transportation;
- Planning and participating in clinical trial plan discussion meetings;
- Finalizing the clinical trial plan;
- Ascertaining research centers and preparing project launch materials;
- Reviewing clinical trial ethics information and submitting the application for approval;
- Responding to questions raised at the ethical review meeting;
- Planning and participating in the clinical trial launch meeting;
- Purchasing and providing test materials, such as cameras; and
- Negotiating and signed contracts with research centers.

Clinical Stage Contributions to Pro-101-2

We were responsible for managing, facilitating and funding the Phase I clinical trial for Pro-101-2 and strategizing for the commercialization of such candidate, and independently carried out the following various clinical trial stage tasks:

- Guiding and supervising the implementation of the clinical trial to ensure the progress and quality of the clinical trial;
- Communicating with investigators to resolve issues during the clinical trial implementation;
- Planning and holding investigator meetings;
- Transportation of medicines in each center;
- Registration on the CDE website and updating the relevant information as needed;
- Reviewing contents of research conferences;
- Review and confirmation of various monitoring reports and test data;
- Cooperating with drug regulatory authorities in their inspections; and
- Review and payment of various expenses of the clinical trial.

For the foregoing tasks in the Phase I clinical trial of Pro-101-2, we designated a team of seven personnel, comprising one medical director, one clinical study assistant, two searchers, one statistical head, one statistical analyst and the general manager. Meanwhile, we also assigned two additional clinical trial monitors to observe the overall clinical trial process. AMMS was not involved in the foregoing clinical trial process after the receipt of the IND approval for the Phase I clinical trial of Pro-101-2.

After AMMS ceased to participate in the Project in July 2021, we have independently achieved key R&D milestones primarily in clinical development, process optimization and quality standard establishment.

Clinical Development

Pro-101-2

- **December 2020:** Pre-IND communication for DFU indication.

  Significance: Early engagement with regulatory authorities to streamline the IND application process.

- **April 2021:** Completion of written communications with the CDE and submission of the IND application for Pro-101-2.

  Significance: Critical step towards initiating clinical trials.

- **July 5, 2021 – November 30, 2021:** A sponsor for Phase I clinical trial of Pro-101-2.

  Significance: Demonstrates commitment and capability in managing early-stage clinical trials.

- **February 22, 2022 – Present:** A sponsor for Phase II clinical trial of Pro-101-2.

  Significance: Continued development and validation of the efficacy and safety of Pro-101-2.

Pro-101-1:

- **March 2022:** IND application for Pro-101-1.

  Significance: Expansion of therapeutic indications, broadening the potential market.

- **June 8, 2022 – November 1, 2023:** A sponsor for Phase IIa clinical trial of Pro-101-1.

  Significance: Progression to mid-stage clinical trials, indicating promising clinical results of Pro-101-1.

- **October 25, 2023 – Present:** A sponsor for Phase IIb clinical trial of Pro-101-1.

  Significance: Continued development and validation of the efficacy and safety of Pro-101-1.

Process Optimization

- **Early 2021:** GMP production of stock solution and gel formulation.

  Significance: Production complies with standards, which is crucial for clinical trial material.

- **Mid-2022:** Scale-up of formulation production to 80L.

Significance: Increased production capacity to prepare for mass production.

- **Mid-2022:** Optimization of fermentation and purification processes for future commercial production.

  Significance: Enhanced process efficiency and scalability.

- **Mid-2023:** Improvement of stock solution production process and scale-up of formulation production to 500L.

  Significance: Further scaled up production while maintaining quality.

- **Mid-2023:** Collaboration with CDMO to prepare for work expected from Phase III clinical trial to NDA submission. Scale-up of stock solution production to 2,000L.

  Significance: Preparation for commercialization, including large-scale production.

- **2023:** Research on formulation process and prescription, and applied the upgraded production process to the 80L gel formulation production scale.

  Significance: Further optimization of production process for large-scale production.

- **July 2024:** Scale up of the production process for the raw solution of PDGF gel to an industrial scale of 2,000L fermentation tank, and fulfilled three consecutive batches of qualified products.

  Significance: A crucial step in the commercialization process, indicating readiness for large-scale production following extensive research, optimization, and scaling efforts conducted over the preceding years.

Quality Standard Establishment

- **Mid-2021:** Establishment and validation of a strain library meeting regulatory requirements.

  Significance: Enhanced the genetic consistency and quality of production strains.

- **Late 2021:** Stability studies on clinical products, including the stock solution, formulation and placebo.

  Significance: Enhanced product quality during storage, transport and use.

- **Late 2022:** Methodological validation and improvement of product testing methods.

  Significance: Ensured compliance with regulatory standards for product quality.

- **Early 2023:** Compatibility and sealing studies of gel formulation packaging.

  Significance: To ensure the product quality in the packaging.

- **Early 2023:** Enhancement of product testing methods and product quality standards.

  Significance: To ensure compliance with regulatory requirements after commercialization.

- **Mid-2024:** Preparation and characterization of product testing standards.

  Significance: To ensure consistent and reliable quality control of products.

- **May 2024:** Revised and enhanced R&D quality management system in accordance with the Guidelines for On-Site Inspections of Contract Manufacturing by Marketing Authorization Holders (《藥品上市許可持有人委託生產現場檢查指南》).

  Significance: The quality management system throughout the product development lifecycle meets the supervision, inspection, or verification requirements of China's pharmaceutical regulatory authorities.

We are independently facilitating the clinical development of Pro-101-2 towards commercialization; and AMMS as a sponsor of the IND application has not been involved in the clinical development of Pro-101-2, and accordingly will not participate in the commercialization of this candidate. Although the AMMS remains as a co-sponsor of Pro-101-2, we are expected to be the sole MAH licensee of Pro-101-2 once the clinical development is complete. In particular, (i) there are no strict requirements on the work allocation of sponsors of an IND application pursuant to the relevant PRC laws and regulations; (ii) we and the Institute of Bioengineering of AMMS have entered into legally binding agreements and the Institute of Bioengineering of AMMS provided written confirmation in October 2023 in relation to Pro-101-2, which specify the work allocation between the two parties; (iii) after the receipt of the IND approval of Pro-101-2, we have independently undertaken all sorts of work relating to Pro-101-2 including pharmaceutical research, clinical trial research, industrialization research and quality research; and (iv) we have borne all relevant costs of the clinical development of Pro-101-2. According to relevant documents issued by the Central Military Commission, the General Office of the CPC Central Committee, the General Office of the State Council, and the General Office of the Central Military Commission (the "**Relevant Documents**"), paid services by the military should be comprehensively and fully stopped by the end of 2018, except for those approved according to national and military regulations. Based on our agreement with AMMS and the Relevant Documents, we will be the sole MAH licensee of Pro-101-2 once the clinical development is complete. There are no patents or non-patented technologies or R&D know-how related to the Project that are owned by AMMS or other third parties that have not been transferred to us, and other than the Relevant Patents, we do not have any other patent co-owned with the AMMS. In addition, the AMMS is not permitted to license out the Technical Information or Relevant Patents relating to the Project to other third parties without our consent.

Our PRC Legal Adviser is of the view that, according to the relevant agreement between the AMMS and the Company, the AMMS is not entitled to unilaterally terminate the cooperation agreement with the Company and the AMMS needs to obtain the consent of the Company for the change of the sponsor. According to the Draft for Comments on the Implementation Regulations of the Drug Administration Law of the People's Republic of China (《中華人民共和國藥品管理法實施條例(修訂草案徵求意見稿)》(which has not yet been formally promulgated for implementation), any change of the applicant during the period of clinical trial of a drug shall be subject to the consent of the drug regulatory department under the State Council; and if necessary, the

notification of approval for clinical trial of the drug shall be re-issued. Although the relevant laws and regulations do not specify the materials to be submitted for the change of applicant, the Instructions for the Use of the Drug Clinical Trial Registration and Information Publicity Platform (Version 2.0) issued by the CDE of NMPA and the relevant operational requirements mandate that relevant supporting documents for the transfer be uploaded when changing the clinical trial applicant (i.e. the sponsor). These documents generally include the relevant materials signed or issued by the Company as one of the sponsors. In addition, we believe the AMMS has no incentive to terminate the cooperation with us. Upon the commercialization of Pro-101-2, the Company shall pay a certain percentage of the annual sales amount as an annual transfer fee to AMMS. Therefore, it is less likely that the AMMS will unilaterally terminate the cooperation with the Company.

In the event that the AMMS withdraws from the Project as one of the sponsors, we believe it will not have a material adverse impact on our research and development and business. After obtaining the IND approval of Pro-101-2, the AMMS has not been involved in the subsequent research and development, clinical research, application for new drug certificates or approval numbers, patent application, industrialization, production and operation of Pro-101-2. The Project has been financed and will be funded and completed by the Company. All relevant work, progress, and submissions related to the Project do not require the consent or approval of the AMMS. Nonetheless, we may encounter potential delays in securing regulatory approval for Pro-101-2. Given that any change of the applicant during a drug's clinical trial requires consent from the drug regulatory department under the State Council and the clinical trial approval notification may need to be re-issued if necessary, change of sponsor may delay the process of obtaining regulatory approvals. See "Risk Factors — Risks relating to regulatory approvals and government regulations — All material aspects of the research, development and commercialization of biopharmaceutical products are heavily regulated, and the approval process is usually lengthy, costly and inherently unpredictable. Any failure to comply with existing or future regulations and industry standards or any adverse actions by drug approval authorities against us could negatively impact our reputation and our business, financial condition, results of operations and prospects." To mitigate this risk, we are maintaining ongoing communication with the AMMS to ensure that the AMMS remain a sponsor. To the best knowledge of our Directors, the AMMS had no plan to withdraw from being a sponsor as of the Latest Practicable Date, and the decision is primarily because the AMMS values its previous contributions in the early development of Pro-101-2 during the pre-clinical development stage and seeks to facilitate a smoother regulatory approval process for our benefit by avoiding potential delays associated with changing sponsors during clinical trials. Although the AMMS remains as a co-sponsor of Pro-101-2, we are expected to be the sole MAH licensee of Pro-101-2 once the clinical development is complete.

In addition, since the AMMS has transferred the Technical Information relating to the Project to us and we enjoy the exclusive right to use and commercialize the Relevant Patents, it is not in a position to license out the Technical Information and Relevant Patents of the Project to third parties without our consent. To the best knowledge of our Directors, the AMMS is not engaged in any R&D work on PDGF in DFUs, either within or outside the Project. In the event that AMMS collaborates with other third parties in the research and development of the PDGF receptor without using the Technical Information and Relevant Patents of the Project, it will not have a material adverse impact on our business and research and development due to the high barriers in research and development and production of PDGF drugs and our competitive edge achieved in PDGF drugs.

Demonstration Project Agreement in Relation to Tβ4

In 2023, we became aware that Qingdao Municipal Science and Technology Bureau implemented certain promotion program, following the Notice on Organizing the Application of the Special Emerging Industry Cultivation Plan (Biomedical and Medical Device Field) Project of Qingdao Science and Technology Plan for Future Industry Cultivation in 2024 (Qingkezizi [2023] No. 25) (the "**Notice**") (《關於組織2024年青島市科技計劃未來產業培育專項新興產業培育計劃(生物醫藥及醫療器械領域)項目申報的通知》(青科資字[2023] 25號)). Such program targets emerging industries such as biomedicine and medical devices, and encourages collaborative innovation between enterprises, universities, and research institutes by offering government grants, with a preference for projects led by enterprises in partnership with academic or research bodies.

In view of the above program, we (in collaboration with the Institute of Bioengineering at AMMS), applied for a project focused on the development of ophthalmic drugs based on biosynthetic human thymosin β4 (rhTβ4). In this collaboration, we are serving as the host institution, with the Institute of Bioengineering at AMMS acting as the collaborative institution. The application was submitted in October 2023 by the Company as the lead contracting party. Following review, the project **"**the Research and Development of Ophthalmic Drugs Based on Biosynthesis Human Thymosin β4 (基於生物合成人胸腺素β4的眼科藥物研發)" (the "**Demonstration Project**") was approved in December 2023. In March 2024, an agreement on the Demonstration Project was signed between the Qingdao Municipal Science and Technology Bureau, our Company, and the Qingdao Laoshan District Science and Technology Bureau (the "**Demonstration Project Agreement**"). Concurrently, we and the Institute of Bioengineering of AMMS entered into an agreement to define our respective roles and responsibilities, and allocation of supporting funds with respect to the Demonstration Project (the "**Project Collaboration Agreement**").

The key terms of the Demonstration Project Agreement are summarized below:

Parties to the agreement	Qingdao Municipal Science and Technology Bureau Qingdao Laoshan District Science and Technology Bureau (acting as the supervisory authority) Our Company (acting as the host institution)
Term of the agreement	The term of the agreement spans from March 2024 to March 2027.
The project	The research and development of ophthalmic drugs based on rhTβ4

Demonstration Project annual schedule and objectives	In the first year (March 2024 to March 2025), the project should focus on completing the pilot-scale preparation of the stock solution and initiating formulation development. In the second year (April 2025 to March 2026), the project should complete formulation development, establish quality standards, and conduct studies on efficacy, pharmacokinetics, and safety evaluation. Key objectives for this period include: establishing a pilot production process and quality control standards for the biosynthetic rhTβ4 stock solution; developing quality control standards for the rhTβ4 stock solution; establishing quality control standards for rhTβ4 eye drops for at least one indication; and filing applications for one to two invention patents in China. In the third year (April 2026 to March 2027), the project should continue safety evaluation studies and submit a clinical trial application. Key objectives for this period include: completing the preclinical studies on the efficacy, pharmacokinetics, and safety evaluation of rhTβ4 eye drops for at least one indication, submitting the clinical trial application materials of rhTβ4 eye drops for at least one indication, and obtaining the clinical trial approval from the NMPA. The research progress reports are expected to be submitted on March 31, 2025 and 2026, respectively, while the final research report is expected to be submitted on March 31, 2027 before the acceptance of the project.
Budget	The budget totals RMB30 million, comprising 90% (RMB27 million) of our own funds and 10% (RMB3 million) of government grant.
Key personnel	The project's key participants include (i) our own personnel, who are primarily responsible for determining the protocols for efficacy, pharmacokinetics, and safety evaluation, liaising with the CRO, conducting formulation and quality standards research, overseeing pilot-scale production, quality control, CDE regulatory submissions, as well as cost-effectiveness and stability studies; and (ii) personnel from the Institute of Bioengineering of AMMS, who are primarily responsible for the preparation and quality standards research of both the stock solution and finished product, research on the production process of the stock solution and research on the preparation process of the finished product.
Key rights and obligations of parties	Qingdao Municipal Science and Technology Bureau is obliged to make timely payments to us. Qingdao Municipal Science and Technology Bureau is entitled to adjust annual funding based on project progress and fund availability.

We are obliged to submit project progress reports, scientific and technical reports and relevant data to Qingdao Municipal Science and Technology Bureau as requested.

The scientific and technological achievements and intellectual property arising from the implementation of the project shall, in principle, belong to us, except where matters of national security or significant public interest are involved.

The key terms of the Project Collaboration Agreement are summarized below:

Parties to the agreement	Our Company (acting as the host institution) The Institute of Bioengineering of AMMS (acting as the collaborative institution)
Objective and scope of collaboration	To conduct cooperation under the project the Research and Development of Ophthalmic Drugs Based on rhTβ4
Term of the agreement	The agreement is effective from the date of the project approval until the successful completion and formal acceptance of the project by the Qingdao Municipal Science and Technology Bureau.
Parties' roles and responsibilities	We are responsible for organizing and overseeing the overall design and objectives of the project, organizing regular communications and discussions on project progress with the participating parties and reporting the annual progress and the final project report. The Institute of Bioengineering of AMMS is responsible for conducting research on the assigned topics and compiling experimental data in a timely and efficient manner. It is also responsible for meeting the primary objective of the project. Additionally, The Institute of Bioengineering of AMMS is responsible for submitting annual research progress reports and project expenditure records as required by the project framework and supervising authorities.
Funds allocation arrangement[(1)]	40% (totaling RMB1.2 million) of the government grants under the Demonstration Project Agreement shall be allocated to the Institute of Bioengineering of AMMS The Institute of Bioengineering of AMMS shall complete the assigned tasks on time and manage the allocated funds strictly in accordance with relevant regulations and the project budget. The funds must be used exclusively for their designated purposes.

Note:

(1) Funds allocated to the Institute of Bioengineering of AMMS under the Project Collaboration Agreement comprise solely of the 40% (totaling RMB1.2 million) of government grants. We have no obligation to make any payment to the Institute of Bioengineering of AMMS.

IP arrangement . . . . . The intellectual property related to the project (including patents, academic papers, clinical trial notifications, drug registration certificates, production permits, awards, etc.) shall be jointly owned by both parties, and the order of attribution shall be determined through mutual consultation.

As of the Latest Practicable Date, we had submitted research progress reports on the the pilot-scale preparation of the stock solution and initiating formulation development, which had been accepted by the Qingdao Municipal Science and Technology Bureau.

Patent Transfer Arrangement with Rongtong in Relation to Tβ4

In January 2024, we were made aware of a public listing for sale of invention patents related to Tβ4, namely, the four patents of (i) the preparation method for N-terminal acetylated proteins or polypeptides and their specific engineered bacteria, (ii) the pilot production fermentation method for achieving complete acetylation modification expression of rhTβ4 in E. coli, (iii) the application of thymosin β4 in the preparation of microecological balance regulators, and (iv) the application of thymosin β4 in the preparation of therapeutic drugs for pulmonary fibrosis combined with lung cancer. We have been planning to explore further opportunities to expand our product pipeline and noted that these patents could be of strategic significance to the Company's product pipeline. The Institute of Bioengineering of AMMS is the original developer and owner of the four patents, which were subsequently handled by Rongtong, who is an Independent Third Party, for disposal. When we encounter opportunity to acquire and develop the Tβ4 pipeline in the open market, we recognized the market prospects and technological advancement of the Tβ4. After meticulous researches, we concluded that the R&D of Tβ4 aligned with our expertise, R&D foundation and platforms, and could be conducted using our existing equipment and submitted the application for the public listing for sale. In March 2024, we became the intended transferee. After negotiations, in August 19, 2024, we entered into a patent transfer agreement (the "**Tβ4 Agreement**") with Rongtong. Rongtong negotiated and executed the Tβ4 Agreement with us regarding the four patents.

The Demonstration Project and the subsequent acquisition of four patents from Rongtong are independent of each other. The acquired Tβ4-related patents are of strategic significance to our product pipeline. Both rhPDGF and rhTβ4 are recombinant human proteins produced using advanced biotechnological methods, and each plays a key role in tissue repair and regeneration. Importantly, the methodologies for microbial cultivation and large-scale production are highly analogous for both proteins. As a result, the research, development, and scalable manufacturing of rhTβ4 are highly compatible with our existing infrastructure.

The salient terms of the Tβ4 Agreement are summarized below:

Rights Transfer.....	Rongtong has agreed to hand over to us: (i) all the rights to patent application documents; (ii) all the documents from CNIPA; (iii) the latest annual patent fee payment receipts or copies of the patent registration certificate, indicating the validity of the patent rights; (iv) the information for implementing the patents, including related technologies, reagents, consumables, equipment, raw and auxiliary ingredients; and (v) the Notice of Approval for Change of Patent Holder Procedures (《手續合格通知書》) issued by the CNIPA.
Payments.....	We shall pay to Rongtong: (i) an upfront payment of RMB10 million, (ii) milestone payments in total of RMB30 million upon the satisfaction of certain conditions, and (iii) royalty fees on product sales revenue. The first milestone payment of RMB10 million becomes due within 30 days from the date on which we receive the IND approval for the candidate developed using the relevant patents. The second milestone payment of RMB20 million becomes due within 30 days from the date on which the candidate developed using the patent receives NDA. Regardless of whether the milestone payment conditions are met, we shall pay the first milestone payment of RMB10 million no later than March 31, 2027, and the remaining amount by December 31, 2032. For each product developed using the relevant patents, we shall pay Rongtong a royalty fee annually at a fixed single-digit percentage of the actual sales in China for ten financial years from the date of the first commercial sale.

As of the Latest Practicable Date, we had paid the upfront payment in full. As of the same date, the ownership of all four patents had been transferred to us. The R&D of the Demonstration Project does not rely on any of the four patents. The Demonstration Project can proceed independently, regardless of the acquisition of these patents.

Our Relationship with AMMS

Apart from our General Manager Dr. ZHAI Junhui, our Chief R&D Officer, Dr. ZHAO Xinghui and our R&D consultant, Dr. SUN Shihui, we do not have any exiting or former connected person, key management and R&D staff that has any current or historical relationships with the AMMS. During the Track Record Period and up to the Latest Practicable Date, save for the Demonstration Project (where the AMMS is a collaborating partner with us), the Project Collaboration Agreement and the Tβ4 Agreement, we did not have other business arrangements

with, or in relation to, the AMMS. We uphold our corporate value and principle of independent research and innovation, while we are open to valuable opportunities in relation to acquisitions, investments, in licensing, or joint collaborations to remain competitive in the biotechnology industry.

Inclusion of the AMMS in the Entity List

As advised by our legal advisors as to international sanctions, (i) the AMMS and the Institute of Bioengineering of AMMS were designated by the Bureau of Industry and Security of the U.S. Department of Commerce (the "**BIS**") to the Entity List on December 17, 2021, and are restricted from receiving items subject to the U.S. Export Administration Regulations ("**EAR**") without a licence from the BIS; (ii) the AMMS (including the Institute of Bioengineering of the AMMS) can be viewed as Military End Users, and are prohibited from receiving items described in Supplement No. 2 of Part 744 of the EAR unless licensed, pursuant to 15 CFR § 744.21; (iii) if the AMMS (including the Institute of Bioengineering of AMMS) are to be viewed as Military-Intelligence End Users, items subject to the EAR are prohibited to export, reexport, or transfer (in country) to them without a license, and license applications will be subject to a presumption of denial; (iv) given the Group's activities with the AMMS did not involve items subject to the EAR, and were limited to collaboration with the AMMS, including the research on PDGF in DFUs (i.e. Pro-101-2), acquisition of patents from Rontong, and the transfer of Technical Information by the AMMS to the Company and our exclusive right to use and commercialize the Relevant Patents, thus, the EAR restrictions applicable to AMMS do not appear to be implicated by the Group's activities with the AMMS. See "Regulatory Overview — Laws and Regulations in the United States — Export Control Law."

INTELLECTUAL PROPERTY RIGHTS

Overview

Intellectual property rights are critical to our research and development activities and our business. Our success depends in part on our ability to obtain and maintain proprietary intellectual property protection for our candidates, discoveries, product development technologies, inventions, improvements and know-how. Our success also depends in part on our ability to defend and enforce our patents including any patent that we have or may issue from our patent applications, preserve the confidentiality of our trade secrets and other confidential or proprietary information, and operate without infringing, misappropriating or otherwise violating intellectual property rights of other parties.

We have a portfolio of patents to protect our candidates and technologies. As of the Latest Practicable Date, we owned 25 granted patents and had 29 pending patent applications. Our granted patents and any patents to be granted from our pending patent applications are scheduled to expire on various dates from October 2030 through October 2045 without taking into account any possible patent term adjustments or extensions and assuming payment of all appropriate maintenance, renewal, annuity and other government fees. Further details on certain segments of our patent portfolio are included below.

PDGF

With regard to our PDGF candidates, as of the Latest Practicable Date, we owned one granted patents and filed 16 patent applications in China. The expected expirations for the granted patents and any patents that may be granted from the pending patent application range from November 2041 to July 2045, without taking into account any possible patent term adjustments or extensions and assuming payment of all appropriate maintenance, renewal, annuity and other government fees. We had (i) one registered patent that expired in July 2024 with respect to our Core Products, which concerns a recombinant human platelet-derived growth factor and its encoding gene and expression method; and (ii) one registered patent that expired in November 2025 with respect to our Pro-101-3 pipeline, which concerns a recombinant human platelet-derived growth factor gel.

In particular, as of the Latest Practicable Date, with respect to our Core Products, we had filed five patent applications, currently under review. We do not rely on our soon-to-be expired patents for the further research and development of our PDGF candidates. According to the Frost & Sullivan report, we are the most advanced biopharmaceutical company in terms of the number of PDGF-related technologies and patents in China. Such patent matrix brings challenges to new market entrants and potential competitors that are in clinical development of PDGF drugs. Additionally, to protect our existing patent advantages, we have implemented a number of measures such as making patent applications as to our Core Products in unpatented indications and techniques and filing PCT applications. We may rely on such pending patent applications that we have filed in respect of our new advances and developments to our PDGF candidates in our future research and development. In light of the scope of coverage by and the number of our existing granted patents and pending patent applications, as well as high technological barriers in producing biologic drugs, as advised by our PRC Legal Advisor, before the review of our patent applications concludes, generic drug manufacturers are faced with potential patent infringement risks. In addition, we will continue to have the right to develop our candidates, including our Core Products, and use the technology covered by our soon-to-be expired patents, while leveraging a combination of our own patents and patent applications and other intellectual property protection laws, including trade secrets and fair trade practice. As a result, we expect that the expiration of such patents will have no material adverse impact on our business operations, finance performance and prospects going forward. For details on the relevant risks, see "Risk Factors — Risks Relating to Our Intellectual Property Rights — Even if we are able to obtain patent protection for our candidates, the term of such protection, if any, is limited, and third parties could develop and commercialize products and technologies similar or identical to ours and compete directly against us after the expiration of our patent rights, if any, and it would have a material adverse effect on our ability to successfully commercialize any product or technology."

RNA

mRNA

With regard to Mes-201, as of the Latest Practicable Date, we owned four granted patents and filed nine patent applications in China. The expected expirations for the granted patents and any patents that may be granted from the pending patent application range from May 2042 to October 2045, without taking into account any possible patent term adjustments or extensions and assuming payment of all appropriate maintenance, renewal, annuity and other government fees.

ASO

As of the Latest Practicable Date, we did not own any patents regarding Oli-101 or Oli-201.

Summary of Material Patents and Patent Applications

Patents

The following table summarizes the details of the innovation patents owned by us on our Core Products and certain pre-clinical product candidates as of the Latest Practicable Date:

Subject Area	Title	Jurisdiction	Status	Date of Grant	Date of Expiration[1]	Commercial Rights	Patentee	Product Candidate
PDGF. . .	pH-responsive hydrogel biocarrier and application thereof	China	Granted	May 20, 2022	November 2, 2041	Proprietary rights	The Company	Pro-101-3
mRNA . .	Ionizable cationic lipid C6-A1 and nanoliposome particles composed of it	China	Granted	June 16, 2023	November 2, 2042	Proprietary rights	The Company	Mes-201
mRNA . .	Ionizable cationic lipid C6 and the nanoliposome particles composed thereof	China	Granted	June 16, 2023	November 2, 2042	Proprietary rights	The Company	Mes-201
mRNA . .	Ionizable cationic lipid C5 and nanoliposome particles composed of it	China	Granted	June 20, 2023	October 31, 2042	Proprietary rights	The Company	Mes-201
mRNA . .	Ionizable cationic lipid C5-A2 and nanoliposome particles composed of it	China	Granted	June 20, 2023	November 3, 2042	Proprietary rights	The Company	Mes-201
Research and Development Platforms .	Extract with auxiliary hypoglycaemic and hypolipidemic and preparation method thereof	China	Granted	April 13, 2018	December 9, 2034	Proprietary rights	The Company	—
Research and Development Platforms .	A recombinant protein drug for the prevention and treatment of influenza virus and its application	China	Granted	February 11, 2022	November 4, 2041	Proprietary rights	The Company	—
Others . .	Preparation method of N-terminal acetylated protein or polypeptide and its special engineered bacteria+	China	Granted	July 4, 2012	October 20, 2030	Proprietary rights	The Company	Tβ4

Subject Area	Title	Jurisdiction	Status	Date of Grant	Date of Expiration[1]	Commercial Rights	Patentee	Product Candidate
Others . .	Pilot production fermentation method to achieve complete acetylation-modified expression of rhTβ4 in E.coli+	China	Granted	November 13, 2020	June 9, 2039	Proprietary rights	The Company	Tβ4
Others . .	Application of Tβ4 in the preparation of microecological balance regulator+	China	Granted	August 26, 2022	August 9, 2040	Proprietary rights	The Company	Tβ4
Others . .	Genes of the novel coronavirus B.1.351 South African mutant strain RBD and its application	China	Granted	August 13, 2021	May 17, 2041	Proprietary rights	The Company	—
Others . .	Genes of the British mutant strain RBD of the novel coronavirus B.1.1.7 and its application	China	Granted	September 7, 2021	May 30, 2041	Proprietary rights	The Company	—
Others . .	Genes of the novel coronavirus B.1.525 Nigerian mutant strain RBD and its application	China	Granted	September 7, 2021	June 3, 2041	Proprietary rights	The Company	—
Others . .	Genes of the Brazilian variant of the novel coronavirus P.1 mutant strain RBD and its application	China	Granted	October 15, 2021	June 10, 2041	Proprietary rights	The Company	—
Others . .	Application of Tβ4 in the preparation of drugs for treating pulmonary fibrosis with lung cancer+	China	Granted	December 23, 2022	July 19, 2041	Proprietary rights	The Company	Tβ4

Notes:

+ Patents transferred from third parties to us. In addition, patent of a recombinant human platelet-derived growth factor and its encoding gene and expression method, which expired in July 2024, was also related to our Core Products and was transferred to us by third parties.

1. 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.

Material Patent Applications

The following table summarizes the details of the material patent applications filed by us in connection with our clinical stage product candidates and certain pre-clinical product candidates as of the Latest Practicable Date:

Subject Area	Title	Jurisdiction	Status	Date of Application	Commercial Rights	Applicant	Product Candidates
PDGF	A PDGF formulation for full-thickness skin injury wound healing	China	Pending	March 23, 2022	Proprietary rights	the Company	Pro-101-3
PDGF	Application of PDGF gel in the preparation of drugs for the treatment of burns*	China	Pending	March 23, 2022	Proprietary rights	the Company	Pro-101-1
PDGF	Application of PDGF gel in the preparation of drugs for the treatment of radioactive ulcers	China	Pending	April 4, 2022	Proprietary rights	the Company	Pro-101-3
PDGF	Application of PDGF gel in the preparation of drugs for the treatment of pressure ulcers	China	Pending	April 4, 2022	Proprietary rights	the Company	Pro-101-3
PDGF	A pH-responsive hydrogel biocarrier and its application	U.S.	Pending	March 7, 2022	Proprietary rights	the Company	Pro-101-3
PDGF	Use of a platelet-derived growth factor in preparing a medicament for treating scalds*[(1)]	U.S.	Pending	June 23, 2022	Proprietary rights	the Company	Pro-101-1
PDGF	An efficient purification method for recombinant human platelet-derived growth factor BB*	China	Pending	April 29, 2023	Proprietary rights	the Company	Pro-101-1 Pro-101-2 Pro-101-3 Pro-102 Pro-103 Pro-104 Pro-105
PDGF	A high-density fermentation method for Pichia pastoris to produce PDGF-BB*	China	Pending	April 30, 2023	Proprietary rights	the Company	Pro-101-1 Pro-101-2 Pro-101-3 Pro-102 Pro-103 Pro-104 Pro-105
PDGF	Recombinant human platelet-derived growth factor eye drops	China	Pending	November 28, 2023	Proprietary rights	the Company	Pro-103
PDGF	Detection method for carboxymethylcellulose sodium gel pharmaceutical preparations	China	Pending	December 14, 2023	Proprietary rights	the Company	Pro-101-3

Subject Area	Title	Jurisdiction	Status	Date of Application	Commercial Rights	Applicant	Product Candidates
PDGF	A platelet-derived growth factor B mutant and its application	China	Pending	December 28, 2023	Proprietary rights	the Company	Pro-101-3 Pro-102 Pro-103 Pro-104 Pro-105
PDGF	Platelet-derived growth factor mutant eye drops	China	Pending	January 10, 2024	Proprietary rights	the Company	Pro-103
PDGF	A recombinant human platelet-derived growth factor gel formulation*	China	Pending	May 30, 2024	Proprietary rights	the Company	Pro-101-1 Pro-101-2 Pro-101-3
PDGF	A gel formulation containing human platelet-derived growth factor	China	Pending	December 26, 2024	Proprietary rights	the Company	Pro-101-3
PDGF	Topical formulation of recombinant platelet-derived growth factor	China	Pending	December 26, 2024	Proprietary rights	the Company	Pro-102
PDGF	Soluble microneedles containing recombinant platelet-derived growth factor and preparation method	China	Pending	June 3, 2025	Proprietary rights	the Company	Pro-104
PDGF	A method for screening compounds that promote or inhibit the proliferative activity of PDGF	China	Pending	June 20, 2025	Proprietary rights	the Company	Pro-102
PDGF	A topical gel formulation and its preparation method	China	Pending	July 29, 2025	Proprietary rights	Huaren Yihai	Pro-101-3
mRNA.	Nanoliposome particle delivery vehicle containing polylactic acid-glycolic acid copolymer	China	Pending	May 24, 2022	Proprietary rights	the Company	Mes-201
mRNA.	A 3' UTR derived from TMSB10 to enhance mRNA expression and its application	China	Pending	August 12, 2022	Proprietary rights	the Company	Mes-201
mRNA.	A 3' UTR derived from AGBL5 to enhance mRNA expression and its application	China	Pending	August 12, 2022	Proprietary rights	the Company	Mes-201
mRNA.	A 3' UTR for enhanced mRNA expression from human sources and its applications	China	Pending	August 12, 2022	Proprietary rights	the Company	Mes-201
mRNA.	A 3' UTR derived from cytochrome C oxidase family genes and its application	China	Pending	August 12, 2022	Proprietary rights	the Company	Mes-201
mRNA.	A 3' UTR for enhancing mRNA expression and its application	China	Pending	August 12, 2022	Proprietary rights	the Company	Mes-201

Subject Area	Title	Jurisdiction	Status	Date of Application	Commercial Rights	Applicant	Product Candidates
mRNA.	A method for identifying the translational activity of an mRNA 5' cap analogue	China	Pending	October 17, 2024	Proprietary rights	the Company	Mes-201
mRNA.	A DNA molecule derived from the COX17 gene and its application as 3' UTR	China	Pending	October 15, 2025	Proprietary rights	the Company	Mes-201
mRNA.	A DNA molecule derived from the COX7B gene and its application as 3' UTR	China	Pending	October 15, 2025	Proprietary rights	the Company	Mes-201
Research and Development Platforms	Polyionic composite nanomaterial polypeptide carrier and preparation method thereof	China	Pending	July 15, 2021	Proprietary rights	the Company	Mes-201
Others.	Application of Tβ4 in the preparation of drugs for treating diarrhea accompanied by acute lung injury	China	Pending	September 30, 2025	Proprietary rights	the Company	Tβ4

Note:

(1) We filed PCT application PCT/CN2022/100640 on June 23, 2022. The PCT allows applicants to seek patent protection for an invention simultaneously in multiple countries through a single international patent application. The primary purpose of a PCT application is to provide a streamlined and efficient route for applicants to file patent applications in various jurisdictions for the same invention. Once a PCT application is filed, the applicant is granted the right to enter the national phase in any of the PCT contracting states within 30 months from the priority date of the application. Entering the national phase means filing a local patent application in each country where protection is sought, based on the original PCT application.

On September 12, 2024, we entered the national phase in the United States by filing application US18/846,445, covering a key jurisdiction for our future business activities. Therefore, information relating to PCT/CN2022/100640 has been removed. As we have already entered the national phase in our target jurisdiction, and we have not identified any obstacles that would affect the grant of the U.S. patent application, we are of the view that the removal will not have any negative impact on the Core Products or our other patents and/or patent applications on the Core Products.

* Patent applications related to our Core Products

Intellectual Property Rights Relating to Our Core Products and Other PDGF Candidates

As of the Latest Practicable Date, with respect to our Core Products, we had filed five patent applications, currently under review. The following table sets forth some details on the patent applications relating to our Core Products as of the Latest Practicable Date:

Patent Application Number	Protection Scope	Date of Application	Date of Expiration	Corresponding Core Product(s)
CN202210290838.3. .	Application of platelet-derived growth factor in the preparation of drugs for treating burns.	March 23, 2022	March 22, 2042	Pro-101-1
US18/846,445.	Use of a platelet-derived growth factor in preparing a medicament for treating scalds.	June 23, 2022	June 23, 2042	Pro-101-1

Patent Application Number	Protection Scope	Date of Application	Date of Expiration	Corresponding Core Product(s)
CN202310482065.3. .	A method for purifying platelet-derived growth factor-BB, comprising: (1) Pre-treating of the fermentation broth, comprising centrifuging and filtering the supernatant of fermentation liquid to obtain clarified liquid; (2) purifying of the clarified liquid by cation exchange chromatography, wherein the packing of the cation exchange chromatography is a strong cation exchange packing based on a highly porous rigid resin, the packing is provided with an additional poly-hydroxy surface coating, the packing skeleton is connected with a high-density sulfonic acid functional group, and the flushing buffer containing arginine is used for flushing, and the elution buffer containing arginine is used for eluting; (3) purifying the eluate obtained in step (2) by gel chromatography and obtaining the bulk drug substance of platelet-derived growth factor-BB, wherein the gel chromatography packing is a high resolution gel filtration packing.	April 29, 2023	April 28, 2043	Pro-101-1 and Pro-101-2
CN202310482356.2. .	A method of high-density fermentation of PDGF-BB production by Picrosporum yeast, comprising: (1) cultivating of the bacterium initially, comprising: injecting the Pichia pastoris seed liquid into the fermentation medium containing sodium chloride, with an inoculation ratio of 10~15v/v%, an inoculation OD600=10~20, initial culture conditions 30~32℃, pH 4.5~5.5, and an aeration volume of 0.5~1.5vvm, with the continuous growth of the bacterium; controlling the dissolved oxygen above 40% for 18～22 hours by increasing the rotational speed and aeration; entering the step (2) when the value of dissolved oxygen is rapidly rebounded to more than 80%; (2) replenishing glycerol, comprising: replenishing 50 v/v% of glycerol for 3-5 hours in the form of index supplement, starting at 9 to 11 ml/L/h, under the condition of controlling dissolved oxygen at 30 to 60% by adjusting the speed and ventilation, until the OD600 of the cell reaches 190-210, and the wet weight of the cell is 145 to 155 g/l; (3) inducing bacteria, comprising:, adding 100% methanol solution and inducing bacteria for 48 hours under the condition of 35~55% dissolved oxygen by adjusting the rotational speed and ventilation volume when the culture temperature is reduced to 24~28 ℃.	April 30, 2023	April 29, 2043	Pro-101-1 and Pro-101-2

Patent Application Number	Protection Scope	Date of Application	Date of Expiration	Corresponding Core Product(s)
CN202410691309.3. .	A recombinant human platelet-derived growth factor gel formulation, which is characterized in that said gel formulation contains the following components per 1,000g: 0.05g-0.3g of recombinant human platelet-derived growth factor, 25-50g of carboxymethylcellulose sodium, 2.58g-7.74g of disodium hydrogen phosphate dodecahydrate, 0.39g-1.16g of sodium dihydrogen phosphate monohydrate, 5.84-11.69g of sodium chloride, 1.5-1.7g of methyl p-hydroxybenzonate, 0.15-2.0g of propyl p-hydroxybenzonate, 4-6g of lysine hydrochloride, and water for injection added to 1,000g, wherein the pH of the said gel formulation is 6.5-7.5.	May 30, 2024	May 29, 2044	Pro-101-1 and Pro-101-2

In particular, we did not file any patent application specifically for the indication of Pro-101-2, mainly considering that (i) it is unlikely such application will be approved, since there has been one PDGF drug for treating DFUs approved by the FDA in the U.S. in 1997; and (ii) we have two other pending patent applications for Pro-101-2 with respect to fermentation and purification processes, which can provide sufficient protection over Pro-101-2.

The following table sets forth the relevance of our filed patent applications in relation to our PDGF pipeline as of the Latest Practicable Date:

	Title	Date of Application
Relating to indications of PDGF candidates . .	• A PDGF formulation for full-thickness skin injury wound healing	• March 23, 2022
	• Application of PDGF gel in the preparation of drugs for the treatment of burns*	• March 23, 2022
	• Application of PDGF gel in the preparation of drugs for the treatment of radioactive ulcers	• April 4, 2022
	• Application of PDGF gel in the preparation of drugs for the treatment of pressure ulcers	• April 4, 2022
	• Use of platelet-derived growth factor in preparing a medicament for treating scalds*	• June 23, 2022
Relating to optimization of the DNA sequence of PDGF candidates . .	• A platelet-derived growth factor B mutant and its application	• December 28, 2023
Relating to formulations of PDGF candidates . .	• Platelet-derived growth factor mutant eye drops	• January 10, 2024
	• A pH-responsive hydrogel biocarrier and its application	• March 7, 2022
	• A recombinant human platelet-derived growth factor gel formulation*	• May 30, 2024

	Title	Date of Application
	• A topical gel formulation and its preparation method	• July 29, 2025
	• Recombinant human platelet-derived growth factor eye drops	• November 28, 2023
Relating to stock solution preparation techniques	• An efficient purification method for recombinant human platelet-derived growth factor BB*	• April 29, 2023
	• A high-density fermentation method for Pichia pastoris to produce PDGF-BB*	• April 30, 2023
Relating to quality controls of PDGF candidates	• Detection method for carboxymethylcellulose sodium gel pharmaceutical preparations	• December 14, 2023
Others	• A method for screening compounds that promote or inhibit the proliferative activity of PDGF	• June 20, 2025
	• Soluble microneedles containing recombinant platelet-derived growth factor and preparation method	• June 3, 2025
	• A gel formulation containing human platelet-derived growth factor	• December 26, 2024
	• Topical formulation of recombinant platelet-derived growth factor	• December 26, 2024

* Patent applications related to our Core Products

Furthermore, we have one patent that has expired in July 2024 with respect to our Core Products, details of which are set forth below:

Patent Application Number	Protection Scope	Date of Application	Date of Expiration	Corresponding Core Product(s)
CN200410068993.2. .	A recombinant human platelet-derived growth factor, which is a dimer composed of two B chains, the amino acid residue sequence of the B chain being shown in SEQ ID NO: 1; the recombinant human platelet-derived growth factor being recombinant expression vector containing the coding gene of recombinant human platelet-derived growth factor B chain as shown in SEQ ID NO: 2 introduced into Pichia pastoris, Escherichia coli or CHO cells for expression. A method for expressing the recombinant human platelet-derived growth factor as claimed in claim 1, comprising introducing the recombinant expression vector containing the coding gene of recombinant human platelet-derived growth factor B chain into Pichia pastoris, Escherichia coli or CHO cells, and expressing the recombinant human platelet-derived growth factor; the base sequence of the recombinant human platelet-derived growth factor B chain coding gene is shown in SEQ ID NO:2.	July 15, 2004	July 14, 2024	Pro-101-1 and Pro-101-2

Meanwhile, we also have one granted patent relating to our PDGF pipeline Pro-101-3 that expired in November 2025 which concerns a recombinant human platelet-derived growth factor gel. This patent is not related to our Core Products because the gel formulation covered by this patent is no longer the one we use in our current clinical applications. We have optimized and adjusted the formulation, and the modifications have been significant enough to warrant the filing of a new patent application, which we submitted on May 30, 2024. As a result, this patent is not significantly connected to our Core Products.

For patents that have already expired or are about to expire, patentee cannot re-file for patents on the same technical solution to obtain continued protection. Therefore, we are unable to obtain another patent for the amino acid sequence as recorded in patent CN200410068993.2 in the above table. However, in order to strengthen the intellectual property protection of our Core Products and other PDGF candidates, we have filed patent applications for the preparation and manufacturing process for the bulk drug substance of rhPDGF, namely, CN202310482065.3 for protecting the purification process and CN202310482356.2 for protecting the fermentation process.

As advised by our PRC Legal Advisor, we believe that the patent that expired in July 2024 and November 2025 will not have a material impact on our subsequent R&D and commercialization activities regarding the Core Products and other PDGF candidates, mainly for the following reasons:

(i) As mentioned above, we have filed new patent applications (namely CN202310482065.3 and CN202310482356.2 for the purification process and fermentation process of rhPDGF respectively. These patent applications, if granted, can provide protection for the preparation and manufacturing of our Core Products and other PDGF candidates.

(ii) We filed patent applications CN202210290838.3 and US18/846,445 to protect Pro-101-1 from the perspective of indications. Meanwhile, we filed patent application CN202410691309.3 to protect Pro-101-1 and Pro-101-2 from the perspective of formulations.

(iii) The preparation process of rhPDGF is complex and requires high precision in process control. There is a lot of know-how in the production process of our Core Products, such as how to analyze and control certain components during the production process. The know-how involves various aspects of the production process. Therefore, even though the patent CN200410068993.2 has expired in July 2024 and the amino acid sequence disclosed by the patent entered the public domain, it is difficult for other pharmaceutical enterprises to get through all the processes and quality control processes in a short period of time and fully master our technological accumulation by relying on the amino acid sequence disclosed in such expired patent.

(iv) We are still developing PDGF mutants with better activity and superior stability. We are striving to launch better second-generation products as soon as possible. For the PDGF mutants under development, we have also filed new patent applications, including CN202311838963.4 (a platelet-derived growth factor B mutant and its application), to provide patent protection for potential next-generation products.

While we plan to launch Pro-101-1 and Pro-101-2 in the PRC, the U.S. and Japan, we expect that the main market for the PDGF candidates, once commercialized, will be primarily the PRC. Our PRC Legal Advisor is of the view that the current patent applications are sufficient to protect the Core Products from generic drug manufacturers.

We have conducted a freedom-to-operate analysis ("**FTO Analysis**") for rhPDGF-BB drugs in China, the U.S. and Japan, respectively. Based on the FTO Analyses, as of the Latest Practicable Date, we are not aware of any issued patents that may affect our rights to conduct R&D or commercialize rhPDGF-BB drugs in China, the U.S. or Japan.

Other Intellectual Property Rights

In addition to our patents and patent applications, we place emphasis on trade secrets, confidential information, know-how, unpatented technology and other proprietary information to protect aspects of our technology. We seek to protect our trade secrets and other proprietary or confidential technology and processes, in part, by entering into confidentiality agreements with consultants, scientific advisors and contractors. We have entered into confidentiality agreements and non-competition agreements with our senior management and key members of our research and development team and other employees who have access to our trade secrets and other proprietary or confidential information relating to our business. However, these agreements may not provide sufficient protection of our trade secrets and other proprietary or confidential information. These agreements may also be breached, resulting in the misappropriation of our trade secrets and other proprietary or confidential information, and we may not have an adequate remedy for any such breach. In addition, our trade secrets and other proprietary or confidential information may become known or be independently developed by a third party or misused by any collaborator or other third party to whom we disclose such information. Despite any measures taken to protect our trade secrets, confidential or proprietary information and other intellectual property,

unauthorized parties may attempt to or successfully copy aspects of our products or to obtain or use information that we regard as proprietary without our consent. As a result, we may be unable to sufficiently protect our trade secrets and proprietary information.

We also seek to preserve the integrity and confidentiality of our data and trade secrets by maintaining physical security of our premises and electronic security of our information technology systems. Despite any measures taken to protect our data and intellectual property, unauthorized parties may attempt to or successfully gain access to and use information that we regard as proprietary. See "Risk Factors — Risk Relating to Our Intellectual Property Rights."

As of the Latest Practicable Date, we had registered 29 trademarks, including 26 in Mainland China and 3 in Hong Kong. As of the same date, we owned 12 computer software copyrights in Mainland China. We are also the registered owner of 2 domain names. We do not currently own any issued trademark registrations of "B&K," "B&K Corporation," "華芒" or "華芒生物" in Mainland China. As of the same date, we had registered the "华芒" and "B+K" trademarks in Hong Kong. See "Risk Factors — Risks Relating to Our Intellectual Property Rights — If our trademarks and trade names are not adequately protected, we may not be able to build brand recognition in our markets of interest which may have an adverse effect on our business." We have entered into collaboration agreements and other relationships with pharmaceutical companies and other industry participants to leverage our intellectual property and gain access to the intellectual property of others. See "— Collaboration, Licensing and Transfer Arrangements."

Our Directors confirm that during the Track Record Period and up to the Latest Practicable Date, we were not involved in any proceedings in respect of, and we had not received notice of any claims of infringements of, any third-party intellectual property that are threatened or pending, in which the Group may be a claimant or a respondent, that would result in material adverse impact on our business, financial condition and results of operations. See "Appendix IV — Statutory and General Information."

PROCUREMENT

We procure raw materials and equipment, as well as technical and other services, needed for the operation of our business from qualified suppliers. The main raw materials that we procure for our pre-clinical studies and clinical trials primarily include yeast extract, peptone, double-distilled water and glucose (dextrose). During the Track Record Period and up to the Latest Practicable Date, the raw materials of our candidates and the placebo were produced by third-party CMOs and supplied by us, and the raw materials of other experimental products for clinical trials were supplied by us.

In addition, we procure equipment for the development and manufacturing of our product candidates from reputable manufacturers and suppliers. We also procure technical services, such as CRO services and consulting services that support our clinical trials and pre-clinical studies. See "— Research and Development — Engagement of Third Parties in Research and Development."

We engage experienced and qualified third parties such as CROs, CDMOs and consultants to support our research and clinical trials. We conduct regular review on qualified suppliers and suppliers that fail to pass such review will be removed from the list of qualified suppliers. We select our suppliers by considering their qualifications, compliance with relevant regulations and

industry standards, quality, prices, business scale, market share, reputation and after-sales service quality. We supervise and monitor these third-party service providers closely to ensure their compliance with our quality control procedures and applicable laws and the integrity of the data resulting from our trials and studies. See "— Suppliers."

MANUFACTURING AND QUALITY CONTROL

Chemistry, Manufacturing and Control ("CMC")

Since our inception, we have established an internal CMC team which primarily function in:

(i) ***analytical method development*** — our analytical method development team implements a science-driven, phase-appropriate and commercial oriented approach to the development and application of both classic and state-of-the-art analytical techniques and tools throughout the development life cycle of each of our product candidates, including but not limited to development and validation of analytical methods for drug substance and drug product, technical transfer of process and analytical methods, establishment of specifications, and testing and releasing of each batch of drug product; and

(ii) ***quality assurance and control*** — with well-documented and comprehensive quality system, our quality assurance and quality control team is responsible for testing and verifying the product quality with predefined standards to assure the quality of all batches of the drug substance and drug products manufactured at every manufacturing/processing stage.

We currently work with qualified CMOs and CDMOs to manufacture product candidates for pre-clinical and clinical supply. We also cooperate with CDMOs in the refinement of product candidates. We have adopted procedures to ensure that the production qualifications, facilities and processes of our CMOs and CDMOs comply with the relevant regulatory requirements and our internal guidelines. We select our CMOs and CDMOs by reviewing a number of factors, including their qualifications, research and development capabilities, relevant expertise, production capacity and product quality. As of the Latest Practicable Date, we had not experienced any difficulties in engaging our CMOs and CDMOs. As we maintain good relationships with our CMOs and CDMOs and there are adequate alternative sources for CMOs and CDMOs, we do not foresee any difficulties in engaging qualified CMOs and CDMOs in the future, should the need arise. To monitor and evaluate service performed by our CMOs and CDMOs, we set a series of pre-defined specifications on in-process control and release tests, and review manufacturing related documents including batch records and quality control test results to ensure specifications are met.

Our Planned Manufacturing Capacities

As of the Latest Practicable Date, we were exploring effective strategies to initiate the large-scale production of our product candidates upon commercialization. Options under consideration include leasing production facilities, constructing our own manufacturing sites, and collaborating with CMOs to ensure GMP-compliant production of such candidates, including the fermentation, crude extraction and purification of bulk solutions, as well as formulation, filling and packaging of dosages. We will ascertain in due course the most appropriate option for the Company in light of subsequent developments and the interests of the Shareholders. To ensure a

reliable supply of our products and to accommodate potential growth in business demand, we may consider implementing a hybrid manufacturing model, which would integrate our internal manufacturing capabilities with those of CMOs. In addition, we expect such approach to support our clinical trials in China, and potentially to support our clinical trials globally in the future. The facilities are expected to be equipped with systems and equipment from leading, highly reputable manufacturers and suppliers of the industry.

Our manufacturing team will consist of three departments in the future, including a manufacturing technology department, an engineering equipment department and a quality assurance and quality control department.

Based on the current progress of the Phase IIb clinical trial of Pro-101-1 and Phase II clinical trial of Pro-101-2, we expect that the Phase III clinical trial of Pro-101-1 will be completed in the fourth quarter of 2026, and the Phase III clinical trial of Pro-101-2 will be completed in the second quarter of 2029. We plan to launch Pro-101-1 in 2027 and launch Pro-101-2 in 2030. We expect that our manufacturing capacities will match our production demand.

Our Quality Assurance and Quality Control Team

The manufacturing process of biopharmaceutical products is subject to extensive regulations that impose various procedural and documentation requirements governing record keeping, manufacturing process and controls, personnel, quality assurance, quality control and others matters. See "Regulatory Overview."

Our quality assurance and quality control team is responsible for testing and verifying the product quality with predefined standards to assure the quality of all batches of drug substance and drug products manufactured at every manufacturing/processing stage. Our quality assurance and quality control team coordinates with our production team to oversee and manage the quality of our facilities and our products in our manufacturing process. Our production team designs the production plan based on clinical development plan, procures materials according to the production plan, and issues production directives to the production lines. We implement strict procedures for the receiving and releasing of the raw materials used in the production process, intermediate products, bulk solutions, and products in strict compliance with the GMP requirements. Our quality assurance and quality control team, which consisted of 14 employees as of the Latest Practicable Date, inspect raw materials, intermediate products, raw liquids and products, and decides whether to release the above samples. Such procedures help us ensure that substandard intermediate products and raw liquids do not enter the next process and deficient products are not released for use out of the factory.

We will periodically review the quality of our drugs after they have been launched in order to assess the effectiveness of current controls measures and to continuously improve the quality of our drugs. We keep the risk information of our drugs updated, and adopt appropriate risk management tools and risk minimization measures to ensure that the benefits of our drugs continuously outweigh the risks. We proactively conduct studies of post-marketing drugs, including the collection of data and information from the full lifecycle of a drug to assess potential risks and further ensure the safety, efficacy and quality controllability of post-marketing drugs. We strengthen risk prevention and control measures throughout the drug's life cycle, including risk management in stages of registration, manufacturing, storage and transportation, use and

regulation, to achieve effective risk control throughout the drug's life cycle and to ensure the sustainable and stable production of drugs that meet the intended use and registration requirements.

To prevent the risk of excessive methanol content that may arise from the adoption of the *Pichia pastoris* expression technology, during the late stage of yeast fermentation, we control the consumption of all methanol by detecting the changes of dissolved oxygen levels before proceeding to purification stage. At the purification stage, the properties of methanol and the target product are different from each other and can be easily separated, which, together with a large amount of buffer rinsing, ensures that the methanol content in the stock solution is almost non-existent. At the quality control stage, we further monitor the methanol content in the stock solution by gas chromatography to confirm that it complies with the quality standard.

We implement quality management for the full life cycle of our products. With the construction of our manufacturing facilities, we will improve our internal quality control measures and pharmaceutical quality assurance measures in time in the near future, including manufacturing process quality assurance system, public engineering control system, equipment control system, material control system, standard operating procedures for quality management of manufacturing process, quality testing system, document management system, verification control system, user feedback management system. We also have standard process procedures in place to ensure that the drugs meet the process requirements for registration.

COMMERCIALIZATION

Commercial Viability

We believe our Core products and other PDGF candidates are commercially viable for the following reasons:

(i) PDGF drugs have been clinically used as growth factor therapeutic products in DFUs for more than 20 years mainly in the U.S. According to the Frost & Sullivan report, PDGF is the only recombinant growth factor that has received approval from the FDA for topical use, specifically in treating DFUs;

(ii) there is a clinical need in the wound healing market, given the wide range of wound healing indications;

(iii) compared to the only PDGF drug for treating DFUs approved by the FDA in the U.S. which used the *Saccharomyces cerevisiae* expression technology, our PDGF candidates employ the *Pichia pastoris* expression system, which has a higher efficiency of secretory expression, and can make purification of recombinant protein easier due to its limited production of endogenous secretory proteins. In addition, compared to the DNA sequence of the only PDGF drug approved by the FDA in the U.S. for treating DFUs, the sequence of our PDGF candidates is reduced by five amino acids that are prone to cleavage, which enables higher stability and consistency of our PDGF candidates;

(iv) our Core Products have demonstrated safety profile with notable increases in wound healing rates across multiple clinical studies for different wound healing indications. We believe our favorable clinical trial results can benefit the clinical development of PDGF candidates for other indications and enhance the certainty of commercialization of such candidates; and

(v) our competitive edge in PDGF candidates is protected by our patent portfolio. See "— Intellectual Property Rights."

Our Marketing Strategy

We believe that the scale and effectiveness of our commercial operation will be crucial to our business. We plan to launch Pro-101-1 in 2027 and launch Pro-101-2 in 2030. We intend to persistently augment our manufacturing capacities to align with market demands and to realize economies of scale, thereby diminishing production expenditures. See "— Manufacturing and Quality Control — Our Planned Manufacturing Capabilities."

We will employ a strategic marketing model to increase our market penetration, to promote our products and to achieve geographical and channel coverage. We plan to conduct marketing activities in China first, and as our operations mature, we intend to expand our marketing activities overseas. We expect to facilitate academic engagement and education around our products by establishing relationships with KOLs, hospitals, and renowned doctors through clinical trials, R&D collaboration, and academic conferences. We also intend to enter into strategic partnerships with medical companies with advantageous sales and marketing networks. In addition, we plan to seek cooperations with retail pharmacies and retail e-commerce platforms as part of our marketing channels. Furthermore, we plan to participate in meetings with the Chinese Burn Physicians Association, the Chinese Dermatologists Association, and the Endocrinologists Association to jointly enhance awareness of the Company's Core Products. As to the U.S. and Japanese markets, we plan to establish partnerships with local pharmaceutical companies, leveraging their marketing and sales networks to enhance product penetration and strive for a reasonable profit share. Additionally, following the completion of our Phase III clinical trials of Pro-101-1 in respective jurisdictions, we plan to grant the overseas commercialization rights of Pro-101-1 to companies with local resources in exchange for licensing fees. We prioritize market entry in the U.S. and Japan, given their established regulatory frameworks and medical systems. Commercialization in these markets is expected to generate robust clinical and commercial data to support subsequent expansion into additional territories. Success in Japan and the US may also facilitate international partnerships and enable broader commercialization efforts.

In addition, our strategy includes a phased approach to entering all levels of markets, aiming for comprehensive national reach over the medium term. Initially, our efforts will be directed towards the top hospitals in top and second tier provinces that possess a significant patient population, in particular, focusing the business development at scald and burn, dermatology, plastic surgery and endocrinology departments of these hospitals. As we progress into tier three and four provinces, our commitment to enhancing our local presence and market penetration will persist. We aim to cooperate with regional agents in business development at hospitals and fortify our connections with pivotal stakeholders in each province to promote diagnosis and treatment, as well as to facilitate negotiations for reimbursement inclusion in the national medical insurance reimbursement catalog. In particular, we plan to begin considering the reimbursement inclusion of

our products in the national medical insurance reimbursement catalog after three years from the launch of the relevant products into the market. Through these measures, we believe we will expand the market share of our PDGF candidates in China.

Along with the clinical development of our pipeline products, we will establish our marketing center, including sales, marketing and business departments and schedule the recruitment, training and evaluation of our sales and marketing team in accordance with the clinical development progress of our pipeline products, aiming to ensure the timely commercialization of our pipeline products once we obtain relevant approvals. We plan to build up our sales and marketing team by recruiting professionals with extensive industry knowledge and biopharmaceutical marketing skills to engage in the academic promotion, marketing, commercialization and channel management of our pipeline products. Our sales and marketing team will consist of medical directors and medical science liaisons who would be responsible for medical education, medical conference management and investigator-initiated study support, which facilitates the advocacy of our product candidates. Team members shall also be responsible for exploring collaboration patterns and promoting collaboration with strategic partners, as well as the academic promotion of our products to hospitals and doctors, which helps expand our distribution channels to commercialize our products.

We aim to gain market coverage by leveraging our current and future business partners' expertise and business network. Our strategy and business development team explores global and local cooperation opportunities with other industry players. These opportunities may include co-development, in-licensing and out-licensing arrangements. Further, we intend to seek partners by setting comprehensive selection criteria, primarily including commercialization teams with extensive biopharmaceutical industry backgrounds, superior track record in commercialization partnership, and recognition of our vision and commitment to our pipeline products. We will also evaluate partnership options to maximize market potential of our products.

Pricing

As of the Latest Practicable Date, our Core Products were still in the clinical trial phase and had not been commercialized. As such, we have not established any definitive pricing policy for our Core Products. As our Core Products progress towards potential approval and commercialization in the future, either we or a partner will determine pricing by evaluating multiple factors, including the clinical attributes of our Core Products and the existing market prices of other comparable drugs. We or a partner may conduct extensive market research involving KOLs, hospitals, physicians and patients as well as regulatory authorities before pricing our Core Products and may take into account various factors such as insights gathered from these parties, our production costs, the comparative safety and efficacy of our Core Products against its competing products, the estimated demand for our Core Products and the clinical value to patients. For pricing in China, we or a partner may determine pricing based on the affordability for local patients and the price of comparable products. The pricing in overseas markets may be adjusted to reflect the unique market conditions of each region, which includes the pricing strategies of multinational competitors. With expectations of higher drug pricing and market demand, we anticipate the revenue from sales of our Core Products to be substantially higher than its associated R&D costs.

SUPPLIERS

Our suppliers are primarily reputable CROs, CMOs, CDMOs and research and medical institutions, as well as providers of raw materials for biological products and housing rental services. We collaborate with CROs, CMOs, CDMOs and research and medical institutions on pre-clinical and clinical trials in China. We primarily procure raw materials, equipment, research and development services and other professional services from our suppliers to support the development and manufacturing of our candidates. We select our suppliers by taking into account a number of factors, including their qualifications, industry reputation, cost competitiveness and compliance with relevant laws and regulations. In 2023, 2024 and the nine months ended September 30, 2025, our purchases from our five largest suppliers in each period during the Track Record Period in the aggregate accounted for 50.4%, 39.0% and 35.7% of our total purchases in the respective periods, respectively, while purchases from our largest supplier in each period accounted for 17.3%, 17.9% and 11.0% of our total purchases in the respective periods, respectively.

The following table sets forth certain information of our five largest suppliers for the year ended December 31, 2023:

Supplier	Products/services procured	Supplier Background	Location	Year of Commencing Business Relationship	Purchase amount	% of total purchase
					(RMB in thousands)	
Tianjin Happy Life Tech Co., Ltd.	CRO clinical services for Pro-101	Established in 2017 in Tianjin, China, it is a private company primarily engaging in providing clinical research services for life science solutions	China	2022	6,719.5	17.3
Hainan Qingshui Enterprise Management Consulting Partnership (Limited Partnership)	Financial consultancy services for our pre-IPO funding arrangements[(1)]	Established in 2023, in Hainan, China, it is a private company primarily engaging in providing business consulting services	China	2023	4,455.4	11.5
North China Pharmaceutical Co., Ltd.	Clinical trial samples of Pro-101 and Pro-102	Established in 1994 in Heibei, China, and listed on Shanghai Stock Exchange (Stock Code: 600812), it is a public company primarily engaging in providing biotechnology drugs and other pharmaceutical products research and development, production and sales services	China	2021	4,000.6	10.3
Feifan Biopharmaceutical (Changchun) Co., Ltd.	Clinical trial samples for Pro-101, R&D services relating to Pro-101 clinical trials	Established in 2021 in Jilin, China, it is a private company primarily engaging in providing drug consignment development and manufacturing services	China	2023	2,487.0	6.4
Joinn Laboratories (China) Co., Ltd.	R&D services on toxicity, safety and effectiveness of Pro-101	Established in 1995 in Beijing, China, and listed on Shanghai Stock Exchange (Stock Code: 603127) and Hong Kong Stock Exchange (Stock Code: 6127), it is a public company primarily engaging in providing research and experimental development services	China	2021	1,892.6	4.9
Total					**19,555.1**	**50.4**

Note:

(1) The financial consultancy services mainly related to conducting research on investment promotion policies in certain cities and areas in the PRC, preparing and coordinating due diligence work and drafting and negotiating contract terms with investors in our Series B Financing. The consultancy service fee paid to Hainan Qingshui is accounted for as administrative expenses.

The following table sets forth certain information of our five largest suppliers for the year ended December 31, 2024:

Supplier	Products/services procured	Supplier Background	Location	Year of Commencing Business Relationship	Purchase amount	% of total purchase
					(RMB in thousands)	
Tianjin Happy Life Tech Co., Ltd.	CRO clinical services for Pro-101	Established in 2017 in Tianjin, China, it is a private company primarily engaging in providing clinical research services for life science solutions	China	2022	12,268.1	17.9
Feifan Biopharmaceutical (Changchun) Co., Ltd.	Clinical trial samples for Pro-101, R&D services relating to Pro-101 clinical trials	Established in 2021 in Jilin, China, it is a private company primarily engaging in providing drug consignment development and manufacturing services	China	2023	7,724.3	11.2
Boji Medical Technology Co., Ltd.	CRO clinical services for Pro-102	Established in 2002 in Guangdong, China, and listed on the Shenzhen Stock Exchange (Stock Code: 300404), it is a public company primarily engaging in providing services of R&D and production of drugs and medical device	China	2024	2,850.3	4.1
Goldenweikai Medical Biotechnology Co.,Ltd.	Office and laboratory rental services	Established in 1999 in Beijing China, it is a private company primarily engaging in providing office and laboratory rental services	China	2023	2,559.3	3.7
Beijing TopBiox Technology Co., Ltd.	Material and equipment testing equipment used in quality control process	Established in 2011 in Beijing, China, it is a private company primarily engaging in commercial trade, import and export of goods and technology, and the distribution of instruments, medical devices and chemical products	China	2023	1,404.5	2.0
Total					**26,806.5**	**38.9**

The following table sets forth certain information of our five largest suppliers for the nine months ended September 30, 2025:

Supplier	Products/services procured	Supplier Background	Location	Year of Commencing Business Relationship	Purchase amount	% of total purchase
					(RMB in thousands)	
Benuo Chuangrui (Wenzhou) Biotechnology Co., Ltd. (TransReco)	Phase III clinical samples (bulk solution and formulation) for recombinant human platelet-derived growth factor (TPG) for burn and diabetic foot projects	Established in 2022 in Zhejiang, China, it is a private company primarily engaging in the development and commercialization of recombinant protein drugs.	China	2025	3,838.2	11.0
Boji Medical Technology Co., Ltd.	Phase II CRO clinical services for Pro-102	Established in 2002 in Guangdong, China, and listed on the Shenzhen Stock Exchange (Stock Code: 300404), it is a private company primarily engaging in providing services of R&D and production of drugs and medical device	China	2024	3,193.2	9.1
Hanyu Bio (Beijing) Technology Co., Ltd	Phase III clinical trial samples of recombinant human platelet-derived growth factor	Established in 2022 in Beijing, China, it is a private company primarily engaging in providing R&D materials and technical services	China	2025	2,333.1	6.7
Goldenweikai Medical Biotechnology Co., Ltd.	Office and laboratory rental services	Established in 1999 in Beijing, China, it is a private company primarily engaging in providing office and laboratory rental services	China	2023	2,032.4	5.8
YETE Limited	Testing equipment used in quality control	Established in 2011 in Beijing, China, it is a private company primarily acting as agent for imported equipment and mechanical maintenance	China	2024	1,088.5	3.1
Total					**12,485.4**	**35.7**

During the Track Record Period, we were generally granted credit terms of 30 days upon receipt of invoice. We generally settle the payments to the suppliers through bank transfer. All of our five largest suppliers in each period during the Track Record Period were Independent Third Parties, and as of the Latest Practicable Date, none of our Directors, their respective associates or any Shareholder who, to the knowledge of our Directors, owned more than 5% of our issued share capital, had any interest in any of our five largest suppliers in each period during the Track Record Period.

In addition, we believe that adequate alternative sources for such supplies exist, and we have developed alternative sourcing strategies for these supplies. We will establish necessary relationships with alternative sources based on supply continuity risk assessment. Other than the agreements with certain CROs, CDMOs and CMOs, we order supplies and services on a purchase order basis and do not enter into long-term dedicated capacity or minimum supply arrangements.

CUSTOMERS

During the Track Record Period and up to the Latest Practicable Date, we had not generated any revenue from sales of commercialized products, and we do not expect to generate any revenue from product sales before the commercialization of one or more of our candidates.

We generated revenue of RMB471.7 thousand in 2023 from the provision of research services to a single customer in relation to a project on medical devices for wound healing. This customer is a private company in China in the businesses of medical equipment trades and biotechnology research and development. The payment for our provision of the research services was made based on the terms of the relevant contract, and was settled through bank transfer. We generated revenue of RMB261.1 thousand in 2024 from sales of PDGF-BB reagent to another single customer for its research and experiment purposes. The PDGF-BB reagent was produced during the R&D process of our candidates. Neither the provision of research services nor the sale of PDGF-BB reagent is part of our core business. We did not have any revenue in the nine months ended September 30, 2025. For details, see "Financial Information — Description of Major Components of Our Results of Operations — Revenue." As of the Latest Practicable Date, none of our Directors, their respective associates or any Shareholder who, to the knowledge of our Directors, owned more than 5% of our issued share capital, had any interest in this customer in each period during the Track Record Period.

COMPETITION

There are currently no PDGF products approved by NMPA in China. One of our Core Products, Pro-101-1, is the most advanced PDGF drug candidate in terms of clinical development progress for the treatment of thermal burns in China, according to the Frost & Sullivan report. We believe our PDGF candidates have advantages in wound healing compared to other growth factor products. However, the pharmaceutical industry is highly competitive and subject to rapid and significant changes. While we believe that our strong research and development capability, integrated research and development platform and seasoned leadership team provide us with competitive advantages, we encounter competition from international and China-based biopharmaceutical companies and specialty pharmaceutical and biotechnology companies of various sizes, as well as academic institutions and research institutions. Any candidates that we successfully develop and commercialize will compete with existing drugs and products or any new drugs or products that may become available in the future. See "Industry Overview."

PROPERTIES

As of September 30, 2025, none of the properties held or leased by us had a carrying amount of 15% or more of our consolidated total assets. According to section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this prospectus is exempt from the requirements of section 342(1)(b) of the Companies (Winding

up and Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report as described under paragraph 34(2) of the Third Schedule to the Companies (Winding up and Miscellaneous Provisions) Ordinance.

As of the Latest Practicable Date, we did not own any property in China.

As of the Latest Practicable Date, we leased eight properties in Mainland China, comprising five properties with an aggregate gross floor area of approximately 3,745.85 sq.m., which were primarily used for research and development and office space, and three properties used as employee dormitory. The majority of our leased properties are located in Beijing, while we also have leased properties in Qingdao, Shandong Province. The expiry dates of our leased properties range from May 2026 to October 2027. As of the same date, we leased four properties in Hong Kong with a gross floor area of approximately 864.0 square feet, which we used for research and development office, storage and staff dormitory purposes, respectively. The expiration of such leases range from February 2026 to July 2026.

As of the same date, the property ownership certificate of two of our leased properties in China used for research and development and dormitory, respectively, had not been provided to us by the relevant lessor. Accordingly, such lessors may not be entitled to lease the relevant property to us. If the above defect of such leased properties prevents us from continuing the leases so that we are required to move to another location, we can relocate to other comparable alternative premises in the relevant region without any material adverse effect on our business, financial condition and results of operations, given that our primary assets at such leased property are office equipment and research equipment and household goods, respectively. In addition, we have obtained a letter of commitment from the lessor of the property used for research and development, undertaking that if the aforementioned defects in the property rights of the leased premises result in our being unable to continue using the property as agreed in the lease contracts or incurring any losses, the lessor agrees to fully compensate us for any relocation costs, renovation expenses, or any other losses incurred as a result. We also believe that the relocation costs associated with the property used as employee dormitory are immaterial. See "— Legal Proceedings and Compliance — Compliance — Absence of Valid Title Certificates."

As advised by our PRC Legal Advisor, the foregoing property defects will not have a material and adverse effect on our business operation, or materially jeopardize the proposed Listing.

For risks relating to our leased properties, see "Risk Factors — Risks Relating to Our Operations — We are subject to risks associated with leasing properties."

During the Track Record Period, we did not experience any dispute arising out of our leased properties.

INTERNAL CONTROL AND RISK MANAGEMENT

We have devoted ourselves to establishing and maintaining risk management and internal control systems consisting of policies, procedures and risk management methods that we consider to be appropriate for our business operations, and we are dedicated to continuously improving these systems. We have adopted and implemented comprehensive internal control and risk management policies in various aspects of our business operations such as financial reporting, information system, quality assurance and quality control and human resources management.

Our Board of Directors is responsible for establishing and maintaining appropriate and effective internal control system to safeguard our Shareholders' investment at all times. Our internal control policies set out a framework to identify, assess, evaluate and monitor key risks associated with our strategic objectives on an ongoing basis.

During the Track Record Period, we have regularly reviewed and enhanced our risk management and internal control systems. We believe that our Directors and members of our senior management possess the necessary knowledge and experience in providing good corporate governance oversight in connection with risk management and internal control.

Financial Reporting Risk Management

We have in place a set of accounting policies in connection with our financial reporting risk management, such as budget management policies, financial accounting policies and funds management policies. We have various procedures in place to implement accounting policies and our finance department reviews our management accounts based on such procedures.

Information System Risk Management

We use specialized information management systems, including financial management system and data management system. In terms of information management, we have formulated special information management and data security standards and signed confidentiality agreements with employees to enhance their awareness of information protection. Our clinical operation department is responsible for supervising the data protection practice during clinical trials. We have kept all patient data such as personal information since they enrolled in our clinical trials for an indefinite period unless deletion of such data is required by relevant laws and regulations or requested by the relevant users. We also provide on-board training with respect to the handling of personal data to all of our employees when they join us.

Quality Control Risk Management

Our quality control system includes a quality assurance department and a quality control department. We have formulated quality risk management regulations and established a special quality risk management organization, including the quality management department, storage and transportation department, supply department, sales department, human resources department, and other related departments. Therefore, our quality risk management runs through the entire product life cycle and minimizes the adverse consequences of risks to ensure the quality of medicines.

Our employees are required to be aware of the risk of drug quality. We have established a special quality control team, the members of which have rich medical expertise for approximately 20 years. We also continue to train and test quality control team members on a regular basis.

Human Resources Risk Management

Our recruitment team has rich recruitment experience in the pharmaceutical field. We formulate recruitment plan for the upcoming year based on our future business plan, and we constantly improve our recruitment process with the aid of information technology.

Anti-bribery and Anti-kickback

We strictly prohibit bribery or other improper payments in any of our business operations. This prohibition applies to all business activities anywhere in the world, whether involving government officials, medical professionals or private or public payors. Improper payments prohibited by this policy include bribes, kickbacks, excessive gifts or entertainment, or any other payment made or offered to obtain an undue business advantage. We keep accurate books and records that reflect transactions and asset dispositions in reasonable details. We also ensure that our commercialization team complies with applicable promotion and advertising requirements, which include restrictions on promoting drugs for unapproved uses or patient populations and limitations on industry-sponsored scientific and educational activities. Especially, our Company's Code of Business Conduct and Ethics requires every employee to comply with the laws where we operate. This includes, but is not limited to, laws related to commercial bribery and kickbacks, patents, copyrights, trademarks and trade secrets, information confidentiality, insider trading, remuneration payments, workplace harassment, environmental protection, occupational health and safety, false or misleading financial information, improper use of company assets, and foreign exchange transactions. Employees are required to perform their duties in compliance with the legal and regulatory framework governing the industry of our Company and the internal policies of our Company.

We have established an anti-corruption and anti-bribery management system to prohibit any form of commercial bribery. The following behaviors are strictly prohibited in the commercial activities:

(i) giving cash or items to the other party and its related personnel in the form of gifts in violation of laws and regulations and company policies;

(ii) using donations as a disguise to secure business transactions, service opportunities, favorable conditions, or other economic advantages through the provision of money or items;

(iii) providing commercial sponsorship or tourism and other activities that violate the principles of fair competition;

(iv) providing various membership cards, consumption cards or vouchers, shopping cards or vouchers, and other valuable securities;

(v) providing right to own or use houses, cars and other items;

(vi) providing shares or dividends;

(vii) giving or receiving money or other benefits under the name of promotional fees, publicity fees, advertising fees, training fees, consulting fees, technical service fees, research fees or clinical fees, etc.;

(viii) other behaviors that violate laws and regulations.

When entering into contracts with third parties, we not only require the main contract to be signed but also mandate that the third party sign an integrity commitment, which requires the third party to ensure that they:

(i) do not give any items (including money, goods, shopping cards, valuable securities, free services, etc.) to us and our affiliates' employees (including the employee's spouses, children, and relatives);

(ii) refrain from offering extravagant business banquets, social events, holidays, tourism, or entertainment at commercial venues to our employees;

(iii) avoid arranging employment for our employees and their families or covering personal expenses that they should bear themselves;

(iv) timely remind us in case they discover that our employees or those of our affiliates are inclined to breach anti-bribery laws or regulations, and collaborate with us in investigations; and

(v) if it is confirmed that there is a violation of the above commitments, we have the right to take measures such as internal notification within the group, blacklisting suppliers, terminating procurement cooperation and pursuing relevant civil, administrative and criminal responsibilities.

If a violation of the aforementioned commitments is confirmed, we reserve the right to implement measures such as issuing an internal notification, terminating cooperations, and pursuing relevant civil, administrative, and criminal liabilities. We have also established a complaint and reporting management system, which sets out the channels for lodging complaints and reports, the departments responsible, and the procedures for addressing issues such as corruption and bribery.

In addition, to ensure our core products adhere to anti-bribery standards and maintain data reliability in clinical trials going forward, we will continue to refine our comprehensive compliance measures that include clear policies, procedures and regular training for our employees and third parties. We plan to continue to conduct due diligence on suppliers and implement robust data management to safeguard data integrity. We will also ensure regular monitoring and auditing of clinical trial processes, coupled with secure whistleblower mechanisms, to help detect and prevent unethical practices. Additionally, we will maintain transparency in trial processes and results and conduct regular risk assessments, which we believe can further mitigate potential bribery and data integrity risks.

Clinical Trial Data Management

All of our clinical trials strictly adhere to the regulations outlined in the Good Clinical Practice. Certain aspects of our clinical trials, such as clinical monitoring, data management and statistical analysis, are outsourced to a CRO. The trial protocol is collaboratively designed and finalized by us and the CRO. Every stage of the process — from protocol design, organisation, implementation, clinical monitoring, auditing, recording, analysis, to summarizing and reporting — is conducted in strict compliance with the Good Clinical Practice standards. The CRO provides quality assurance and control for the clinical trial's execution. The clinical trials are conducted at

clinical trial institutions registered with the regulatory authorities, and the clinical trial information is registered on the CDE website for oversight. We established measures and procedures to ensure that our clinical trials are legal, compliant, and the clinical trial data is genuine, complete and accurate.

(i) Before conducting clinical trials, the investigators, who are in charge of conducting the clinical trials, and the Clinical Research Coordinators, who are responsible for overseeing the day-to-day operations of clinical studies, ensuring compliance with regulatory requirements, and maintaining the integrity of the data collected, receive comprehensive protocol training to clarify the data that need to be collected, ensuring that the required data are accurately recorded.

(ii) We establish data collection case report forms and filling guidelines, and formulate logical verification plans for the data management. With such measures, any missing data in will be queried, reminding the researchers of the missing data.

(iii) We conduct on-site monitoring to verify the accuracy and consistency of the data and to check for any missing data. If abnormal data requires clinical significance judgment, medical history or AE forms will be promptly filled out. As part of the monitoring measures, we formulate a monitoring plan before conducting the clinical trials to protect the rights of the trial subjects, the accuracy and completeness of trial records and reports, and the compliance with the agreed protocol, GCP and relevant regulations. During the trial, trained monitors are commissioned to conduct trial monitoring according to the monitoring plan, ensuring data authenticity. Monitors verify that all medical reports, records and documents provided by investigators are traceable, clear, synchronously recorded, original, accurate and complete, all clinical data are consistent with the source documents, and ensure that changes in dosage, treatment modifications, AEs, concomitant medications, complications, loss to follow-up and missed examinations are all recorded in the case report forms.

To ensure the authenticity of data submitted to regulatory authorities, our clinical trial processes incorporate several stringent measures. The research report is derived from the statistical analysis of actual trial data, ensuring that conclusions are based on genuine findings. A clinical trial research summary report is prepared based on the statistical analysis, which provides a comprehensive overview of the trial's findings and is essential for regulatory submission. The summary report is then signed by the principal investigator, as well as the individuals responsible for data management and statistical analysis. These signatures serve as a verification that the data is accurate and has been reviewed by key personnel involved in the trial. The final version of the report is stamped by the research institution and us, which further authenticates the report and signifies institutional approval. Notably, once the report is finalized and endorsed, no modifications are allowed. This ensures the integrity of the document and prevents any alterations that could compromise the authenticity of the data. More over, our pharmacological and toxicological studies are conducted at third-party institutions certified by Good Laboratory Practice ("**GLP**"). The GLP institutions follow regulatory-compliant procedures during testing, with experimental operations recorded on paper. The test results are reviewed by their quality control and quality assurance teams, and the issued test results are encrypted to prevent any data modification. The GLP institutions issue research reports stamped with official seals based on the research results, and no modifications are allowed after this stage.

LEGAL PROCEEDINGS AND 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 which would have a material and adverse impact on our business, financial condition or results of operations, and we were not aware of any pending or threatened legal, arbitral or administrative proceedings against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

Compliance

During the Track Record Period, we had certain non-compliant incidents involving our leased properties, mainly due to (i) absence of valid title certificates and (ii) non-registration of lease agreements (collectively, "**Defective Leased Properties**"). The Defective Leased Properties were primarily used for research and development, employee dormitories and office spaces.

Absence of Valid Title Certificates

As of the Latest Practicable Date, lessors of (i) one leased property used for research and development (with an aggregate GFA of approximately 1,536 sq.m., representing approximately 35.7% of our total leased GFA) and (ii) one leased property used as employee dormitory did not provide valid title certificates.

If the relevant lessor has no right to lease the leased property and a third person other than the parties to the relevant lease contracts has legal title to such leased property, such third person may claim that the relevant lease contracts are null and void or have no effect thereto, or even request us to cease our use and move out of such leased property. In addition, in accordance with the relevant provisions of the PRC Civil Code, if the lessee is unable to use or accrue proceeds from the leased property due to any claim by a third person, the lessee may request reduction of rent or refuse to pay rent. Based on the above, our leases may be affected if the lessors of the leased properties do not have the requisite rights to lease the relevant properties. If a dispute arises on the said lease, or we suffer a loss as a result of the said lease, we have a right to request a reduction in rent or refuse to pay rent or require the lessor to indemnify such losses based on the PRC laws and regulations, as well as the letter of commitment from the relevant lessor. As the leased property used for research and development is used for conducting pilot tests and storing office equipment, instruments and equipment for experiments, and certain materials required for clinical trials, and the leased property used as employee dormitory is used for residence and storage of, household goods, they are considered to be highly replaceable. We have obtained a letter of commitment from the lessor of the leased property used for research and development, undertaking that if the aforementioned defects in the property rights of the leased premises result in our being unable to continue using the property as agreed in the lease contracts or incurring any losses, the lessor agrees to fully compensate us for any relocation costs, renovation expenses, or any other losses incurred as a result. We also believe that the relocation costs associated with the property used as employee dormitory are immaterial. See "Risk Factors — Risks Relating to Our Operations — We are subject to risks associated with leasing properties."

Non-registration of Lease Agreements

As of the date of this prospectus, two lease agreements had not been registered with relevant authorities due to the property lacking valid title certificate. As advised by our PRC Legal Advisor, the non-registration of lease agreements will not affect the validity of the lease agreement and will not lead to any relocation from those leased properties, but the relevant local housing administrative authorities can require us to complete registrations within a specified timeframe and we may be subject to a fine of between RMB1,000 and RMB10,000 for any delay in making registration for each of these lease agreements. The aggregate amount of maximum fine will be approximately RMB20,000, which our Directors believe will not have any material adverse impact on our business operations.

To minimize the potential negative impact of the above lack of registration of lease agreements, we have continued to maintain regular communications with such lessors, seeking their cooperation to obtain the title certificate and complete the registration of the relevant leases. In addition, we have established internal guidelines and enhanced our internal control procedures to ensure that the landlords will register the lease agreement with the relevant housing administrative authorities in compliance with applicable PRC laws and regulations. We will actively liaise with the lessors to complete the registration of such lease agreements.

During the Track Record Period and up to the Latest Practicable Date, we had not been ordered by any competent authority to register the unregistered lease agreements or subject to any administrative penalties in relation to the unregistered lease agreement. As advised by our PRC Legal Adviser, if the lease registration can be completed in accordance with relevant laws and regulations within the prescribed time limit ordered by the competent governmental authorities, the risk of governmental authorities imposing a material penalty on us with respect to these leased properties is remote. In addition, we have obtained a letter of commitment from the lessor of the leased property used for research and development, undertaking that if the aforementioned defects in the property rights of the leased premises result in our being unable to continue using the property as agreed in the lease contracts or incurring any losses, the lessor agrees to fully compensate us for any relocation costs, renovation expenses, or any other losses incurred as a result. We also believe that the relocation costs associated with the property used as employee dormitory are immaterial. Therefore, we believe that the non-registrations of leases described above will not, individually or in the aggregate, materially affect our business and results of operations. See "Risk Factors — We are subject to risks associated with leasing properties."

Our Directors confirmed that, during the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any non-compliance incidents that led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition or results of operations. Our PRC Legal Advisor confirmed that during the Track Record Period, we had not been subject to administrative penalties by the relevant competent authorities in all material respects for material violations of relevant laws and regulations.

Licenses and Permits

Save as disclosed in "— Compliance," we have obtained all material licenses, permits, approvals and certificates that are material for our business operations and such licenses, permits, approvals and certificates are valid and subsisting.

The following table sets forth the major certificates, permits, licenses and other approvals held by us as of the Latest Practicable Date:

Certificates/Licenses/Permits	Holder	Authority	Date of Grant	Expiry Date
Drug Clinical Trial Approval Notice	Academy of Military Medical Sciences, PLA; the Company	National Medical Products Administration	July 5, 2021	—
Human Genetic Resources Clinical Trial Filing	the Company; Beijing You'an Hospital; Tianjin Guanqin Pharmaceutical Technology Co., Ltd.	Ministry of Science and Technology of the PRC	August 17, 2021	—
Drug Clinical Trial Approval Notice	the Company	National Medical Products Administration	June 8, 2022	—
Drug Clinical Trial Approval Notice	the Company; Academy of Military Medical Sciences, PLA	National Medical Products Administration	December 29, 2023	—
High-Tech Enterprise Certificate	the Company	Qingdao Municipal Science and Technology Bureau; Qingdao Municipal Finance Bureau; State Taxation Administration Qingdao Office	December 4, 2024	Three years

We intend to apply for renewal of the above key licenses, permits and certificates prior to their expiry dates. The successful renewal of our existing licenses, permits and certifications will be subject to our fulfillment of relevant requirements. Our Directors are not aware of any reason that would cause or lead to the non-renewal of the licenses, permits and certificates. As of the Latest Practicable Date, there was no legal impediment for us to renew the licenses, permits and certificates as long as we comply with the relevant legal requirements.

EMPLOYEES

As of the Latest Practicable Date, we had 100 full-time employees in total, comprising 51 employees in Beijing, 45 employees in Qingdao, Shandong Province, and 4 employees in Hong Kong. The following table sets out a breakdown of our employees by business function as of the Latest Practicable Date:

	Number of Employees	Percentage of Total Employees
General and administrative	52	52.0%
Research and Development	48	48.0%
Total	**100**	**100.0%**

Our company leadership places great importance on the retention of key staff and talent. We endeavor to attract and retain our employees by offering stock options to employees and employee benefits including but not limited to offering recognizing employee commitment and achievement

by offering bonus and cash incentive award on performance basis and promotions based on annual performance appraisal process. Our company leadership recognizes that the key members of our company with unique skills and niche knowledge are important assets in the growth of our business.

We adopt performance management, training management and succession planning system to form a set of the talent management system, through the establishment of a KPI performance system in line with each department, daily supplemented by training, learning and improvement in combination with job requirements, and providing outstanding talents at all levels with continuous growth opportunities. We provide development channels to our employees to strengthen their personnel management and positive guidance.

We enter into standard confidentiality and employment agreements with our key management and research staff. The contracts with our key personnel typically include a standard non-competition agreement that prohibits the employee from competing with us, directly or indirectly. The contracts also typically include undertakings regarding assignment of inventions and discoveries made during the course of employment. We provide various incentives and benefits to our employees. Employees typically receive welfare benefits, including medical care, pension, occupational injury insurance and other miscellaneous benefits.

Companies operating in China are required to participate in various employee benefit plans, including pension insurance, unemployment insurance, medical insurance, work-related injury insurance, maternity insurance and housing provident fund and contribute to the amounts equal to certain percentage of salaries, including bonuses and allowances, of their employees up to a maximum amount specified by the local government from time to time at locations where they operate their business. During the Track Record Period, we had historically engaged a third-party agency to pay social insurance and housing provident funds for certain employee, primarily because such employee prefers her social insurance and housing provident funds to be paid at her resident place for convenience of utilizing such benefits locally. Contributions made through such third-party agencies amounted to RMB0.5 million as of September 30, 2025. As advised by our PRC Legal Adviser, pursuant to the PRC laws and regulations, we may be ordered to pay social insurance premium and housing provident funds for our employees under our own accounts instead of making payments under third-party accounts, and if the third-party human resources agencies fail to pay the social insurance premium or housing provident funds for and on behalf of our employees as required under applicable PRC laws and regulations, we may be ordered to rectify such failure by paying full contributions to social insurance and housing provident funds for our employees.

During the Track Record Period, we did not pay or fully pay social insurance and housing provident fund contributions for certain employees, because, among other factors, certain employees were unwilling to pay the social insurance and housing provident fund contributions in full. The shortfall amount of social insurance and housing provident fund contributions amounted to RMB565.7 thousand during the Track Record Period. As of September 30, 2025, we had made full contribution to the social insurance and housing provident funds for our employees pursuant to the PRC laws and regulations.

As advised by our PRC Legal Adviser, if any of the relevant social insurance authorities is of the view that we have failed to make full social insurance contributions for our employees in accordance with the relevant laws and regulations, it may order us to pay outstanding amounts

within a prescribed time limit and subject us to a late charge at the daily rate of 0.05% on the outstanding amounts from the date on which such amounts are payables. If such payment is not made within the prescribed period, the relevant authorities may further impose a fine one to three times the amount of any overdue payment. Where an employer is overdue in the payment and deposit of, or underpays, the housing provident fund, the authority could order it to make the payment and deposit within a prescribed time limit, and where the payment and deposit has not been made after the expiration of the time limit, an application may be made to a court in China for compulsory enforcement.

We have taken the following remedial measures to rectify such incidents or prevent future occurrences of such non-compliance:

We have been in active communication with the relevant employees to urge them to participate in the social insurance and housing provident fund at their places of employment;

We plan to adopt internal policies governing social insurance and housing provident fund arrangements and contributions according to the requirements of the labor law of the PRC and applicable regulations, for the purpose of monitoring and ensuring our compliance with such laws and regulations; and preventing future occurrences. We also enhanced compliance checks and training for HR personnel;

We will consult our PRC legal counsel on a regular basis for advice on relevant PRC laws and regulations to keep us abreast of relevant regulatory developments; and

We will actively communicate with relevant social insurance and housing fund local authorities to ensure we have the most updated information about the relevant laws and regulations concerning social insurance and housing provident fund. If the relevant authorities order us to pay the outstanding social insurance and/or housing provident funds or take any rectification measures in accordance with applicable laws and regulations, we undertake to make such payments or take such rectification measures promptly within the specified period.

Going forward, we will continue to implement the above measures to ensure we are in compliance with the social insurance and housing provident fund registration and contributions requirements under the relevant laws and regulations and undertake to make timely payments for the deficient amount and overdue charges under our own accounts as soon as requested by relevant authorities. Based upon the fact that we have obtained official written letters from the competent social insurance and housing fund authorities confirming that no administrative penalty had been imposed on us for violating any applicable laws or regulations during the Track Record Period, our PRC Legal Advisor is of the view that the risk of us being penalized by relevant competent authorities due to our failure to make full payment of the social insurance and housing provident funds during the Track Record Period is remote, as long as we make the outstanding contributions and late fees, if any, within a prescribed time period upon request from the competent authorities, considering that, (i) there are no records of major administrative penalties for violating laws and regulations related to social insurance and housing provident fund during the Track Record Period; (ii) there are no pending disputes with employees regarding the payment of social insurance fee; (iii) we have undertaken to timely cooperate in the event that the social insurance and housing provident fund authorities require us to pay or make up the relevant social insurance fees and late fees within a specified period; and (iv) Ms. Jia and Mr. Wang, two of our Controlling Shareholders, have provided indemnity in favor of our Group in respect of any notice from the

competent authorities ordering deadline for payment of administrative penalties in respect of social insurance and housing provident fund after the proposed Listing. For relevant risks, see "Risk Factors — Risks Relating to Our Doing Business in the PRC — Any failure to make adequate contributions to various employee benefit plans as required by PRC regulations may subject us to penalties."

On June 6, 2022, under the impact of the COVID-19 pandemic, we issued the Public Notice on Adjustment of the Contribution Ratio of Housing Provident Fund to all employees, soliciting comments on our intention to adjust the contribution ratio of the housing provident fund from 12% to 7%. As of the closing date of the public announcement, no objection has been received from the employees. According to Regulations on the Administration of Housing Provident Fund (Revised in 2019) (《住房公積金管理條例(2019修訂)》) promulgated by the State Council, the Notice on Issues Relating to Housing Provident Fund Contributions for the Housing Provident Fund Year 2022（《關於2022住房公積金年度住房公積金繳存有關問題的通知》） issued by the Office of the Beijing Housing Provident Fund Management Committee and the Notice of Qingdao Housing Provident Fund Management Centre on Doing a Good Job in Adjusting the Housing Provident Fund Contribution Base for the Year 2023（《青島市住房公積金管理中心關於做好2023年度住房公積金繳存基數調整工作的通知》）issued by Qingdao Housing Provident Fund Management Centre, we may independently determine the specific contribution ratio within the scope of the regulations in accordance with our own economic situation, and our adjusted contribution ratio of the housing provident fund is within the scope of the contribution ratio under such regulations. Further, such adjustments do not violate the relevant local regulations on the contribution ratio of the housing provident fund where our employees reside.

In August 2022, due to the impact of the COVID-19 pandemic, we, after reaching agreement with our employees, adjusted the salaries of our employees. The adjusted wages were not lower than the minimum wage standard of the region where our employees resided, and there was no violation of the labour contracts signed with the employees or any violation of laws and regulations.

In January 2025, we resolved to revise our salary structure to enhance employee motivation. Following a consensus between our Company and our employees, we executed the Supplementary Agreement to the full-time employment contract with the employees. This agreement stipulates that the salary will be divided into two components: a basic salary and a performance-based salary. This adjustment does not contravene the existing employment contracts or any applicable laws and regulations.

We believe that we maintain a good working relationship with our employees. During the Track Record Period, we did not have any strikes, protests or other material labor conflicts that may materially affect our business and image. As of the Latest Practicable Date, we had not established any labor union.

INSURANCE

We maintain insurance policies that we consider to be in line with market practice, adequate for our business and as required under the relevant PRC laws and regulations. We have a group insurance policy for our employees. We have elected not to maintain certain types of insurance, such as business interruption insurance, and product liability insurance considering that we have not commercialized our products (except for product candidates in clinical trials), which is in line with the standard commercial practice in the biologics market in China according to Frost & Sullivan and in line with the compliance standards with applicable rules and regulations according to our PRC Legal Advisor. See "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."

ENVIRONMENTAL MATTERS, SOCIAL RESPONSIBILITY AND WORKPLACE SAFETY

We are committed to operating our business in a manner that protects the environment and providing our employees with a healthy and safe workplace. We have implemented a set of policies on environment, employee welfare and corporate governance, which we believe are in line with industry standards and in compliance with the requirements of the Listing Rules.

Our Board believes our continued growth rests on integrating social values into our business. We have established an environment, health and security department ("**EHS Department**") that is responsible for evaluating and managing material ESG issues, such as waste management and recycling efforts, energy consumption, pollutants/green house gas emissions and reporting. Our EHS Department, along with our administrative department, oversee the implementation of our policies relating to material ESG issues by taking into consideration any metrics and targets stipulated in applicable laws, regulations and industry standards, including pollutants/greenhouse gas emissions, water and electricity consumption, among others. We also plan to follow the principles below:

- We strictly comply with all applicable laws and regulations for ESG matters.

- We plan to hold periodically training sessions to improve employee awareness and equip them with the sustainable and environmental friendly techniques and knowledge.

In addition, in order to ensure that our operations are in compliance with the applicable laws and regulations, we have implemented group-wide environmental, health and safety policies and standard operating procedures, mainly comprising management systems and procedures relating to wastewater generation and treatment, management of process safety and hazardous substances, third-party safety management and emergency planning and response. We conduct environmental evaluation and take environmental protection measures relating to emissions of air and wastewater generation and treatment. Since we do not currently have the production conditions, we selected a third-party partner and signed a cooperation agreement, stipulating that the third-party is responsible for providing production records and other related records that meet GMP requirements and is responsible for providing corresponding inspection records and inspection reports. We have also established wastewater, waste gas, waste treatment systems, and signed contracts with qualified third parties to deal with hazardous substances and waste.

Our Board sets targets for each material KPI in accordance with the disclosure requirements of Appendix C2 to the Listing Rules and other relevant rules and regulations upon listing. Our material KPIs primarily include hazardous waste disposal levels and expenses related to hazardous waste disposal and electricity and water usage. In setting targets for the ESG-related KPIs, our Group has taken into account the material KPIs' respective historical levels for 2023, 2024 and the nine months ended September 30, 2025, and has considered our future business expansion thoroughly and prudently with a view of balancing business growth and environmental protection to achieve sustainable development. We will also review our KPIs on a yearly basis to ensure that they remain appropriate to our Group. In 2023, 2024 and the nine months ended September 30, 2025, our hazardous waste discharge levels were approximately 1.5 tons, 0.6 tons and 1.9 tons, respectively. In the same periods, our costs on hazardous waste disposal, electricity and water consumption were approximately RMB214.2 thousand, RMB342.9 thousand and RMB371.6 thousand, respectively. We target to maintain the hazardous waste discharge level to be under 2.0 tons each year in the near future.

We do not operate in a highly polluting industry, while our operation may involve the use and disposal of hazardous materials and wastes. We contract with qualified third parties for the disposal of hazardous materials and wastes. We require their operational qualifications in accordance with relevant governmental laws and regulations. We establish a regular assessment as to our suppliers' safety performance and strengthen our supervision and management of our suppliers. Our contracted third-party service providers are required under our agreements to comply with all applicable laws. We also implement measure to improve energy efficiency, including requiring employee to turn off all electrical appliances when they are not in use and maintaining indoor temperature at a certain level to reduce unnecessary use of energy. As advised by our PRC Legal Advisor, during the Track Record Period, we had not been subject to administrative penalties by the relevant competent authorities in all material respects for material violations of laws and regulations relating to environmental, occupational health, production safety and fire safety.

We take measures to protect patient data and comply with privacy laws and regulations. To protect patient data and comply with privacy laws and regulations, all clinical trial personnel undergo Good Clinical Practice (GCP) training and adhere to GCP regulations to safeguard patients' privacy rights, ensuring personal information is not disclosed outside the authorized environment. Only authorized personnel with proper documentation can access patient data, and Electronic Data Capture (EDC) entries use patient initials. Project-related documents are anonymised and securely stored in locked cabinets.

We also monitor how contracted parties handle, use, store, treat and dispose of hazardous material and waste through comprehensive oversight. Our hazardous waste storage management personnel supervise the hazardous waste weighing process, and make sure that the contracted parties sign an on-site weighing form with us to confirm the accuracy of the weight. During the transfer of the hazardous waste, our personnel oversee the transfer conducted by the contracted hazardous waste treatment company, and make sure that the company sign a hazardous waste transfer form with us to confirm details such as the nature, quantity, weight, and properties of the waste. During the waste treatment process, the hazardous waste treatment company transports the waste to the treatment location, where a designated person handles the handover. We make sure that both parties sign a hazardous waste transfer form. The waste is then treated according to the relevant environmental regulations.

We have implemented policies to mitigate potential risks to humans and human life in the development of PDGF products, which include strict adherence to relevant regulations and industry standards, particularly those set by the NMPA. In clinical trials, we conduct thorough preclinical safety evaluations and recruit clinical trial participants based on specific inclusion and exclusion criteria. We would implement a risk management plan to ensure participant safety. In addition, rigorous quality control measures are enforced during the R&D and the production to ensure all samples meet established quality standards, thereby maintaining product integrity and safety.

In respect of social responsibilities, we have entered into employment agreements with our employees in accordance with the applicable PRC laws and regulations. We hire employees based on their qualifications and experiences and it is our corporate policy to offer equal opportunities to our employees regardless of gender, age, race, religion or any other social or personal characteristics. As of September 30, 2025, female employees represented approximately 56.6% of our total workforce. Guided by principles of fairness and transparency, our employee management system supports ongoing efforts to strengthen gender and age diversity across the company.

In addition, we have implemented measures to identify and address potential risks relating to environment, health and work safety. These measures include continuous employee trainings to enhance our employees' awareness of environment, health and work safety issues and skills to comply with safety and operation guidelines, timely provision of protection equipment to our employees, periodic inspection of our operational facilities, special health examinations for employees who may have contact with hazards, medical examination for employees and establishment of procedures to appropriately handle work safety incidents. We have installed video surveillance systems inside our facilities to monitor the operation process.

Our safety committee is responsible for monitoring and enforcing the compliance of our operations with environment, health and safety laws and regulations. Upon identification of any EHS risks, our safety committee will make filings with local governmental authorities if required under local laws and regulations and take all applicable measures to reduce the impact of such risks or incidents.

OVERVIEW

We have entered into transactions with certain entity that will become our connected person (as defined under Chapter 14A of the Listing Rules) upon the Listing. Such transactions will continue after the Listing and will therefore constitute our continuing connected transactions under Chapter 14A of the Listing Rules.

CONNECTED PERSON

Upon Listing, the following entity with which we have entered into transaction will become our connected person under the Listing Rules:

Connected Person	Connected Relationship
Beijing Houmingde New Material Packaging Co., Ltd (北京厚明德新材料包装有限公司) ("**Beijing Houmingde**")	Ms. Jia is our founder, chairperson of the Board, executive Director and one of our Controlling Shareholders. Therefore, Ms. Jia and her associates constitute our connected persons pursuant to Chapter 14A of the Listing Rules. Beijing Houmingde, wholly owned by Ms. Jia Zile (賈子樂), sister of Ms. Jia, will therefore be an associate of Ms. Jia and our connected person pursuant to Chapter 14A of the Listing Rules. Beijing Houmingde is a company established in the PRC and principally engages in the production and sales of packaging materials.

SUMMARY OF OUR CONTINUING CONNECTED TRANSACTIONS

No.	Nature of transactions	Applicable Listing Rules	Waiver sought
One-off connected transaction			
1.	Lease of property by our Company from Beijing Houmingde.	14A.34	N/A
Fully exempt continuing connected transactions			
2.	Lease of vehicle by our Company from Beijing Houmingde .	14A.76(1)(c)	N/A
3.	Payment of electricity fee by our Company to Beijing Houmingde	14A.98	N/A

ONE-OFF CONNECTED TRANSACTION

1. Lease of property by our Company from Beijing Houmingde

Our Group has entered into a property leasing agreement dated January 2, 2024 and renewed on November 7, 2025 (the "**Property Leasing Agreement**") with Beijing Houmingde, pursuant to which Beijing Houmingde agreed to lease to our Company certain premises in Huairou District, Beijing, the PRC with a total gross floor area of approximately 1,536 sq.m. (the "**Premises**") for a term of two years commencing on January 1, 2025 and expiring on December 31, 2026 (both days inclusive) at an annual rent of RMB1,121,280.00. The rent was determined by the parties at arm's length negotiations with reference to prevailing market price.

We have historically leased such Premises from Beijing Houmingde as one of the R&D bases that we use on a continuous basis in Beijing. We believe that such Property Leasing Agreement will ensure the continuing smooth operation of our Group, which is in the interests of our Group and our Shareholders as a whole.

In accordance with IFRS 16 "Leases," the lease under the Property Leasing Agreement is recognized as right-of-use assets on our balance sheet. Therefore, the entering into the Property Leasing Agreement will be regarded as the acquisition of capital assets and one-off connected transaction, rather than continuing connected transaction.

Accordingly, the reporting, announcement, annual review and independent Shareholders' approval requirements in Chapter 14A of the Listing Rules will not be applicable.

FULLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

2. Lease of vehicle by our Company from Beijing Houmingde

During the Track Record Period, our Company has entered into a vehicle leasing agreement with Beijing Houmingde, pursuant to which Beijing Houmingde agreed to lease to our Company the vehicle designated therein at a total fee of RMB40,000 for the period commencing from January 1, 2023 and ending on December 31, 2025 (representing a fee of approximately RMB13,333.33 on an annual basis). The vehicle leasing agreement is subject to renewal through mutual consents by the parties.

As the vehicle was leased by our Company from Beijing Houmingde in the ordinary and usual course of business, and on normal commercial terms or better, the highest applicable percentage ratio for the fees payable by us to Beijing Houmingde, is expected to be less than 5% on an annual basis and the maximum annual transaction amount is less than HK$3,000,000, such transaction contemplated under the above-mentioned vehicle leasing agreement will be fully exempt from all of the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.76(1)(c).

3. Payment of electricity fees by our Company to Beijing Houmingde under the Property Leasing Agreement

In connection with the Property Leasing Agreement, as there is no independent electricity meter installed for the Premises, in addition to the rent payable by our Company thereunder, we also need to pay to Beijing Houmingde the electricity fees incurred in connection with our operation at the Premises on a monthly basis starting from January 1, 2025 to December 31, 2026. Such electricity fees payable by us to Beijing Houmingde under the Property Leasing Agreement will be determined on a cost basis.

Such arrangement on payment of the electricity fees under the Property Leasing Agreement constitutes the sharing of administrative services on a cost basis under Rule 14A.98 of the Listing Rules, and the costs are identifiable and can be allocated to the parties on a fair and equitable basis. Therefore, such transaction will be fully exempt from the reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

BOARD OF DIRECTORS

Our Board of Directors comprises nine Directors, including four executive Directors, two non-executive Directors and three independent non-executive Directors. The powers and duties of the Board include convening general meetings, determining our Group's business plans and investment plans, implementing the Group's established line of business, formulating our Group's annual budget and final accounts, formulating proposals for profit distributions and the increase or reduction of share capital as well as exercising other powers, functions and duties as conferred by our Articles of Association. Our Directors are elected for a term of three years and are subject to re-election upon expiration of the term of office.

The following table sets forth information regarding our Directors.

Name	Age	Position	Date of joining our Group	Date of appointment as Director	Roles and responsibilities	Relationship with other Directors, Supervisors or senior management
Chairperson of the Board and Executive Director						
Ms. JIA Lijia (賈麗加)	57	Chairperson of the Board and executive Director	April 2012	April 2012	Providing leadership and governance of the Board, responsible for the overall business strategies and management of our Group	Mother of Mr. WANG Kelong
Executive Directors						
Mr. WANG Kelong (王軻瓏)	34	President, executive Director and vice chairperson of the Board	October 2020	October 2020	Overseeing the execution of the overall strategy, business development, management and financing of our Group	Son of Ms. JIA Lijia
Dr. ZHAI Junhui (翟俊輝)	56	Executive Director and general manager	October 2019	December 2020	Formulating product research and development plan and overseeing the technology advancement of our Group	None
Mr. MIAO Tianxiang (苗天祥)	68	Executive Director and Chief Strategy Officer	July 2023	July 2023	Formulating, implementing and overseeing the overall strategic planning of the Group	None
Non-executive Directors						
Ms. LIN Ying (林穎)	44	Non-executive Director	July 2023	July 2023	Providing opinions and judgment on corporate business strategies to the Board	None

Name	Age	Position	Date of joining our Group	Date of appointment as Director	Roles and responsibilities	Relationship with other Directors, Supervisors or senior management
Mr. YUAN Fei (袁飛)	47	Non-executive Director	June 2023	June 2023	Providing opinions and judgment on corporate business strategies to the Board	None
Independent Non-executive Directors						
Mr. FOK Chi Tat Michael (霍志達) .	51	Independent non-executive Director	March 2024	March 2024	Providing independent advice on the operations and management of our Group	None
Mr. LI Jiayan (李嘉焱)	62	Independent non-executive Director	March 2024	March 2024	Providing independent advice on the operations and management of our Group	None
Mr. YUE Yichun (岳儀春)	59	Independent non-executive Director	March 2024	March 2024	Providing independent advice on the operations and management of our Group	None

Chairperson and Executive Director

Ms. JIA Lijia (賈麗加), aged 57, is our founder and has served as our Director and chairperson of the Board since the establishment of our Company in April 2012. She was re-designated as our executive Director in April 2024. She is primarily responsible for providing leadership and governance of the Board, responsible for the overall business strategies and management of our Group. She currently also serves as director of Huaren Yihai Biotechnology and director of Hainan Huaren Biotechnology.

Ms. Jia has over 27 years of experience in the pharmaceutical industry. Prior to the establishment of our Group, Ms. Jia served as a sales manager at Mudanjiang Lingtai Medicdment Co., Ltd. (Beijing Branch) (牡丹江靈泰藥業股份有限公司(北京辦事處)) from January 1997 to September 2004. Ms. Jia then served as a deputy general manager at Beijing Sheng Hongye Pharmaceutical Technology Development Co., Ltd. (北京盛宏業醫藥科技發展有限公司), a company primarily engaged in pharmaceutical technology development, from October 2004 to December 2010, where she was primarily responsible for sales and operation management.

Ms. Jia obtained a degree of Master of Business Administration from Macau University of Science and Technology (澳門科技大學) in Macau, the PRC in June 2007.

Executive Directors

Mr. WANG Kelong (王軻瓏), aged 34, has served as our Director since October 2020 and was re-designated as our executive Director in April 2024. He currently also serves as vice chairperson of our Board and president of our Company. He is primarily responsible for overseeing the execution of the overall strategy, business development, management and financing of our Group. He currently also serves as a director of our subsidiary, Beijing Huarene Biotechnology.

Mr. Wang has over nine years of experience in corporate operation and management. Prior to joining our Group, Mr. Wang worked for Berkshire Hathaway Automotive. He subsequently founded Beijing Green Auto Technology Co., Ltd. (北京綠汽科技有限公司) and served as chief executive officer from April 2017 to September 2020, where he was responsible for its overall operation.

Mr. Wang became a member of the Greater China Council of The Nature Conservancy in May 2023. Mr. Wang was named in the Forbes China "30 under 30" Elite List in 2019 (2019福布斯中國30歲以下精英榜), the Fortune China "under 40" Most Potential Business Elite List in 2024 (2024財富中國40歲以下最具潛力的商界精英榜), the Hurun China "30×30" Entrepreneurial Leaders List in 2018 (2018胡潤30×30創業領袖), the Hurun China Healthcare Pioneering Young Entrepreneurs in 2024 (2024胡潤中國醫療青年企業家) and the Fortune China 40 "under 40" Business Elites in 2025 (2025財富中國40位40歲以下的商界精英). Mr. Wang also co-authored several published papers on aspects such as cyber intelligence and drug delivery.

Mr. Wang obtained a degree of Master of Business Administration from The University of Texas at Arlington in Texas, the United States in August 2014. Mr. Wang attended advanced management program at Harvard Business School in Massachusetts, the United States in 2022.

Dr. ZHAI Junhui (翟俊輝), aged 56, has been serving as our general manager since October 2019, and our Director since December 2020, and was re-designated as our executive Director in April 2024. Dr. Zhai is primarily responsible for formulating product research and development plan and overseeing the technology advancement of our Group. He currently also serves as a director of our subsidiary, Beijing Huarene Biotechnology.

Dr. Zhai has over 28 years of experience in biomedical science research as well as experience in the areas of microbiology, molecular biology, virology and preventive medicine. Prior to joining our Group, he successively served as a research trainee, a research assistant and an associate researcher in microbiology at AMMS from July 1995 to February 2005, where he headed and participated in a number of major national-level medical projects. Dr. Zhai then worked as a postdoctoral research scientist in microbiology at Columbia University from March 2005 to May 2007. He then returned to AMMS and worked as an associate researcher in microbiology from August 2007 to August 2010, and subsequently served as the scientific consultant, technical director, and chief scientist of United Well Bio-Instruments (Shanghai) Limited (匯佳生物儀器(上海)有限公司) from November 2010 to August 2017. He subsequently served as the general manager of Yicheng Huaxia (Beijing) Technical Inspection Co. (益誠華夏(北京)技術檢測有限公司) from September 2017 to September 2019. Since August 2019, Dr. Zhai has served as a director at Ray Cage (Zhenjiang) Optoelectronic Technology Co., Ltd. (鋭光凱奇(鎮江)光電科技有限公司).

Dr. Zhai obtained a bachelor's degree in microbiology from Shandong University (山東大學) in Shandong Province, the PRC in July 1992 and a master's degree in medical science from AMMS in Beijing, the PRC in July 1995. He further obtained his doctorate degree in preventive healthcare from AMMS in Beijing, the PRC in July 2002.

Mr. MIAO Tianxiang (苗天祥), aged 68, has been serving as our Director since July 2023, and was re-designated as our executive Director and appointed as our chief strategy officer in June 2024. He is primarily responsible for formulating, implementing and overseeing the overall strategic planning of our Group.

Mr. Miao has over 33 years of experience in finance, corporate management and pharmaceutical industry. He previously worked at Dongbei University of Finance and Economics (東北財經大學) as a lecturer and an associate professor consecutively from March 1988 to March 1994. Mr. Miao then worked at Viatris Pharmaceuticals Co., Ltd. (暉致醫藥有限公司, formerly known as Pfizer Puqiang Pharmaceutical Trading Co., Ltd. (輝瑞普強醫藥貿易有限公司)) ("**Pfizer China**") from August 1994 to May 2021, where he had held various roles therein, including financial controller of Pfizer Pharmaceuticals Limited (輝瑞製藥有限公司, currently known as Viatris Pharmaceuticals (Dalian) Co., Ltd. (暉致製藥(大連)有限公司)), senior director of finance department of Pfizer Investment Co., Ltd. (輝瑞投資有限公司), chief executive officer of Hisun Pfizer Pharmaceuticals Co., Ltd. (海正輝瑞製藥有限公司), vice president of Pfizer China financial department of Pfizer Investment Co., Ltd., with his last position being Regional Office Chairman of the Greater China Region of Pfizer China. Mr. Miao was appointed as an independent non-executive director of Pharmeyes Cayman Holding Limited in November 2025, effective upon its listing.

Mr. Miao obtained a bachelor's degree in economics from Liaoning University of Finance and Economics (遼寧財經大學, currently known as Dongbei University of Finance and Economics) in Liaoning Province, the PRC in August 1982 and a master's degree in economics from Dongbei University of Finance and Economics in Liaoning Province, the PRC in July 1987. Mr. Miao was recognized as a Certified Public Accountants by the Chinese Institute of Certified Public Accountants in the PRC in December 2009. He was awarded 2016 China International Financial Leader of the Year (2016中國國際財務領袖年度人物) by China Enterprise Financial Evaluation Expert Committee (中國企業財務評價專家委員會) in December 2016. He was awarded 2019 Most Leadership in Social Responsibility Award (2019年度社會責任最具領導力人物獎) by Social Responsibility Conference (社會責任大會組委會).

Non-executive Directors

Ms. LIN Ying (林穎), aged 44, has been serving as our Director since July 2023, and was re-designated as our non-executive Director in April 2024. Ms. Lin is primarily responsible for providing opinions and judgment on corporate business strategies to the Board.

Ms. Lin has over 17 years of experience in accounting, finance, and corporate management. She previously served as a senior auditor of PricewaterhouseCoopers Zhong Tian LLP (普華永道中天會計師事務所(特殊普通合夥)) from August 2006 to March 2011, professional deputy director of the finance department of China Resources (Holdings) Company Limited (華潤(集團)有限公司) from April 2011 to September 2016, chief financial officer of Nanjing Huaxia Health Industry Group Limited (南京華夏健康產業集團有限公司) from October 2016 to September 2018, a director of Gaohe Pharmaceuticals Investment (Shenzhen) Co. Ltd. (高和藥業投資(深圳)有限公司) since April 2019, and executive director of Qingdao CDH Runzhong Investment Management Co., Ltd. (青島鼎暉潤中投資管理有限公司) from December 2019 to July 2023. She has been a director, executive vice president and chief financial officer of JonjeE Hi-Tech Industrial and Commercial Holding Co., Ltd. (中炬高新技術實業(集團)股份有限公司, a company listed on the Shanghai Stock Exchange with stock code: 600872) since July 2023. Ms. Lin has also served as a director at Allystar Technology (Shenzhen) Co., Ltd. (深圳華大北斗科技股份有限公司) since September 2021 was re-designated as a non-executive Director in May 2025.

Ms. Lin obtained a bachelor's degree in investment economics and a master's degree in national economics from Xiamen University (廈門大學) in Fujian Province, the PRC in July 2003 and July 2006, respectively. She was recognized as a non-practicing Certified Public Accountant by Shenzhen Institute of Certified Public Accountants in the PRC in December 2011. She was also recognized as a Chartered Financial Analyst in September 2017 by CFA Institute.

Mr. YUAN Fei (袁飛), aged 47, has been serving as our Director since June 2023, and was re-designated as non-executive Director in April 2024. Mr. Yuan is primarily responsible for providing opinions and judgment on corporate business strategies to the Board.

Mr. Yuan has over 12 years of experience in corporate administrative management. He served as director of the general affairs department of Qingdao Hitech from December 2011 to June 2013. From June 2013 to September 2018, he served as the director of the general affairs department of Qingdao Venture Park Technology Development Co., Ltd. (青島創業園科技發展有限公司) . He then served as deputy director of general management department from September 2018 to May 2020 and the chief of general management office at Qingdao Hitech from May 2020 to March 2024. Mr. Yuan currently works at Qingdao Jinjialing Holding Co., Ltd. (青島金家嶺控股集團有限公司) since March 2024.

Mr. Yuan completed his undergraduate study in business administration in December 2006 at Correspondence College of the Party School of the Communist Party of China (中共中央黨校函授學院) in the PRC. He also obtained the title of Junior Level Accountant (初級會計) from Ministry of Personnel of PRC (中華人民共和國人事部, currently known as Ministry of Human Resources and Social Security of PRC) in May 2005.

Independent Non-executive Directors

Mr. FOK Chi Tat Michael (霍志達), aged 51, was appointed as our independent Director in March 2024, and re-designated as our independent non-executive Director in April 2024. He is primarily responsible for providing independent advice on the operations and management of our Group.

Mr. Fok has over 21 years of extensive experience in auditing, corporate finance and investment banking focusing on IPO sponsorship, mergers and acquisitions, fund raising and corporate restructuring. Mr. Fok worked at Baron Capital Limited from April 2003 to June 2006, with his last position being the director. He served as a director of Anglo Chinese Corporate Finance, Limited from August 2006 to July 2014, and then served as the deputy head of investment banking department in Huatai Financial Holdings (Hong Kong) Limited from August 2014 to October 2019. He has been serving as the managing director of Maxa Capital Limited since he founded this company in November 2019. Mr. Fok also has been serving as an independent non-executive director of Talent Property Group Limited (a company listed on the Stock Exchange with stock code: 0760) since August 2019.

Mr. Fok obtained a degree of Bachelor of Commerce from University of Toronto in Ontario, Canada in June 1997 and received his degree of Master of Corporate Finance from The Hong Kong Polytechnic University in Hong Kong in October 2008. Mr. Fok has been a member of American Institute of Certified Public Accountants since August 2000.

Mr. LI Jiayan (李嘉焱), aged 62, was appointed as our independent Director in March 2024, and re-designated as our independent non-executive Director in April 2024. He is primarily responsible for providing independent advice on the operations and management of our Group.

Mr. Li Jiayan has approximately 26 years of experience in finance and corporate management. Mr. Li Jiayan worked at the Legal Affairs Office of the Wuhan Municipal Government Office (武漢市政府辦公廳法制辦) from June 1988 to March 1994 with his last position as a deputy director. Mr. Li Jiayan previously served as the deputy division chief in Project Approval Section of Wuhan Municipal Foreign Investment Office (武漢市外商投資辦公室項目審批處), the division chief in Foreign Investment Enterprise Complaints Center (武漢市外商投訴中心), director in Coordination Office of Wuhan Municipal Foreign Investment Office (武漢市外商投資辦公室協調管理處) and deputy general manager of Anpeng International Industry (Wuhan) Co., Ltd. (安鵬國際實業(武漢)有限公司) from March 1994 to August 2001. He subsequently joined China Everbright Bank Company Limited (中國光大銀行股份有限公司, "**CEB Bank**," a company listed on the Stock Exchange with stock code: 6818 and the Shanghai Stock Exchange with stoke code: 601818) in November 2005, and successively served as the deputy general manager of the Development Research Department, the deputy general manager of the Strategic Management Department, the deputy chief of Office of the Board of Supervisors and Directors (deputy general manager level), the deputy chief of Office of the Board of Directors (Listing Office), securities affairs representative (general manager level), the chief of the Listing Office (general manager level), and the general manager of the Capital and Securities Affairs Management Department from November 2005 to November 2021. Mr. Li Jiayan also served as the secretary to the Board of Directors and the company secretary of CEB Bank from January 2018 to November 2021, as well as a member of the Party Committee of CEB Bank (vice president level) and the securities affairs representative of CEB Bank from July 2019 to November 2021. Mr. Li Jiayan currently works for Hisense Group Holdings Co., Ltd. (海信集團控股股份有限公司) and has served as vice president, deputy director of Strategy and Investment Committee of the Board of Directors since June 2022. He has also been serving as a guest professor at Beijing Foreign Studies University Law School (北京外國語大學法學院) since June 2008.

Mr. Li Jiayan was awarded with the title of "Financial Services Competent Person" (金融服務能手) by the National Committee of Chinese Financial Workers' Union (中國金融工會全國委員會) in May 2011. He was awarded with the title of "Most Innovative Board Secretary" (最具創新力董秘) in the 15th Gold Prize of Round Table of Chinese Boards of Listed Company (第十五屆中國上市公司董事會金圓桌獎) by the Journal of Board of Directors (董事會雜誌社) in December 2019. He was also awarded with the title of Outstanding Board Secretary (優秀董秘) by Shanghai Securities News Company Limited (上海證券報社有限公司) in December 2020.

Mr. Li Jiayan received a bachelor's degree in international law in July 1985 and a master's degree in international economic law in July 1988 from Wuhan University School of Law (武漢大學法學院) in Hubei Province, the PRC. He then received a degree of Master of Law and a degree of Juris Scientiae Doctor from University of California at Berkeley in California, the United State in May 2002 and December 2005, respectively.

Mr. YUE Yichun (岳儀春) (former name: YUE Yichun (岳義春)), aged 59, was appointed as our independent Director in March 2024, and re-designated as our independent non-executive Director in April 2024. He is primarily responsible for providing independent advice on the operations and management of our Group.

Mr. Yue has extensive experience in energy sector, focusing on financial management and corporate operation. He previously served as a director of finance division of Qinhuangdao Power Generation Company Limited (秦皇島發電有限責任公司, a subsidiary of North Electric Power Group Limited (華北電力集團有限公司)), from July 1990 to November 1999, and a deputy chief accountant of Beijing Guohua Electric Power Co., Ltd. (國華電力有限責任公司, a subsidiary of China Energy Investment Corporation Limited (國家能源投資集團有限責任公司)), from November 1999 to November 2003. Prior to joining our Group, he worked at Beijing Deyuan Investment Company Limited (北京德源投資有限公司) from November 2003 to July 2006. Mr. Yue then worked at China Electric Power Finance Co., Ltd. (中國電力財務有限公司, a subsidiary of State Grid Corporation of China (國家電網有限公司)), from August 2006 to September 2010, where he had served as the chief accountant. From October 2010 to February 2013, he worked at China Wanxiang Holdings Limited Beijing Branch (中國萬向控股有限公司北京分公司). He then joined Rongqing Energy Equipment Co., Ltd (融慶能源裝備有限公司) in March 2013 and has been serving as chairman of the board of directors at Beijing Rongqing Technology Group Limited (北京融慶科技集團有限公司) since July 2014. Mr. Yue obtained the title of Senior Accountant (高級會計師) from State Power Corporation of China (國家電力公司) in December 2001.

Mr. Yue obtained a college's degree in business management in the power industry from North China Electric Power College (華北電力學院) in Hebei Province, the PRC in July 1990. He then obtained a bachelor's degree in business administration from North China Electric Power University (華北電力大學) in Hebei Province, the PRC in June 2004, a master's degree in business administration from China Europe International Business School (中歐國際工商學院) in Shanghai, PRC in September 2006 and a doctorate degree in information management from Beijing Jiaotong University (北京交通大學) in Beijing, the PRC in July 2011.

Mr. Yue's project headed Demonstration Construction of State Grid Company's Informatization SG186 Project (《國家電網公司信息化「SG186」工程示範建設》) won the Special Prize of Science and Technology Advancement Award of State Grid Corporation of China (國家電網公司科學技術進步特等獎) in 2008. His project headed China Electric Power Finance Company Limited's "Electric Wealth Link" — Online Fund Service System for Enterprises (《中國電力財務有限公司「電財通」— 企業網上資金服務系統》) won the Second Prize of Science and Technology Advancement Award of State Grid Corporation of China (國家電網公司科學技術進步二等獎) in 2008. His paper headed Outsourcing of Enterprise Information Systems under Information Asymmetry (《信息不對稱條件下的企業信息系統外包》) was published on China Soft Science (《中國軟科學》) in 2008. His paper headed Discussing the Role of Strategic Partnership Supervision in Enterprise Informatization Construction (《淺談戰略合作夥伴型監理在企業信息化建設中的作用》) was published on Electricity Informationization (《電力信息化》) in November 2008. His paper headed Analysis of Outsourcing of Enterprise Informatization Engineering Decision Making Based on Resource Sharing Coefficient (《基於資源共享系數的企業信息化工程決策外包分析》) was published on China Soft Science in 2009. His paper headed Research on Self-Organizing System of Enterprise Informatization and Its Evolutionary Path (《企業信息化的自組織系統及其演化路徑研究》) was published in June 2009.

SUPERVISORY COMMITTEE

The PRC Company Law requires our Company to establish a supervisory committee that is responsible for supervising the performance of the Board and senior management, the Company's financial operations, internal control and risk management. Our Supervisory Committee consists of three Supervisors. Our Supervisors are elected for a term of three years and are subject to re-election upon their expiration of the term of office.

The following table sets forth information regarding our Supervisors.

Name	Age	Position	Date of joining our Group	Date of appointment as a Supervisor	Roles and responsibilities	Relationship with other Directors, Supervisors or senior management
Ms. SONG Bing (宋冰)	59	Chairperson of the Supervisory Committee	June 2021	June 2021	Overseeing our operations, financial activities and internal controls	None
Ms. LIU Yali (劉亞利)	41	Supervisor	March 2017	March 2024	Overseeing our operations, financial activities and internal controls	None
Ms. CHEN Xuanyu (陳炫宇)	26	Supervisor	October 2023	March 2024	Overseeing our operations, financial activities and internal controls	None

Ms. SONG Bing (宋冰), aged 59, has been serving as the chairperson of the Supervisory Committee (監事會主席) and our Supervisor since June 2021. She is primarily responsible for overseeing our operations, financial activities and internal controls.

Ms. Song has over 18 years of experience in legal profession and capital market. From July 2005 to June 2017, she worked at Goldman Sachs (China) Securities Company Limited (高盛(中國)證券有限責任公司) ("**GS China**") and its affiliate, and served successively as Chief Legal Officer of Beijing Gaohua Securities Co., Ltd. (北京高華證券有限責任公司) ("**Gaohua Securities**") from July 2005 to January 2012, secretary to the board of GS China and Gaohua Securities from March 2008 to January 2012, vice general manager of Gaohua Securities from December 2009 to June 2014, Co-Chief Operating Officer of Gaohua Securities from May 2011 to June 2014 and general manager and legal representative of GS China from September 2012 to April 2017. Ms. Song has been serving as an independent director of GS China since October 2021. She currently serves as a senior vice president of Berggruen Institute (博古睿研究院) since September 2017 and is the founding director of the Institute's China Center.

Ms. Song obtained a bachelor's degree in international law from Peking University (北京大學) in Beijing, PRC in July 1988. She obtained a master's degree in international relations from St. Antony's College, University of Oxford in Oxford, the United Kingdom in June 1991, and a master's degree in international trade law from New York University School of Law in New York, the United States in July 1997.

Ms. LIU Yali (劉亞利), aged 41, has been serving as our Supervisor since March 2024, and is primarily responsible for overseeing our operations, financial activities and internal controls.

Ms. Liu has over 16 years of experience in administration and human resources management. She joined our Group in March 2017 and has been serving as a human resources specialist of our Company since then. Ms. Liu is primarily responsible for corporate matters in relation to remuneration and salary of our employees, office administration system, and management of our Company's seal, contracts and internal records. Prior to joining our Group, she served as an officer at Beijing Shenzhou Business Travel Asian Games Village Hotel Management Co., Ltd. (北京神舟商旅亞運村酒店管理有限公司) from June 2008 to July 2012, and then worked as a human resources specialist for at Beijing Xiangyue Yangguang Beauty Co. Ltd. (北京相約陽光美容有限公司) from December 2014 to February 2017.

Ms. Liu obtained a bachelor's degree in human resources management from Hebei University of Economics and Business (河北經貿大學) in Hebei Province, the PRC in June 2008.

Ms. CHEN Xuanyu (陳炫宇), aged 26, has been serving as our Supervisor since March 2024, and is primarily responsible for overseeing our operations, financial activities and internal controls.

Ms. Chen joined our Group in October 2023 and has been serving as the internal audit director of our Company since then. She is primarily responsible for overseeing our supplier selection process and review the reasonableness of prices offered by the suppliers of our Company, reviewing and implementing remedial measures in responses to internal control issues identified and optimization of our Company's key business process. Prior to joining our Group, she served as a technical design supervisor of "HOWOW.D2Y," a brand launched by Shanghai Haowu Zaozuo Cultural Creativity Co., Ltd. (上海好物造作文化創意有限公司), from October 2022 to May 2023.

Ms. Chen obtained a degree of Bachelor of Arts in advertising from Soochow University (蘇州大學) in Jiangsu Province, the PRC in October 2020.

SENIOR MANAGEMENT

Our senior management is responsible for the day-to-day management of our business.

The following table sets forth general information regarding our senior management.

Name	Age	Position	Date of joining our Group	Date of appointment as a senior management member	Roles and responsibilities	Relationship with other Directors, Supervisors or senior management
Ms. JIA Lijia (賈麗加)	57	Chairperson of the Board and executive Director	April 2012	April 2012	Providing leadership and governance of the Board, responsible for the overall business strategies and management of our Group	Mother of Mr. Wang Kelong
Mr. WANG Kelong (王軻瓏)	34	President, executive Director and vice chairperson of the Board	October 2020	November 2020	Overseeing the execution of the overall strategy, business development, management and financing of our Group	Son of Ms. Jia Lijia
Dr. ZHAI Junhui (翟俊輝)	56	Executive Director and general manager	October 2019	October 2019	Formulating product research and development plan and overseeing the technology advancement of our Group	None
Mr. MIAO Tianxiang (苗天祥)	67	Executive Director and Chief Strategy Officer	July 2023	June 2024	Formulating, implementing and overseeing the overall strategic planning of the Group	None
Mr. HO Hung Tim Chester (何鴻添). .	59	Chief Financial Officer, vice president and secretary to the Board	May 2023	May 2023	Overseeing corporate finance, audit and capital management of the Group, offshore capital market operations of our Group and secretarial affairs of the Board	None
Mr. XU Zhenyu (徐震宇)	55	Chief Marketing Officer and vice president	December 2020	December 2020	Responsible for planning of the commercialization of the products of our Group	None

Name	Age	Position	Date of joining our Group	Date of appointment as a senior management member	Roles and responsibilities	Relationship with other Directors, Supervisors or senior management
Dr. ZHAO Xinghui (趙興卉)	46	Chief R&D Officer	May 2021	May 2021	Responsible for leading pre-clinical research and development efforts of our Group	None
Dr. CHENG Long (成龍)	48	Medical director	October 2020	October 2020	Responsible for directing clinical development, formulating clinical strategy and conducting clinical trials of our Group	None

Ms. JIA Lijia (賈麗加), see "— Board of Directors — Chairperson and Executive Director" for her biographical details.

Mr. WANG Kelong (王軻瓏), see "— Board of Directors — Executive Directors" for his biographical details.

Dr. ZHAI Junhui (翟俊輝), see "— Board of Directors — Executive Directors" for his biographical details.

Mr. MIAO Tianxiang (苗天祥), see "— Board of Directors — Executive Directors" for his biographical details.

Mr. HO Hung Tim Chester (何鴻添), aged 59, has served as Chief Financial Officer, vice president and secretary to the Board of our Company since May 2023. He was appointed as one of our joint company secretaries in April 2024 which will take effect upon Listing. He is primarily responsible for overseeing corporate finance, audit and capital management of the Group, offshore capital market operations of our Group and secretarial affairs of the Board.

Mr. Ho has over 20 years of experience in the management and development of various listed and unlisted companies. Mr. Ho has served as an independent non-executive director at Zhejiang Zentel Memory Technology Co., Ltd. (浙江力積存儲科技股份有限公司) since May 2025. Mr. Ho served as an independent non-executive director and a member of the Audit Committee of Grand Baoxin Auto Group Limited (廣匯寶信汽車集團有限公司) (a company listed on the Stock Exchange with stock code: 1293) from June 2021 to December 2024. Mr. Ho has also been the external independent member of the Investment Committee of Canadian Race Relations Foundation, a Canadian federal crown corporation dedicated to the elimination of racism and all forms of racial discrimination in Canadian society, since April 2020. From April 2008 to December 2014, Mr. Ho worked in China Resources (Holdings) Company Limited, a Fortune 500 Chinese state-owned enterprise that owns a variety of businesses in Hong Kong and mainland China and was the senior deputy chief financial officer of its Finance Department when he left. From June 2002 to April 2008, Mr. Ho worked in China Resources Enterprise, Limited (華潤創業有限公司) (now known as China Resources Beer (Holdings) Company Limited (華潤啤酒(控股)有限公司), a company listed on the Stock Exchange with stock code: 0291) and was the assistant general manager of its Corporate Planning and Development Department when he left. From August 2000

to June 2002, Mr. Ho worked in Hang Lung Properties Limited (恒隆地產有限公司) (a company listed on the Stock Exchange with stock code: 0101) as a senior investment manager of its Investment Division. From May 1995 to July 2000, Mr. Ho worked in Anglo Chinese Corporate Finance, Limited, a corporate finance advisory firm and was promoted to director when he left. Mr. Ho was a senior accountant of Ernst & Young from December 1992 to September 1994.

Mr. Ho obtained a bachelor's degree of arts with first class honor in economic and social studies from the University of Manchester in Manchester, the United Kingdom in July 1988 and a master's degree of business administration from the University of Toronto in Ontario, Canada in November 1990. He has been a member of the American Institute of Chartered Financial Analyst since September 1998, a Fellow of Canadian Securities Institute since September 1997, a Certified Investment Manager of The Canadian Securities Institute since June 1994, a member of the Hong Kong Institute of Certified Public Accountants since April 1993, a member of the Institute of Chartered Professional Accountants of Ontario (Canada) since October 1992 and a member of the American Institute of Certified Public Accountants since May 1992.

Mr. XU Zhenyu (徐震宇), aged 55, has been serving as the Chief Marketing Officer and vice president of our Company since December 2020. He is primarily responsible for planning of the commercialization of our products.

Mr. Xu has over 30 years of experience in pharmaceutical and healthcare industry. Prior to joining our Group, Mr. Xu served as a research trainee at Shanghai Institute of Pharmaceutical Industry, Co, Ltd. (上海醫藥工業研究院有限公司) from 1993 to 1995, and then a sales director at Eli Lilly (Asia) Co., Limited, a pharmaceutical company, from 1996 to 2007, where he was primarily responsible for sales and marketing. From July 2007 to December 2012, Mr. Xu served as a vice president at China NT Pharma Group Company Limited (中國泰淩醫藥集團有限公司, a pharmaceutical company listed on the Stock Exchange with stock code: 1011).

Mr. Xu obtained a bachelor's degree in chemical pharmacy from East China University of Science and Technology (華東理工大學) in Shanghai, the PRC in July 1993.

Dr. ZHAO Xinghui (趙興卉) (former name: ZHAO Dongna (趙冬娜)), aged 46, has been serving as our Chief R&D Officer since May 2021. She is primarily responsible for leading pre-clinical research and development efforts of our Group.

Dr. Zhao has over 18 years of experience in medical research and development. She served as a research assistant at the Institute of Microbiology and Epidemiology of AMMS from October 2005 to March 2012, during which she also worked as a postdoctoral fellow at Cincinnati Children's Hospital Medical Center from July 2009 to June 2011. She then served successively as a research assistant and an associate researcher at the Institute of Bioengineering of AMMS from April 2012 to December 2017. Dr. Zhao also served as an associate researcher at Beijing Cancer Hospital (北京腫瘤醫院) from April 2018 to March 2019, and further worked as a research associate at University of Kentucky in the United States from April 2019 to April 2021.

Dr. Zhao received a bachelor's degree in biotechnology from Shandong University (山東大學) in Shandong Province, PRC in July 2000 and received a doctorate degree in genetics from AMMS in Beijing, the PRC in July 2005. She qualified as a researcher (senior professional title) (研究員(正高級職稱)) in biopharmaceutical research recognized by Beijing Bureau of Human Resources and Social Security (北京人力資源和社會保障局) in December 2022.

Dr. CHENG Long (成龍), aged 48, has been serving as our medical director since October 2020. He is primarily responsible for directing clinical development, formulating clinical strategy and conducting clinical trials of our Group.

Dr. Cheng has approximately 15 years of experience in medicine research and development. Prior to joining the Group, he served as a quality control engineer for Henan Lingrui Pharmaceutical Co., Ltd. (河南羚銳製藥股份有限公司, a company listed on the Shanghai Stock Exchange with stock code: 600285) from January 2003 to February 2004. He served as a project manager of clinical trials at Beijing Konruns Pharmaceutical Co., Ltd. (北京康辰藥業股份有限公司, a company listed on the Shanghai Stock Exchange with stock code: 603590) from July 2007 to July 2009. He worked as a postdoctoral fellow at Chinese Academy of Medical Sciences & Peking Union Medical College (中國醫學科學院北京協和醫學院) from November 2012 to October 2017. He served as an academic director for Guizhou Bailing Group Pharmaceutical Co., Ltd. (貴州百靈企業集團製藥股份有限公司, a company listed on the Shenzhen Stock Exchange with stock code: 002424) from March 2013 to March 2015. Dr. Cheng also served as vice chairman of the first committee of the Division of Sleep Science (睡眠科學分會) of China Association of Gerontology and Geriatrics (中國老年學和老年醫學學會) from December 2015 to December 2020.

Dr. Cheng received a master's degree in traditional Chinese medicine from Jiangxi College of Traditional Chinese Medicine (江西中醫學院, currently known as Jiangxi University of Traditional Chinese Medicine (江西中醫藥大學)) in Jiangxi Province, the PRC in July 2007. He then received a doctorate degree in fundamentals of integrative Chinese and western medicine from China Academy of China Medical Sciences (中國中醫科學院) in Beijing, the PRC in June 2012. He qualified as an associate pharmacist (副主任藥師) recognized by Guizhou Medical Products Administration (貴州省藥品監督管理局) in December 2019.

INTERESTS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Saved as disclosed above, to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, as of the Latest Practicable Date, none of our Directors, Supervisors 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 prospectus. There are no other matters with respect to the appointment of our Directors and Supervisors that need to be brought to the attention of the Shareholders, nor is there any information relating to our Directors and Supervisors that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Saved as disclosed above, as of the Latest Practicable Date, none of our Directors, Supervisors or senior management were related to other Directors, Supervisors or senior management of our Company. Saved as disclosed in "Relationship with our Controlling Shareholders," "Substantial Shareholders" and "Appendix IV — Statutory and General Information — D. Disclosure of Interests — 1. Disclosure of Interests of Directors and Chief Executive of the Company," as of the Latest Practicable Date, none of our Directors and chief executive held any interest in the securities within the meaning of Part XV of the SFO.

JOINT COMPANY SECRETARIES

Mr. HO Hung Tim Chester (何鴻添), see "— Senior Management" above for his biographical details.

Ms. WONG Wai Yee Ella (黃慧兒) was appointed as one of our joint company secretaries in April 2024 which will take effect upon Listing. Ms. Wong is a director of corporate services in Vistra Group.

Ms. Wong has over 20 years of experience in the corporate secretarial field and provides corporate secretarial and compliance services to Hong Kong listed companies as well as multinational, private and offshore companies. Ms. Wong currently holds company secretary or joint company secretary positions in multiple companies listed on the Stock Exchange.

Ms. Wong received her bachelor's degree of Economics from the University of Hong Kong and her postgraduate diploma in corporate administration from the City University of Hong Kong. Ms. Wong is a chartered secretary, chartered governance professional and fellow of The Hong Kong Chartered Governance Institute (HKCGI) (formerly known as The Hong Kong Institute of Chartered Secretaries) and a fellow of The Chartered Governance Institute (CGI) (formerly known as The Institute of Chartered Secretaries and Administrators).

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 formed four Board committees, namely the Audit Committee, the Remuneration Committee, the Nomination Committee and the Internal Control 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 the Corporate Governance Code as set forth in Appendix C1 to the Listing Rules. The Audit Committee consists of three Directors, namely Mr. YUE Yichun (岳儀春), Mr. FOK Chi Tat Michael (霍志達) and Mr. LI Jiayan (李嘉焱) with Mr. YUE Yichun being the chairperson of the Audit Committee. Mr. YUE Yichun and Mr. FOK Chi Tat Michael are independent non-executive Directors who hold 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 not limited to, the following:

- reviewing and evaluating the work of external auditors;
- monitoring and making recommendations to internal audit work of our Company;
- reviewing and making recommendations to the financial reports of our Company;
- evaluating the effectiveness of internal control work;
- ensuring coordination between the management, internal audit department and relevant departments and external auditors; and
- performing other duties and responsibilities as assigned by our Board.

Remuneration Committee

We have established a Remuneration Committee with written terms of reference in compliance with the Corporate Governance Code as set forth in Appendix C1 to the Listing Rules. The Remuneration Committee consists of three Directors, namely Mr. YUE Yichun (岳儀春), Mr. LI Jiayan (李嘉焱) and Ms. JIA Lijia (賈麗加) with Mr. YUE Yichun being the chairperson of the Remuneration Committee. The primary duties of the Remuneration Committee include, but not limited to, the following:

- reviewing and approving remuneration proposals of members of our senior management in accordance with our Company's policies and objectives as approved by our Board from time to time;
- making recommendations to our Board on our Company's policy and structure for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy, including but are not limited to, performance evaluation standards, procedures and evaluation systems;
- conducting the evaluation of the annual performance of all Directors and senior management;
- monitoring compensation payable to all Directors and senior management;
- reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules; and
- performing other duties and responsibilities as assigned by our Board.

Nomination Committee

We have established a Nomination Committee with written terms of reference in compliance with the Corporate Governance Code as set forth in Appendix C1 to the Listing Rules. The Nomination Committee consists of three Directors, namely Mr. YUE Yichun (岳儀春), Mr. LI Jiayan (李嘉焱) and Ms. JIA Lijia (賈麗加) with Mr. YUE Yichun being the chairperson of the Nomination Committee. The primary duties of the Nomination Committee include, but not limited to, the following:

- reviewing and making recommendations to the Board on the composition and number of our Board and senior management with reference to our Company's business activities, the scale of assets and shareholding structure;
- identifying individuals suitably qualified to become a member of our Board and senior management and making recommendations to our Board on the selection of individuals nominated for directorships and senior management;
- reviewing the structure and diversity of the Board and selecting individuals to be nominated as Directors;

- accessing and making recommendations to the selection of other senior management appointed by our Board; and

- performing other duties and responsibilities as assigned by our Board.

Internal Control Committee

We have established an Internal Control Committee with written terms of reference. The Internal Control Committee consists of four Directors, namely Ms. JIA Lijia (賈麗加), Mr. FOK Chi Tat Michael (霍志達), Mr. LI Jiayan (李嘉焱) and Mr. YUE Yichun (岳儀春), with Ms. JIA Lijia being the chairperson of the Internal Control Committee. The primary duties of the Internal Control Committee include, but not limited to, the following:

- overseeing and reviewing the formulation and implementation of our internal control policies;

- reviewing the internal control and corporate governance system of our Company, including but not limited to the contracts entered into with external parties and the corresponding review and decision-making process, and reporting to the Board annually;

- reviewing the internal control reports of our Company; and

- performing other duties and responsibilities as assigned by our Board.

KEY TERMS OF EMPLOYMENT CONTRACTS

We normally enter into (i) an employment contract, and (ii) a confidentiality and non-competition agreement with our senior management members and other key personnel. Set forth below are the key terms of these contracts we normally enter into with our senior management and other key personnel.

Confidentiality

The employee shall, during the course of employment with the Group and thereafter, keep in confidence all confidential information (including but not limited to trade secrets, technical secrets and other undisclosed confidential information) that belongs to the Group. During the term of employment, the employee shall not, without clear written authorization from the Company, directly or indirectly, disclose or divulge any confidential information of the Group to any third party in any way and shall not use such confidential information apart from discharging his/her duties as an employee of the Group. The employee is also obliged to prevent the disclosure, leakage, loss of and improper use of confidential information in relation to the Group. The employee shall return the documents and materials of the Group upon the termination of his/her employment contract. Such obligations of confidentiality shall subsist for the term of his/her employment and after the termination of his/her employment contract so long as the confidential information is not known to the public.

Non-competition

The non-competition obligations shall subsist throughout the employee's period of employment and up to two years after termination of employment. During the non-competition period, the employee shall not seek, induce, cause, allow, or assist other employees of our Company to terminate his or her labor relations or employment relationship with the Company, nor shall they act as an intermediary or contact person to support or assist any other employee to terminate his or her labor relations or employment relationship with the Company. During the term of employment and without prior written consent of the Company, the employee shall not engage in any business or engage in a course of employment that produces, or operates products, or provides services that are the same or similar to those offered by the Company, including acting as a partner, director, supervisor, manager, working staff, agent, advisor or any other collaborations. Regardless of the reason for the employee's departure, the employee shall provide us with relevant information of the new employer within three days after taking up employment with the new employer.

Intellectual Property Rights

Our Company has a complete, absolute and exclusive right, title and interest in the work (including but not limited to the invention, utility model, design and technical solution) that the employee produces, solely or jointly with others, arising from the performance of employment duties or from the use of our Company's material and technical conditions and business information, during the period of the employee's employment with our Company.

CORPORATE GOVERNANCE

Our Company is committed to achieving a high standard of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, our Company intends to comply with the Corporate Governance Code set out in Appendix C1 to the Hong Kong Listing Rules and the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Hong Kong Listing Rules after the Listing.

BOARD DIVERSITY POLICY

In order to enhance the effectiveness of our 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 our 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 our Board, including but not limited to gender, skills, age, professional experience, knowledge, cultural, education background, ethnicity and length of service. The ultimate decision of the appointment will be based on merit and the contribution which the selected candidates will bring to our Board.

Our Directors currently consists of two female Directors and seven male Directors with a balanced mix of gender, knowledge and skills, including but not limited to knowledge and experience in overall management and strategic development, quality assurance and control, finance and accounting and corporate governance in addition to industry experience relevant to our Group's operations and business. Considering our existing business model and specific needs as well as the different background of our Directors, the composition of our Board satisfies our board diversity policy.

Our Nomination Committee is responsible for reviewing the structure and diversity of the Board and selecting individuals to be nominated as Directors. After the Listing, our Nomination Committee will monitor and evaluate the implementation of the Board Diversity Policy from time to time to ensure its continued effectiveness, and when necessary, make any revisions that may be required and recommend any such revisions to our Board for consideration and approval. The Nomination Committee will also include in annual reports a summary of the Board Diversity Policy, including any measurable objectives set for implementing the Board Diversity Policy and the progress on achieving these objectives.

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

Each of our Directors confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, either directly or indirectly, with our Company's business which would require disclosure under Rule 8.10 of the Listing Rules.

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in April 2024, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors has confirmed (i) his independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he has no past or present financial or other interest in the business of our Company or our subsidiaries or any connection with any core connected person of our Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his independence at the time of his appointment.

EMOLUMENT OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

We offer our executive Directors, Supervisors, and senior management members, who are also employees of our Company, emolument in the form of salaries, bonuses, allowances, benefits in kind, share-based payment and pension scheme contributions. Our independent non-executive Directors receive emolument based on respective positions and duties, including being a member or the chairperson of Board committees.

For the years ended December 31, 2023 and 2024 and the nine months ended September 30, 2025, the aggregate amount of remuneration paid or payable to our Directors amounted to approximately RMB6,399,000, RMB5,314,000 and RMB4,075,000, respectively, without taking into account any share-based payment. The share-based payments to our Directors for the years ended December 31, 2023 and 2024 and the nine months ended September 30, 2025 were nil, RMB6,924,000 and RMB5,665,000, respectively. The total emoluments paid or payable to our Directors, including the share-based payments, amounted to RMB6,399,000, RMB12,238,000 and RMB9,740,000, for the years ended December 31, 2023 and 2024 and the nine months ended September 30, 2025, respectively. For remuneration details of all Directors for the years ended December 31, 2023 and 2024, please refer to Note 8 in Appendix I to this prospectus.

For the years ended December 31, 2023 and 2024 and the nine months ended September 30, 2025, the amount of remuneration paid or payable to our Supervisors, without taking into account any share-based payment, were approximately nil, RMB497,000 and RMB476,000, respectively. The share-based payments to our Supervisors for the years ended December 31, 2023 and 2024 and the nine months ended September 30, 2025 were RMB6,384,000, RMB4,559,000 and RMB1,861,000, respectively. The total emoluments paid or payable to our Supervisors, including the share-based payments, amounted to RMB6,384,000, RMB5,056,000 and RMB2,337,000, for the years ended December 31, 2023 and 2024 and the nine months ended September 30, 2025, respectively.

Under the arrangement currently in force, we estimate the total compensation before taxation, without taking into account any share-based payment, to be accrued to our Directors and our Supervisors for the year ending December 31, 2025 to be approximately RMB5,728,000. The actual remuneration of Directors and Supervisors in 2025 may be different from the expected remuneration.

For each of the years ended December 31, 2023 and 2024 and the nine months ended September 30, 2025, there were one, nil and one Directors among the five highest paid individuals, respectively. The total emoluments for the remaining individuals among the five highest paid individuals amounted to approximately RMB16,450,000, RMB56,709,000 and RMB33,694,000, for the years ended December 31, 2023 and 2024 and the nine months ended September 30, 2025, respectively.

We confirmed that during the Track Record Period, no consideration was paid by our Company to, or receivable by, our Directors for making available directors' services or as termination benefits.

Save as disclosed above, no other payments have been paid, or are payable, by our Company or any of our subsidiary to our Directors, Supervisors or the five highest paid individuals during the Track Record Period.

COMPLIANCE ADVISOR

We have appointed Orient Capital (Hong Kong) Limited as our Compliance Advisor pursuant to Rules 3A.19 of the Listing Rules. The Compliance Advisor will provide us with guidance and advice as to compliance with the Listing Rules and other applicable laws, rules, codes and guidelines. Pursuant to Rule 3A.23 of the Listing Rules, the Compliance Advisor will advise our Company in certain circumstances including:

(a) before the publication of any regulatory announcement, circular or financial report;

(b) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;

(c) where we propose to use the proceeds of the Global Offering in a manner different from that detailed in this Prospectus or where our business activities, developments or results deviate from any forecast, estimate or other information in this Prospectus; and

(d) where the Stock Exchange makes an inquiry to our Company regarding unusual movements in the price or trading volume of its listed securities or any other matters in accordance with Rule 13.10 of the Listing Rules.

The term of the appointment will commence on the Listing Date and is expected to end on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the Listing.

OVERVIEW

As of the Latest Practicable Date, Ms. Jia, Mr. Wang, Ms. Zhang and Mr. Li directly held approximately 19.54%, 17.98%, 17.47% and 12.00% of our total issued share capital, respectively.

Pursuant to the Concert Party Agreement, Ms. Jia, Mr. Wang, Ms. Zhang and Mr. Li confirmed and acknowledged that, among other things, (i) since October 2020, when we initiated the introduction of strategic and financial investors, in anticipation of the dilution of their voting power in our Company as a result of the Pre-IPO Investments and to ensure the stability and continuity of our operation and ownership, they had communicated thoroughly before the Board meetings (as the case may be) and shareholders' meetings of the Company, and had been acting in concert by aligning their votes at the Board meetings (as the case may be) and the shareholders' meetings of the Company; and (ii) they will continue to communicate thoroughly and act in concert by aligning their votes at the Board meetings (as the case may be) and shareholders' meetings of the Company until the earlier of (A) any of them ceases to be interested in the Shares directly or indirectly, or (B) the Concert Party Agreement is terminated by agreement among the Controlling Shareholders.

In light of the Concert Party Agreement, Ms. Jia, Mr. Wang, Ms. Zhang and Mr. Li together controlled the voting rights attaching to approximately 66.99% of the total issued share capital of the Company as of the Latest Practicable Date, and Ms. Jia, Mr. Wang, Ms. Zhang and Mr. Li are considered as a group of Controlling Shareholders for the purpose of the Listing Rules.

Immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised), Ms. Jia, Mr. Wang, Ms. Zhang and Mr. Li will continue to control in aggregate approximately 56.94% of our total issued share capital. Therefore, Ms. Jia, Mr. Wang, Ms. Zhang and Mr. Li will remain as a group of Controlling Shareholders upon Listing.

For the biographical details of each of Ms. Jia and Mr. Wang, see "Directors, Supervisors and Senior Management" of this prospectus.

Ms. Zhang has been our individual Shareholder since October 2013. She graduated from Renmin University of China (中國人民大學), majoring in financial accounting. Ms. Zhang has approximately 20 years of experience in the operation and management of biopharmaceutical enterprises. She has an in-depth understanding of the management and operation mode of pharmaceutical enterprises, and has extensive experience in the formulation of marketing strategies and corporate business plans. Ms. Zhang currently serves as our administrative director, being responsible for the overall management of the administrative affairs of the Group. As five out of our nine Directors are experienced in accounting and/or finance, considering Ms. Zhang's financial accounting background and to enhance the diversity of professional experience of Board members, our Company does not appoint her as a Director.

Mr. Li has been our individual Shareholder since the establishment of our Company in April 2012. He graduated from Lanzhou University (蘭州大學) in 1989 with a bachelor's degree in mathematics, and has over 30 years of experience in corporate operation and management. Mr. Li currently serves as the chairman of the board of Shanghai Kaishiyi Network Technology Co., Ltd. (上海開示藝網絡科技有限公司). Mr. Li previously served as an executive director of New World Strategic Investment Limited (新世界策略投資有限公司), the chairman of the board of Yunnan Guoyi Mining Investment Co., Ltd. (雲南國一礦業投資有限公司) and the vice chairman of the board of Beijing Zhongbei TVArt Center Co., Ltd.

(北京中北電視藝術中心有限公司). He also serves as the Executive Vice Chairman at the Alumni Entrepreneurs Alliance (校友企業家聯盟) of Lanzhou University and an Employment and Entrepreneurship Mentor at Beiijng Forestry University (北京林業大學). Mr. Li joined Chinalin Securities Co., Ltd. (華林證券股份有限公司, a company listed on the Shenzhen Stock Exchange with stock code: 002945) in November 2013, and served as its director from March 2016 to May 2022.

COMPETITION

As of the Latest Practicable Date, none of our Controlling Shareholders, their respective close associates and our Directors had any interest in any business which competes or is likely to compete, either directly or indirectly with our Group's business which would require disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independent from the Controlling Shareholders and their close associates after the Listing.

Operational independence

Our Company has full rights to make all decisions on, and to carry out, our own business operations independently. We do not rely on our Controlling Shareholders and their close associates for our finance, audit and control, sales and marketing, human resources, administration or company secretarial functions. We have established our own organizational structure with independent departments specializing in respective areas of responsibilities. We are also in possession of all relevant licenses and own all relevant intellectual properties and research and development facilities necessary to carry on and operate our business, and we have sufficient operational capacity in terms of capital and employees independently.

In addition, we also entered into certain transactions with connected person in connection with our Controlling Shareholders, which will constitute continuing connected transactions of our Group after Listing. For details of such transactions, see "Connected Transactions." For details about our related party transactions during the Track Record Period, see Note 27 in Appendix I to this prospectus. The transactions under the Property Leasing Agreement will not undermine the operational independence of our Group on the basis that, with our access to independent sources and in a sufficiently competitive market, our Group will be able to identify other suppliers or lessors who are Independent Third Parties, and other suitable substitutes for our business premises through arm's length negotiation at similar terms and conditions to meet our business and operational needs, without causing any undue delay or material disruption to our operations.

Accordingly, our Directors are satisfied that we will be able to function and operate independently from our Controlling Shareholders and their close associates.

Management independence

Our business is managed and conducted by our Board and senior management. Upon Listing, our Board of Directors will consist of nine Directors, including four executive Directors, two non-executive Directors and three independent non-executive Directors. Our Directors are of the view that we are able to carry on our business independently from our Controlling Shareholders from a management perspective for the following reasons:

(i) each of our Directors is fully aware of his/her fiduciary duties as a Director which require, among other things, that he/she acts for the benefit and in the best interests of our Company and our Shareholders as a whole, and does not allow any conflict between his/her duties as a Director and his/her personal interest to exist;

(ii) we have three independent non-executive Directors which (i) account for one-third of the Board; and (ii) possess requisite industry knowledge and experience and are qualified to provide independent, sound and professional advice to our Company;

(iii) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective associates, the interested Director(s) is required to declare the nature of such interest before voting at the relevant Board meetings of our Company in respect of such transactions;

(iv) the daily management and operation of our Group are carried out by a senior management team, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interests of our Group. For further details of the industry experience of our senior management team, see "Directors, Supervisors and Senior Management" in this prospectus; and

(v) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling Shareholders which would support our independent management. Please see "— Corporate Governance Measures" below for further details.

Based on the above, our Directors are satisfied that the Board as a whole, together with our senior management team, is able to perform the managerial role in our Group independently.

Financial independence

Our Company has its own independent financial, internal control and accounting system. We make financial decisions and determine our use of funds according to our own business needs. In addition, we are capable of obtaining financing from third parties without relying on any guarantee or security provided by our Controlling Shareholders. As of the Latest Practicable Date, save as disclosed in Note 27 in Appendix I to this prospectus, there were no loans, advances and balances due to and from our Controlling Shareholders, nor any pledges and guarantees provided by our Controlling Shareholders on our Group's borrowing.

Based on the above, our Directors are of the view that our business is financially independent from our Controlling Shareholders.

CORPORATE GOVERNANCE MEASURES

Our Directors recognize the importance of good corporate governance to protect the interests of our Shareholders. We have adopted the following corporate governance measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and our Controlling Shareholders:

(i) our Company has established internal control mechanisms to identify connected transactions. Upon Listing, if our Group enters into connected transactions with our Controlling Shareholders or their associates, our Company will comply with the applicable requirements under the Listing Rules;

(ii) where a Shareholders' meeting is to be held for considering proposed transactions in which our Controlling Shareholders or any of their close associates has a material interest, our Controlling Shareholders will not vote on the resolutions and shall not be counted in the quorum for the voting;

(iii) our Board consists of a balanced composition of executive, non-executive and independent non-executive Directors, with not less than one-third of independent non-executive Directors to ensure that our Board is able to effectively exercise independent judgment in its decision-making process and provide independent advice to our Shareholders. Our independent non-executive Directors individually and collectively possess the requisite knowledge and experience to perform their duties. They will review whether there is any conflict of interests between our Group and provide impartial and professional advice to protect the interests of our minority Shareholders;

(iv) where the advice from an independent professional, such as a financial or legal advisor, is reasonably requested by our Directors (including the independent non-executive Directors), the appointment of such an independent professional will be made at our Company's expenses; and

(v) we have appointed Orient Capital (Hong Kong) Limited as our Compliance Advisor, who will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules, including various requirements relating to Directors' duties and corporate governance matters.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflict of interests between our Group and our Controlling Shareholders and to protect our minority Shareholders' rights after the Listing.

This section presents certain information regarding our share capital before and upon completion of the Global Offering.

BEFORE THE GLOBAL OFFERING

As of the Latest Practicable Date, the registered capital of our Company was RMB100,008,722, comprising 100,008,722 Unlisted Shares with nominal value of RMB1.00 each.

UPON COMPLETION OF THE GLOBAL OFFERING

Immediately following completion of the Global Offering and the Conversion of Unlisted Shares into H Shares, assuming the Over-allotment Option is not exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage to total share capital
		(%)
Unlisted Shares in issue	34,635,377	29.44
H Shares to be converted from Unlisted Shares	65,373,345	55.56
H Shares to be issued under the Global Offering	17,648,800	15.00
Total	**117,657,522**	**100.00**

Immediately following completion of the Global Offering and the Conversion of Unlisted Shares into H Shares, assuming the Over-allotment Option is fully exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage to total share capital[(1)]
		(%)
Unlisted Shares in issue	34,635,377	28.79
H Shares to be converted from Unlisted Shares	65,373,345	54.34
H Shares to be issued under the Global Offering	20,296,000	16.87
Total	**120,304,722**	**100.00**

Note:

(1) Shareholding percentages may not add up to 100% due to rounding.

The Conversion of Unlisted Shares into H Shares will involve an aggregate of 65,373,345 Unlisted Shares held by all 11 existing Shareholders, representing approximately 65.37% of total issued Shares of the Company as of the Latest Practicable Date and approximately 55.56% of total issued Shares of the Company upon completion of the Conversion of Unlisted Shares into H Shares and the Global Offering (assuming the Over-allotment Option is not exercised). Set out below are such number of Shares held by our existing Shareholders and their respective shareholding upon completion of the Conversion of Unlisted Shares into H Shares and the Global Offering (assuming the Over-allotment Option is not exercised).

		Shares immediately after the Conversion of Unlisted Shares into H Shares and the Global Offering (assuming the Over-allotment Option is not exercised)			
Shareholders	Total Shares as of the Latest Practicable Date	H Shares to be Converted from Unlisted Shares	Approximate Percentage	Unlisted Shares	Approximate Percentage
Ms. Jia	19,540,937	9,540,065	8.11%	10,000,872	8.50%
Mr. Wang	17,980,000	16,979,913	14.43%	1,000,087	0.85%
Ms. Zhang	17,475,000	13,980,000	11.88%	3,495,000	2.97%
Mr. Li	12,000,000	3,600,000	3.06%	8,400,000	7.14%
Qingdao Hitech	9,090,793	3,090,870	2.63%	5,999,923	5.10%
Qingdao Huaren	8,000,000	4,400,000	3.74%	3,600,000	3.06%
Song Jianqing (宋建青)	5,760,000	4,435,200	3.77%	1,324,800	1.13%
Hainan Huaren	4,785,000	4,402,200	3.74%	382,800	0.33%
Qingdao CDH	3,033,680	3,033,680	2.58%	—	—%
Jiaxing CDH	1,799,562	1,367,667	1.16%	431,895	0.37%
Zhang Hong (張鴻)	543,750	543,750	0.46%	—	—%
Total	100,008,722	65,373,345	55.56%	34,635,377	29.44%

OUR SHARES

Upon completion of the Global Offering and the Conversion of Unlisted Shares into H Shares, our Shares will consist of Unlisted Shares and H Shares. Unlisted Shares and H Shares are both ordinary Shares under the same class in the share capital of our Company.

Our H Shares may only be subscribed for and traded in Hong Kong dollars. Our Unlisted Shares, on the other hand, may only be subscribed for and traded in RMB. 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 (such as our certain existing Shareholders the Unlisted Shares held by whom will be converted in to H shares according to the approval of the CSRC), H Shares generally cannot be subscribed for by or traded between legal or natural persons of the PRC. Our Unlisted Shares, on the other hand, can be purchased or transferred between legal or natural persons of the PRC, qualified foreign institutional investors and qualified foreign strategic investors. Unlisted Shares and H Shares shall rank *pari passu* with each other in all respects and, in particular, will rank equally for dividends or distributions declared, paid or made. All dividends for H Shares will be denominated and declared in Renminbi, and paid in Hong Kong dollars or Renminbi, whereas all dividends for unlisted Shares will be paid in Renminbi. Other than cash, dividends could also be paid in the form of shares.

CONVERSION OF UNLISTED SHARES INTO H SHARES

Pursuant to the regulations prescribed by the securities regulatory authorities of the State Council and the Articles of Association, the Unlisted Shares may be converted into overseas-listed Shares. Such converted Shares could be listed or traded on an overseas stock exchange, provided

that prior to the conversion and trading of such converted Shares, any requisite internal approval process has been duly completed, all the filling procedures with relevant PRC regulatory authorities, including the CSRC are followed. In addition, such conversion and trading shall comply with the regulations, requirements and procedures prescribed by the relevant overseas stock exchange. If any of the Unlisted Shares are to be converted, listed and traded as H Shares on the Hong Kong Stock Exchange, such conversion, listing and trading will need the approval of the relevant PRC regulatory authorities, including the CSRC, and the approval of the Hong Kong Stock Exchange.

Filing with the CSRC and Full Circulation Application

In accordance with the Overseas Listing Trial Measures and related guidelines, H-share listed companies which apply for the conversion of unlisted shares into H shares for listing and circulation on the Hong Kong Stock Exchange shall file with the CSRC. An unlisted joint stock company may apply for "full circulation" when applying for an overseas listing.

We have filed with the CSRC for, and the CSRC has registered the conversion of 65,373,345 Unlisted Shares into H Shares on a one-for-one basis upon the completion of the Global Offering and CSRC issued the filing notice in respect of the Global Offering dated December 27, 2024.

Listing Approval by the Hong Kong Stock Exchange

We have applied to the Listing Committee of the Hong Kong Stock Exchange for the granting of the listing of, and permission to deal in, our H Shares to be issued pursuant to the Global Offering (including any H Shares which may be issued pursuant to the exercise of the Over-allotment Option) and the H Shares to be converted from 65,373,345 Unlisted Shares on the Hong Kong Stock Exchange, which is subject to the approval by the Hong Kong Stock Exchange.

We will perform the following procedures for the conversion of the relevant Unlisted Shares into H Shares after receiving the approval of the Hong Kong Stock Exchange: (1) giving instructions to our H Share Registrar regarding relevant share certificates of the converted H Shares; and (2) enabling the converted H Shares to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in the CCASS.

RESTRICTION ON TRANSFER OF SHARES ISSUED PRIOR TO THE GLOBAL OFFERING

In accordance with Article 141 of the PRC Company Law, the shares issued prior to any listing of shares by a company cannot be transferred within one year from the date on which such publicly offered shares are listed and traded on the relevant stock exchange. As such, the Shares issued by the Company prior to the Global Offering will be subject to such statutory restriction on transfer within a period of one year from the Listing. See "History, Development and Corporate Structure — Principal terms of the Pre-IPO Investments."

CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

Pursuant to the PRC Company Law and the terms of the Articles of Association, our Company may from time to time by special resolution of shareholders, among others, increase its capital or decrease its capital or repurchase of shares. See "Appendix III — Summary of Articles of Association" in this prospectus.

So far as our Directors are aware, immediately following the completion of the Global Offering and the Conversion of Unlisted Shares into H Shares, and assuming the Over-allotment Option is not exercised, the following persons will have interests and/or short positions in the Shares or underlying shares of our Company which would fall to be disclosed pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at general meetings of our Company:

Name of Shareholder	Nature of Interest	Number and Class of Shares held upon completion of the Global Offering[1]	Approximate percentage of shareholding in total/issued share capital of our Company as of the Latest Practicable Date	Approximate percentage of shareholding in the total/issued share capital of our Company immediately after the Global Offering[2]	Approximate percentage of shareholding in the relevant class of Shares after the Global Offering
Ms. Jia	Beneficial owner, and interest of concerted parties[3]	22,895,959 Unlisted Shares	22.89%	19.46%	66.11%
	Beneficial owner, and interest of concerted parties[3]	44,099,978 H Shares	44.10%	37.48%	53.12%
Mr. Wang	Beneficial owner, and interest of concerted parties[3]	22,895,959 Unlisted Shares	22.89%	19.46%	66.11%
	Beneficial owner, and interest of concerted parties[3]	44,099,978 H Shares	44.10%	37.48%	53.12%
Ms. Zhang	Beneficial owner, and interest of concerted parties[3]	22,895,959 Unlisted Shares	22.89%	19.46%	66.11%
	Beneficial owner, and interest of concerted parties[3]	44,099,978 H Shares	44.10%	37.48%	53.12%
Mr. Li	Beneficial owner, and interest of concerted parties[3]	22,895,959 Unlisted Shares	22.89%	19.46%	66.11%
	Beneficial owner, and interest of concerted parties[3]	44,099,978 H Shares	44.10%	37.48%	53.12%
Qingdao Hitech[4] . . .	Beneficial owner	5,999,923 Unlisted Shares	6.00%	5.10%	17.32%

Name of Shareholder	Nature of Interest	Number and Class of Shares held upon completion of the Global Offering[1]	Approximate percentage of shareholding in total/issued share capital of our Company as of the Latest Practicable Date	Approximate percentage of shareholding in the total/issued share capital of our Company immediately after the Global Offering[2]	Approximate percentage of shareholding in the relevant class of Shares after the Global Offering
	Beneficial owner	3,090,870 H Shares	3.09%	2.63%	3.72%
Qingdao Laoshan Science and Technology Innovation Development Group Co. Ltd. (青島嶗山科技創新發展集團有限公司) [4]	Interest in controlled corporation	5,999,923 Unlisted Shares	6.00%	5.10%	17.32%
	Interest in controlled corporation	3,090,870 H Shares	3.09%	2.63%	3.72%
Qingdao Huaren[5] . . .	Beneficial owner	3,600,000 Unlisted Shares	3.60%	3.06%	10.39%
	Beneficial owner	4,400,000 H Shares	4.40%	3.74%	5.30%
Tang Anqi (唐安琪) [5]	Interest in controlled corporation	3,600,000 Unlisted Shares	3.60%	3.06%	10.39%
	Interest in controlled corporation	4,400,000 H Shares	4.40%	3.74%	5.30%

Notes:

(1) All interests stated are long positions.

(2) The calculation is based on the total number of 34,635,377 Unlisted Shares in issue and 83,022,145 H Shares to be issued pursuant to the Global Offering (including 65,373,345 H Shares to be converted from Unlisted Shares) in issue upon Listing, assuming that the Over-allotment Option is not exercised.

(3) As of the Latest Practicable Date, Ms. Jia, Mr. Wang, Ms. Zhang and Mr. Li directly held 19,540,937 Shares, 17,980,000 Shares, 17,475,000 Shares and 12,000,000 Shares in our Company, respectively. By virtue of the Concert Party Agreement, each of Ms. Jia, Mr. Wang, Ms. Zhang and Mr. Li is deemed to be interested in such Shares by the other Controlling Shareholders as they are parties acting in concert.

(4) As of the Latest Practicable Date, Qingdao Hitech directly held a total of 9,090,793 Shares in our Company. It is wholly owned by Qingdao Laoshan Science and Technology Innovation Development Group Co. Ltd. (青島嶗山科技創新發展集團有限公司), which is in turn wholly controlled by Laoshan District Financial Bureau of Qingdao City (青島市嶗山區財政局), a PRC government body. As such, Qingdao Laoshan Science and Technology Innovation Development Group Co. Ltd. (青島嶗山科技創新發展集團有限公司) is deemed to be interested in such Shares held by Qingdao Hitech.

(5) Qingdao Huaren is a limited partnership established under the laws of the PRC on November 30, 2020 and is one of our Employee Shareholding Platforms. As of the Latest Practicable Date, it was managed by its executive partner, Tang Anqi (唐安琪), who is an employee of our Company, and none of the limited partners of Qingdao Huaren contributed more than one third of the capital to Qingdao Huaren. Accordingly, Tang Anqi is deemed to be interested in such Shares held by Qingdao Huaren.

Saved as disclosed herein, our Directors are not aware of any other person who will, immediately following the completion of the Global Offering (assuming that the Over-allotment Option is not exercised) and the Conversion of Unlisted Shares into H Shares, have any interest and/or short positions in the Shares or underlying shares of our Company which would fall to be disclosed to the Company pursuant to 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 nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company. Our Directors are not aware of any arrangement which may at a subsequent date result in a change of control of our Company or any other member of our Group.

You should read the following discussion and analysis together with our audited consolidated financial information, including the notes thereto, included in Appendix I to this prospectus. Our consolidated financial information has been prepared in accordance with IFRS.

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 this prospectus, including but not limited to the sections headed "Risk Factors" and "Business."

OVERVIEW

Founded in 2012, we are a China-based biopharmaceutical company committed to developing therapies with an emphasis on protein drugs for indications with medical needs and market opportunities. We primarily focus on the discovery, development and commercialization of therapies for wound healing, currently PDGF drugs. As of the Latest Practicable Date, our pipeline consisted of ten candidates, seven of which are PDGF candidates, comprising two Core Products, namely Pro-101-1 and Pro-101-2, which are rhPDGF-BB drugs.

Designed to address both acute and chronic wounds as well as minor and hard-to-heal wounds, our Core Products and other PDGF candidates are currently being developed for a broad spectrum of wound healing indications including (i) thermal burns, (ii) DFUs, (iii) fresh wounds, (iv) pressure ulcers, (v) radiation ulcers, (vi) photodermatitis, (vii) alopecia, (viii) hemorrhoids, (ix) dry eye syndrome, (x) corneal injury, and (xi) gastric ulcers. As of the Latest Practicable Date, we had completed the Phase IIb clinical trial of Pro-101-1 in thermal burns in China, and entered the Phase II clinical trial of Pro-101-2 in DFUs in China. In addition, we submitted a pre-IND communication application to the FDA in December 2021 with respect to Pro-101-1 in thermal burns. Meanwhile, we were also advancing the pre-clinical development of PDGF candidates for nine other indications.

During the Track Record Period, we derived all of our revenue from providing research and development services to a single customer and from the sale of PDGF-BB reagent to another single customer. During the Track Record Period and up to the Latest Practicable Date, we had not generated any revenue from product sales, and we do not expect to generate any revenue from product sales before the commercialization of one or more of our candidates. We were not profitable and incurred net loss during the Track Record Period. In 2023, 2024 and the nine months ended September 30, 2024 and 2025, we had net loss of RMB105.2 million, RMB212.3 million, RMB164.1 million and RMB134.5 million, respectively. Substantially all of our net loss resulted from research and development expenses and administrative expenses.

BASIS OF PREPARATION

Our historical financial information has been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board ("**IASB**"). Our historical financial information has been prepared under the historical cost convention, as modified by the

revaluation of financial assets and financial liabilities at fair value through profit or loss, which are carried at fair value. We have adopted all applicable new and amended IFRS Accounting Standards consistently throughout the Track Record Period except for any new or interpretation that are not yet effective.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations have been, and are expected to continue to be, materially affected by a number of factors, including the following:

General Factors

Our business and operating results are affected by general factors affecting the global and PRC wound healing and growth factor markets, which include:

- relevant laws and regulations, governmental policies and initiatives affecting the relevant markets;
- growth and competition environment of the relevant markets; and
- political, economic and social instability of different local markets.

Company Specific Factors

While our business is influenced by general factors affecting the global and PRC wound healing and growth factor markets, our results of operations are also affected by company specific factors, including the following:

Our Ability to Successfully Develop our Candidates

Our business and results of operations depend on the successful development of our candidates. As of the Latest Practicable Date, we had researched and developed three pipelines consisting of ten candidates covering 14 indications, including two clinical-stage indications. See "Business — Our Candidates." Whether our candidates can demonstrate favorable safety and efficacy results from our pre-clinical studies and clinical trials and whether we can successfully complete clinical development and whether we can obtain the requisite regulatory approvals for our candidates, are crucial to our business and results of operations. See "Risk Factors — Risks Relating to the Research and Development of Our Candidates" and "Risk Factors — Risks Relating to Regulatory Approvals and Government Regulations."

Our Ability to Successfully Commercialize, Manufacture and Market our Candidates

We believe the scale and effectiveness of our commercial operation will be crucial to our business. As of the Latest Practicable Date, none of our candidates have been commercialized and we have not generated any revenue from sales of our candidates. We expect to commercialize at least two innovative drugs independently in the next six years. We intend to commercialize our candidates, if approved, by utilizing both direct sales force and strategic partnerships to achieve geographical and channel coverage. See "Business — Commercialization." However, the commercialization may require significant marketing efforts and inputs before we are able to

generate any revenue from sales of our candidates. Once our candidates are commercialized, our business and results of operations will be driven by the market acceptance and sales of our commercialized candidates, which could be affected by: (i) the extent to which reimbursement for these candidates and related treatments will be available from relevant health administrative authorities, private health insurers and other organizations; (ii) our cooperation with third-party collaborators under our sales network; (iii) our pricing policies; and (iv) our biologics manufacturing capacity to meet the commercial demand. See "Risk Factors — Risks Relating to Commercialization of Our Candidates" and "Risk Factors — Risks Relating to Manufacturing of Our Candidates."

Our Cost Structure

Our results of operations are significantly affected by our cost structure, which primarily consists of research and development expenses and administration expenses.

The development of drugs requires a significant investment of resources over a prolonged period of time, and we intend to continue making sustained investments in this area. We have devoted significant resources on research and development activities and our pipeline of candidates have been steadily advancing and expanding. We incurred research and development expenses of RMB39.9 million, RMB91.3 million, RMB69.8 million and RMB61.2 million in 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively, accounting for 48.7%, 43.9%, 43.8% and 45.4%, respectively, of our total expenses in the same periods. We incurred research and development expenses of RMB33.3 million, RMB56.6 million, RMB43.6 million and RMB31.8 million attributable to our Core Products in 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively, accounting for 83.4%, 61.9%, 62.5% and 52.0% of our total research and development expenses in the same periods, respectively. Our research and development expenses primarily consist of: (i) employee benefit expenses of our research and development personnel; (ii) share-based payment; (iii) service fee, mainly in relation to CDMO and CRO services; (iv) cost of raw materials, mainly in relation to our research and development activities; (v) depreciation and amortization expenses; and (vi) office expenses. See "— Description of Major Components of Our Results of Operations — Research and Development Expenses." The research and development expenses are affected by factors such as: (i) the expansion of our product pipeline as well as potential indications; (ii) complexities of analytical testing technology; (iii) the size and demographics of the enrolled patients; (iv) the number of clinical trial sites and countries involved; (v) the pre-clinical efforts needed for identifying more molecules with proven or highly potential efficacy and significant market opportunities; (vi) the number of our research and development staff; and (vii) any additional requirements imposed by competent regulatory authorities to our pre-clinical and clinical trials. See "Risk Factors — Risks Relating to the Research and Development of Our Candidates." We intend to continue to advance the development of our candidates, and the research and development expenses are therefore expected to continue to be a major component of our operating expenses.

In addition, we incurred administrative expenses of RMB42.1 million, RMB116.8 million, RMB89.5 million and RMB73.6 million in 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively, which primarily consist of: (i) employee benefit expenses, mainly including salaries and bonuses, and other employee benefits relating to our administrative staff; (ii) share-based payment; (iii) hospitality and traveling expenses; (iv) service fee in relation to

consulting service of our financing activities and recruitment; (v) listing expenses; (vi) depreciation and amortization expenses; and (vii) office expenses. See "— Description of Major Components of Our Results of Operations — Administrative Expenses."

We expect to incur significant expenses and net loss for at least the next several years as we further our pre-clinical and clinical research and development efforts, seek regulatory approval for our candidates, launch commercialization of our pipeline candidates, and add personnel necessary to operate our business. We expect that our financial performance will fluctuate from period to period due to the development status of our candidates, regulatory approval timeline and commercialization of our candidates after approval. Subsequent to the Listing, we expect to incur costs associated with operating as a public company.

Funding for Our Operation

During the Track Record Period, we primarily funded our working capital requirements through capital contributions from our Shareholders and private equity financing. Going forward, in the event of a successful commercialization of one or more of our candidates, we expect to fund our operations in part with revenue generated from sales of our commercialized candidates. However, with the continuing expansion of our business, we may require further funding through public or private offerings, debt financing or other sources. Any fluctuation in the funding for our operations will impact our cash flow plan and our results of operations.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments related to accounting items. The estimates and assumptions we use and the judgments we make in applying our accounting policies have a significant impact on our financial position and operational results. Our management continually evaluates such estimates, assumptions and judgments based on past experience and other factors, including industry practices and expectations of future events that are deemed to be reasonable under the circumstances. There has not been any material deviation from our management's estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes in these estimates and assumptions in the foreseeable future.

We set forth below those accounting policies that we believe are of critical importance to us or involve the most significant estimates, assumptions and judgments used in the preparation of our financial statements. For details of the critical accounting policies, estimates, assumptions and judgments involved in the preparation of financial statements of our Group, see Notes 2 and 3 to the Accountants' Report in Appendix I to this prospectus.

Critical Accounting Policies

Revenue Recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of goods or services is transferred to the customers at an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services.

Provision of research and development services

We recognize revenue only when we satisfy a performance obligation by transferring control of the promised services at a point in time.

Sale of biopharmaceutical products

Revenue from the sale of biopharmaceutical products is recognized at the point in time when control of the asset is transferred to the customer, generally upon receipt of the biopharmaceutical products by customers.

Fair Value Measurement

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 us. 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.

We use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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 recognized in the Historical Financial Information on a recurring basis, we determine whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of the Track Record Period.

Intangible Assets (Other than Goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Patents

Patents are stated at cost less any impairment losses and are amortized on the straight-line basis over their estimated useful lives of ten years.

Research and Development costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalized and deferred only when we can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, our intention to complete and our 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.

Development expenditure which does not meet these criteria is expensed when incurred.

Property, Plant and Equipment and Depreciation

Property, plant and equipment 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 capitalized 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, we recognize such parts as individual assets with specific useful lives and depreciate 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 estimated useful lives and estimated residual values used for this purpose are as follows:

Categories	Estimated useful lives	Estimated residual value rate
Machinery	3 to 10 years	5%
Office equipment	5 years	5%
Electronic equipment	3 to 5 years	5%
Motor vehicle	5 years	5%
Leasehold improvements	Calculated on the shorter of estimated useful lives and remaining lease terms	—

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognized in profit or loss in the year the asset is derecognized is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Impairment of Non-financial Assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognized 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 the Track Record Period as to whether there is an indication that previously recognized impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognized 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/amortization) had no impairment loss been recognized for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Impairment of Financial Assets

We recognize 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 we expect 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 recognized 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, we assess whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, we compare 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 consider reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. We consider that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

We consider a financial asset in default when contractual payments are 90 days past due. However, in certain cases, we may also consider a financial asset to be in default when internal or external information indicates that we are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by us. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortized 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 we apply the practical expedient of not adjusting the effect of a significant financing component, we apply the simplified approach in calculating ECLs. Under the simplified approach, we do not track changes in credit risk, but instead recognize a loss allowance based on lifetime ECLs at each reporting date. We have 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.

Share-based payments

We operate share incentive plans. Our employees (including directors) 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 for grants is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using the back-solve method and the discounted cash flow method, further details of which are given in Note 24 to the Accountants' Report in Appendix I to this prospectus.

The cost of equity-settled transactions is recognized 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 recognized for equity-settled transactions at the end of each period in the Track Record Period until the vesting date reflects the extent to which the vesting period has expired and our 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 recognized 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 our 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 recognized. 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 recognized as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognized 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 canceled, it is treated as if it had vested on the date of cancelation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either us or the employee are not met. However, if a new award is substituted for the canceled award, and is designated as a replacement award on the date that it is granted, the canceled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Leases

We assess 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.

We as a lessee

We apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. We recognize 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 recognized 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 recognized, 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 lease terms as follows:

Categories	**Estimated useful lives**
Buildings	13 months to 38 months
Motor vehicle	24 months

If ownership of the leased asset transfers to us 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 recognized 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 us and payments of penalties for termination of a lease, if the lease term reflects us exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognized 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, we use our 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

We apply the short-term lease recognition exemption to its short-term leases of buildings and motor vehicles (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Lease payments on short-term leases are recognized as an expense on a straight-line basis over the lease term.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as payables.

All financial liabilities are recognized initially at fair value and, in the case of payables, net of directly attributable transaction costs.

Our financial liabilities include trade and other payables and other financial liabilities.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortized cost (trade and other payables and other financial liabilities)

After initial recognition, trade and other payables, and other financial liabilities are subsequently measured at amortized 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 recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate amortization process.

Amortized 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 amortization is included in finance costs in profit or loss.

Significant Accounting Estimates

Impairment of Non-Financial Assets (Other than Goodwill)

We assess whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of the Track Record Period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Fair value measurement of share-based payments

We have set up a share incentive plan and granted share award to our employees. The fair values of the share award are determined by the back-solve method and the discounted cash flow method at the grant dates. Significant estimates on assumptions, including the underlying equity value are made by management. See Note 26 to the Accountants' Report in Appendix I to this prospectus.

DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

We have not generated any revenue from product sales. We were not profitable and incurred net loss during the Track Record Period. In 2023, 2024 and the nine months ended September 30, 2024 and 2025, we had net loss of RMB105.2 million, RMB212.3 million, RMB164.1 million and RMB134.5 million, respectively. Substantially all of our net loss resulted from research and development expenses and administrative expenses. The following table sets out some details of our consolidated statements of comprehensive loss for the periods indicated:

	Year ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
	(RMB in thousands)			
			(unaudited)	
Revenue	472	261	—	—
Cost of sales	(255)	(20)	—	—
Gross profit	217	241	—	—
Other income and gains	271	1,827	996	1,348
Administrative expenses	(42,117)	(116,781)	(89,496)	(73,562)
Research and development expenses	(39,915)	(91,326)	(69,763)	(61,219)
Other expenses	(62)	(202)	(40)	(104)
Finance costs	(23,582)	(6,009)	(5,797)	(931)
Loss before tax	**(105,188)**	**(212,250)**	**(164,100)**	**(134,468)**
Income tax expense	—	—	—	—
Loss for the year/period	**(105,188)**	**(212,250)**	**(164,100)**	**(134,468)**
Total comprehensive loss for the year/period	**(105,235)**	**(212,147)**	**(164,150)**	**(134,523)**

Revenue

In 2023, 2024 and the nine months ended September 30, 2024 and 2025, our revenue was RMB471.7 thousand, RMB261.1 thousand, nil and nil, respectively.

Our revenue in 2023 was generated from the provision of research services to a single customer in relation to a project on medical devices for wound healing. We conducted research on the relevant pharmaceutical formulations and compiled related technical points and screening proposals. Our revenue in 2024 was generated from sales of PDGF-BB reagent to another single customer for research and experiment. The PDGF-BB reagent was produced during the R&D process of our candidates. Neither the provision of research services nor the sale of PDGF-BB reagent is part of our core business. However, we may from time to time receive similar requests from potential customers and, depending on our capacity and the extent of relevance of such requests to our research and development activities, we may work on such requests on a commission basis or for other appropriate compensation.

Cost of sales

Our cost of sales in 2023 represented the staff cost incurred for conducting the research services for the customer of the aforementioned project on medical devices for wound healing. Our cost of sales in 2024 represented the manufacture cost of PDGF-BB, including material cost and technical service cost. In 2023, 2024 and the nine months ended September 30, 2024 and 2025, our cost of sales was RMB255.0 thousand, RMB20.4 thousand, nil and nil, respectively.

Gross Profit

Gross profit represents our revenue less our cost of sales. Gross profit margin represents our gross profit as a percentage of our revenue. We recorded gross profit of RMB216.7 thousand, RMB240.7 thousand, nil and nil in 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively. The gross profit in 2023 was solely related to the aforementioned project on medical devices for wound healing. The gross profit in 2024 was solely related to the sales of PDGF-BB reagent. Our gross margin was 46.0% and 92.3% in 2023 and 2024, respectively.

Other Income and Gains

Our other income and gains primarily consist of: (i) government grants, primarily representing the subsidies we received from local governmental authorities for the purpose of supporting our research and development activities; and (ii) interest income, primarily representing interest income from bank deposits. The following table sets out a breakdown of our other income and gains for the periods indicated:

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	(RMB in thousands, except for percentages)				*(unaudited)*			
Other Income								
Interest income	237	87.5%	1,368	74.9%	966	97.0%	688	51.0%
Government grants	—	—	434	23.8%	—	—	607	45.0%
Others	34	12.5%	25	1.4%	25	2.5%	53	3.9%
Total other income	**271**	**100.0%**	**1,827**	**100.0%**	**991**	**99.5%**	**1,348**	**100.0%**
Gains								
Foreign exchange differences, net	—	—	—	—	5	0.5%	—	—
Total gains	**—**	**—**	**—**	**—**	**5**	**0.5%**	**—**	**—**
Total other income and gains	**271**	**100.0%**	**1,827**	**100.0%**	**996**	**100.0%**	**1,348**	**100.0%**

Administrative Expenses

Our administrative expenses primarily consist of: (i) employee benefit expenses, mainly including salaries and bonuses, and other employee benefits relating to our administrative staff; (ii) share-based payment; (iii) hospitality and traveling expenses; (iv) service fee in relation to consulting service of our financing activities and recruitment; (v) listing expenses; (vi) depreciation and amortization expenses; and (vii) office expenses. The following table sets out a breakdown of our administrative expenses for the periods indicated:

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	(RMB in thousands, except for percentages)				*(unaudited)*			
Employee benefit expenses	14,227	33.8%	18,306	15.7%	13,496	15.1%	15,028	20.4%
Share-based payment	9,743	23.1%	57,842	49.5%	42,730	47.7%	39,735	54.0%
Hospitality and traveling expenses	9,196	21.8%	10,235	8.8%	7,671	8.6%	6,651	9.0%
Service fee	1,879	4.5%	2,282	2.0%	1,945	2.2%	652	0.9%
Listing expenses	1,324	3.1%	21,248	18.2%	18,725	20.9%	7,350	10.0%
Depreciation and amortization expenses	1,626	3.9%	2,430	2.1%	2,399	2.7%	2,149	2.9%
Office expenses	1,593	3.8%	1,375	1.2%	1,419	1.6%	534	0.7%
Others[(1)]	2,529	6.0%	3,063	2.6%	1,111	1.2%	1,463	2.1%
Total	**42,117**	**100.0%**	**116,781**	**100.0%**	**89,496**	**100.0%**	**73,562**	**100.0%**

Note:

(1) Others mainly include short-term lease payments, vehicle usage fees, training fees and property management fees.

Research and Development Expenses

Our research and development expenses primarily consist of: (i) employee benefit expenses of our research and development personnel; (ii) share-based payment; (iii) service fee, mainly in relation to CDMO and CRO services; (iv) cost of raw materials, mainly in relation to our research and development activities; (v) depreciation and amortization expenses; and (vi) office expenses. The following table sets out a breakdown of our research and development expenses by nature for the periods indicated:

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	(RMB in thousands, except for percentages)				*(unaudited)*			
Employee benefit expenses	10,546	26.4%	14,359	15.7%	10,200	14.6%	12,052	19.7%
Share-based payment	4,927	12.3%	42,352	46.4%	31,136	44.6%	28,789	47.0%
Service fee	11,834	29.6%	21,958	24.0%	18,664	26.8%	8,809	14.4%
Cost of raw materials	5,630	14.1%	5,031	5.5%	4,278	6.1%	4,719	7.7%
Depreciation and amortization expenses	5,280	13.2%	5,320	5.8%	3,837	5.5%	4,875	8.0%
Office expenses	627	1.6%	1,076	1.2%	729	1.0%	895	1.5%
Others[(1)]	1,071	2.7%	1,230	1.3%	919	1.3%	1,080	1.8%
Total	**39,915**	**100.0%**	**91,326**	**100.0%**	**69,763**	**100.0%**	**61,219**	**100.0%**

Note:

(1) Others mainly include intellectual property expenses, traveling expenses and conference expenses.

Our research and development expenses attributable to our Core Products were RMB33.3 million, RMB56.6 million, RMB43.6 million and RMB31.8 million, in 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively, accounting for 40.6%, 27.2%, 32.4% and 23.6%, of our total operating expenses (comprising research and development expenses and administrative expenses) and 83.4%, 61.9%, 62.5% and 52.0% of our total research and development expenses in the same periods, respectively. The following table sets forth the clinical development expenses attributable to the Core Products during the Track Record Period by development stage:

	Year ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
	(RMB in thousands)		*(unaudited)*	
Pro-101-1				
Phase I	—	—	—	—
Phase II	21,148	49,733	39,425	21,821
Pro-101-2				
Phase I	—	—	—	—
Phase II	12,191	6,840	4,130	10,018
Total	**33,339**	**56,573**	**43,555**	**31,839**

Other Expenses

Our other expenses primarily represent (i) net loss on disposal of non-current assets, (ii) service fee in relation to bank service, and (iii) exchange losses. The following table sets out a breakdown of our other expenses by nature for the periods indicated:

	Year ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
	(RMB in thousands)		*(unaudited)*	
Net loss on disposal of non-current assets	—	5	5	—
Service fee	19	46	35	41
Exchange losses	19	151	—	63
Others	24	—	—	—
Total	**62**	**202**	**40**	**104**

Finance Costs

Our finance costs consist of (i) interest on other financial liabilities relating to the redemption liabilities from Pre-IPO Investments, (ii) interest on other non-current liabilities, and (iii) interest on lease liabilities. For details on our lease liabilities, see "— Indebtedness." The following table sets out a breakdown of our finance costs for the periods indicated:

	Year ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
	(RMB in thousands)			
			(unaudited)	
Interest on other financial liabilities	23,170	5,666	5,666	—
Interest on other non-current liabilities	—	164	—	775
Interest on lease liabilities	412	179	131	156
Total	**23,582**	**6,009**	**5,797**	**931**

Income Tax Expense

We did not record income tax expense in 2023, 2024 and the nine months ended September 30, 2024 and 2025. We are subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which we are domiciled and operate. Our principal applicable taxes and tax rates are set forth as follows:

Mainland China

Under the Law of the PRC on Corporate Income Tax (the "**CIT Law**") and Implementation Regulation of the CIT Law, the CIT rate of the PRC subsidiary was 25% during the Track Record Period. We were accredited as a "High and New Technology Enterprise" ("**HNTE**") and we were entitled to a preferential CIT rate of 15% for the years ended December 31, 2023, 2024 and the nine months ended September 30, 2025. In addition, certain of our subsidiaries were subject to preferential tax rates under the relevant tax rules and regulations for small and low-profit enterprises. See Note 10 to the Accountants' Report in Appendix I to this prospectus.

Hong Kong

The subsidiary incorporated in Hong Kong is a qualifying entity under the two-tiered profits tax rates regime. No provision for Hong Kong profits tax has been made as subsidiary incorporated in Hong Kong had no assessable profits derived from or earned in Hong Kong during the Track Record Period. See Note 10 in Appendix I to this prospectus.

During the Track Record Period and up to the Latest Practicable Date, we had made all the required tax filings with the relevant tax authorities in the PRC and Hong Kong, and we are not aware of any outstanding or potential disputes with such tax authorities.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Nine Months ended September 30, 2025 Compared to Nine Months ended September 30, 2024

Revenue

We did not record any revenue in the nine months ended September 30, 2024 and 2025, respectively.

Cost of Sales

We did not record any cost of sales in the nine months ended September 30, 2024 and 2025, respectively.

Gross Profit and Gross Profit Margin

As a result of the foregoing, we did not record any gross profit in the nine months ended September 30, 2024 and 2025, respectively.

Other Income and Gains

Our other income and gains remained relatively stable at RMB1.0 million in the nine months ended September 30, 2024 and RMB1.3 million in the nine months ended September 30, 2025.

Administrative Expenses

Our administrative expenses decreased by 17.8% from RMB89.5 million in the nine months ended September 30, 2024 to RMB73.6 million in the nine months ended September 30, 2025, primarily due to the relatively higher listing expenses in the prior period.

Research and Development Expenses

Our research and development expenses decreased by 12.2% from RMB69.8 million in the nine months ended September 30, 2024 to RMB61.2 million in the nine months ended September 30, 2025, primarily attributable to higher R&D expenses associated with the Phase IIb clinical trial of Pro-101-1 in the prior period.

Finance Costs

Our finance costs significantly decreased from RMB5.8 million in the nine months ended September 30, 2024 to RMB0.9 million in the nine months ended September 30, 2025, primarily due a decrease in interest on other financial liabilities in relation to the redemption liabilities from Pre-IPO Investments. See "History, Development and Corporate Stroctore — Pre-IPO Investment."

Other Expenses

Our other expenses amounted to RMB40 thousand and RMB104 thousand in the nine months ended September 30, 2024 and 2025, respectively, mainly reflecting our loss on foreign exchange.

Loss for the Period

As a result of the foregoing, our loss for the period decreased from RMB164.1 million in the nine months ended September 30, 2024 to RMB134.5 million in the nine months ended September 30, 2025.

Year ended December 31, 2024 Compared to Year ended December 31, 2023

Revenue

Our revenue amounted to RMB471.7 thousand and RMB261.1 thousand in 2023 and 2024, respectively. Our revenue in 2023 was generated from the provision of research services to a single customer in relation to a project on medical devices for wound healing, which was one-off in nature. Our revenue in 2024 was generated from sales of PDGF-BB reagent to another single customer for research and experiment, which was also one-off in nature.

Cost of Sales

Our cost of sales amounted to RMB255.0 thousand and RMB20.4 thousand in 2023 and 2024. Our cost of sales in 2023 represented the staff cost incurred for conducting the research and development services for the customer in relation to the aforementioned project. Our cost of sales in 2024 represented the manufacturing costs for PDGF-BB reagent, including material costs and technical service costs.

Gross Profit and Gross Profit Margin

We recorded gross profit of RMB216.7 thousand and RMB240.7 thousand in 2023 and 2024, respectively. We recorded gross profit margin of 46.0% in 2023 for the aforementioned research services and gross profit margin of 92.3% in 2024 for the aforementioned sales of PDGF-BB reagent.

Other Income and Gains

Our other income and gains increased significantly from RMB0.3 million in 2023 to RMB1.8 million in 2024, primarily due to (i) an increase in interest income in relation to our increased time deposit, and (ii) government grants we recorded in 2024 in relation to industry incentive subsidies.

Administrative Expenses

Our administrative expenses significantly increased from RMB42.1 million in 2023 to RMB116.8 million in 2024, primarily due to an increase in share-based payment in relation to our employee incentive plan, which was approved and adopted in February 2024.

Research and Development Expenses

Our research and development expenses significantly increased from RMB39.9 million in 2023 to RMB91.3 million in 2024, primarily due to (i) share-based payment in relation to our employee incentive plan, which was approved and adopted in February 2024, and (ii) service fee in relation to the CDMO and CRO services.

Finance Costs

Our finance costs decreased by 74.5% from RMB23.6 million in 2023 to RMB6.0 million in 2024, primarily due to a decrease in interest on other financial liabilities in relation to the redemption liabilities from Pre-IPO Investments.

Other Expenses

Our other expenses remained relatively stable at RMB62 thousand and RMB0.2 million in 2023 and 2024, respectively.

Loss for the Year

As a result of the foregoing, our loss for the year increased from RMB105.2 million in 2023 to RMB212.3 million in 2024.

DISCUSSION OF CERTAIN KEY BALANCE SHEET ITEMS

The following table sets out selected data from our consolidated balance sheet as of the dates indicated:

	As of December 31,		As of September 30,
	2023	2024	2025
		(RMB in thousands)	
Total non-current assets	18,185	47,934	48,850
Total current assets	244,904	142,678	79,106
Total assets	**263,089**	**190,612**	**127,956**
Total non-current liabilities	383,231	22,961	23,982
Total current liabilities	11,732	17,116	19,438
Total liabilities	**394,963**	**40,077**	**43,420**
Net (liabilities)/assets	**(131,874)**	**150,535**	**84,536**
Equity attributable to owners of the parent:			
Paid-in capital/share capital	91,806	100,009	100,009
Reserves	(223,680)	50,526	(15,473)
Total (deficit)/equity	**(131,874)**	**150,535**	**84,536**

Our net liabilities position as of December 31, 2023 changed to net assets of RMB150.5 million as of December 31, 2024 as the financial instruments issued to Pre-IPO Investors have been reclassified from other financial liabilities to equity. Pursuant to the supplemental agreement to the shareholders agreement dated February 23, 2024 entered into between us and the Shareholders, the redemption right granted to the Pre-IPO Investors has been terminated on the date of such supplemental agreement. See "History, Development and Corporate Structure — Pre-IPO Investments."

We had total equity of RMB150.5 million as of December 31, 2024 compared to total deficit of RMB131.9 million as of December 31, 2023, primarily due to total comprehensive loss for the year of RMB212.1 million, partially offset by (i) derecognition of financial liabilities for termination of preferential rights issued to investors of RMB386.2 million, (ii) equity-settled share award arrangements of RMB100.2 million, and (iii) capital contribution by shareholders of RMB8.2 million. Our total equity decreased from RMB150.5 million as of December 31, 2024 to RMB84.5 million as of September 30, 2025, primarily due to total comprehensive loss for the period of RMB134.5 million, partially offset by equity-settled share award arrangements of RMB68.5 million. See "Appendix I Accountants' Report — Consolidated Statements of Changes in Equity."

Current Assets and Liabilities

The following table sets out our current assets and liabilities as of the dates indicated:

	As of December 31,		As of September 30,	As of October 31,
	2023	2024	2025	2025
	(RMB in thousands)			*(unaudited)*
Current assets				
Prepayments, other receivables and other assets	3,392	3,465	5,312	6,015
Cash and cash equivalents	241,512	139,213	73,794	66,156
Total current assets	**244,904**	**142,678**	**79,106**	**72,171**
Current liabilities				
Trade payables	6,620	7,931	9,552	10,214
Lease liabilities	2,211	2,256	2,088	2,062
Other payables and accruals	2,901	6,929	7,798	6,686
Total current liabilities	**11,732**	**17,116**	**19,438**	**18,962**
Net current assets	**233,172**	**125,562**	**59,668**	**53,209**

Our net current assets remained relatively stable at RMB59.7 million as of September 30, 2025 and RMB53.2 million as of October 31, 2025. Our net current assets decreased from RMB125.6 million as of December 31, 2024 to RMB59.7 million as of September 30, 2025, primarily due to (i) a decrease in cash and cash equivalents as a result of increased cash used in operating activities, and (ii) an increase in other payables and accruals in relation to accrued listing expenses. Our net current assets decreased from RMB233.2 million as of December 31, 2023 to RMB125.6 million as of December 31, 2024, mainly due to a decrease in cash and cash equivalents as a result of increased cash used in operating activities.

Current Portion of Prepayments, Other Receivables and Other Assets

Our current portion of prepayments, other receivables and other assets primarily represents: (i) prepayments, primarily consisting of prepaid payments of rent for properties and vehicles, property management fees and renovation fees; (ii) deposits and other receivables, mainly

representing deposits for leases of properties; and (iii) deferred listing expenses. The following table sets out a breakdown of the current portion of our prepayment, other receivables and other assets as of the dates indicated:

	As of December 31,		As of September 30,
	2023	2024	2025
	(RMB in thousands)		
Prepayments	2,085	1,283	1,991
Deposits and other receivables	1,032	369	660
Deferred listing expenses	251	1,801	2,657
Prepayment for a related party	24	12	4
Total	**3,392**	**3,465**	**5,312**

Our current portion of prepayments, other receivables and other assets remained relatively stable at RMB3.4 million as of December 31, 2023 and RMB3.5 million as of December 31, 2024, primarily due to an increase in deferred listing expenses, partially offset by a decrease in prepayments and deposits and other receivables. Our current portion of prepayments, other receivables and other assets increased from RMB3.5 million as of December 31, 2024 to RMB5.3 million as of September 30, 2025, primarily due to an increase in deferred listing expenses.

Cash and Cash Equivalents

Our cash and cash equivalents primarily represent cash in hand and at bank and short-term deposits with a maturity of generally less than three months. The following table sets out a breakdown of our cash and cash equivalents as of the dates indicated:

	As of December 31,		As of September 30,
	2023	2024	2025
	(RMB in thousands)		
Cash and bank balances	241,512	139,213	73,794
Denominated in:			
CNY	241,458	138,233	72,095
USD	—	701	1,613
JPY	—	245	—
HKD	54	34	86
Total	**241,512**	**139,213**	**73,794**

Our cash and cash equivalents decreased from RMB241.5 million as of December 31, 2023 to RMB139.2 million as of December 31, 2024 primarily due to our purchase of time deposits and increased cash used in operating activities. Our cash and cash equivalents decreased from RMB139.2 million as of December 31, 2024 to RMB73.8 million as of September 30, 2025 primarily due to increased cash used in operating activities.

Trade Payables

Our trade payables mainly include purchasing research and development services from CDMOs and CROs. Our trade payables increased from RMB6.6 million as of December 31, 2023 to RMB7.9 million as of December 31, 2024, and further increased to RMB9.6 million as of September 30, 2025, primarily due to an increase in payables for purchasing services from CDMOs and CROs in relation to the clinical development of our Core Products, which was in line with our continuous research and development activities.

The following table sets out an aging analysis of the trade payables based on their respective invoice and issue dates as of the dates indicated:

	As of December 31,		As of September 30,
	2023	2024	2025
		(RMB in thousands)	
Within one year	5,332	7,931	6,672
Over one year	1,288	—	2,880
Total	**6,620**	**7,931**	**9,552**

As of October 31, 2025, RMB0.2 million or 2.0% of our trade payables as of September 30, 2025 were subsequently settled.

We did not have any material defaults in payment of trade payables during the Track Record Period.

Other Payables and Accruals

Our other payables and accruals primarily consist of (i) payroll payable, (ii) tax payables, (iii) accrued listing expenses, and (iv) other payables. The following table sets out a breakdown of our other payables and accruals as of the dates indicated:

	As of December 31,		As of September 30,
	2023	2024	2025
		(RMB in thousands)	
Payroll payable	1,875	2,947	2,786
Tax payables	221	55	4
Accrued listing expenses	366	3,223	4,528
Other payables	439	704	480
Total	**2,901**	**6,929**	**7,798**

Our other payables and accruals increased significantly from RMB2.9 million as of December 31, 2023 to RMB6.9 million as of December 31, 2024, primarily due to an increase in accrued listing expenses. Our other payables and accruals increased from RMB6.9 million as of December 31, 2024 to RMB7.8 million as of September 30, 2025, primarily due to an increase in accrued listing expenses.

As of October 31, 2025, RMB3.9 million or 50.6% of our other payables and accruals as of September 30, 2025 were subsequently settled.

Non-current Assets and Liabilities

The following table sets out our non-current assets and liabilities as of the dates indicated:

	As of December 31,		As of September 30,
	2023	2024	2025
		(RMB in thousands)	
Non-current assets			
Property, plant and equipment	7,068	8,427	10,453
Right-of-use assets	6,495	5,290	5,092
Intangible assets	1,031	30,430	28,832
Prepayments, other receivables and other assets	3,591	3,787	4,473
Total non-current assets	**18,185**	**47,934**	**48,850**
Non-current liabilities			
Lease liabilities	2,738	923	1,169
Deferred income	—	646	646
Other financial liabilities	380,493	—	—
Other non-current liabilities	—	21,392	22,167
Total non-current liabilities	**383,231**	**22,961**	**23,982**

Our total non-current liabilities decreased significantly from RMB383.2 million as of December 31, 2023 to RMB23.0 million as of December 31, 2024, primarily due to a decrease in other financial liabilities as the financial instruments issued to Pre-IPO Investors have been reclassified as equity following the termination of their redemption rights. Pursuant to the supplemental agreement to the shareholders agreement dated February 23, 2024 entered into between us and the Shareholders. Our total non-current liabilities remained relatively stable at RMB23.0 million as of December 31, 2024 and RMB24.0 million as of September 30, 2025.

Property, Plant and Equipment

Our property, plant and equipment primarily consist of (i) machinery, (ii) office equipment, (iii) motor vehicle, (iv) electronic equipment, and (v) leasehold improvements. The following table sets out our property, plant and equipment as of the dates indicated:

	As of December 31,		As of September 30,
	2023	2024	2025
		(RMB in thousands)	
Machinery	4,700	6,077	8,472
Office equipment	281	387	440
Motor vehicle	—	195	162
Electronic equipment	405	679	746
Leasehold improvements	1,682	1,089	633
Total	**7,068**	**8,427**	**10,453**

Our property, plant and equipment increased from RMB7.1 million as of December 31, 2023 to RMB8.4 million as of December 31, 2024 and further increased to RMB10.5 million as of September 30, 2025, primarily due to an increase in machinery resulting from our purchase of new machinery for our R&D activities.

Right-of-use Assets

Our right-of-use assets are primarily leased properties. Our right-of-use assets decreased by 18.5% from RMB6.5 million as of December 31, 2023 to RMB5.3 million as of December 31, 2024, primarily due to regular depreciation of our leased properties. Our right-of-use assets remained relatively stable at RMB5.3 million as of December 31, 2024 and RMB5.1 million as of September 30, 2025.

Intangible Assets

Our intangible assets were primarily patents. Our intangible assets increased from RMB1.0 million as of December 31, 2023 to RMB30.4 million as of December 31, 2024, primarily due to our newly acquired patents in 2024. Our intangible assets remained relatively stable at RMB30.4 million as of December 31, 2024 and RMB28.8 million as of September 30, 2025.

Our non-financial assets are mainly R&D related machinery and equipment and equipment for normal office use. The leased assets are mainly houses and vehicles. Our intangible assets are patents, which have almost been amortized, and the balance is not significant. We have analyzed the indicators of impairment of non-financial assets in combination with the explicit provisions of the IAS 36 Standard on indicators of impairment and the use of non-financial assets. Considering the following factors: (i) our assets are in normal use, and their value does not fall sharply; (ii) the technological, market, economic, or legal environment in which we operate has not changed significantly in the current period or in the near future; (iii) market interest rates or other market rates of return on investments have not increased sharply during the period; (iv) the carrying amount of our net assets is not more than our market capitalization; (v) there is no evidence that we have damaged or obsolete assets; (vi) no significant adverse changes have taken place or are

expected to take place in the extent to which, or manner in which, our assets are used; and (vii) we are currently in the early stages of executing our business plan, with relatively little or no revenue from selling products or providing services, and our products are in the R&D stage, leading to operating losses, which is in line with management's expectations, we believe there is no situation where the economic performance of assets has been or will be lower/worse than expected. In conclusion, there is no sign of impairment of our non-financial assets, and there is no provision for impairment provided throughout the Track Record Period.

Non-Current Portion of Prepayments, Other Receivables and Other Assets

Our non-current portion of prepayments, other receivables and other assets primarily represents: (i) advance payments for property, plant and equipment; (ii) prepayment for a related party in relation to our leased properties; (iii) value-added tax recoverable, representing value-added taxes paid with respect to our procurement that can be credited against future value-added tax payables; and (iv) deposits for long-term leases. The following table sets out a breakdown of the non-current portion of our prepayments, other receivables and other assets as of the dates indicated:

	As of December 31,		As of September 30,
	2023	2024	2025
		(RMB in thousands)	
Advance payments for property, plant and equipment	577	1,043	96
Value-added tax recoverable	2,506	1,234	3,800
Prepayment for a related party	—	1,000	—
Deposits for leases	508	510	577
Total	**3,591**	**3,787**	**4,473**

Our non-current portion of prepayments, other receivables and other assets remained relatively stable at RMB3.6 million as of December 31, 2023 and RMB3.8 million as of December 31, 2024. Our non-current portion of prepayments, other receivables and other assets increased by 18.1% from RMB3.8 million as of December 31, 2024 to RMB4.5 million as of September 30, 2025, primarily due to increased value-added tax recoverable reflecting our procurement in relation to our R&D activities.

Other Financial Liabilities

Our other financial liabilities primarily represented redemption liabilities from our Pre-IPO Investments.

Our other financial liabilities decreased from RMB380.5 million as of December 31, 2023 to nil as of December 31, 2024 and nil as of September 30, 2025. Pursuant to the supplemental agreement to the shareholders agreement dated February 23, 2024 entered into between us and the Shareholders, the redemption right granted to the Pre-IPO Investors has been terminated on the date of such supplemental agreement. See "History, Development and Corporate Structure — Pre-IPO Investments."

KEY FINANCIAL RATIO

The following table sets out our key financial ratio as of the dates indicated:

	As of December 31,		As of September 30,
	2023	2024	2025
Current ratio[(1)]	20.9	8.3	4.1

Note:

(1) Represents current assets divided by current liabilities as of the same date.

Our current ratio decreased from 20.9 as of December 31, 2023 to 8.3 as of December 31, 2024, mainly as a result of a decrease in our cash and cash equivalents and an increase in our other payables and accruals in relation to listing expenses. Our current ratio decreased from 8.3 as of December 31, 2024 to 4.1 as of September 30, 2025, mainly as a result of (i) a decrease in our cash and cash equivalents, and (ii) an increase in our other payables and accruals in relation to listing expenses.

LIQUIDITY AND CAPITAL RESOURCES

Working Capital

Our principal uses of liquidity during the Track Record Period were to fund our research and development of our candidates and our clinical trials. During the Track Record Period, we primarily funded our working capital requirements through capital contributions from our Shareholders and private equity financing. We monitor our cash flows and cash balance on a regular basis and strive to maintain an optimal liquidity that can meet our working capital needs.

While we had net operating cash outflows and net losses during the Track Record Period, we believe our liquidity requirements will be satisfied by using funds from a combination of our cash and cash equivalents, net proceeds from the Global Offering and other funds raised from the capital markets from time to time. As of September 30, 2025, we had cash and cash equivalents of RMB73.8 million. We currently do not have any plans for material external debt financing. Taking into account the above, together with the estimated net proceeds from the Global Offering, our Directors are of the view that we have sufficient working capital to cover at least 125% of our costs, including research and development expenses, administrative expenses, finance costs and other expenses for at least the next 12 months from the date of this prospectus.

Our cash burn rate refers to the average monthly aggregate amount of (i) net cash used in operating activities; (ii) capital expenditures; and (iii) lease payments. Assuming that the average cash burn rate going forward of 2.3 times the level in the nine months ended September 30, 2025, we estimate that our total cash balance as of September 30, 2025 will be able to maintain our financial viability for approximately 4 months or, if taking into account the estimated net proceeds (based on the mid-point of the indicative Offer Price of HK$40.50 per Offer Share and assuming

the Over-allotment Option is not exercised) from the Global Offering, for at least 40 months. Our Directors and our management team 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.

Cash Flow

The following table sets out our cash flows for the periods indicated:

	Year ended December 31,		Nine months ended September 30,	
	2023	**2024**	**2024**	**2025**
	(RMB in thousands)			
Operating cash flows before movements in working capital	(59,720)	(99,510)	(79,829)	(58,814)
Movements in working capital	1,540	8,231	6,045	(1,302)
Interest received	237	1,178	776	688
Net cash flows used in operating activities	(57,943)	(90,101)	(73,008)	(59,428)
Net cash flows used in investing activities	(3,123)	(13,913)	(11,171)	(2,893)
Net cash flows from/(used in) financing activities	286,812	1,708	3,205	(3,086)
Net increase/ (decrease) in cash and cash equivalents	225,746	(102,306)	(80,974)	(65,407)
Cash and cash equivalents at the beginning of the year/period	15,765	241,512	241,512	139,213
Effects of foreign exchange rate changes, net	1	7	—	(12)
Cash and cash equivalents at the end of the year/period	**241,512**	**139,213**	**160,538**	**73,794**

Net Cash Flows Used in Operating Activities

Since the commencement of our business operation, we have incurred negative cash flows from our operations. Substantially all of our operating outflows have resulted from our cash used in our operations. Net cash used in operating activities primarily comprises our loss before tax for the year adjusted by: (i) non-operating items and non-cash items; and (ii) movements in working capital.

In the nine months ended September 30, 2025, our net cash used in operating activities was RMB59.4 million, which was primarily attributable to our loss before tax of RMB134.5 million, as adjusted by: (i) the add back of non-operating items and non-cash items, primarily comprising equity-settled share award expense of RMB68.5 million and depreciation of right-of-use assets of RMB3.4 million; and (ii) movements in working capital, including an increase in prepayments, other receivables and other assets of RMB3.8 million, partially offset by an increase in trade payables of RMB1.6 million and an increase in other payables and accruals of RMB0.9 million.

In 2024, our net cash used in operating activities was RMB90.1 million, which was primarily attributable to our loss before tax of RMB212.3 million, as adjusted by: (i) the add back of non-operating items and non-cash items, primarily comprising equity-settled share award expense of RMB100.2 million, finance costs of RMB6.0 million and depreciation of right-of-use assets of RMB4.2 million; and (ii) movements in working capital, including an increase in trade payables of RMB1.3 million, and a decrease in prepayments, other receivables and other assets of RMB2.2 million, partially offset by an increase in other payables and accruals of RMB4.7 million.

In 2023, our net cash used in operating activities was RMB57.9 million, which was primarily attributable to our loss before tax of RMB105.2 million, as adjusted by: (i) the add back of non-operating items and non-cash items, primarily comprising finance costs of RMB23.6 million, equity-settled share award expense of RMB14.7 million and depreciation of property, plant and equipment and right-of-use assets of RMB4.9 million and amortization of intangible assets of RMB2.0 million; and (ii) movements in working capital, including increases in trade payables, and other payables and accruals of RMB5.3 million, partially offset by an increase in prepayments, other receivables and other assets of RMB3.7 million.

In view of our net operating cash outflows throughout the Track Record Period, we plan to improve such position by (i) expediting the R&D, registration and commercialization of our Core Products; (ii) selectively seeking out-licensing opportunities for our product candidates; and (iii) further improving our operational efficiency to enhance our working capital position by reviewing regularly and updating our liquidity and funding policies to ensure that it is aligned with our business strategies and financial position, and preparing cash flow and funding summaries on a regular basis to monitor our cash flow. Our object is to improve liquidity to obtain a higher return for our Shareholders and maintain adequate risk management. After our product candidates are commercialized, we intend to closely monitor and manage the settlement of our trade receivables to prevent credit losses. We will also closely monitor the settlement of our trade payables to attain a better cash flow situation.

Net Cash Flows Used in Investing Activities

In the nine months ended September 30, 2025, our net cash used in investing activities was RMB2.9 million, which was attributable to purchases of property, plant and equipment of RMB2.9 million.

In 2024, our net cash used in investing activities was RMB13.9 million, which was primarily attributable to (i) purchase of time deposits with maturity date over three months of RMB20.0 million, and (ii) prepayments for intangible assets of RMB10.3 million, partially offset by proceeds from disposal of time deposits with maturity date over three months.

In 2023, our net cash used in investing activities was RMB3.1 million, which was primarily attributable to purchases of property, plant and equipment of RMB3.1 million.

Net Cash Flows From/(used in) Financing Activities

In the nine months ended September 30, 2025, our net cash used in financing activities was RMB3.1 million, which was attributable to principal portion of lease payments of RMB2.4 million and payment of listing expenses of RMB0.7 million.

In 2024, our net cash generated from financing activities was RMB1.7 million, which was primarily attributable to shareholder capital contribution of RMB8.2 million, partially offset by principal portion of lease payments of RMB5.1 million.

In 2023, our net cash generated from financing activities was RMB286.8 million, which was primarily attributable to proceeds from issuance of financial instruments with preferential rights in the Pre-IPO Investment in 2023 of RMB293.0 million, partially offset by principal portion of lease payments of RMB6.1 million.

CASH OPERATING COSTS

The following table sets out our cash operating costs for the periods indicated:

	Year ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
	(RMB in thousands)		*(unaudited)*	
Research and development costs for Core Products				
Clinical trial expenses	11,476	21,627	18,186	8,078
Materials consumed	5,159	4,604	4,137	3,613
Staff costs	7,494	9,981	7,118	7,272
Others[(1)]	1,343	1,301	909	1,043
Sub-total	**25,472**	**37,514**	**30,349**	**31,839**
Research and development costs for other products				
Pre-clinical studies	574	477	535	666
Materials consumed	471	427	141	1,106
Staff costs	3,051	4,378	3,205	4,780
Others[(1)]	139	859	559	1,185
Sub-total	**4,235**	**6,141**	**4,441**	**7,738**
Total research and development expenses	**29,707**	**43,655**	**34,790**	**27,744**
Workforce employment costs[(2)]	14,227	18,306	13,496	15,028

Notes:

(1) Others mainly include office expenses, traveling expenses and conference expenses.

(2) Workforce employment costs represent non-research and development staff costs mainly including salaries and benefits.

INDEBTEDNESS

As of December 31, 2023, 2024 September 30, 2025 and October 31, 2025, our indebtedness comprises lease liabilities and other financial liabilities, primarily representing the financial instruments with preferential rights. We did not have any bank borrowings during the Track Record Period. The following table sets out our indebtedness as of the dates indicated:

	As of December 31,		As of September 30,	As of October 31,
	2023	2024	2025	2025
	(RMB in thousands)			
				(unaudited)
Lease liabilities				
— Non-current lease liabilities	2,738	923	1,169	947
— Current lease liabilities	2,211	2,256	2,088	2,062
Other financial liabilities				
— Financial instruments with preferential rights	380,493	—	—	—
Other payables and accruals due to Mr. WANG Kelong	8	8	—	—
Total	**385,450**	**3,187**	**3,257**	**3,009**

Our lease liabilities decreased from RMB4.9 million as of December 31, 2023 to RMB3.2 million as of December 31, 2024, primarily due to termination of certain of our leases for office space and laboratories in Beijing and Qingdao. Our lease liabilities remained relatively stable at RMB3.2 million, RMB3.3 million and RMB3.0 million as of December 31, 2024, September 30, 2025 and October 31, 2025.

We entered into a supplemental agreement with our investors of series of financing to terminate certain preferential rights on February 23, 2024. According to the supplemental agreement, our financial liabilities with a carrying amount of RMB386.2 million as of February 23, 2024 were derecognized and recorded to equity.

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.

Except as disclosed above, during the Track Record Period, we did not have any material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance leases or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees. Our Directors confirm that there has not been any material change in our indebtedness since October 31, 2025 up to the date of this prospectus.

CONTINGENT LIABILITIES

We did not have any material contingent liabilities as of December 31, 2023, 2024 and September 30, 2025 and the Latest Practicable Date.

CAPITAL EXPENDITURES

Our capital expenditures during the Track Record Period were primarily related to our purchases of property, plant and equipment. We funded our capital expenditure requirements during the Track Record Period mainly from capital contributions from our Shareholders and equity financing. The following table sets out the details of our capital expenditure for the periods indicated:

	Year ended December 31,		Nine months ended September 30,
	2023	2024	2025
		(RMB in thousands)	
Purchases of property, plant and equipment.	3,123	3,849	2,893

We plan to fund our planned capital expenditures using cash generated from operations and the net proceeds received from the Global Offering. See "Future Plans and Use of Proceeds." We may reallocate the fund to be utilized on capital expenditure based on our ongoing business needs. We expect that our capital expenditures for 2024 will primarily be related to the purchase of equipment and instruments for research and development and quality control activities.

CAPITAL COMMITMENTS

Our capital commitments as of December 31, 2023, 2024 and September 30, 2025 were related to property, plant and equipment. See Note 27 to the Accountants' Report in Appendix I to this prospectus. The following table sets forth our capital commitments as of the dates indicated:

	As of December 31,		As of September 30,
	2023	2024	2025
		(RMB in thousands)	
Property, plant and equipment	90	788	349

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet arrangements.

FINANCIAL RISK DISCLOSURE

Our principal financial instruments comprise cash and cash equivalents, financial assets included in prepayments, other receivables and other assets, trade payables, financial liabilities included in other payables and accruals, other financial liabilities and other non-current liabilities. The main purpose of these financial instruments is to raise finance for our operations.

The main risks arising from our financial instruments are credit risk and liquidity risk. The board and senior management meet periodically to analyze and formulate measures to manage our exposure to these risks.

Credit Risk

The carrying amounts of cash and cash equivalents and financial assets included in prepayments, other receivables and other assets, represent our maximum exposure equal to credit risk in relation to the financial assets.

We expect that there is no significant credit risk associated with cash and bank balances, financial assets measured at amortized cost since they are substantially held in reputable state-owned banks and other medium or large-sized listed banks. Management does not expect that there will be any significant losses from on-performance by these counterparties.

We trade only with recognized and creditworthy third parties. It is our policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In order to minimize the credit risk, we review the recoverable amount of each individual trade receivable periodically and management also has monitoring procedures to ensure the follow-up action is taken to recover overdue receivables. In this regard, our Directors consider that our credit risk is significantly reduced.

For financial assets included in prepayments, other receivables and other assets relate to receivables for which there was no recent history of default and past due amounts. We seek to maintain strict control over our outstanding receivables to minimize credit risk. Long aging balances are reviewed regularly by senior management. In view of the fact that deposits and other receivables relate to diversified counter parties, there is no significant concentration of credit risk. Our Directors believe that there is no material credit risk inherent in our outstanding balances.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on our credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December and 31 May. The amounts presented are gross carrying amounts for financial assets.

As of December 31, 2023

	12-month ECLs
	Stage 1
	(RMB in thousands)
Financial assets included in prepayments, other receivables and other assets — Normal[(1)]	1,540
Cash and cash equivalents — Not yet past due	241,512
Total	**243,052**

As of December 31, 2024

	12-month ECLs
	Stage 1
	(RMB in thousands)
Financial assets included in prepayments, other receivables and other assets — Normal[(1)]	879
Cash and cash equivalents — Not yet past due	139,213
Total	**140,092**

As of September 30, 2025

	12-month ECLs
	Stage 1
	(RMB in thousands)
Financial assets included in prepayments, other receivables and other assets — Normal[(1)]	1,237
Cash and cash equivalents — Not yet past due	73,794
Total	**75,031**

(1) The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful."

Liquidity risk

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.

The maturity profile of our financial liabilities and lease liabilities as of the end of each of the Track Record Period, based on the contractual undiscounted payments, is as follows:

	Less than 1 year	1 to 5 years	Over 5 years	Total
		(RMB in thousands)		
December 31, 2023				
Financial liabilities included in other payables and accruals	805	—	—	805
Trade payables	6,620	—	—	6,620
Other financial liabilities	—	399,970	—	399,970
Lease liabilities	2,360	2,821	—	5,181
Total	9,785	402,791	—	412,576
December 31, 2024				
Financial liabilities included in other payables and accruals	3,927	—	—	3,927
Trade payables	7,931	—	—	7,931
Lease liabilities	2,351	935	—	3,286
Other non-current liabilities	—	10,000	20,000	30,000
Total	14,209	10,935	20,000	45,144
September 30, 2025				
Financial liabilities included in other payables and accruals	5,008	—	—	5,008
Trade payables	9,552	—	—	9,552
Lease liabilities	2,146	1,185	—	3,331
Other non-current liabilities	—	10,000	20,000	30,000
Total	16,706	11,185	20,000	47,891

Capital management

The primary objectives of our capital management are to safeguard our ability to continue as a going concern and to maintain healthy capital ratios in order to support our business and maximize Shareholders' value.

We manage our capital structure and make 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, we may adjust the dividend payment to Shareholders, return capital to Shareholders or issue new shares. We are not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Track Record Period.

MATERIAL RELATED PARTY TRANSACTIONS

For more details about our related party transactions during the Track Record Period, see Note 29 in Appendix I to this prospectus. Our Directors believe that our transactions with related parties during the Track Record Period were conducted on an arm's length basis, and they did not distort our results of operations or make our historical results not reflective of our future performance.

DIVIDEND

No dividend was paid or declared by our Company or other entities comprising our Group during the Track Record Period.

Any future declarations and payments of dividends will be at the absolute discretion of our Directors and will depend on our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors which our Directors consider relevant. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. In view of our accumulated losses, as advised by our PRC Legal Advisors, we shall not declare or pay dividend until the accumulated losses are covered by our after-tax profits and sufficient statutory common reserve is drawn in accordance with the relevant laws and regulations. According to relevant PRC laws, 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 until such fund has reached more than 50% of our registered capital. As a result, we may not have sufficient or any distributable profits to make dividend contributions to our Shareholders, even if we become profitable. As of September 30, 2025, we did not have formal dividend policy or any pre-determined dividend payout ratio.

DISTRIBUTABLE RESERVES

As of September 30, 2025, we did not have any distributable reserves.

LISTING EXPENSES

Listing expenses represent professional fees, underwriting commission and other fees incurred in connection with the Global Offering. We expect to incur listing expenses of approximately RMB71.3 million (HK$78.3 million), comprising: (i) underwriting fees of RMB25.1 million (HK$27.5 million); and (ii) non-underwriting-related expenses of RMB46.2 million (HK$50.8 million), which are further categorized into: (a) fees and expenses of legal advisors and accountants of RMB30.8 million (HK$33.9 million); and (b) other fees and expenses of RMB15.4 million (HK$16.9 million), assuming the Over-allotment Option is not exercised and based on the Offer Price of HK$44.6 per Offer Share (being the mid-point of the indicative Offer Price range), approximately RMB37.4 million (HK$41.1 million) of which has been and will be charged to our consolidated statements of profit or loss (including RMB347 thousand (HK$316 thousand), RMB3,007 thousand (HK$2,735 thousand), RMB1,324 thousand (HK$1,204 thousand), RMB21,248 thousand (HK$19,329 thousand) and RMB7,350 thousand (HK$6,686 thousand) has been charged, in 2020, 2022, 2023, 2024 and the nine months ended September 30, 2025), and approximately RMB33.8 million (HK$37.2 million) of which will be deducted from equity upon

the completion of the Global Offering. The listing expenses are expected to represent approximately 10% of the gross proceeds of the Global Offering, assuming an Offer Price of HK$44.6 per Offer Share (being the mid-point of the indicative Offer Price range) and that the Over-allotment Option is not exercised. The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

UNAUDITED PRO FORMA STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

See "Appendix II — Unaudited Pro Forma Financial Information."

IMPACT OF THE COVID-19 PANDEMIC

During the Track Record Period and up to the Latest Practicable Date, we had not experienced material disruptions in our operations as a result of the COVID-19 pandemic. As our research center is located in a standalone building with a relatively isolated working environment, it reduced the risk of cross-infection among employees. To ensure the progress of our R&D activities, our employees have prioritized their work by staying on the premises, thereby minimizing external exposure and the risk of infection. In addition, we maintained adequate inventory of reagents and consumables necessary for R&D purposes to ensure the continuity of our research operations. In response to the challenges posed by the COVID-19 pandemic and the constraints on our financing activities, we made necessary adjustments to our employees' salaries and the contribution ratio of housing provident funds in 2022 to better align with our financial circumstances. See "Business — Employees." As of the Latest Practicable Date, the adjustment to our employees' salaries and the contribution ratio of housing provident funds has resumed back to pre-COVID-19 level. Since the time that we made salary adjustment and up until the Latest Practical Date, there had been no material changes to our core research and development personnel or management team during the Track Record Period. Based on the above, the overall impact of the COVID-19 pandemic on our research and development activities, drug development timeline, relationships with collaborators, business and results of operations has been immaterial, and especially as the COVID-19 pandemic has come under control as of the Latest Practicable Date and our Directors are of the view that it is unlikely that COVID-19 pandemic will have material adverse impact on our business, financial condition and results of operations going forward.

NO MATERIAL ADVERSE CHANGE

After performing sufficient due diligence work which our Directors consider appropriate and after due and careful consideration, our Directors confirm that, up to the date of this prospectus, save as disclosed in "Summary — Recent Development," there has been no material adverse change in our financial or trading position or prospects since September 30, 2025, being the end date of the periods reported in Appendix I to this prospectus, and there has been no event since September 30, 2025 that would materially affect the information as set out to the Accountants' Report in Appendix I to this prospectus.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS

See "Business — Our Strategies" in this prospectus for a detailed description of our future plans.

USE OF PROCEEDS

Assuming that the Over-allotment Option is not exercised, after deducting the underwriting commissions and other estimated offering expenses paid and payable by us in connection with the Global Offering, and assuming an Offer Price of HK$44.60 per Share (being the mid-point of the indicative Offer Price range of HK$38.20 and HK$51.00), we estimate that we will receive net proceeds of approximately HK$708.8 million from the Global Offering.

We intend to use the proceeds from the Global Offering for the purposes and in the amounts set forth below, subject to changes in light of our evolving business needs and changing market condition:

- approximately 61.8% of the net proceeds, or HK$437.6 million, will be used for funding the continual clinical development and commercialization of our Core Products, Pro-101-1 and Pro-101-2, which is the primary reason for the Listing. The allocation of the net proceeds to the clinical development of our Core Products also echoes our research and development expenses attributable to the Core Products during the Track Record Period, indicating our consistent priority on the development of our Core Products. In 2023, 2024 and the nine months ended September 30, 2024 and 2025, our research and development expenses attributable to our Core Products were RMB33.3 million, RMB56.6 million, RMB43.6 million and RMB31.8 million, respectively, accounting for 83.4%, 61.9%, 62.5% and 52.0% of our total research and development expenses in the same periods, respectively.

    - approximately 24.9% of the net proceeds, or HK$176.0 million, will be used for carrying out the continual clinical development of our Core Product Pro-101-1 in thermal burns in China, U.S. and Japan.

        - approximately 12.6% of the net proceeds, or HK$89.6 million, will be used for carrying out the continuous clinical trials activities of our Core Product Pro-101-1 in thermal burns in China, including Phase IIb, Phase IIIa and Phase IIIb clinical trials, and preparation of pre-NDA. We completed the Phase IIa clinical trial of Pro-101-1 in thermal burns in China in May 2023. We commenced the Phase IIb clinical trial of Pro-101-1 in thermal burns in China in December 2023. We completed the last patient out for Phase IIb clinical trial for the treatment of superficial second-degree burns and deep second-degree burns in April 2025, and expect to finalize the Phase IIb clinical trial report for the treatment of deep second-degree burns in December 2025, and the Phase IIb clinical trial report for the treatment of superficial second-degree burns in the second quarter of 2026. We intend to initiate Phase IIIa clinical trial of Pro-101-1 for the treatment of deep second-degree burns in the first quarter of 2026, and initiate the Phase IIIb following the completion of the Phase IIIa clinical trial. We plan to enroll a total of 500 patients with second-degree burns for the Phase IIIa and Phase

IIIb clinical trials of Pro-101-1 in China. We plan to launch the Pro-101-1 product in China in 2027. The progression to Phase III clinical trials of Pro-101-1 for the treatment of superficial second-degree burns will depend on the statistical data obtained from Phase IIb clinical trials and subsequent communication with the CDE. See "Summary — Our Pipeline — Core Products." As such, no proceeds have been allocated for this purpose at this stage.

  - approximately 11.5% of the net proceeds, or HK$81.8 million, will be used for payment of the expenses of third-parties' services of the Phase IIb, Phase IIIa and Phase IIIb clinical trials in China for Pro-101-1 in thermal burns, of which (i) approximately 3.3% of the net proceeds, or HK$23.4 million, will be used for the Phase IIb clinical trial, and (ii) approximately 8.2% of the net proceeds, or HK$58.4 million, will be used for the Phase IIIa and Phase IIIb clinical trials; and

  - approximately 1.1% of the net proceeds, or HK$7.8 million, will be used for payment of R&D personnel costs of the Phase IIb, Phase IIIa and Phase IIIb clinical trials in China for Pro-101-1 in thermal burns, of which (i) approximately 0.2% of the net proceeds, or HK$1.2 million, will be used for the Phase IIb clinical trial, and (ii) approximately 0.9% of the net proceeds, or HK$6.6 million, will be used for the Phase IIIa and Phase IIIb clinical trials and the preparation of pre-NDA.

- approximately 8.3% of the net proceeds, or HK$58.4 million, will be used for carrying out the continual clinical development of our Core Product Pro-101-1 in thermal burns in the U.S., including preparation of pre-IND and IND application and Phase III clinical trials for the treatment of deep second-degree burns. We submitted a pre-IND communication application to the FDA in December 2021 with respect to Pro-101-1 for thermal burns. In their response, the FDA agreed with our proposal to carry out the clinical trials and submit a BLA via section 351(a) pathway (the pathway for approval of innovator biologics) for Pro-101-1 in thermal burns. Since we have already completed Phase I, Phase IIa and IIb clinical trials for thermal burns in China, in accordance with the Ethnic Factors in the Acceptability of Foreign Clinical Data published by FDA, we meet the requirements to apply to the FDA for directly entering into Phase III clinical trials for the treatment of deep second-degree burns using the data from these trials conducted in China. We plan to submit the IND application to the FDA in the first quarter of 2026 for carrying out multi-center clinical trials of Pro-101-1. We plan to enroll no fewer than 50 patients with second-degree burns for the clinical trials of Pro-101-1 in the U.S. starting from the second quarter of 2026, meeting the enrollment requirements. Following the anticipated NDA approval from the NMPA in 2027, we will proceed with the NDA submission to FDA. As of the Latest Practicable Date, apart from our communications with the FDA in December 2021 on the clinical plans of Pro-101-1 in the U.S., we did not have any other communications with the FDA.

- approximately 7.2% of the net proceeds, or HK$50.6 million, will be used for payment of expenses of third-parties' services of the clinical trials in the U.S. for Pro-101-1 in thermal burns. In particular, (i) approximately 1.8% of the net proceeds, or HK$12.5 million, will be used to support our pharmaceutical research and non-clinical studies based on the pre-IND communications with the FDA, (ii) approximately 0.7% of the net proceeds, or HK$5.0 million, will be used to support our preparation of IND application materials and submission of IND filing to the FDA, and (iii) approximately 4.7% of the net proceeds, or HK$33.1 million, will be used to support our Phase III clinical trials for the treatment of deep second-degree burns in the U.S.; and

- approximately 1.1% of the net proceeds, or HK$7.8 million, will be used for payment of R&D personnel costs of the Phase III clinical trials in the U.S. for Pro-101-1 in thermal burns.

- approximately 4.0% of the net proceeds, or HK$28.0 million, will be used for carrying out the continual clinical development of our Core Product Pro-101-1 in thermal burns in Japan, including preparation of CTN application and Phase III clinical trials for the treatment of deep second-degree burns. We intend to submit CTN filing in Japan in the first quarter of 2027 and initiate the Phase III clinical trials for the treatment of deep second-degree burns in Japan in the third quarter of 2027. As of the Latest Practicable Date, we did not have any communications with the PMDA.

  - approximately 3.7% of the net proceeds, or HK$25.8 million, will be used for payment of expenses of third-parties' services of the clinical trials in Japan for Pro-101-1 in thermal burns. In particular, (i) approximately 0.4% of the net proceeds, or HK$2.5 million, will be used to support our preparation of CTN application materials and submission of CTN filing to the PMDA, and (ii) approximately 3.3% of the net proceeds, or HK$23.3 million, will be used to support our Phase III clinical trials in Japan; and

  - approximately 0.3% of the net proceeds, or HK$2.2 million, will be used for payment of R&D personnel costs of the Phase III clinical trials in Japan for Pro-101-1 in in thermal burns.

- approximately 20.0% of the net proceeds, or HK$141.6 million, will be used for carrying out the continual clinical development of our Core Product Pro-101-2 in DFUs in China, the U.S. and Japan.

  - approximately 12.1% of the net proceeds, or HK$85.7 million, will be used for carrying out the continual clinical clinical development of our Core Product Pro-101-2 in DFUs in China, including Phase II and Phase III clinical trials. We initiated the Phase II clinical trial of Pro-101-2 in DFUs in China in February 2022 and expect to complete the trial in the second quarter of 2027. We intend to initiate the Phase III clinical trial in China in the third

quarter of 2027 and complete the trial in the second quarter of 2029. We plan to enroll 300 patients with DFUs for the Phase III clinical trial of Pro-101-2 in China, subject to the clinical results of Phase II clinical trial and approval by the CDE. We plan to launch Pro-101-2 in China in 2030.

  - approximately 11.0% of the net proceeds, or HK$77.9 million, will be used for payment of the expenses of third-parties' services of the Phase II and Phase III clinical trials in China for Pro-101-2 in DFUs, of which (i) approximately 2.3% of the net proceeds, or HK$16.0 million, will be used for the Phase II clinical trial, and (ii) approximately 8.7% of the net proceeds, or HK$61.9 million, will be used for the Phase III clinical trial; and

  - approximately 1.1% of the net proceeds, or HK$7.8 million, will be used for payment of R&D personnel costs of the Phase II and Phase III clinical trials in China for Pro-101-2 in DFUs, of which (i) approximately 1.0% of the net proceeds, or HK$7.0 million, will be used for the Phase II clinical trial, and (ii) approximately 0.1% of the net proceeds, or HK$0.8 million, will be used for the Phase III clinical trial.

- approximately 3.9% of the net proceeds, or HK$27.9 million, will be used for carrying out the continual clinical development of our Core Product Pro-101-2 in DFUs in the U.S., including preparation of IND application and Phase III clinical trials. We intend to submit IND filing in the U.S. in the first quarter of 2027 and initiate the Phase III clinical trials in the U.S. in the third quarter of 2027. As of the Latest Practicable Date, we did not have any communications with the FDA.

  - approximately 3.2% of the net proceeds, or HK$22.9 million, will be used for payment of expenses of third-parties' services of the clinical trials in the U.S. for Pro-101-2 in DFUs. In particular, (i) approximately 0.2% of the net proceeds, or HK$1.1 million, will be used to support our preparation of IND application materials and submission of IND filing to the FDA, and (ii) approximately 3.0% of the net proceeds, or HK$21.8 million, will be used to support our Phase III clinical trials in the U.S.; and

  - approximately 0.7% of the net proceeds, or HK$5.0 million, will be used for payment of R&D personnel costs of the Phase III clinical trials in the U.S. for Pro-101-2 in DFUs.

- approximately 4.0% of the net proceeds, or HK$28.0 million, will be used for carrying out the continual clinical development of our Core Product Pro-101-2 in DFUs in Japan, including preparation of CTN application and Phase III clinical trials. We intend to submit CTN filing in Japan in the first quarter of 2027 and initiate the Phase III clinical trial in Japan in the third quarter of 2027. As of the Latest Practicable Date, we did not have any communications with the PMDA.

- approximately 3.6% of the net proceeds, or HK$25.8 million, will be used for payment of expenses of third-parties' services of the clinical trials in Japan for Pro-101-2 in DFUs. In particular, (i) approximately 0.2% of the net proceeds, or HK$1.1 million, will be used to support our preparation of CTN application materials and submission of CTN filing to the PMDA, and (ii) approximately 3.4% of the net proceeds, or HK$24.7 million, will be used to support our Phase III clinical trial in the Japan; and

- approximately 0.4% of the net proceeds, or HK$2.2 million, will be used for payment of R&D personnel costs of the Phase III clinical trial in Japan for Pro-101-2 in DFUs.

For the further development of the Core Products, the third-party services will mainly include clinical operational tasks such as study management, data management, clinical sample preparation, patient enrollment, analytical test based on requirements specified by us, execution of clinical trials, preparation of first drafts of clinical reports, contractual GMP manufacturing and analytical testing based on the predefined specification provided by us, process scale-up studies, and third-party audits. Meanwhile, our R&D team will be fully responsible for selecting research institutions, determining and finalizing clinical trial design, formulating drug production plans, arranging for drug production, testing, release, drug blinding and transportation, monitoring and supervising the execution of clinical trials, collecting SAEs, evaluating suspected unexpected serious adverse reactions, finalizing clinical reports, and managing the registration and updating of information on the CDE website.

We plan to allocate a substantial percentage of the net proceeds to third-party services, as compared to the Track Record Period, mainly due to the difference in the R&D activities for the clinical development of the Core Products. The following table sets forth the details of the clinical activities of our Core Products during the Track Record Period and from three months ending December 31, 2025 to 2027.

Pro-101-1	**During the Track Record Period**	**From three months ending December 31, 2025 to 2027**
Number of patients enrolled/to be enrolled	60 (Phase IIa); 352 (Phase IIb)	0 (Phase IIb) 500 (Phase IIIa and IIIb)
Number of research and medical institutions involved/to be involved	9 (Phase IIa); 28 (Phase IIb)	0 (Phase IIb) 30–40 (Phase IIIa and IIIb)
Duration of the clinical trials	8 months for the Phase IIa clinical trial; 17 months for Phase IIb clinical trial	18 months for Phase IIIa and IIIb clinical trial
Overseas third-party services	—	We will incur additional expenses on the engagement of overseas third-party services to submit IND filing and conduct clinical trials.

Pro-101-2	During the Track Record Period	From three months ending December 31, 2025 to 2027
Number of patients enrolled/to be enrolled	68 (Phase II)	160 (Phase II)
Number of research and medical institutions involved/to be involved	22 (Phase II)	28 (Phase II)
Duration of the clinical trials	The Phase II clinical trial spans from 2022 to 2027; The Phase III clinical trial is expected to initiate in the third quarter of 2027.	
Overseas third-party services	—	We will incur additional expenses on the engagement of overseas third-party services to submit IND filing and conduct clinical trials.

  - approximately 16.9% of the net proceeds, or HK$120.0 million, will be used for strengthening our commercialization and marketing capabilities. In particular, we intend to (i) establish a dedicated marketing team by recruiting sales representatives, medical affairs professionals, and marketing personnel, (ii) strengthen our marketing capabilities primarily through academic promotion activities, such as hosting or participating in industry conferences and publishing relevant research papers, (iii) develop our distribution channels by partnering with leading pharmacies and establish digital infrastructure by creating platforms for academic exchange among physicians and building patient management systems, and (iv) conduct overseas market research and engage in discussions with international pharmaceutical companies to prepare for overseas commercialization.

- approximately 18.8% of the net proceeds, or HK$133.5 million, will be used for enhancing our research and development capabilities by purchasing specialized equipment and instruments related to our research and development and quality control activities. The equipment and systems to be purchased comprise a wide variety of types and can be categorized into four main groups as follows: (i) approximately 9.4% of the net proceeds, or HK$66.8 million will be used to enhance upstream process development capabilities of biomacromolecule therapeutic drugs by procuring systems such as quadruple fermentation system, pilot fermentation system, chromatography system and pilot chromatography system, (ii) approximately 1.6% of the net proceeds, or HK$11.1 million will be used to enhance the excipient screening at the early stage of formulation development, refine drug-target affinity determination, and improve formulation prescription and stability analysis by procuring equipment such as protein interaction analyzer and protein stability analyzer, (iii) approximately 3.1% of the net proceeds, or HK$22.3 million will be used to facilitate real-time evaluation of drug efficacy and localization by procuring equipment such as small animal imaging system, and (iv) approximately 4.7% of the net proceeds, or HK$33.4 million will be used to inspect the impurities and content of materials, stock solutions, intermediate products and formulated products by procuring equipment such as Q-Exactive series mass

spectrometers, gas chromatographs, capillary electrophoresis and liquid chromatographs. The equipment and systems to be purchased are intended to enhance our overall R&D and quality control capabilities and will be utilized not only for our Core Products, but also for other pipeline products under development. The allocation of proceeds for equipment procurement is separate from the clinical development expenses of our Core Products, which are primarily related to third-party services and R&D personnel costs associated with clinical trials.

Our existing equipment reliably supports our R&D and quality control activities, meeting current operational and quality management requirements. However, acquiring new specialized equipment and instruments is expected to further enhance our research and development capabilities, accelerate the progress of drug discovery, and enable us to more effectively navigate complex medical innovation pathways, as well as to strengthen our quality control capabilities to ensure that our products meet the stringent safety and efficacy standards required by the relevant industries and jurisdictions. For example, we plan to purchase an additional liquid chromatography system to increase detection throughput and improve sample testing efficiency. Additionally, we also intend to acquire capillary electrophoresis and gas chromatography systems, which is expected to expand our detection parameters, reduce outsourced testing and enable us to exercise more detailed control over experimental specifics.

- approximately 6.3% of the net proceeds, or HK$44.5 million, will be used for payment of the expenses of third-parties' services, R&D personnel costs and raw materials costs of the continual pre-clinical research and development of our PDGF products other than the Core Products for other indications, such as fresh wounds, pressure ulcers and radiation ulcers. In particular, approximately HK$16.6 million, HK$14.5 million, and HK$13.4 million, will be used in 2026, 2027 and 2028, respectively, of which HK$42.6 million and HK$2.0 million will be used in third-parties' services, and other costs including R&D personnel costs and raw materials costs, respectively. During the pre-clinical studies, we will be responsible for preparation of PDGF raw liquids and PDGF gel, stability studies of PDGF stock solution and PDGF gel, optimization of PDGF stock solution preparation processes and formulation, design of pharmacodynamics and pharmacokinetics studies, and preparation of IND application documents. The third-party services will mainly include laboratory animal husbandry, preparation of clinical trial samples of PDGF stock solution and PDGF gel, conducting of immunohistochemistry and mass spectrometry testing, and execution of pharmacodynamics, pharmacokinetic and toxicological experiments. The following table sets forth the breakdown of net proceeds that will be used for our PDGF products other than the Core Products by nature for the periods indicated.

Candidate	Use of net proceeds	Expected net proceeds to be used		
		For the year ending December 31,		
		2026	2027	2028
		(HK$ in million)		
Pro-101-3	Third-parties' services fees	3.2	2.7	1.2
	R&D personnel & raw materials costs	0.5	0.3	0.2
Pro-102	Third-parties' services fees	0.5	0.5	8.0
	R&D personnel & raw materials costs	0.1	0.1	0.2
Pro-103	Third-parties' services fees	11.4	6.0	0.2
	R&D personnel & raw materials costs	0.3	0.2	—
Pro-104	Third-parties' services fees	0.5	0.5	0.4
	R&D personnel & raw materials costs	0.1	0.1	0.1
Pro-105	Third-parties' services fees	0.1	4.0	3.0
	R&D personnel & raw materials costs	—	0.1	0.1
Total		**16.6**	**14.5**	**13.4**

- approximately 3.1% of the net proceeds, or HK$22.3 million, will be used for payment of the expenses of third-parties' services, R&D personnel costs and raw materials costs of pre-clinical research and development activities of our Mes-201, Oli-101 and Oli-201. In particular, approximately HK$7.8 million, HK$7.8 million, and HK$6.7 million, will be used in 2026, 2027 and 2028, respectively, of which HK$20.4 million and HK$1.9 million will be used in third-parties' services, and other costs including R&D personnel costs and raw materials costs, respectively. During the pre-clinical studies, we will be responsible for establishment of cellular and animal evaluation models, optimization of mRNA-LNP assay methods, establishment and optimization of mRNA pipeline quality standards, screening and optimization of mRNA-associated components, optimization of LNP preparation methods, establishment of ASO quality standards, execution of efficacy pre-tests, and exploration of dosage and administration time windows. The third-party services will mainly include laboratory animal husbandry, bioinformatics analysis, execution of pharmacodynamics experiments, conducting immunogenicity testing and sequence synthesis. The following table sets forth the breakdown of net proceeds that will be used for our Mes-201, Oli-101 and Oli-201by nature for the periods indicated.

Candidate	Use of net proceeds	Expected net proceeds to be used		
		For the year ending December 31,		
		2026	2027	2028
		(HK$ in million)		
Mes-201	Third-parties' services fees	6.1	6.1	1.5
	R&D personnel & raw materials costs	0.4	0.3	0.1
Oli-101	Third-parties' services fees	0.8	0.7	4.3
	R&D personnel & raw materials costs	0.2	0.3	0.3
Oli-201	Third-parties' services fees	0.3	0.3	0.4
	R&D personnel & raw materials costs	0.1	0.1	0.2
Total		**7.8**	**7.8**	**6.7**

- approximately 10.0% of the net proceeds, or HK$70.9 million, as working capital and for general corporate uses.

In the event that the Offer Price is set at the maximum Offer Price or the minimum Offer Price of the indicative Offer Price range, the net proceeds of the Global Offering will increase or decrease by approximately HK$109.0 million.

The additional net proceeds that we would receive if the Over-allotment Option were exercised in full would be (i) HK$133.6 million (assuming an Offer Price of HK$51.00 per Share, being the maximum Offer Price of the indicative Offer Price range), (ii) HK$116.9 million (assuming an Offer Price of HK$44.60 per Share, being the mid-point of the indicative Offer Price range), or (iii) HK$100.1 million (assuming an Offer Price of HK$38.20 per Share, being the minimum Offer Price of the indicative Offer Price range).

To the extent that the net proceeds from the Global Offering are either more or less than expected, we will adjust our allocation of the net proceeds for the above purposes on a pro rata basis.

To the extent that the net proceeds of the Global Offering are not sufficient to fund our development plan, we intend to fund the shortfall with our cash and cash equivalents, as well as other financing arrangements from the capital and debt markets, to develop our Core Products and other product candidates.

If the net proceeds are not immediately applied to the above purposes, we will only deposit those net proceeds into 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). We will make an appropriate announcement if there is any change to the above proposed use of proceeds.

HONG KONG UNDERWRITERS

Huatai Financial Holdings (Hong Kong) Limited

CLSA Limited

China Merchants Securities (HK) Co., Limited

CMBC Securities Company Limited

China Galaxy International Securities (Hong Kong) Co., Limited

Guolian Securities International Capital Co., Limited

CMB International Capital Limited

Central China International Securities Co., Limited

Futu Securities International (Hong Kong) Limited

Huafu International Securities Limited

Livermore Holdings Limited

SPDB International Capital Limited

Fortune (HK) Securities Limited

Zinvest Global Limited

Winbull Securities International (Hong Kong) Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, we are offering 1,765,000 Hong Kong Offer Shares for subscription by the public in Hong Kong at the Offer Price on, and subject to, the terms and conditions set out in this prospectus.

Subject to:

(a) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, our H Shares to be issued as mentioned herein (including any additional H Shares which may be made available pursuant to the exercise of the

Over-allotment Option), or otherwise described in this prospectus and such listing of and permission to deal in the H Shares not subsequently having been revoked prior to the commencement of dealings in the H Shares on the Stock Exchange;

(b) the International Underwriting Agreement having been signed and becoming, and continuing to be, unconditional in accordance with its terms and not having been terminated in accordance with its terms or otherwise, prior to 8:00 a.m. on the Listing Date; and

(c) certain other conditions set out in the Hong Kong Underwriting Agreement,

the Hong Kong Underwriters have agreed severally, but not jointly, to subscribe for or procure subscribers for their respective applicable proportions of the Hong Kong Offer Shares which are being offered but are not taken up under the Hong Kong Public Offering on the terms and subject to the conditions of this prospectus and the Hong Kong Underwriting Agreement.

Grounds for Termination

The Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) shall be entitled by notice (in writing) to the Company to terminate the Hong Kong Underwriting Agreement with immediate effect if prior to 8:00 a.m. on the Listing Date:

(1) there develops, occurs, exists or comes into force:

(i). any new law or regulation or any change or development involving a prospective change or any event or series of events or circumstances likely to result in a change or a development involving a prospective change in existing laws or regulations, or the interpretation or application thereof by any court or any competent Authority in or affecting Hong Kong, the PRC, the United States, the United Kingdom, the European Union, Japan, Singapore, or other jurisdictions relevant to the Group or the Global Offering (each a "**Relevant Jurisdiction**" and collectively, the "**Relevant Jurisdictions**"); or

(ii). any change or development involving a prospective change or development, or any event or series of events likely to result in or representing a change or development, or prospective change (whether or not permanent) or development involving a prospective change, in any local, national, regional or international financial, economic, political, military, industrial, legal, fiscal, regulatory, currency market, credit or market matters or conditions, or any monetary or trading settlement system or other financial markets (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, the inter-bank markets and credit markets), in or affecting any of the Relevant Jurisdictions; or

(iii). any event or series of events, or circumstances in the nature of force majeure (including, without limitation, any acts of government, declaration of a regional, national or international emergency or war, calamity, crisis, economic sanctions, strikes, labor disputes, other industrial actions, lock-outs, fire, explosion, flooding, tsunami, earthquake, volcanic eruption, civil commotion, riots, rebellion, public

disorder, paralysis in government operations, acts of war, epidemic, pandemic, outbreak or escalation, mutation or aggravation of diseases, local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared), act of God or act of terrorism (whether or not responsibility has been claimed)) in or affecting any of the Relevant Jurisdictions; or

(iv). any moratorium, suspension or restriction (including, without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) in or on trading in securities generally on the Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, the London Stock Exchange, the Shanghai Stock Exchange or the Shenzhen Stock Exchange; or

(v). any general moratorium on commercial banking activities in or affecting any of the Relevant Jurisdictions, or any disruption in commercial banking or foreign exchange trading or securities settlement or clearance services, procedures or matters in or affecting any of the Relevant Jurisdictions; or

(vi). any new law or regulation, or any change or development involving a prospective change in existing law or regulation, or any change or development involving a prospective change in the interpretation or application thereof by any court or other competent authority in or affecting any of the Relevant Jurisdictions; or

(vii). the imposition of export controls, or sanctions, in whatever form, directly or indirectly, by, or for, any of the Relevant Jurisdictions on the Company or any member of the Group; or

(viii). any non-compliance of the Prospectus (or any other documents used in connection with the contemplated offering, allotment, issue, subscription or sale of any of the Offer Shares), the CSRC Filings or any aspect of the Global Offering with the Listing Rules or any other applicable Laws; or

(ix). the issue or requirement to issue by the Company of a supplemental or amendment to the Hong Kong Prospectus, the Preliminary Offering Circular or the Final Offering Circular or other documents in connection with the offer and sale of the Offer Shares pursuant to the Companies Ordinance, the Companies (WUMP) Ordinance, or the Listing Rules or upon any requirement or request of the Hong Kong Stock Exchange, the SFC and/or the CSRC;

(x). any valid demand by creditors for repayment of indebtedness any member of the Group or in respect of which any member of the Group is liable prior to its stated maturity;

(xi). any litigation, dispute, legal action or claim or regulatory or administrative investigation or action being threatened or instigated or announced against the Company, any Group Company, any Controlling Shareholder, any Director or any member of the senior management of the Company as named in the Hong Kong Prospectus;

(xii). any contravention by the Company, any Group Company of the Companies Ordinance, the Companies (WUMP) Ordinance, the PRC Company Law, the Listing Rules or any other applicable Laws; or

(xiii). any change or development involving a prospective change or a materialisation of any of the risks set out in the section headed "Risk Factors" in the Hong Kong Prospectus; or

(xiv). any Director or any Supervisors or any senior management member is being charged with an indictable offence or is prohibited by operation of law or otherwise disqualified from taking part in the management of a company or taking a directorship of a company or an announcement by any governmental, political or regulatory body that it intends to commence any such investigation or take any such action,

which, in any such case individually or in the aggregate, in the sole and absolute opinion of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters):

(i). has or will have a material adverse effect, or any development involving a prospective material adverse effect on the assets, liabilities, business, general affairs, management, prospects, shareholders' equity, profits, losses, results of operations, position or condition (financial or otherwise) of the Group, taken as a whole; or

(ii). has or will have or may have a material adverse effect on the success of the Global Offering or the level of applications under the Hong Kong Public Offering or the level of indications of interest under the International Offering; or

(iii). makes or will make or may make it inadvisable, inexpedient, impracticable or incapable for any material part of the Hong Kong Underwriting Agreement, the Hong Kong Public Offering or the Global Offering to proceed, or to market the Global Offering, or the delivery or distribution of the Offer Shares on the terms and manner contemplated by the Offering Documents; or

(iv). has or will or may have the effect of making any part of this Agreement (including underwriting) incapable of performance in accordance with its terms or preventing or delaying the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or

(2) there has come to the notice of the Joint Sponsors and the Overall Coordinators that:

(i). any statement contained in the Offering Documents, the CSRC Filings and/or any notices, announcements, advertisements, communications issued or used by or on behalf of the Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto, but excluding the marketing name, legal name, logo, address and qualification of the Joint Sponsors, the Sponsor-OCs, the Overall Coordinators, the Joint Global Coordinators, the CMIs, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters or any of them contained therein (the "**Global Offering Documents**")) which specifically provided by such persons for inclusion in the Global Offering Documents was, when it was issued or has become untrue, incorrect in any material respect or misleading or any forecasts, estimate, expressions of opinion, intention or expectation contained in any such documents, was, when it was issued, or has become unfair or misleading in any respect or based on untrue, dishonest or unreasonable assumptions; or

(ii). any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of the Prospectus, constitute a material omission or misstatement in any Global Offering Document; or

(iii). any event, act or omission which gives rise or is likely to give rise to any liability of any of the Indemnifying Parties pursuant to the indemnities in this Agreement; or any material breach of any of the obligations or undertakings imposed upon the Company or any member of the Controlling Shareholders to this Agreement or the International Underwriting Agreement; or

(iv). any breach of, or any event or circumstance rendering untrue or incorrect or misleading in any respect, any of the representations, warranties and undertakings given by the Company or the Controlling Shareholders in the Underwriting Agreements;

(v). the chairman of the Board, any Director, any Supervisor or any member of senior management of the Company named in the Prospectus seeks to retire, or is removed from office or vacating his/her office; or the Company withdraws the Prospectus (and/or any other documents used in connection with the subscription or sale of any of the Offer Shares pursuant to the Global Offering) or the Global Offering; or

(vi). there is a prohibition on the Company for whatever reason from offering, allotting, issuing or selling any of the Offer Shares (including the H Shares to be issued pursuant to the Over-allotment Option) pursuant to the terms of the Global Offering;

(vii). that the approval by the Listing Committee of the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the approval is subsequently withdrawn, cancelled, qualified (other than by customary conditions), revoked or withheld; or

(viii). any of the experts named in the Prospectus (other than the Joint Sponsors) has withdrawn its consent to the issue of the Prospectus with the inclusion of it reports, letters and/or legal opinions (as the case may be) and references to its name included in the form and context in which it respectively appears; or

(ix). an order or petition is presented for the winding-up or liquidation of any member of the Group, or any member of the Group makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of any member of the Group or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of any member of the Group or anything analogous thereto occurs in respect of any member of the Group; or the notice of acceptance of the CSRC Filings issued by the CSRC and/or the results of the CSRC Filings published on the website of the CSRC is rejected, withdrawn, revoked or invalidated.

(x). a material portion of the orders placed or confirmed in the bookbuilding process have been withdrawn, terminated or cancelled, as a result of the payment of the relevant investment amount not being received or settled in the stipulated time and manner or otherwise

Undertakings to the Hong Kong Stock Exchange pursuant to the Listing Rules

(A) Undertakings by our Company

Pursuant to Rule 10.08 of the Listing Rules, we have undertaken to the Stock Exchange that no further Shares or securities convertible into equity securities of the Company (whether or not of a class already listed) may be issued by the Company or form the subject of any agreement to such an issue within six months from the Listing Date (whether or not such issue of Shares or securities of the Company will be completed within six months from the Listing Date), except (a) pursuant to the Global Offering and the Over-Allotment Option; or (b) in certain circumstances prescribed by Rule 10.08 of the Listing Rules.

(B) Undertakings by our Controlling Shareholders

In accordance with Rule 10.07(1) of the Listing Rules, our Controlling Shareholders have undertaken to the Stock Exchange and us that, except pursuant to the Global Offering (including the Over-allotment Option) and the Conversion of Unlisted Shares into H Shares, it shall not:

(a) in the period commencing on the date by reference to which disclosure of its shareholding is made in this prospectus and ending on the date which is six months from the Listing Date (the "**LR First Six-month Period**"), dispose of, nor enter into any agreement to dispose of, or otherwise create any options, rights, interests or encumbrances in respect of, any of those securities of the Company in respect of which it is shown by this prospectus to be the beneficial owner (the "**Relevant Securities**"); and

(b) in the period of six months commencing from the expiry of the LR First Six-month Period (the "**LR Second Six-month Period**"), dispose of, nor enter into any agreement to dispose of, or otherwise create any options, rights, interests or encumbrances in

respect of, any of the Relevant Securities if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, it would cease to be the controlling shareholder (as defined in the Listing Rules) of the Company.

In accordance with Note 3 to Rule 10.07(2) of the Listing Rules, each of Controlling Shareholders has also undertaken to the Stock Exchange and us that during the LR First Six-month Period and the LR Second Six-month Period, it shall:

(a) when it pledges or charges any Shares or securities of the Company beneficially owned by it in favor of an authorized institution (as defined in the Banking Ordinance, Chapter 155 of the Laws of Hong Kong) for a bona fide commercial loan, immediately inform us in writing of such pledge or charge together with the number of such Shares or securities so pledged or charged; and

(b) when it receives any indications, either verbal or written, from the pledgee or chargee that any of the pledged or charged Shares or securities of the Company will be disposed of, immediately inform the Company in writing of such indications.

We will inform the Stock Exchange as soon as we have been informed of the matters referred to in paragraphs (a) and (b) above by the Controlling Shareholders and make a public disclosure in relation to such information by way of an announcement in accordance with Rule 2.07C of the Listing Rules as soon as possible.

Undertakings Pursuant to the Hong Kong Underwriting Agreement

(A) Undertakings by our Company

Except for the offer and sale of the Offer Shares pursuant to the Global Offering (including pursuant to the Over-allotment Option) or otherwise in compliance with the Listing Rules, during the period commencing on the date of the Hong Kong Underwriting Agreement and ending on, and including, the date that is six months after the Listing Date (the "**First Six-Month Period**"), the Company undertakes to each of the Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters not to, and to procure each other member of our Group not to, without the prior written consent of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters):

(a) offer, allot, issue, sell, accept subscription for, contract or agree to allot, issue or sell, assign, grant or sell any option, warrant, right or contract to purchase, purchase any option or contract to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, or otherwise transfer or dispose of, or agree to transfer or dispose of, or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any legal or beneficial interest in any H Shares or other equity securities of the Company, or any interests in any of the foregoing (including, but not limited to, any securities that are convertible into or exercisable or exchangeable for, or that represent the right to receive, or any warrants or other rights to purchase, any H

Shares or other equity securities of the Company), or deposit any H Shares or other equity securities of the Company, as applicable, with a depository in connection with the issue of depository receipts; or

(b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of subscription or ownership (legal or beneficial) of any H Shares or other equity securities of the Company, or any interest therein (including, without limitation, any securities of which are convertible into or exchangeable or exercisable for, or represent the right to receive, or any warrants or other rights to purchase, any H Shares or other equity securities of the Company); or

(c) enter into any transaction with the same economic effect as any transaction described in paragraphs (a) or (b) above; or

(d) offer to or contract to or agree to announce, or publicly disclose that the Company will or may enter into any such transaction described in paragraphs (a), (b) or (c) above,

in each case, whether any such transaction described in paragraphs (a), (b) or (c) above is to be settled by delivery of the H Shares or other equity securities of the Company, in cash or otherwise (whether or not the issue of such H Shares or other equity securities of the Company will be completed within the First Six-Month Period).

In the event that, during the period of six months immediately following the First Six-Month Period (the "**Second Six-Month Period**"), the Company enters into any such transactions or offers or agrees or contracts to, enter into any such transactions, the Company shall take all reasonable steps to ensure that it will not create a disorderly or false market in the H Shares or other securities of the Company. The Controlling Shareholders undertake to each of the Joint Sponsors, the Sponsor-OCs, the Overall Coordinators, the Joint Global Coordinators, the Hong Kong Underwriters and the CMIs to procure the Company to comply with the undertakings.

(B) Undertakings by our Controlling Shareholders

Each of our Controlling Shareholders undertakes to each of our Company, the Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters that, except pursuant to the Global Offering (including pursuant to the Over-allotment Option) or unless in compliance with the requirements of the Listing Rules, without the prior written consent of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters):

(a). it/he/she will not, and will procure that the relevant registered holder(s), any nominee or trustee holding on trust for it/him/her and the companies controlled by it/him/her will not, at any time during the First Six Month Period,

(i) sell, offer to sell, accept subscription for, contract or agree to allot, issue or sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant or purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an Encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or

indirectly, conditionally or unconditionally, any Shares or other securities of the Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or any such other securities, as applicable or any interest in any of the foregoing), or deposit any Shares or other securities of the Company with a depositary in connection with the issue of depositary receipts, or

(ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of any Shares or other securities of the Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or any such other securities, as applicable or any interest in any of the foregoing), or

(iii) enter into any transaction with the same economic effect as any transaction specified in (a)(i) or (ii) above, or

(iv) offer to or agree to or announce any intention to effect any transaction specified in Clause (a)(i), (ii) or (iii) above,

in each case, whether any of the transactions specified in Clause (a)(i), (ii) or (iii) above is to be settled by delivery of Shares or other securities of the Company or in cash or otherwise, and whether or not the transactions will be completed within the First Six Month Period; and

(b). it/he/she will not, during the Second Six Month Period, enter into any of the transactions specified in Clause (a) (i), (ii) or (iii) above or offer to or agree to contract to or publicly announce any intention to effect any such transaction if, immediately following any sale, transfer or disposal or upon the exercise or enforcement of any option, right, interest or Encumbrance pursuant to such transaction, it will cease to be a Controlling Shareholder of the Company or a member of a group of the Controlling Shareholders of the Company or would together with the other Controlling Shareholders cease to be "Controlling Shareholders" of the Company; and

(c). until the expiry of the Second Six Month Period, in the event that it enters into any of the transactions specified in Clause (a)(i), (ii) or (iii) or offer to or agrees to or contract to or publicly announce any intention to effect any such transaction, it/he/she will take all reasonable steps to ensure that such a disposal will not create a disorderly or false market in the securities of the Company.

The restrictions shall not prevent the Controlling Shareholders from (i) purchasing additional Shares or other securities of the Company and disposing of such additional Shares or securities of the Company in accordance with the Listing Rules, provided that any such purchase or disposal does not contravene the lock-up arrangements with the Controlling Shareholders or the compliance by the Company with the minimum public float requirement, and (ii) using the Shares or other securities of the Company or any interest therein beneficially owned by them as security (including a charge or a pledge)

in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan, provided that (a) the relevant Controlling Shareholder will immediately inform the Company and the Overall Coordinators in writing of such pledge or charge together with the number of Shares or other securities of the Company so pledged or charged if and when it/he/she or the relevant registered holder(s) pledges or charges any Shares or other securities of the Company beneficially owned by it/him/her, and (b) when the relevant Controlling Shareholder receives indications, either verbal or written, from the pledgee or chargee of any Shares that any of the pledged or charged Shares or other securities of the Company will be disposed of, it/he/she will immediately inform the Company and the Overall Coordinators of such indications.

The Company hereby undertakes to the Joint Sponsors, the Sponsor-OCs, the Overall Coordinators, the Joint Global Coordinators, the CMIs, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that upon receiving such information in writing from the Controlling Shareholders, it will, as soon as practicable and if required pursuant to the Listing Rules, the SFO and/or any other applicable Law, notify the Stock Exchange and/or other relevant authorities, and make a public disclosure in relation to such information by way of an announcement.

Indemnity

Each of our Company and the Controlling Shareholders has agreed to indemnify each of the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and the Capital Market Intermediaries for certain losses which they may suffer, including any breach by them, respectively, of the Hong Kong Underwriting Agreement or certain provisions thereof.

Underwriting Commission and Expenses

Our Company will pay an underwriting commission of 2.5% of the aggregate Offer Price of all the Offer Shares, including Offer Shares to be issued pursuant to the Over-allotment Option (the "**Fixed Fees**"). Our Company may, at our sole and absolute discretion, pay an incentive fee of up to 1.0% of the Offer Price in respect of all the Offer Shares (including Offer Shares to be issued pursuant to the Over-allotment Option) (the "**Discretionary Fees**"). For the purpose of disclosure of the ratio of fixed and discretionary fees payable (the "**Fee Split Ratio**") as required under paragraph 3B of Appendix D1A to the Listing Rules, the Fee Split Ratio will be approximately 58.0%:42.0% (assuming that the incentive fee will be fully paid and the Over-allotment Option will not be exercised, and based on the high-end of the indicative Offer Price). For any unsubscribed Hong Kong Offer Shares reallocated to the International Offering, the underwriting commission will not be paid to the Hong Kong Underwriters but will instead be paid, at the rate applicable to the International Offering, to the relevant International Underwriters.

The aggregate commissions and fees, together with the listing fees, SFC transaction levy, the Stock Exchange trading fee, AFRC transaction levy, legal and other professional fees, printing and other expenses payable by us relating to the Global Offering are estimated to amount to approximately RMB71.3 million (approximately HK$78.3 million) in total (based on the Offer Price of HK$44.6 per Offer Share which is the mid-point of the Offer Price range and assuming the Over-allotment Option is not exercised).

Hong Kong Underwriters' interests in our Company

Huatai Financial Holdings (Hong Kong) Limited, CLSA Limited, China Merchants Securities (HK) Co., Limited, CMBC Securities Company Limited, China Galaxy International Securities (Hong Kong) Co., Limited, Guolian Securities International Capital Co., Limited, CMB International Capital Limited, Central China International Securities Co., Limited, Futu Securities International (Hong Kong) Limited, Huafu International Securities Limited, Livermore Holdings Limited, SPDB International Capital Limited, Fortune (HK) Securities Limited, Zinvest Global Limited and Winbull Securities International (Hong Kong) Limited are the Hong Kong Underwriters, and Huatai Financial Holdings (Hong Kong) Limited and CITIC Securities (Hong Kong) Limited are the Joint Sponsors. Save for their respective obligations under the Hong Kong Underwriting Agreement and as disclosed in this prospectus, as of the Latest Practicable Date, none of the Hong Kong Underwriters and the Joint Sponsors is interested directly or indirectly in any Shares or securities in our Company or any other member of the Group or has any right or option (whether legally enforceable or not) to subscribe for, or to nominate persons to subscribe for, any Shares or securities in our Company or any other member of the Group.

Following completion of the Global Offering, the Hong Kong Underwriters and their affiliated companies may hold a certain portion of the H Shares as a result of fulfilling their obligations under the Hong Kong Underwriting Agreement.

International Offering

In connection with the International Offering, we expect to enter into the International Underwriting Agreement with, among others, the International Underwriters. Under the International Underwriting Agreement, the International Underwriters would, subject to certain conditions, severally but not jointly agree to purchase the International Offer Shares or procure purchasers for the International Offer Shares initially being offered pursuant to the International Offering.

Under the International Underwriting Agreement, we intend to grant to the International Underwriters the Over-allotment Option, exercisable in whole or in part at one or more times, at the sole and absolute discretion of the Overall Coordinators on behalf of the International Underwriters from the date of the International Underwriting Agreement until 30 days from the last day for the lodging of applications under the Hong Kong Public Offering to require us to allot and issue up to an aggregate of 15,883,800 additional H Shares, representing approximately 15% of the number of Offer Shares initially available under the Global Offering at the Offer Price to cover over-allocations in the International Offering, if any.

The International Underwriting Agreement is conditional on and subject to the Hong Kong Underwriting Agreement having been executed, becoming unconditional and not having been terminated. It is expected that undertakings similar to those given to the Hong Kong Underwriters will be given by our Company to the International Underwriters under the International Underwriting Agreement.

ACTIVITIES BY SYNDICATE MEMBERS

We describe below a variety of activities that underwriters of the Hong Kong Public Offering and the International Offering, together referred to as "**Syndicate Members,**" may each individually undertake, and which do not form part of the underwriting or the stabilizing process. When engaging in any of these activities, it should be noted that the Syndicate Members are subject to restrictions, including the following:

(a) under the agreement among the Syndicate Members, all of them (other than the Stabilizing Manager or any person acting for it) must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and

(b) all of them must comply with all applicable laws, including the market misconduct provisions of the SFO, including the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In relation to the H Shares, those activities could include acting as agent for buyers and sellers of the H Shares, entering into transactions with those buyers and sellers in a principal capacity, proprietary trading in the H Shares and entering into over-the-counter or listed derivative transactions or listed and unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have the H Shares as their or part of their underlying assets. Those activities may require hedging activity by those entities involving, directly or indirectly, buying and selling the H Shares.

All such activities could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the H Shares, in baskets of securities or indices including the H Shares, in units of funds that may purchase the H Shares, or in derivatives related to any of the foregoing.

In relation to issues by Syndicate Members or their affiliates of any listed securities having the H Shares as their or part of their underlying assets, whether on the Stock Exchange or on any other stock exchange, the rules of the relevant exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the H Shares in most cases.

All of these activities may occur both during and after the end of the stabilizing period described under the section headed "Structure of the Global Offering — Stabilization Action" in this prospectus. These activities may affect the market price or value of the H Shares, the liquidity or trading volume in the H Shares and the volatility of their share price, and the extent to which this occurs from day to day cannot be estimated.

JOINT SPONSORS' INDEPENDENCE

Each of the Joint Sponsors satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules.

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. The Global Offering comprises:

(a) the Hong Kong Public Offering of initially 1,765,000 Offer Shares (subject to reallocation) in Hong Kong as described in the paragraph headed "— The Hong Kong Public Offering" in this section; and

(b) the International Offering of an aggregate of 15,883,800 Offer Shares (subject to reallocation and the Over-allotment Option) outside the United States in offshore transactions in reliance on Regulation S.

Investors may apply for Hong Kong Offer Shares under the Hong Kong Public Offering or apply for or indicate an interest, if qualified to do so, for the International Offer Shares under the International Offering, but may not do both.

The number of Hong Kong Offer Shares and International Offer Shares to be offered under the Hong Kong Public Offering and the International Offering respectively may be subject to reallocation as described in the paragraph headed "— Pricing and Allocation" in this section.

References in this prospectus to applications, application monies or the procedure for application relate solely to the Hong Kong Public Offering.

THE HONG KONG PUBLIC OFFERING

Number of Hong Kong Offer Shares initially offered

We are initially offering 1,765,000 Hong Kong Offer Shares at the Offer Price, representing approximately 10.0% of the total number of Offer Shares initially available under the Global Offering, at the Offer Price for subscription by the public in Hong Kong. Subject to the reallocation of Shares between (i) the International Offering, and (ii) the Hong Kong Public Offering, the Hong Kong Offer Shares will represent approximately 1.50% of our Company's enlarged issued share capital immediately after completion of the Global Offering, assuming that the Over-allotment Option is not exercised.

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors. Professional investors generally include brokers, dealers and companies (including fund managers) whose ordinary business involves dealing in shares and other securities, and corporate entities which regularly invest in shares and other securities.

Completion of the Hong Kong Public Offering is subject to the conditions as set out in the paragraph headed "— Conditions of the Global Offering" in this section.

Allocation

Allocation of the Hong Kong Offer Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares

validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which would mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

The total number of Hong Kong Offer Shares available under the Hong Kong Public Offering (after taking account of any reallocation referred to below) will be divided into two pools (with any odd board lots being allocated to pool A) for allocation purposes.

(a) ***Pool A***: The Hong Kong Offer Shares in Pool A will be allocated on an equitable basis to valid applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of HK$5 million (excluding the brokerage, SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy payable) or less.

(b) ***Pool B***: The Hong Kong Offer Shares in Pool B will be allocated on an equitable basis to valid applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of more than HK$5 million (excluding the brokerage, SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy payable) and up to the total value of pool B.

For the purpose of this sub-section only, the "subscription price" for Hong Kong Offer Shares means the price payable on application (without regard to the Offer Price as finally determined).

Applicants should be aware that applications in Pool A and applications in Pool B may receive different allocation ratios. If Hong Kong Offer Shares in one (but not both) of the two pools are undersubscribed, the surplus Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly.

Applicants can only receive an allocation of Hong Kong Offer Shares from either Pool A or Pool B, but not from both pools. Multiple or suspected multiple applications and any application for more than 882,400 Hong Kong Offer Shares (being approximately 50% of the 1,765,000 Offer Shares initially available under the Hong Kong Public Offering) will be rejected.

Reallocation

The Offer Shares to be offered in the Hong Kong Public Offering and the International Offering may, in certain circumstances, be reallocated as between these offerings at the discretion of the Overall Coordinators. Subject to the allocation cap described in the subsequent paragraph, the Overall Coordinators may in their discretion reallocate Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering. In addition, if the Hong Kong Public Offering is not fully subscribed, the Overall Coordinators and the Joint Global Coordinators will have the discretion (but shall not be under any obligation) to reallocate to the International Offering all or any unsubscribed Hong Kong Offer Shares in such amounts as they deem appropriate.

In each case, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between Pool A and Pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Overall Coordinators deem appropriate. In the event of reallocation of Offer Shares between the International Offering

and the Hong Kong Public Offering in the circumstances where (a) the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times, or (b) the International Offer Shares are undersubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times, then up to 882,200 Offer Shares may be reallocated from the International Offering to the Hong Kong Public Offering, so that the total number of Offer Shares available for subscription under the Hong Kong Public Offering will increase up to 2,647,200 Offer Shares, representing approximately 15% of the number of Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option) in accordance with Chapter 4.14 of the Guide for New Listing Applicants and the Offer Price shall be fixed at HK$38.2 per Offer Share (being the low-end of the indicative Offer Price range).

Given the initial allocation of the Offer Shares to the Hong Kong Public Offering and the International Offering follows Mechanism B set out under paragraph 2 of Chapter 4.14 of the Guide and the provision of Paragraph 4.2(b) of Practice Note 18 of the Listing Rules, no mandatory clawback or reallocation mechanism is required to increase the number of Offer Shares under the Hong Kong Public Offering to a certain percentage of the total number of Offer Shares offered under the Global Offering.

Applications

Each applicant under the Hong Kong Public Offering will also be required to give an undertaking and confirmation in the application submitted by him that he and any person(s) for whose benefit he is making the application has not applied for or taken up, or indicated an interest in, and will not apply for or take up, or indicate an interest in, any International Offer Shares under the International Offering, and such applicant's application is liable to be rejected if the said undertaking and/or confirmation is breached and/or untrue (as the case may be) or it has been or will be placed or allocated International Offer Shares under the International Offering.

Applicants under the Hong Kong Public Offering may be required to pay, on application (subject to application channels), the maximum price of HK$51.0 per Offer Share in addition to the brokerage, SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy payable on each Offer Share. If the Offer Price, as finally determined in the manner described in the paragraph headed "— Pricing and Allocation" in this section, is less than the maximum price of HK$51.0 per Offer Share, appropriate refund payments (including the brokerage, SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy attributable to the surplus application monies) will be made to successful applicants (subject to application channels), without interest. Further details are set out below in the section headed "How to Apply for Hong Kong Offer Shares" in this prospectus.

References in this prospectus to applications, application monies or the procedure for application relate solely to the Hong Kong Public Offering.

THE INTERNATIONAL OFFERING

Number of Offer Shares initially offered

Subject to the reallocation as described above, the number of Offer Shares to be initially offered under the International Offering will be 15,883,800 Offer Shares (subject to reallocation and the Over-allotment Option), representing approximately 90% of the total number of Offer Shares initially available under the Global Offering.

Subject to the reallocation of the Offer Shares between the International Offering and the Hong Kong Public Offering, the number of Offer Shares initially offered under the International Offering will represent approximately 13.5% of our Company's enlarged issued share capital immediately after completion of the Global Offering, assuming that the Over-allotment Option is not exercised.

Allocation

Pursuant to the International Offering, the International Underwriters will conditionally place the International Offer Shares with institutional and professional investors and other investors and expected to have a sizeable demand for the H Shares in Hong Kong and other jurisdictions outside the United States in offshore transactions in reliance on Regulation S. The International Offering is subject to the Hong Kong Public Offering being unconditional.

Allocation of Offer Shares pursuant to the International Offering will be effected in accordance with the "book-building" process described in the paragraph headed "— Pricing and Allocation" in this section and based on a number of factors, including the level and timing of demand, total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further, and/or hold or sell, the Offer Shares, after the Listing. Such allocation is intended to result in a distribution of the Offer Shares on a basis which would lead to the establishment of a solid Shareholder base to the benefit of our Company and our Shareholders as a whole.

The Overall Coordinators (for themselves and on behalf of the Underwriters) and the Joint Sponsors may require any investor who has been offered Offer Shares under the International Offering and who has made an application under the Hong Kong Public Offering, to provide sufficient information to the Overall Coordinators and the Joint Sponsors so as to allow them to identify the relevant applications under the Hong Kong Public Offering and to ensure that they are excluded from any application of Offer Shares under the International Offering.

Reallocation

The total number of Offer Shares to be issued or sold pursuant to the International Offering may change as a result of the exercise of the Over-allotment Option in whole or in part described in the paragraphs headed "— Over-allotment Option" in this section, and any reallocation of unsubscribed Offer Shares originally included in the Hong Kong Public Offering and/or any Offer Shares from the International Offering to the Hong Kong Public Offering at the discretion of the Overall Coordinators.

Over-allotment Option

In connection with the Global Offering, it is expected that our Company will grant the Over-allotment Option to the International Underwriters, which will be exercisable by the Overall Coordinators (for themselves and on behalf of the International Underwriters).

Pursuant to the Over-allotment Option, the International Underwriters have the right, exercisable by the Overall Coordinators (on behalf of the International Underwriters) at any time from the Listing Date to the 30th day after the last day for lodging applications under the Hong Kong Public Offering, to require our Company to issue and allot up to 2,647,200 Offer Shares, representing approximately 15% of the maximum number of Offer Shares initially available under the Global Offering, at the Offer Price under the International Offering, to cover over-allocations in the International Offering, if any.

If the Over-allotment Option is exercised in full, the additional International Offer Shares to be issued pursuant thereto will represent approximately 2.20% of our Company's enlarged issued share capital immediately following the completion of the Global Offering and the exercise of the Overallotment Option. In the event that the Over-allotment Option is exercised, an announcement will be made.

STABILIZATION ACTION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the securities in the secondary market, during a specified period of time, to curb and, if possible, prevent any decline in the market price of the securities below the Offer Price. It may be effected in jurisdictions where it is permissible to do so and subject to all applicable laws and regulatory requirements. In Hong Kong and certain other jurisdictions, activity aimed at reducing the market price is prohibited. The price at which stabilization is effected is not permitted to exceed the Offer Price.

In connection with the Global Offering, the Stabilizing Manager, its affiliates or any person acting for it, on behalf of the Underwriters, may to the extent permitted by applicable laws of Hong Kong or elsewhere, over-allocate or effect short sales or any other stabilizing transactions with a view to stabilizing or maintaining the market price of the Offer Shares at a level higher than that which might otherwise prevail in the open market for a limited period after the last day of the lodging of applications under the Hong Kong Public Offering. Short sales involve the sale by the Stabilizing Manager of a greater number of H Shares than the Underwriters are required to purchase in the Global Offering. "Covered" short sales are sales made in an amount not greater than the Over-allotment Option. The Stabilizing Manager may close out the covered short position by either exercising the Over-allotment Option to purchase additional Offer Shares or purchasing H Shares in the open market. In determining the source of the Offer Shares to close out the covered short position, the Stabilizing Manager will consider, among other things, the price of Offer Shares in the open market as compared to the price at which they may purchase additional Offer Shares pursuant to the Over-allotment Option. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or curbing a decline in the market price of the Offer Shares while the Global Offering is in progress. Any market purchases of the H Shares will be effected on any stock exchange, including the Stock Exchange, any over-the-counter market or otherwise, provided that they are made in compliance with all applicable laws, rules and regulatory

requirements. However, there is no obligation on the Stabilizing Manager or any person acting for it to conduct any such stabilizing action. Such stabilizing activity, if commenced, will be done at the absolute discretion of the Stabilizing Manager and may be discontinued at any time.

Any such stabilizing activity is required to be brought to an end within 30 days of the last day for the lodging of applications under the Hong Kong Public Offering. The number of Offer Shares that may be over-allocated will not exceed the number of Offer Shares that may be sold under the Over-allotment Option, namely, 2,647,200 Offer Shares, which is approximately 15% of the number of Offer Shares initially available under the Global Offering, and cover such over-allocations by exercising the Over-allotment Option or by making purchases in the secondary market at prices that do not exceed the Offer Price or a combination of these means.

In Hong Kong, stabilizing activities must be carried out in accordance with the Securities and Futures (Price Stabilizing) Rules. Stabilizing actions permitted pursuant to the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong) under the SFO include:

(a) over-allocation for the purpose of preventing or minimizing any reduction in the market price of our H Shares;

(b) selling or agreeing to sell the H Shares so as to establish a short position in them for the purpose of preventing or minimizing any reduction in the market price of the H Shares;

(c) purchasing or subscribing for, or agreeing to purchase or subscribe for, our H Shares pursuant to the Over-allotment Option in order to close out any position established under (a) or (b) above;

(d) purchasing, or agreeing to purchase, any of the H Shares for the sole purpose of preventing or minimizing any reduction in the market price of the H Shares;

(e) selling or agreeing to sell any of our H Shares in order to liquidate any position held as a result of those purchases; and

(f) offering or attempting to do anything as described in (b), (c), (d) or (e) above.

Stabilizing actions by the Stabilizing Manager, or any person acting for it, will be entered into in accordance with the laws, rules and regulations in place in Hong Kong on stabilization.

Prospective applicants for and investors in the Offer Shares should note that:

(a) the Stabilizing Manager or any person acting for it may, in connection with the stabilizing action, maintain a long position in the Offer Shares;

(b) there is no certainty as to the extent to which and the time or period for which the Stabilizing Manager or any person acting for it will maintain such a long position;

(c) liquidation of any such long position by the Stabilizing Manager or any person acting for it and selling in the open market, may have an adverse impact on the market price of our Shares;

(d) no stabilizing action can be taken to support the price of our H Shares for longer than the stabilization period, which will begin on the Listing Date, and is expected to expire on the 30th day after the last date for lodging applications under the Hong Kong Public Offering. After this date, when no further stabilizing action may be taken, demand for our Shares, and therefore the price of our H Shares, could fall;

(e) the price of our H Shares cannot be assured to stay at or above the Offer Price by the taking of any stabilizing action; and

(f) stabilizing bids or transactions effected in the course of the stabilizing action may be made at any price at or below the Offer Price and can, therefore, be done at a price below the price paid by applicants for, or investors in, the Offer Shares.

As a result of effecting transactions to stabilize or maintain the market price of the H Shares, the Stabilizing Manager, or any person acting for it, may maintain a long position in the H Shares. The size of the long position, and the period for which the Stabilizing Manager, or any person acting for it, will maintain the long position is at the discretion of the Stabilizing Manager and is uncertain. In the event that the Stabilizing Manager liquidates this long position by making sales in the open market, this may lead to a decline in the market price of the H Shares.

In order to effect stabilization actions, the Stabilization Manager will arrange cover of up to an aggregate of 2,647,200 H Shares, representing up to 15% of the initial Offer Shares, through delayed delivery arrangements with investors who have been allocated Offer Shares in the International Offering. The delayed delivery arrangements (if specifically agreed by an investor) relate only to the delay in the delivery of the Offer Shares to such investor and the Offer Price for the Offer Shares allocated to such investor will be paid before the Listing Date. Both the size of such cover and the extent to which the Over-Allotment Option can be exercised will depend on whether arrangements can be made with investors such that a sufficient number of H Shares can be delivered on a delayed basis. If no investor in the International Offering agrees to the delayed delivery arrangements, no stabilizing actions will be undertaken by the Stabilization Manager and the Over-Allotment Option will not be exercised.

Stabilizing action by the Stabilizing Manager, or any person acting for it, is not permitted to support the price of the H Shares for longer than the stabilizing period, which begins on the day on which trading of the H Shares commences on the Stock Exchange and ends on the 30th day after the last day for the lodging of applications under the Hong Kong Public Offering. The stabilizing period is expected to end on Friday, January 16, 2026. As a result, demand for the H Shares and their market price, may fall after the end of the stabilizing period. These activities by the Stabilizing Manager may stabilize, maintain or otherwise affect the market price of the H Shares. A public announcement in compliance with the Securities and Futures (Price Stabilizing) Rules will be made within seven days of the expiration of the stabilizing period.

PRICING AND ALLOCATION

Determining the Offer Price

The International Underwriters will be soliciting from prospective investors' indications of interest in acquiring Offer Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of Offer Shares under the

International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as "book-building," is expected to continue up to, and to cease on or around, the last day for lodging applications under the Hong Kong Public Offering.

Pricing for the Offer Shares for the purpose of the various offerings under the Global Offering will be fixed on the Price Determination Date, which is expected to be on or around Thursday, December 18, 2025 and, in any event, no later than 12:00 noon on Thursday, December 18, 2025 , by agreement between the Overall Coordinators (for themselves and on behalf of the Underwriters), and our Company and the number of Offer Shares to be allocated under the various offerings will be determined shortly thereafter.

The Offer Price per Offer Share under the Hong Kong Public Offering will be identical to the Offer Price per Offer Share under the International Offering based on the Hong Kong dollar price per Offer Share under the International Offering, as determined by the Overall Coordinators, for themselves and on behalf of the Underwriters, and our Company.

The Offer Price will not be more than HK$51.0 per Offer Share and is expected to be not less than HK$38.2 per Offer Share, unless otherwise announced by the Company no later than the morning of the last day for lodging applications under the Hong Kong Public Offering, as further explained below. **Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date may be, but is not expected to be, lower than the indicative Offer Price range stated in this prospectus.**

The Overall Coordinators, for themselves and on behalf of the Underwriters, and the Joint Sponsors, may, where considered appropriate, based on the level of interest expressed by prospective professional and institutional investors during the book-building process, and with the consent of our Company, reduce the number of Offer Shares and/or the indicative Offer Price range as stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such case, we will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering, cause to be published on the website of the Stock Exchange at **www.hkexnews.hk** and the Company at **huarenshengwu.com**, notices of the reduction of the Offer Shares and/or the indicative Offer Price range, and the cancelation of the Global Offering and relaunch of the offer at the revised number of Offer Shares and/or the revised Offer Price. The Company will also, as soon as practicable following the decision to make such change, issue a supplemental prospectus or a new prospectus updating investors of the change in the number of Offer Shares being offered under the Global Offering and/or the Offer Price, and giving investors at least three business days to consider the new information. The supplemental or new prospectus should include at least the following: updated (i) Offer Price and market capitalization; (ii) listing timetable and underwriting obligations; (iii) price/earning multiple, unaudited pro forma and adjusted net tangible assets; and (iv) use of proceeds and working capital adequacy confirmation based on revised proceeds.

Before submitting applications for the Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement or supplemental prospectus or new prospectus (as appropriate) of a reduction in the number of Offer Shares and/or the Offer Price range may not be made until the last day for lodging applications under the Hong Kong Public Offering. In the absence of any such supplemental or new prospectus so published, the number of Offer Shares will

not be reduced and the Offer Price, if agreed upon by the Overall Coordinators, for themselves and on behalf of the Underwriters, and our Company, will under no circumstances be set outside the Offer Price range as stated in this prospectus.

If there is any change to the offer size due to change in the number of Offer Shares initially offered in the Global Offering (other than pursuant to the exercise of the Over-allotment Option and/or reallocation mechanism as disclosed in this prospectus), or change to the Offer Price which leads to the resulting price falling outside the indicative Offer Price range as stated in this prospectus, or if the Company becomes aware that there has been a significant change affecting any matter contained in this prospectus or a significant new matter has arisen, the inclusion of information in respect of which would have been required to be in this prospectus if it had arisen before this prospectus was issued, after the issue of this prospectus and before the commencement of dealings in our H Shares as prescribed under Rule 11.13 of the Listing Rules, our Company is required to cancel the Global Offering and issue a supplemental or new prospectus and subsequently relaunched on FINI pursuant to the supplemental or new prospectus.

In the event of a reduction in the number of Offer Shares, the Overall Coordinators and the Joint Sponsors may, at their discretion, reallocate the number of Offer Shares to be offered in the Hong Kong Public Offering and the International Offering.

The final Offer Price, the level of indications of interest in the Global Offering, the results of allocations and the basis of allotment of the Hong Kong Offer Shares are expected to be announced on Friday, December 19, 2025 on the website of the Stock Exchange at **www.hkexnews.hk** and on the website of our Company at **huarenshengwu.com**.

UNDERWRITING

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement and is subject to our Company and the Overall Coordinators, for themselves and on behalf of the Underwriters, agreeing on the Offer Price.

We expect to enter into the International Underwriting Agreement relating to the International Offering on or around the Price Determination Date.

These underwriting arrangements, and the Hong Kong Underwriting Agreement and the International Underwriting Agreement, are summarized in the section headed "Underwriting" in this prospectus.

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for Offer Shares pursuant to the Global Offering will be conditional on:

(a) the Listing Committee granting approval for the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering (including the additional Offer Shares which may be issued pursuant to the exercise of the Over-allotment Option), and such listing and permission not subsequently having been revoked prior to the commencement of dealings in the H Shares on the Stock Exchange;

(b) the Offer Price having been duly agreed between the Overall Coordinators (for themselves and on behalf of the Underwriters) and the Company;

(c) the execution and delivery of the International Underwriting Agreement on or about the Price Determination Date; and

(d) the obligations of the Underwriters under the respective Underwriting Agreements becoming and remaining unconditional (including, if relevant, as a result of the waiver of any conditions by the Overall Coordinators, for themselves and on behalf of the Underwriters) and not having been terminated in accordance with the terms of the respective agreements in each case on or before the dates and times as specified in the Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times) and in any event no later than the date which is 30 days after the date of this prospectus.

If, for any reason, the Offer Price is not agreed between our Company and the Overall Coordinators (for themselves and on behalf of the Underwriters) by 12:00 noon on Thursday, December 18, 2025, the Global Offering will not proceed and will lapse immediately.

The completion of each of the Hong Kong Public Offering and the International Offering is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with their respective terms.

If the above conditions are not fulfilled or waived prior to the times and dates specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offering will be published by our Company and on the websites of Stock Exchange at **www.hkexnews.hk** and our Company at **huarenshengwu.com** on the next Business Day following such lapse. In such eventuality, all application monies will be returned, without interest, on the terms set out in the section headed "How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of H Share Certificates and Refund of Application Monies." In the meantime, all application monies will be held in separate bank account(s) with the receiving bankers or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) (as amended).

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, amongst other things, the other becoming unconditional and not having been terminated in accordance with its terms.

H Share certificates for the Offer Shares will only become valid evidence of title at 8:00 a.m. on the Listing Date provided that (i) the Global Offering has become unconditional in all respects, and (ii) the right of termination as described in the section headed "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for Termination" has not been exercised. Investors who trade the H Shares prior to the receipt of H Share certificates or prior to the H Share certificates bearing valid evidence of title do so entirely at their own risk.

Application for Listing on the Stock Exchange

We have applied to the Listing Committee for the granting of the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering (including any H Shares which may be issued pursuant to the exercise of the Over-allotment Option) on the Main Board of the Stock Exchange and the Conversion of Unlisted Shares into H Shares.

H SHARES WILL BE ELIGIBLE FOR CCASS

All necessary arrangements have been made enabling the H Shares to be admitted into CCASS, established and operated by HKSCC.

If the Stock Exchange grants the listing of, and permission to deal in, the H Shares and our Company complies with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares on the Stock Exchange or any other date HKSCC chooses. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

DEALING ARRANGEMENTS

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Monday, December 22, 2025, it is expected that dealings in the H Shares on the Stock Exchange will commence at 9:00 a.m. on Monday, December 22, 2025.

The H Shares will be traded in board lots of 200 H Shares each and the stock code of the H Shares will be 2396.

IMPORTANT NOTICE TO INVESTORS OF HONG KONG OFFER SHARES
FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering and below are the procedures for application.

This prospectus is available at the website of the Stock Exchange at www.hkexnews.hk under the "HKEXnews > New Listings > New Listing Information" section, and our website at huarenshengwu.com.

The contents of this prospectus are identical to the prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

A. APPLICATION FOR HONG KONG OFFER SHARES

1. Who Can Apply

You can apply for Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are 18 years of age or older; and
- have a Hong Kong address (*for the **HK eIPO White Form** service only*).

Unless permitted by the Listing Rules or a waiver and/or consent has been granted by the Stock Exchange to us, you cannot apply for any Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are an existing Shareholder or his/her/its close associates; or
- are a Director or a Supervisor or any of his/her close associates.

2. Application Channels

The Hong Kong Public Offering period will begin at 9:00 a.m. on Friday, December 12, 2025 and end at 12:00 noon on Wednesday, December 17, 2025 (Hong Kong time).

To apply for Hong Kong Offer Shares, you may use one of the following application channels:

Application Channel	Platform	Target Investors	Application Time
HK eIPO White Form service	**www.hkeipo.hk**	Investors who would like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in your own name.	From 9:00 a.m. on Friday, December 12, 2025 to 11:30 a.m. on Wednesday, December 17, 2025, Hong Kong time. The latest time for completing full payment of application monies will be 12:00 noon on Wednesday, December 17, 2025, Hong Kong time.
HKSCC EIPO channel	Your **broker** or **custodian** who is a HKSCC Participant will submit an EIPO application on your behalf through HKSCC's FINI system in accordance with your instruction	Investors who would not like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant's stock account.	Contact your **broker** or **custodian** for the earliest and latest time for giving such instructions, as this may vary by **broker** or **custodian**.

The **HK eIPO White Form** service and the HKSCC EIPO channel are facilities subject to capacity limitations and potential service interruptions and you are advised not to wait until the last day of the application period to apply for Hong Kong Offer Shares.

For those applying through the **HK eIPO White Form** service, once you complete payment in respect of any application instructions given by you or for your benefit through the **HK eIPO White Form** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. If you are a person for whose benefit the **electronic application instructions** are given, you shall be deemed to have declared that only one set of **electronic application instructions** has been given for your benefit. If you are an agent for another person, you shall be deemed to have declared that you have only given one set of **electronic application instructions** for the benefit of the person for whom you are an agent and that you are duly authorized to give those instructions as an agent.

For the avoidance of doubt, giving an application instruction under the **HK eIPO White Form** service more than once and obtaining different payment reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you apply through the **HK eIPO White Form** service, you are deemed to have authorized the **HK eIPO White Form** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **HK eIPO White Form** service.

By instructing your **broker** or **custodian** to apply for the Hong Kong Offer Shares on your behalf through the HKSCC EIPO Channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to apply for Hong Kong Offer Shares on your behalf and to do on your behalf all the things stated in this prospectus and any supplement to it.

For those applying through the HKSCC EIPO channel, an actual application will be deemed to have been made for any application instructions given by you or for your benefit to HKSCC (in which case an application will be made by HKSCC Nominees on your behalf) provided such application instruction has not been withdrawn or otherwise invalidated before the closing time of the Hong Kong Public Offering.

HKSCC Nominees will only be acting as a nominee for you and neither HKSCC nor HKSCC Nominees shall be liable to you or any other person in respect of any actions taken by HKSCC or HKSCC Nominees on your behalf to apply for Hong Kong Offer Shares or for any breach of the terms and conditions of this prospectus.

3. Information Required to Apply

You must provide the following information with your application:

For Individual Applicants	For Corporate Applicants
• Full name(s)[2] as shown on your identity document	• Full name(s)[2] as shown on your identity document
• Identity document's issuing country or jurisdiction	• Identity document's issuing country or jurisdiction
• Identity document type, with order of priority	• Identity document type, with order of priority
i. HKID card; or	i. LEI registration document; or
ii. National identification document; or	ii. Certificate of incorporation; or
iii. Passport; and	iii. Business registration certificate; or
	iv. Other equivalent document; and
• Identity document number	• Identity document number

Notes:

1. If you are applying through the **HK eIPO White Form** service, you are required to provide a valid e-mail address, a contact telephone number and a Hong Kong address. You are also required to declare that the identity information provided by you follows the requirements as described in Note 2 below. In particular, where you cannot provide a HKID number, you must confirm that you do not hold a HKID card. The number of joint applicants may not exceed four. If you are a firm, the applicant must be in the individual members' names.

2. The applicant's full name as shown on their identity document must be used and the surname, given name, middle and other names (if any) must be input in the same order as shown on the identity document. If an applicant's identity document contains both an English and Chinese name, both English and Chinese names must be used. Otherwise, either English or Chinese names will be accepted. The order of priority of the applicant's identity document type must be strictly followed and where an individual applicant has a valid HKID card (including both Hong Kong Residents and Hong Kong Permanent Residents), the HKID number must be used when making an application to subscribe for shares in a public offer. Similarly for corporate applicants, a LEI number must be used if an entity has a LEI certificate.

3. If the applicant is a trustee, the client identification data ("**CID**") of the trustee, as set out above, will be required. If the applicant is an investment fund (i.e. a collective investment scheme, or CIS), the CID of the asset management company or the individual fund, as appropriate, which has opened a trading account with the broker will be required, as above.

4. The maximum number of joint account holders on FINI is capped at 4 in accordance with market practice.

5. If you are applying as a nominee, you must provide: (i) the full name (as shown on the identity document), the identity document's issuing country or jurisdiction, the identity document type; and (ii), the identity document number, for each of the beneficial owners or, in the case(s) of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

6. If you are applying as an unlisted company and (i) the principal business of that company is dealing in securities; and (ii) you exercise statutory control over that company, then the application will be treated as being for your benefit and you should provide the required information in your application as stated above.

   "Unlisted company" means a company with no equity securities listed on the Stock Exchange or any other stock exchange.

   "Statutory control" means you:

   - control the composition of the board of directors of the company;
   - control more than half of the voting power of the company; or
   - hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

For those applying through the HKSCC EIPO channel, and making an application under a power of attorney, we and the Overall Coordinators, as our agents, have discretion to consider whether to accept it on any conditions we think fit, including evidence of the attorney's authority.

Failing to provide any required information may result in your application being rejected.

4. Permitted Number of Hong Kong Offer Shares for Application

Board lot size . . . . . : 200 H Shares

Permitted number of Hong Kong Offer Shares for application and amount payable on application/successful allotment . . . . . :

Hong Kong Offer Shares are available for application in specified board lot sizes only. Please refer to the amount payable associated with each specified board lot size in the table below.

The maximum Offer Price is HK$51.0 per Share.

If you are applying through the HKSCC EIPO channel, your broker or custodian may require you to pre-fund your application, in such amount as determined by the broker or custodian, based on the applicable laws and regulations in Hong Kong. You are responsible for complying with any such pre-funding requirement imposed by your broker or custodian with respect to the Hong Kong Offer Shares you applied for.

By instructing your **broker** or **custodian** to apply for the Hong Kong Offer Shares on your behalf through the HKSCC EIPO Channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to arrange payment of the final Offer Price, brokerage, SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy by debiting the relevant nominee bank account at the Designated Bank for your **broker** or **custodian**.

If you are applying through the **HK eIPO White Form** service, you may refer to the table below for the amount payable for the number of H Shares you have selected. You must pay the respective maximum amount payable on application in full upon application for Hong Kong Offer Shares.

No. of Hong Kong Offer Shares applied for	Maximum Amount payable[2] on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable[2] on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable[2] on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable[2] on application/ successful allotment
	HK$		*HK$*		*HK$*		*HK$*
200	10,302.88	4,000	206,057.35	60,000	3,090,860.10	450,000	23,181,450.76
400	20,605.73	5,000	257,571.68	70,000	3,606,003.46	500,000	25,757,167.50
600	30,908.61	6,000	309,086.01	80,000	4,121,146.80	600,000	30,908,601.00
800	41,211.47	7,000	360,600.35	90,000	4,636,290.16	700,000	36,060,034.50
1,000	51,514.34	8,000	412,114.68	100,000	5,151,433.50	882,400[1]	45,456,249.20
1,200	61,817.20	9,000	463,629.01	150,000	7,727,150.26		
1,400	72,120.07	10,000	515,143.36	200,000	10,302,867.00		
1,600	82,422.93	20,000	1,030,286.70	250,000	12,878,583.76		
1,800	92,725.81	30,000	1,545,430.06	300,000	15,454,300.50		
2,000	103,028.66	40,000	2,060,573.40	350,000	18,030,017.26		
3,000	154,543.00	50,000	2,575,716.76	400,000	20,605,734.00		

(1) Maximum number of Hong Kong Offer Shares you may apply for and this is approximately 50% of the Hong Kong Offer Shares initially offered.

(2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) or to the **HK eIPO White Form** Service Provider (for applications made through the application channel of the **HK eIPO White Form** service) while the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy will be paid to the SFC, the Stock Exchange and the AFRC, respectively.

5. Multiple Applications Prohibited

You or your joint applicant(s) shall not make more than one application for your own benefit, except where you are a nominee and provide the information of the underlying investor in your application as required under the paragraph headed "— A. Applications for Hong Kong Offer Shares — 3. Information Required to Apply" in this section. If you are suspected of submitting or cause to submit more than one application, all of your applications will be rejected.

Multiple applications made either through (i) the **HK eIPO White Form** service, (ii) HKSCC EIPO channel, or (iii) both channels concurrently are prohibited and will be rejected. If you have made an application through the **HK eIPO White Form** service or HKSCC EIPO channel, you or the person(s) for whose benefit you have made the application shall not apply further for any Offer Shares in the Global Offering.

The H Share Registrar would record all applications into its system and identify suspected multiple applications with identical names and identification document numbers according to the Best Practice Note on Treatment of Multiple/Suspected Multiple Applications ("**Best Practice Note**") issued by the Federation of Share Registrars Limited.

Since applications are subject to personal information collection statements, identification document numbers displayed are redacted.

6. Terms and Conditions of An Application

By applying for Hong Kong Offer Shares through the **HK eIPO White Form** service or HKSCC EIPO channel, you (or as the case may be, HKSCC Nominees will do the following things on your behalf):

(i) undertake to execute all relevant documents and instruct and authorize us and/or the Overall Coordinators, as our agents, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association, and (if you are applying through the HKSCC EIPO channel) to deposit the allotted Hong Kong Offer Shares directly into CCASS for the credit of your designated HKSCC Participant's stock account on your behalf;

(ii) confirm that you have read and understand the terms and conditions and application procedures set out in this prospectus, and the designated website of the **HK eIPO White Form** service (or as the case may be, the agreement you entered into with your **broker** or **custodian**), and agree to be bound by them;

(iii) (if you are applying through the HKSCC EIPO channel) agree to the arrangements, undertakings and warranties under the participant agreement between your **broker** or **custodian** and HKSCC and observe the General Rules of HKSCC and the HKSCC Operational Procedures for giving application instructions to apply for Hong Kong Offer Shares;

(iv) confirm that you are aware of the restrictions on offers and sales of shares set out in this prospectus and they do not apply to you, or the person(s) for whose benefit you have made the application;

(v) confirm that you have read this prospectus and any supplement to it and have relied only on the information and representations contained therein in making your application (or as the case may be, causing your application to be made) and will not rely on any other information or representations;

(vi) agree that the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the Capital Market Intermediaries, any of their or the Company's respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Global Offering (the "**Relevant Persons**"), the H Share Registrar and HKSCC will not be liable for any information and representations not in this prospectus and any supplement to it;

(vii) agree to disclose the details of your application and your personal data and any other personal data which may be required about you and the person(s) for whose benefit you have made the application to us, the Relevant Persons, the H Share Registrar, HKSCC, HKSCC Nominees, the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, for the purposes under the paragraph headed " — G. Personal Data — 3. Purposes and 4. Transfer of personal data" in this section;

(viii) agree (without prejudice to any other rights which you may have once your application (or as the case may be, HKSCC Nominees' application) has been accepted) that you will not rescind it because of an innocent misrepresentation;

(ix) agree that subject to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any application made by you or HKSCC Nominees on your behalf cannot be revoked once it is accepted, which will be evidenced by the notification of the result of the ballot by the H Share Registrar by way of publication of the results at the time and in the manner as specified in the paragraph headed "— B. Publication of Results" in this section;

(x) confirm that you are aware of the situations specified in the paragraph headed "— C. Circumstances In Which You Will Not Be Allocated Hong Kong Offer Shares" in this section;

(xi) agree that your application or HKSCC Nominees' application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong;

(xii) agree to comply with the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Articles of Association and laws of any place outside Hong Kong that apply to your application and that neither we nor the Relevant Persons will breach any law inside and/or outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus;

(xiii) confirm that (a) your application or HKSCC Nominees' application on your behalf is not financed directly or indirectly by the Company, any of the directors, chief executives, substantial Shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates; and (b) you are not accustomed or will not be accustomed to taking instructions from the Company, any of the directors, chief executives, substantial shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates in relation to the acquisition, disposal, voting or other disposition of the H Shares registered in your name or otherwise held by you;

(xiv) warrant that the information you have provided is true and accurate;

(xv) confirm that you understand that we and the Overall Coordinators will rely on your declarations and representations in deciding whether or not to allocate any Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;

(xvi) agree to accept Hong Kong Offer Shares applied for or any lesser number allocated to you under the application;

(xvii) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;

(xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit by giving **electronic application instructions** to HKSCC directly or indirectly or through the application channel of the **HK eIPO White Form** service or by any one as your agent or by any other person; and

(xix) (if you are making the application as an agent for the benefit of another person) warrant that (1) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person by giving **electronic application instructions** to HKSCC and the **HK eIPO White Form** Service Provider and (2) you have due authority to give **electronic application instructions** on behalf of that other person as its agent.

B. PUBLICATION OF RESULTS

Results of Allocation

You can check whether you are successfully allocated any Hong Kong Offer Shares through:

Platform		Date/Time
Applying through the HK eIPO White Form service or HKSCC EIPO channel:		
Website	From the "Allotment Results" page at **www.hkeipo.hk/IPOResult** (or **www.tricor.com.hk/ipo/result**) with a "search by ID" function.	24 hours, from 11:00 p.m. on Friday, December 19, 2025 to 12:00 midnight on Thursday, December 25, 2025 (Hong Kong time)
	The full list of (i) wholly or partially successful applicants using the **HK eIPO White Form** service and HKSCC EIPO channel, and (ii) the number of Hong Kong Offer Shares conditionally allotted to them, among other things, will be displayed at **www.hkeipo.hk/IPOResult** or **www.tricor.com.hk/ipo/result**	
	The Stock Exchange's website at **www.hkexnews.hk** and our website at **www.huarenshengwu.com** which will provide links to the abovementioned websites of the H Share Registrar.	No later than 11:00 p.m. on Friday, December 19, 2025 (Hong Kong time)
Telephone.	+852 3691 8488 — the allocation results telephone enquiry line provided by the H Share Registrar	between 9:00 a.m. and 6:00 p.m., from Monday, December 22, 2025 to Monday, December 29, 2025 (Hong Kong time) on a business day

For those applying through the HKSCC EIPO channel, you may also check with your **broker** or **custodian** from 6:00 p.m. on Thursday, December 18, 2025 (Hong Kong time).

HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on Thursday, December 18, 2025 (Hong Kong time) on a 24-hour basis and should report any discrepancies on allotments to HKSCC as soon as practicable.

Allocation Announcement

We expect to announce the results of the final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocations of Hong Kong Offer Shares on the Stock Exchange's website at **www.hkexnews.hk** and our website at **huarenshengwu.com** by no later than 11:00 p.m. on Friday, December 19, 2025 (Hong Kong time).

C. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED HONG KONG OFFER SHARES

You should note the following situations in which Hong Kong Offer Shares will not be allocated to you or the person(s) for whose benefit you are applying for:

1. If your application is revoked:

Your application or the application made by HKSCC Nominees on your behalf may be revoked pursuant to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

2. If we or our agents exercise our discretion to reject your application:

We, the Overall Coordinators, the H Share Registrar and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

3. If the allocation of Hong Kong Offer Shares is void:

The allocation of Hong Kong Offer Shares will be void if the Stock Exchange does not grant permission to list the H Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Stock Exchange notifies us of that longer period within three weeks of the closing date of the application lists.

4. If:

- you make multiple applications or suspected multiple applications. You may refer to the paragraph headed "— A. Applications for Hong Kong Offer Shares — 5. Multiple Applications Prohibited" in this section on what constitutes multiple applications;
- your application instruction is incomplete;
- your payment (or confirmation of funds, as the case may be) is not made correctly;

- the Underwriting Agreements do not become unconditional or are terminated; or
- we or the Overall Coordinators believe that by accepting your application, it or we would violate applicable securities or other laws, rules or regulations.

5. If there is money settlement failure for allotted H Shares:

Based on the arrangements between HKSCC Participants and HKSCC, HKSCC Participants will be required to hold sufficient application funds on deposit with their Designated Bank before balloting. After balloting of Hong Kong Offer Shares, the Receiving Bank will collect the portion of these funds required to settle each HKSCC Participant's actual Hong Kong Offer Share allotment from their Designated Bank.

There is a risk of money settlement failure. In the extreme event of money settlement failure by a HKSCC Participant (or its Designated Bank), who is acting on your behalf in settling payment for your allotted shares, HKSCC will contact the defaulting HKSCC Participant and its Designated Bank to determine the cause of failure and request such defaulting HKSCC Participant to rectify or procure to rectify the failure.

However, if it is determined that such settlement obligation cannot be met, the affected Hong Kong Offer Shares will be reallocated to the International Offering. Hong Kong Offer Shares applied for by you through the **broker** or **custodian** may be affected to the extent of the settlement failure. In the extreme case, you will not be allocated any Hong Kong Offer Shares due to the money settlement failure by such HKSCC Participant. None of us, the Relevant Persons, the H Share Registrar and HKSCC is or will be liable if Hong Kong Offer Shares are not allocated to you due to the money settlement failure.

D. DESPATCH/COLLECTION OF H SHARE CERTIFICATES AND REFUND OF APPLICATION MONIES

You will receive one H Share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made through the HKSCC EIPO channel where the H Share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the H Shares. No receipt will be issued for sums paid on application.

H Share certificates will only become valid at 8:00 a.m. on Monday, December 22, 2025 (Hong Kong time), provided that the Global Offering has become unconditional and the right of termination described in the section headed "Underwriting" has not been exercised. Investors who trade H Shares prior to the receipt of H Share certificates or the H Share certificates becoming valid do so entirely at their own risk.

The right is reserved to retain any H Share certificate(s) and (if applicable) any surplus application monies pending clearance of application monies.

The following sets out the relevant procedures and time:

	HK eIPO White Form service	HKSCC EIPO channel
Despatch/collection of H Share certificate[1]		
For application of 500,000 Hong Kong Offer Shares or more	Collection in person at H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.	H Share certificate(s) will be issued in the name of HKSCC Nominees, deposited into CCASS and credited to your designated HKSCC Participant's stock account
	Time: from 9:00 a.m. to 1:00 p.m. on Monday, December 22, 2025 (Hong Kong time).	No action by you is required
	If you are an individual, you must not authorize any other person to collect for you. If you are a corporate applicant, your authorized representative must bear a letter of authorization from your corporation stamped with your corporation's chop.	
	Both individuals and authorized representatives must produce, at the time of collection, evidence of identity acceptable to the H Share Registrar.	
	Note: If you do not collect your H Share certificate(s) personally within the time above, it/they will be sent to the address specified in your application instructions by ordinary post at your own risk.	
For application of less than 500,000 Hong Kong Offer Shares. .	Your H Share certificate(s) will be sent to the address specified in your application instructions by ordinary post at your own risk.	
	Date: Friday, December 19, 2025	
Refund mechanism for surplus application monies paid by you		
Date	Monday, December 22, 2025	Subject to the arrangement between you and your **broker** or **custodian**
Responsible party . . .	H Share Registrar	Your **broker** or **custodian**

[1] Except in the event of a tropical cyclone warning signal number 8 or above, a black rainstorm warning and/or an "extreme conditions" announcement being in force in Hong Kong in the morning on Friday, December 19, 2025, rendering it impossible for the relevant H Share certificates to be dispatched to HKSCC in a timely manner, in which case the Company shall procure the H Share Registrar to arrange for delivery of the supporting documents and H Share certificates in accordance with the contingency arrangements as agreed between them. You may refer to "— E. Bad Weather Arrangements" in this section.

	HK eIPO White Form service	HKSCC EIPO channel
Application monies paid through single bank account	**HK eIPO White Form** e-Auto Refund payment instructions to your designated bank account	Your **broker** or **custodian** will arrange refund to your designated bank account subject to the arrangement between you and it
Application monies paid through multiple bank accounts	Refund cheque(s) will be despatched to the address as specified in your application instructions by ordinary post at your own risk.	

E. BAD WEATHER ARRANGEMENTS

The Opening and Closing of the Application Lists

The application lists will not open or close on Wednesday, December 17, 2025 if, there is/are:

- a tropical cyclone warning signal number 8 or above;
- a black rainstorm warning; and/or
- Extreme Conditions,

(collectively, "**Bad Weather Signals**"),

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Wednesday, December 17, 2025.

Instead they will open between 11:45 a.m. and 12:00 noon and/or close at 12:00 noon on the next business day which does not have **Bad** Weather Signals in force at any time between 9:00 a.m. and 12:00 noon.

Prospective investors should be aware that a postponement of the opening/closing of the application lists may result in a delay in the listing date. Should there be any changes to the dates mentioned in the section headed "Expected Timetable" in this prospectus, an announcement will be made and published on the Stock Exchange's website at **www.hkexnews.hk** and our website at **huarenshengwu.com** of the revised timetable.

If a **Bad** Weather Signal is hoisted on Friday, December 19, 2025, the H Share Registrar will make appropriate arrangements for the delivery of the H Share certificates to the CCASS Depository's service counter so that they would be available for trading on Monday, December 22, 2025.

If a **Bad** Weather Signal is hoisted on Friday, December 19, 2025, for application of less than 500,000 Offer Shares, the despatch of physical H Share certificate(s) will be made by ordinary post when the post office re-opens after the **Bad** Weather Signal is lowered or canceled (e.g. in the afternoon of Friday, December 19, 2025, or on Monday, December 22, 2025).

If a **Bad** Weather Signal is hoisted on Monday, December 22, 2025, for application of 500,000 Offer Shares or more, physical H Share certificate(s) will be available for collection in person at the H Share Registrar's office after the **Bad** Weather Signal is lowered or canceled (e.g. in the afternoon of Monday, December 22, 2025 or on Tuesday, December 23, 2025).

Prospective investors should be aware that if they choose to receive physical H Share certificates issued in their own name, there may be a delay in receiving the H Share certificates.

F. ADMISSION OF THE H SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the H Shares on the Stock Exchange and we comply with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants is required to take place in CCASS on the second Business Day after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made enabling the H Shares to be admitted into CCASS.

You should seek the advice of your broker or other professional advisor for details of the settlement arrangement as such arrangements may affect your rights and interests.

G. PERSONAL DATA

The following Personal Information Collection Statement applies to any personal data collected and held by the Company, the H Share Registrar, the receiving bank and the Relevant Persons about you in the same way as it applies to personal data about applicants other than HKSCC Nominees. This personal data may include client identifier(s) and your identification information. By giving application instructions to HKSCC, you acknowledge that you have read, understood and agree to all of the terms of the Personal Information Collection Statement below.

1. Personal Information Collection Statement

This Personal Information Collection Statement informs the applicant for, and holder of, Hong Kong Offer Shares, of the policies and practices of the Company and the H Share Registrar in relation to personal data and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

2. Reasons for the collection of your personal data

It is necessary for applicants and registered holders of Hong Kong Offer Shares to ensure that personal data supplied to the Company or its agents and the H Share Registrar is accurate and up-to-date when applying for Hong Kong Offer Shares or transferring Hong Kong Offer Shares into or out of their names or in procuring the services of the H Share Registrar.

Failure to supply the requested data or supplying inaccurate data may result in your application for Hong Kong Offer Shares being rejected, or in the delay or the inability of the Company or the H Share Registrar to effect transfers or otherwise render their services. It may also prevent or delay registration or transfers of Hong Kong Offer Shares which you have successfully applied for and/or the despatch of H Share certificate(s) to which you are entitled.

It is important that applicants for and holders of Hong Kong Offer Shares inform the Company and the H Share Registrar immediately of any inaccuracies in the personal data supplied.

3. Purposes

Your personal data may be used, held, processed, and/or stored (by whatever means) for the following purposes:

- processing your application and refund cheque and **HK eIPO White Form** e-Auto Refund payment instruction(s), where applicable, verification of compliance with the terms and application procedures set out in this prospectus and announcing results of allocation of Hong Kong Offer Shares;
- compliance with applicable laws and regulations in Hong Kong and elsewhere;
- registering new issues or transfers into or out of the names of the holders of the H Shares including, where applicable, HKSCC Nominees;
- maintaining or updating the register of members of the Company;
- verifying identities of applicants for and holders of the H Shares and identifying any duplicate applications for the H Shares;
- facilitating Hong Kong Offer Shares balloting;
- establishing benefit entitlements of holders of the H Shares, such as dividends, rights issues, bonus issues, etc.;
- distributing communications from the Company and its subsidiaries;
- compiling statistical information and profiles of the holder of the H Shares;
- disclosing relevant information to facilitate claims on entitlements; and
- any other incidental or associated purposes relating to the above and/or to enable the Company and the H Share Registrar to discharge their obligations to applicants and holders of the H Shares and/or regulators and/or any other purposes to which applicants and holders of the H Shares may from time to time agree.

4. Transfer of personal data

Personal data held by the Company and the H Share Registrar relating to the applicants for and holders of Hong Kong Offer Shares will be kept confidential but the Company and the H Share Registrar may, to the extent necessary for achieving any of the above purposes, disclose, obtain or transfer (whether within or outside Hong Kong) the personal data to, from or with any of the following:

- the Company's appointed agents such as financial advisers, receiving bank and overseas principal share registrar;
- HKSCC or HKSCC Nominees, who will use the personal data and may transfer the personal data to the H Share Registrar, in each case for the purposes of providing its services or facilities or performing its functions in accordance with its rules or procedures and operating FINI and CCASS (including where applicants for the Hong Kong Offer Shares request a deposit into CCASS);
- any agents, contractors or third-party service providers who offer administrative, telecommunications, computer, payment or other services to the Company or the H Share Registrar in connection with their respective business operation;
- the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, including for the purpose of the Stock Exchange's administration of the Listing Rules and the SFC's performance of its statutory functions; and
- any persons or institutions with which the holders of Hong Kong Offer Shares have or propose to have dealings, such as their bankers, solicitors, accountants or brokers, etc.

5. Retention of personal data

The Company and the H Share Registrar will keep the personal data of the applicants and holders of Hong Kong Offer Shares for as long as necessary to fulfill the purposes for which the personal data were collected. Personal data which is no longer required will be destroyed or dealt with in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

6. Access to and correction of personal data

Applicants for and holders of Hong Kong Offer Shares have the right to ascertain whether the Company or the H Share Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. The Company and the H Share Registrar have the right to charge a reasonable fee for the processing of such requests. All requests for access to data or correction of data should be addressed to the Company and the H Share Registrar, at their registered address disclosed in the section headed "Corporate information" in this prospectus or as notified from time to time, for the attention of the company secretary, or the H Share Registrar for the attention of the privacy compliance officer.

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ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF B&K CORPORATION LIMITED, HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED AND CITIC SECURITIES (HONG KONG) LIMITED

Introduction

We report on the historical financial information of B&K Corporation Limited (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages I-4 to I-71, 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 2023 and 2024, and the nine months ended 30 September 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 2023 and 2024 and 30 September 2025 and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages I-4 to I-71 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 12 December 2025 (the "**Prospectus**") in connection with the initial listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* 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 2023 and 2024 and 30 September 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.

Review of interim comparative financial information

We have reviewed the interim comparative financial information of the Group which comprises the consolidated statements of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the nine months ended 30 September 2024 and other explanatory information (the "**Interim Comparative Financial Information**").

The directors of the Company are responsible for the preparation of the Interim Comparative Financial Information in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Interim Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Interim Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 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.

No historical financial statements for the Company

As at the date of this report, no statutory financial statements have been prepared for the Company since its date of incorporation.

Ernst & Young
Certified Public Accountants
Hong Kong
12 December 2025

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 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		Nine months ended 30 September	
		2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
REVENUE	5	472	261	—	—
Cost of sales		(255)	(20)	—	—
Gross profit		217	241	—	—
Other income and gains	5	271	1,827	996	1,348
Administrative expenses		(42,117)	(116,781)	(89,496)	(73,562)
Research and development expenses		(39,915)	(91,326)	(69,763)	(61,219)
Other expenses		(62)	(202)	(40)	(104)
Finance costs	7	(23,582)	(6,009)	(5,797)	(931)
LOSS BEFORE TAX	6	(105,188)	(212,250)	(164,100)	(134,468)
Income tax expense	10	—	—	—	—
LOSS FOR THE YEAR/PERIOD		(105,188)	(212,250)	(164,100)	(134,468)
Attributable to:					
Owners of the parent		(105,188)	(212,250)	(164,100)	(134,468)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT					
Basic and diluted					
For loss for the year/period *(RMB per share)*	12	(1.21)	(2.15)	(1.67)	(1.34)
OTHER COMPREHENSIVE (LOSS)/INCOME					
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent period:					
Exchange difference on translation of a foreign operation		(47)	103	(50)	(55)
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR/PERIOD, NET OF TAX		(47)	103	(50)	(55)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR/PERIOD		(105,235)	(212,147)	(164,150)	(134,523)
Attributable to:					
Owners of the parent		(105,235)	(212,147)	(164,150)	(134,523)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December		As at 30 September
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property, plant and equipment	*13*	7,068	8,427	10,453
Right-of-use assets	*14(a)*	6,495	5,290	5,092
Intangible assets	*15*	1,031	30,430	28,832
Prepayments, other receivables and other assets	*16*	3,591	3,787	4,473
Total non-current assets		18,185	47,934	48,850
CURRENT ASSETS				
Prepayments, other receivables and other assets	*16*	3,392	3,465	5,312
Cash and cash equivalents	*17*	241,512	139,213	73,794
Total current assets		244,904	142,678	79,106
CURRENT LIABILITIES				
Trade payables	*18*	6,620	7,931	9,552
Lease liabilities	*14(b)*	2,211	2,256	2,088
Other payables and accruals	*19*	2,901	6,929	7,798
Total current liabilities		11,732	17,116	19,438
NET CURRENT ASSETS		233,172	125,562	59,668
TOTAL ASSETS LESS CURRENT LIABILITIES		251,357	173,496	108,518
NON-CURRENT LIABILITIES				
Lease liabilities	*14(b)*	2,738	923	1,169
Deferred income	*20*	—	646	646
Other financial liabilities	*22*	380,493	—	—
Other non-current liabilities	*23*	—	21,392	22,167
Total non-current liabilities		383,231	22,961	23,982
Net (liabilities)/assets		(131,874)	150,535	84,536
EQUITY				
Equity attributable to owners of the parent				
Paid-in capital/Share capital	*24*	91,806	100,009	100,009
Reserves	*25*	(223,680)	50,526	(15,473)
Total (deficits)/equity		(131,874)	150,535	84,536

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

	Attributable to owners of the parent					
	Paid-in capital	**Capital reserves ***	**Share award reserves ***	**Exchange fluctuation reserves ***	**Accumulated losses ***	**Total deficits**
	RMB'000 (note 24)	*RMB'000 (note 25)*	*RMB'000 (note 25)*	*RMB'000 (note 25)*	*RMB'000*	*RMB'000*
At 1 January 2023	82,715	130,763	17,116	(27)	(285,505)	(54,938)
Loss for the year	—	—	—	—	(105,188)	(105,188)
Exchange differences related to a foreign operation	—	—	—	(47)	—	(47)
Total comprehensive loss for the year	—	—	—	(47)	(105,188)	(105,235)
Equity-settled share award arrangements *(note 26)*	—	—	14,671	—	—	14,671
Issuance of financial instruments with preferential rights *(note 22)*	9,091	283,914	—	—	—	293,005
Recognition of financial liabilities recognised for preferential rights issued to investors *(note 22)*	—	(279,377)	—	—	—	(279,377)
At 31 December 2023	91,806	135,300	31,787	(74)	(390,693)	(131,874)

Year ended 31 December 2024

	Attributable to owners of the parent						
	Paid-in capital	Share capital	Capital reserves *	Share award reserves *	Exchange fluctuation reserves *	Accumulated losses *	Total equity
	RMB'000 (note 24)	*RMB'000 (note 24)*	*RMB'000 (note 25)*	*RMB'000 (note 25)*	*RMB'000 (note 25)*	*RMB'000*	*RMB'000*
At 1 January 2024	91,806	—	135,300	31,787	(74)	(390,693)	(131,874)
Loss for the year	—	—	—	—	—	(212,250)	(212,250)
Exchange differences related to a foreign operation	—	—	—	—	103	—	103
Total comprehensive loss for the year	—	—	—	—	103	(212,250)	(212,147)
Capital contribution by shareholders	8,203	—	—	—	—	—	8,203
Conversion of the Company into a joint stock company	(100,009)	100,009	—	—	—	—	—
Equity-settled share award arrangements *(note 26)*	—	—	—	100,194	—	—	100,194
Derecognition of financial liabilities for termination of preferential rights issued to investors *(note 22)*	—	—	386,159	—	—	—	386,159
At 31 December 2024	—	100,009	521,459	131,981	29	(602,943)	150,535

Nine months ended 30 September 2025

	Attributable to owners of the parent					
	Share capital	Capital reserves*	Share award reserves*	Exchange fluctuation reserves*	Accumulated losses*	Total equity
	RMB'000 (note 24)	*RMB'000 (note 25)*	*RMB'000 (note 25)*	*RMB'000 (note 25)*	*RMB'000*	*RMB'000*
At 1 January 2025	100,009	521,459	131,981	29	(602,943)	150,535
Loss for the period	—	—	—	—	(134,468)	(134,468)
Exchange differences related to a foreign operation	—	—	—	(55)	—	(55)
Total comprehensive loss for the period	—	—	—	(55)	(134,468)	(134,523)
Equity-settled share award arrangements *(note 26)*	—	—	68,524	—	—	68,524
At 30 September 2025	100,009	521,459	200,505	(26)	(737,411)	84,536

Nine months ended 30 September 2024 (Unaudited)

	Attributable to owners of the parent						
	Paid-in capital	**Share capital**	**Capital reserves ***	**Share award reserves ***	**Exchange fluctuation reserves ***	**Accumulated losses ***	**Total equity**
	RMB'000 (note 24)	*RMB'000 (note 24)*	*RMB'000 (note 25)*	*RMB'000 (note 25)*	*RMB'000 (note 25)*	*RMB'000*	*RMB'000*
At 1 January 2024	91,806	—	135,300	31,787	(74)	(390,693)	(131,874)
Loss for the period	—	—	—	—	—	(164,100)	(164,100)
Exchange differences related to a foreign operation	—	—	—	—	(50)	—	(50)
Total comprehensive loss for the period	—	—	—	—	(50)	(164,100)	(164,150)
Capital contribution by shareholders	8,203	—	—	—	—	—	8,203
Conversion of the Company into a joint stock company	(100,009)	100,009	—	—	—	—	—
Equity-settled share award arrangements *(note 26)*	—	—	—	73,866	—	—	73,866
Derecognition of financial liabilities for termination of preferential rights issued to investors *(note 22)*	—	—	386,159	—	—	—	386,159
At 30 September 2024	—	100,009	521,459	105,653	(124)	(554,793)	172,204

* These reserve accounts comprise the consolidated reserves of RMB(223,680,000), RMB50,526,000 and RMB(15,473,000) in the consolidated statements of financial position as at 31 December 2023 and 2024 and 30 September 2025.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December		Nine months ended 30 September	
		2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss before tax		(105,188)	(212,250)	(164,100)	(134,468)
Adjustments for:					
Finance costs	7	23,582	6,009	5,797	931
Interest income	5	(237)	(1,368)	(966)	(688)
Loss on disposal of items of property, plant and equipment	6	—	5	5	—
Depreciation of property, plant and equipment	13	1,308	2,019	1,495	1,814
Depreciation of right-of-use assets	14(a)	3,593	4,213	3,076	3,421
Amortisation of intangible assets	15	2,005	1,517	1,003	1,598
Foreign exchange differences, net	6	19	151	(5)	63
Derecognition of right-of-use assets and lease liabilities on early termination		527	—	—	(9)
Equity-settled share award expenses	26	14,671	100,194	73,866	68,524
		(59,720)	(99,510)	(79,829)	(58,814)
(Increase)/decrease in prepayments, other receivables and other assets		(3,742)	2,245	4,309	(3,792)
Increase/(decrease) in trade payables		4,938	(1,311)	(1,835)	1,621
Increase in other payables and accruals		344	4,675	3,571	869
Cash used in operations		(58,180)	(91,279)	(73,784)	(60,116)
Interest received		237	1,178	776	688
Net cash flows used in operating activities		(57,943)	(90,101)	(73,008)	(59,428)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received		—	190	190	—
Purchase of items of property, plant and equipment		(3,123)	(3,849)	(1,107)	(2,893)
Proceeds from disposal of items of property, plant and equipment		—	1	1	—
Prepayments for intangible assets		—	(10,255)	(10,255)	—
Purchase of time deposits with maturity date over three months		—	(20,000)	(20,000)	—
Proceeds from disposal of time deposits with maturity date over three months		—	20,000	20,000	—
Net cash flows used in investing activities		(3,123)	(13,913)	(11,171)	(2,893)

	Notes	Year ended 31 December		Nine months ended 30 September	
		2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
CASH FLOWS FROM FINANCING ACTIVITIES					
Payment of listing expenses		(107)	(1,346)	(1,260)	(720)
Principal portion of lease payments		(6,086)	(5,149)	(3,738)	(2,366)
Capital contribution by shareholders	*24*	—	8,203	8,203	—
Proceeds from issuance of financial instruments with preferential rights		293,005	—	—	—
Net cash flows from/(used in) financing activities		286,812	1,708	3,205	(3,086)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		225,746	(102,306)	(80,974)	(65,407)
Cash and cash equivalents at beginning of year/period		15,765	241,512	241,512	139,213
Effect of foreign exchange rate changes, net		1	7	—	(12)
CASH AND CASH EQUIVALENTS AT END OF YEAR /PERIOD		241,512	139,213	160,538	73,794
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS					
Cash and cash equivalents as stated in the consolidated statements of financial position	*17*	241,512	139,213	160,538	73,794
Cash and cash equivalents as stated in the consolidated statements of cash flows		241,512	139,213	160,538	73,794

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at 31 December		As at 30 September
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property, plant and equipment	*13*	7,068	8,427	10,453
Right-of-use assets	*14(a)*	6,176	5,157	5,066
Intangible assets	*15*	1,031	30,430	28,832
Investments in subsidiaries	*33*	16,000	38,250	48,250
Prepayments, other receivables and other assets	*16*	3,545	3,787	4,473
Total non-current assets		33,820	86,051	97,074
CURRENT ASSETS				
Prepayments, other receivables and other assets	*16*	3,277	3,352	4,941
Cash and cash equivalents	*17*	236,618	131,030	69,107
Total current assets		239,895	134,382	74,048
CURRENT LIABILITIES				
Trade payables	*18*	6,620	7,931	9,552
Lease liabilities	*14(b)*	1,947	2,154	2,062
Other payables and accruals	*19*	9,660	28,622	39,628
Total current liabilities		18,227	38,707	51,242
NET CURRENT ASSETS		221,668	95,675	22,806
TOTAL ASSETS LESS CURRENT LIABILITIES		255,488	181,726	119,880
NON-CURRENT LIABILITIES				
Lease liabilities	*14(b)*	2,673	905	1,169
Deferred income	*20*	—	646	646
Other financial liabilities	*22*	380,493	—	—
Other non-current liabilities	*23*	—	21,392	22,167
Total non-current liabilities		383,166	22,943	23,982
Net (liabilities)/assets		(127,678)	158,783	95,898
EQUITY				
Equity attributable to owners of the parent				
Paid-in capital/Share capital	*24*	91,806	100,009	100,009
Reserves	*25*	(219,484)	58,774	(4,111)
Total (deficits)/equity		(127,678)	158,783	95,898

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Company was established in the People's Republic of China ("**PRC**") on 24 April 2012. The registered office address of the Company is Room 1507, Building 1 Xiexin Center, No. 19 Qinling Road Laoshan District, Qingdao Shandong Province, PRC. On 26 March 2024, the Company changed its name from Huaren Biotechnology (Qingdao) Limited to B&K Corporation Limited.

On 1 April 2024, the Company was converted into joint stock company with limited liability and the share capital of the Company was RMB100,008,722, which was divided into 100,008,722 shares, with a nominal value of RMB1.00 each.

During the Relevant Periods, the Company and its subsidiaries were principally engaged in the research and development of platelet-derived growth factor ("**PDGF**") products.

As at the end of the Relevant Periods, the Company had direct interests in its subsidiaries, all of which are private limited liability companies (and has substantially similar characteristics to a private company incorporated in Hong Kong), the particulars of which are set out below:

Name	Place and date of registration and place of operations	Nominal value of registered share capital	Percentage of equity attributable to the Company directly	Principal activities
海南華人生物技術有限公司* Hainan Huaren Biotechnology Co., Ltd. ("**Hainan Huaren Biotechnology**")	PRC/ Mainland China 6 March 2022	RMB1,000,000	100%	Research and development
Beijing Huarene Biotechnology Hongkong Company Limited ("**Beijing Huarene Biotechnology**")	PRC/ Hong Kong 8 August 2022	RMB12,250,000	100%	Research and development
華仁益海生物科技(北京)有限公司* Huaren Yihai Biotechnology (Beijing) Co., Ltd. ("**Huaren Yihai Biotechnology**")	PRC/ Mainland China 21 July 2023	RMB50,000,000	100%	Research and development

No audited financial statements have been prepared for the three subsidiaries for the years ended 31 December 2023 and 2024, as these three subsidiaries were not subject to any statutory audit requirements under the relevant rules and regulations in their jurisdiction of registration.

* The English names of these two companies registered in the PRC represent the best efforts made by the management of the Company to translate the Chinese names of the companies as they do not have official English names.

2. ACCOUNTING POLICIES

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 (the "**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.

The Historical Financial Information has been prepared on the assumption that the Group will continue as a going concern, which assumes that the Group will be able to meet its obligations and continue its operations for the coming twelve months. In the opinion of the directors of the Company, the Group has necessary liquid funds to finance its operating, financing and investing requirements for the next twelve months after 30 September 2025. This is due to the following considerations:

(a) The Group had cash and cash equivalents of RMB73,794,000 as at 30 September 2025;

(b) The Group had net current assets of RMB59,668,000 as at 30 September 2025; and

(c) The Group has performed a cash flow forecast for the next twelve months and considered that the Group will have sufficient liquid funds to finance its operating, financing and investing requirements and can operate as a going concern in the next twelve months.

Basis of consolidation

The Historical Financial Information includes the financial information of the Group for the Relevant Periods. A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of the subsidiary 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.

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 these financial statements. 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	*Subsidiaries without Public Accountability: Disclosures*[2]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[2]
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*[2]
Amendments to IFRS 9	*Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures*[2]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
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 application of IFRS 18 would have no impact on the consolidated statements of financial position of the Group, but will have an impact on the presentation of the consolidated statements of profit or loss and other comprehensive income and consolidated statements of cash flows. Except for IFRS 18, the directors of the Company anticipate that the application of these amendments to IFRS Accounting Standards will have no material impact on the Group's financial performance and financial position in the foreseeable future.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION

Fair value measurement

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 Historical Financial Information 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 of the reporting periods.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of the reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

  (i) has control or joint control over the Group;

  (ii) has significant influence over the Group; or

  (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment 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 estimated useful lives and estimated residual values used for this purpose are as follows:

Categories	Estimated useful lives	Estimated residual value rate
Machinery	3 to 10 years	5%
Office equipment	5 years	5%
Electronic equipment	3 to 5 years	5%
Motor vehicle	5 years	5%
Leasehold improvements	Calculated on the shorter of estimated useful lives and remaining lease terms	—

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. 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.

Patents

Patents are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated economic useful lives.

Research and development costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use

or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development.

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 Company 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 lease terms as follows:

Categories	
Buildings	13 months to 38 months
Motor vehicle	24 months

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

The Group applies the short-term lease recognition exemption to its short-term leases of buildings and motor vehicles (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Lease payments on short-term leases 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.

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.

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.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("**ECLs**") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as payables.

All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and other financial liabilities.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and other payables and other financial liabilities)

After initial recognition, trade and other payables, other financial liabilities and other non-current liabilities are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

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, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of the 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 the reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to profit or loss by way of a reduced depreciation charge.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Provision of research and development services

The Group recognises revenue only when it satisfies a performance obligation by transferring control of the promised services at a point in time.

Sale of biopharmaceutical products

Revenue from the sale of biopharmaceutical products is recognised at the point in time when control of the asset is transferred to the customer, generally upon receipt of the biopharmaceutical products by customers.

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 plans. 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 for grants is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using the back-solve method and the discounted cash flow method, 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. This includes any award where non-vesting conditions within the control of either the Company or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Other employee benefits

Pension schemes

The employees of the Company and the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. The Company and the Group's 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.

The Group's subsidiary in Hong Kong operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "**MPF Scheme**") under the Mandatory Provident Fund Schemes Ordinance for the eligible employees from Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from the subsidiary in an independently administered fund. The subsidiary's employer contributions vest fully with the employees when contributed into the MPF Scheme.

Housing fund

The Company and the Group's subsidiaries which operate in Mainland China contribute on a monthly basis to a defined contribution housing fund plan operated by the local municipal government. Contributions to this plan by the Company and these subsidiaries are expensed as incurred.

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).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Research and development costs

Development expenses incurred on the Group's product pipelines are 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, the Group's intention to complete and the Group's ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the pipeline and the ability to measure reliably the expenditure during the development. Development expenses which do not meet these criteria are expensed when incurred. Management will assess the progress of each of the research and development projects and determine the criteria met for capitalisation.

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.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of the reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Fair value measurement of share-based payments

The Group has set up a share incentive plan and granted share award to the Group's employees. The fair values of the share award are determined by the back-solve method and the discounted cash flow method at the grant dates. Significant estimates on assumptions, including the underlying equity value are made by management. Further details are included in note 26 to the Historical Financial Information.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the 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. Further details are contained in note 10 to the Historical Financial Information.

As at 31 December 2023, 31 December 2024 and 30 September 2025, the Group had tax losses of RMB198,752,000, RMB323,547,000 and RMB403,726,000 carried forward. These losses related to companies that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The companies have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

Leases — Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("**IBR**") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

4. OPERATING SEGMENT INFORMATION

The Group is engaged in the research and development of biopharmaceutical products, which is regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's senior management for purposes of resource allocation and performance assessment. Therefore, no further operating segment analysis thereof is presented.

Geographical information

(a) Revenue from external customers

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Mainland China	472	261	—	—
Hong Kong	—	—	—	—
Total revenue from external customers	472	261	—	—

(b) Non-current assets

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Mainland China	17,312	47,291	48,248
Hong Kong	365	133	25
Total non-current assets	17,677	47,424	48,273

The non-current asset information above is based on the locations of the assets and excludes financial instruments.

Information about a major customer

Revenue of RMB472,000 for the year ended 31 December 2023 was derived from the research and development services provided to a single customer.

Revenue of RMB261,000 for the year ended 31 December 2024 was derived from the sale of goods to a single customer.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Revenue from contracts with customers	472	261	—	—

Revenue from contracts with customers

(a) Disaggregated revenue information

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Types of goods or services				
Provision of research and development services	472	—	—	—
Revenue from the sale of goods	—	261	—	—
Geographical market				
Mainland China	472	261	—	—
Timing of revenue recognition				
Transferred at a point in time	472	261	—	—

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Research and development services

During the Relevant Periods and the nine months ended 30 September 2024, the Group's revenue from providing research and development services was one-time revenue, and there was no case that the transaction price was allocated to each individual performance obligation.

The performance obligation is satisfied at the point as services are rendered and payment is generally due within 30 days from the date of billing.

An analysis of other income and gains is as follows:

	Year ended 31 December		Nine months ended 30 September	
	2023	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Other income				
Government grants*	—	434	—	607
Interest income	237	1,368	966	688
Others	34	25	25	53
Total other income	271	1,827	991	1,348
Gains				
Foreign exchange differences, net	—	—	5	—
Total gains	—	—	5	—
Total other income and gains	271	1,827	996	1,348

* Government grants have been received from the PRC local government authorities to support the Group's research and development activities. There are no unfulfilled conditions related to these government grants.

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	Notes	Year ended 31 December		Nine months ended 30 September	
		2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Depreciation of property, plant and equipment*	13	1,308	2,019	1,495	1,814
Depreciation of right-of-use assets**	14(a)	3,593	4,213	3,076	3,421
Amortisation of intangible assets***	15	2,005	1,517	1,003	1,598
Research and development expenses		39,915	91,326	69,763	61,219
Lease payments not included in the measurement of lease liabilities	14(c)	1,075	1,797	1,482	768
Foreign exchange differences, net		19	151	(5)	63
Loss on disposal of items of property, plant and equipment		—	5	5	—
Derecognition of right-of-use assets and lease liabilities on early termination		527	—	—	(9)
Listing expenses		1,324	21,248	18,725	7,350
Government grants	5	—	(434)	—	(607)
Bank interest income	5	(237)	(1,368)	(966)	(688)
Employee benefit expense (excluding directors' remuneration as set out in note 8):					
Wages and salaries		16,886	20,812	15,072	17,833
Pension scheme contributions (defined contribution scheme), social welfare and other welfare		4,126	6,539	4,923	5,421
Equity-settled share award expenses****		14,671	93,270	68,830	62,859
Total		35,683	120,621	88,825	86,113

* The depreciation of property, plant and equipment is included in "Administrative expenses" and "Research and development expenses" in the consolidated statements of profit or loss and other comprehensive income.

** The depreciation of right-of-use assets is included in "Administrative expenses" and "Research and development expenses" in the consolidated statements of profit or loss and other comprehensive income.

*** The amortisation of intangible assets is included in "Research and development expenses" in the consolidated statements of profit or loss and other comprehensive income.

**** Equity-settled share award expenses are included in "Administrative expenses" and "Research and development costs" in the consolidated statements of profit or loss and other comprehensive income.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Notes	Year ended 31 December		Nine months ended 30 September	
		2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Interest on other financial liabilities	*22*	23,170	5,666	5,666	—
Interest on other non-current liabilities		—	164	—	775
Interest on lease liabilities	*14(c)*	412	179	131	156
Total		23,582	6,009	5,797	931

8. DIRECTORS' REMUNERATION

The remuneration of the directors as recorded is set out below:

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Fees	—	165	81	249
Other emoluments:				
Salaries, bonuses, allowances and benefits in kind	6,270	5,021	3,760	3,751
Pension scheme contributions	129	128	95	75
Equity-settled share-based payment expenses	—	6,924	5,036	5,665
Subtotal	6,399	12,073	8,891	9,491
Total	6,399	12,238	8,972	9,740

	Year ended 31 December 2023		
	Salaries, bonuses, allowances and benefits in kind	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*
Chairperson of the board of directors and executive director:			
Ms. JIA Lijia (i)	636	—	636
Executive directors:			
Mr. WANG Kelong (ii)	4,191	81	4,272
Mr. ZHAI Junhui (iii)	543	48	591
Mr. MIAO Tianxiang (iv)	900	—	900
Non-executive directors:			
Ms. LIN Ying (v)	—	—	—
Mr. YUAN Fei (vi)	—	—	—
Total	6,270	129	6,399

	Year ended 31 December 2024				
	Fees	Salaries, bonuses, allowances and benefits in kind	Pension scheme contributions	Equity-settled share-based payments	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Chairperson of the board of directors and executive director:					
Ms. JIA Lijia (i)	—	617	—	—	617
Executive directors:					
Mr. WANG Kelong (ii)	—	2,544	86	—	2,630
Mr. ZHAI Junhui (iii)	—	660	42	6,924	7,626
Mr. MIAO Tianxiang (iv)	—	1,200	—	—	1,200
Non-executive directors:					
Ms. LIN Ying (v)	—	—	—	—	—
Mr. YUAN Fei (vi)	—	—	—	—	—
Independent non-executive directors:					
Mr. LI Jiayan (vii)	55	—	—	—	55
Mr. FOK Chi Tat Michael (viii)	55	—	—	—	55
Mr. YUE Yichun (ix)	55	—	—	—	55
Total	165	5,021	128	6,924	12,238

	Nine months ended 30 September 2025				
	Fees	Salaries, bonuses, allowances and benefits in kind	Pension scheme contributions	Equity-settled share-based payments	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Chairperson of the board of directors and executive director:					
Ms. JIA Lijia (i)	—	464	—	—	464
Executive directors:					
Mr. WANG Kelong (ii)	—	1,890	43	—	1,933
Mr. ZHAI Junhui (iii)	—	497	32	5,665	6,194
Mr. MIAO Tianxiang (iv)	—	900	—	—	900
Non-executive directors:					
Ms. LIN Ying (v)	—	—	—	—	—
Mr. YUAN Fei (vi)	—	—	—	—	—
Independent non-executive directors:					
Mr. LI Jiayan (vii)	83	—	—	—	83
Mr. FOK Chi Tat Michael (viii)	83	—	—	—	83
Mr. YUE Yichun (ix)	83	—	—	—	83
Total	249	3,751	75	5,665	9,740

	Nine months ended 30 September 2024 (Unaudited)				
	Fees	Salaries, bonuses, allowances and benefits in kind	Pension scheme contributions	Equity-settled Share-based payments	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Chairperson of the board of directors and executive director:					
Ms. JIA Lijia (i)	—	463	—	—	463
Executive directors:					
Mr. WANG Kelong (ii)	—	1,903	64	—	1,967
Mr. ZHAI Junhui (iii)	—	494	31	5,036	5,561
Mr. MIAO Tianxiang (iv)	—	900	—	—	900
Non-executive directors:					
Ms. LIN Ying (v)	—	—	—	—	—
Mr. YUAN Fei (vi)	—	—	—	—	—
Independent non-executive directors:					
Mr. LI Jiayan (vii)	27	—	—	—	27
Mr. FOK Chi Tat Michael (viii)	27	—	—	—	27
Mr. YUE Yichun (ix)	27	—	—	—	27
Total	81	3,760	95	5,036	8,972

During the Relevant Periods, Mr. ZHAI Junhui was granted share awards in respect of his services to the Group, further details of which are included in the disclosure in note 26 to the Historical Financial Information. The fair value of such share awards, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amounts included in the Historical Financial Information for the Relevant Periods are included in the above directors' remuneration disclosures.

There was no arrangement under which a director waived or agreed to waive any remuneration during the Relevant Periods and the nine months ended 30 September 2024.

Notes:

(i) Ms. JIA Lijia was appointed as an executive director of the Company in April 2012.

(ii) Mr. WANG Kelong was appointed as a director of the Company in October 2020.

(iii) Mr. ZHAI Junhui was appointed as a director of the Company in December 2020.

(iv) Mr. MIAO Tianxiang was appointed as a non-executive director of the Company in July 2023 and was re-designated as an executive director of the Company in June 2024.

(v) Ms. LIN Ying was appointed as a director of the Company in July 2023.

(vi) Mr. YUAN Fei was appointed as a director of the Company in June 2023.

(vii) Mr. LI Jiayan was appointed as a director of the Company in March 2024.

(viii) Mr. FOK Chi Tat Michael was appointed as a director of the Company in March 2024.

(ix) Mr. YUE Yichun was appointed as a director of the Company in March 2024.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the years ended 31 December 2023 and 2024 and the nine months ended 30 September 2025 and 2024 included one director, no director, one director and no director, respectively, details of the remuneration are set out in note 8 above. Details of the remuneration for the remaining highest paid employees who are neither a director nor chief executive of the Company are as follows:

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Salaries, bonuses, allowances and benefits in kind	1,674	2,436	1,791	1,378
Equity-settled share award expenses	14,671	54,202	39,858	32,252
Pension scheme contributions	105	71	51	64
Total	16,450	56,709	41,700	33,694

The numbers of non-director highest paid employees whose remuneration fell within the following bands are as follows:

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
			(Unaudited)	
HKD2,500,000 to HKD2,999,999	1	—	—	—
HKD4,000,000 to HKD4,499,999	2	—	—	—
HKD7,000,000 to HKD7,499,999	1	—	—	1
HKD7,500,000 to HKD7,999,999	—	—	1	—
HKD8,500,000 to HKD8,999,999	—	—	1	1
HKD9,000,000 to HKD9,499,999	—	—	1	1
HKD9,500,000 to HKD9,999,999	—	—	1	—
HKD10,000,000 to HKD10,499,999	—	—	1	—
HKD10,500,000 to HKD10,999,999	—	1	—	—
HKD11,000,000 to HKD11,499,999	—	1	—	1
HKD12,500,000 to HKD12,999,999	—	1	—	—
HKD13,500,000 to HKD13,999,999	—	2	—	—
Total	4	5	5	4

During the Relevant Periods and the nine months ended 30 September 2024, share awards were granted to certain non-director highest paid employees in respect of their services to the Group, further detail of which are included in the disclosures in note 26 to the Historical Financial Information. The fair values of such share awards, which have been recognised in profit or loss over the vesting period, were determined as at the date of grant and the amounts included in the Historical Financial Information for the Relevant Periods and the nine months ended 30 September 2024 are 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.

Mainland China

Under the Law of the PRC on Corporate Income Tax (the "**CIT Law**") and the Implementation Regulation of the CIT Law, the CIT rate of the PRC subsidiary was 25% during the Relevant Periods and the nine months ended 30 September 2024. The Company was accredited as a "High and New Technology Enterprise" ("**HNTE**") and the Company was entitled to a preferential CIT rate of 15% for the years ended 31 December 2023 and 2024 and the nine months ended 30 September 2025.

Certain subsidiaries of the Group have applied for the Small-Scaled Minimal Profit Corporate Income Tax Preferential Policy announced by the PRC's State Administration of Taxation. Pursuant to the policy announced by the PRC's State Administration of Taxation, in 2022, for Small-Scaled Minimal Profit Corporation with an annual taxable income below RMB1,000,000 (RMB1,000,000 included), the taxable income is reduced by 12.5%, and the corporate income tax is paid at the tax rate of 20%, the Small-Scaled Minimal Profit Corporation with an annual taxable income between RMB1,000,000 and RMB3,000,000 (RMB3,000,000 included) is entitled to a preferential tax treatment with only 25% income taxable at the preferential CIT rate of 20%. For the period from 1 January 2023 to 31 December 2027, the annual taxable income amount of a Small-Scaled Minimal Profit Corporation shall be computed at a reduced rate of 25% as taxable income amount, and shall be levied at a reduced tax rate of 20%.

Hong Kong

The subsidiary incorporated in Hong Kong is a qualifying entity under the two-tiered profits tax rates regime. No provision for Hong Kong profits tax has been made as subsidiary incorporated in Hong Kong had no assessable profits derived from or earned in Hong Kong during the Relevant Periods and the nine months ended 30 September 2024.

The Group had no taxable income during the Relevant Periods and the nine months ended 30 September 2024.

A reconciliation of the tax credit applicable to loss before tax at the statutory rate to the tax expense at the effective tax rate is as follows:

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Loss before tax	(105,188)	(212,250)	(164,100)	(134,468)
Tax at the statutory tax rate of 25%	(26,297)	(53,063)	(41,025)	(33,617)
Lower tax rate applicable to the Group	10,759	21,514	16,620	13,659
Expenses not deductible for tax	3,517	17,400	13,258	11,241
Additional deductible allowance for research and development expenses	(3,403)	(4,596)	(4,443)	(3,097)
Tax losses not recognised	15,424	18,745	15,590	11,814
Tax charge at the Group's effective tax rate	—	—	—	—

11. DIVIDENDS

No dividends have been declared or paid by the Company since its date of registration and up to the end of 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 for the year/period attributable to ordinary equity holders of the parent and the weighted average numbers of ordinary shares in issue during the Relevant Periods and the nine months ended 30 September 2024. As the Group had no potentially dilutive ordinary shares in issue during the Relevant Periods and the nine months ended 30 September 2024, no adjustment has been made to the basic loss per share amounts presented for the Relevant Periods and the nine months ended 30 September 2024.

The weighted average numbers of shares used to calculate the basic/diluted loss per share amounts for the years ended 2023 and 2024 are based on the assumption that the Company had completed the conversion into a joint stock limited company as set out in note 24 to the Historical Financial Information.

The calculations of basic loss per share amounts are based on:

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Loss				
Loss attributable to ordinary equity holders of the parent, for the purpose of calculating basic loss per share	(105,188)	(212,250)	(164,100)	(134,468)
Shares				
Weighted average number of ordinary shares outstanding during the year/period used in the basic loss per share calculation	87,260,298	98,641,551	98,185,827	100,008,722
Loss per share *(RMB per share)*	(1.21)	(2.15)	(1.67)	(1.34)

13. PROPERTY, PLANT AND EQUIPMENT

The Group and the Company

31 December 2023

	Machinery	Office equipment	Electronic equipment	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023:					
Cost	7,744	87	600	594	9,025
Accumulated amortisation	(2,489)	(46)	(225)	(461)	(3,221)
Net carrying amount	5,255	41	375	133	5,804
At 1 January 2023, net of accumulated depreciation	5,255	41	375	133	5,804
Additions	337	260	219	1,756	2,572
Depreciation provided during the year	(892)	(20)	(189)	(207)	(1,308)
At 31 December 2023, net of accumulated depreciation	4,700	281	405	1,682	7,068
At 31 December 2023:					
Cost	8,081	346	819	2,350	11,596
Accumulated depreciation	(3,381)	(65)	(414)	(668)	(4,528)
Net carrying amount	4,700	281	405	1,682	7,068

31 December 2024

	Machinery	Office equipment	Motor vehicle	Electronic equipment	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024:						
Cost	8,081	346	—	819	2,350	11,596
Accumulated amortisation	(3,381)	(65)	—	(414)	(668)	(4,528)
Net carrying amount	4,700	281	—	405	1,682	7,068
At 1 January 2024, net of accumulated depreciation	4,700	281	—	405	1,682	7,068
Additions	2,346	213	228	582	15	3,384
Disposals	—	(5)	—	(1)	—	(6)
Depreciation provided during the year	(969)	(102)	(33)	(307)	(608)	(2,019)
At 31 December 2024, net of accumulated depreciation	6,077	387	195	679	1,089	8,427
At 31 December 2024:						
Cost	10,427	547	228	1,397	2,365	14,964
Accumulated depreciation	(4,350)	(160)	(33)	(718)	(1,276)	(6,537)
Net carrying amount	6,077	387	195	679	1,089	8,427

30 September 2025

	Machinery	Office equipment	Motor vehicle	Electronic equipment	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025:						
Cost	10,427	547	228	1,397	2,365	14,964
Accumulated amortisation	(4,350)	(160)	(33)	(718)	(1,276)	(6,537)
Net carrying amount	6,077	387	195	679	1,089	8,427
At 1 January 2025, net of accumulated depreciation	6,077	387	195	679	1,089	8,427
Additions	3,397	147	—	296	—	3,840
Depreciation provided during the period	(1,002)	(94)	(33)	(229)	(456)	(1,814)
At 30 September 2025, net of accumulated depreciation	8,472	440	162	746	633	10,453
At 30 September 2025:						
Cost	13,824	694	228	1,693	2,365	18,804
Accumulated depreciation	(5,352)	(254)	(66)	(947)	(1,732)	(8,351)
Net carrying amount	8,472	440	162	746	633	10,453

14. LEASES

The Group and the Company as the lessees

The Group and the Company have lease contracts for buildings and a motor vehicle used in their operations. Leases of buildings generally have lease terms between 13 months and 38 months. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's and the Company's right-of-use assets and the movements during the Relevant Periods are as follows:

The Group

	Buildings	Motor vehicle	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 1 January 2023	8,744	—	8,744
Additions	8,912	—	8,912
Termination of leases	(7,568)	—	(7,568)
Depreciation charges	(3,593)	—	(3,593)
As at 31 December 2023 and 1 January 2024	6,495	—	6,495
Additions	1,684	1,320	3,004
Depreciation charges	(3,735)	(478)	(4,213)
Exchange realignment	4	—	4
As at 31 December 2024 and 1 January 2025	4,448	842	5,290
Additions	3,616	—	3,616
Termination of a lease	(391)	—	(391)
Depreciation charges	(2,926)	(495)	(3,421)
Exchange realignment	(2)	—	(2)
As at 30 September 2025	4,745	347	5,092

The Company

	Buildings	Motor vehicle	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 1 January 2023	8,744	—	8,744
Additions	8,433	—	8,433
Termination of leases	(7,568)	—	(7,568)
Depreciation charges	(3,433)	—	(3,433)
As at 31 December 2023 and 1 January 2024	6,176	—	6,176
Additions	1,617	1,320	2,937
Depreciation charges	(3,478)	(478)	(3,956)
As at 31 December 2024 and 1 January 2025	4,315	842	5,157
Additions	3,616	—	3,616
Termination of a lease	(391)	—	(391)
Depreciation charges	(2,821)	(495)	(3,316)
As at 30 September 2025	4,719	347	5,066

(b) Lease liabilities

The Group

	Year ended 31 December		Nine months ended 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount at 1 January	8,464	4,949	3,179
Additions	8,912	3,004	2,616
Accretion of interest recognised during the year/period	412	179	156
Termination of leases	(7,041)	—	(400)
Exchange realignment	—	4	(2)
Payments	(5,798)	(4,957)	(2,292)
Carrying amount at 31 December/30 September	4,949	3,179	3,257
Analysed into:			
Current portion	2,211	2,256	2,088
Non-current portion	2,738	923	1,169

The Company

	Year ended 31 December		Nine months ended 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount at 1 January	8,464	4,620	3,059
Additions	8,433	2,937	2,616
Accretion of interest recognised during the year/period	397	166	154
Termination of leases	(7,041)	—	(400)
Payments	(5,633)	(4,664)	(2,198)
Carrying amount at 31 December/30 September	4,620	3,059	3,231
Analysed into:			
Current portion	1,947	2,154	2,062
Non-current portion	2,673	905	1,169

The maturity analysis of lease liabilities is disclosed in note 32 to the Historical Financial Information.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Interest on lease liabilities	412	179	131	156
Depreciation charge of right-of-use assets	3,593	4,213	3,076	3,421
Expense relating to short-term leases	1,075	1,797	1,482	768
Total amount recognised in profit or loss	5,080	6,189	4,689	4,345

(d) The total cash outflow for leases is disclosed in note 28(c) to the Historical Financial Information.

15. INTANGIBLE ASSETS

The Group and the Company

Patents	As at 31 December		Nine months ended 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At 1 January:			
Cost	20,045	20,045	50,961
Accumulated amortisation	(17,009)	(19,014)	(20,531)
Cost at 1 January, net of accumulated amortisation	3,036	1,031	30,430
Additions	—	30,916	—
Amortisation provided during the year/period	(2,005)	(1,517)	(1,598)
At 31 December/30 September	1,031	30,430	28,832
At 31 December/30 September :			
Cost	20,045	50,961	50,961
Accumulated amortisation	(19,014)	(20,531)	(22,129)
Net carrying amount	1,031	30,430	28,832

In August 2024, the Company entered into a patent transfer agreement with China Rongtong Scientific Research Institute Group Co., Ltd. to purchase four patent rights at a total consideration of RMB40,000,000. The initial cost of those patent rights was recognised at the present value of the total payment as the payment was made by instalments. The unpaid portion of the consideration is included in "Other non-current liabilities" in the consolidated statements of financial position.

16. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current			
Prepayments	2,085	1,283	1,991
Prepayment for a related party	24	12	4
Deferred listing expenses	251	1,801	2,657
Deposits and other receivables	1,032	369	660
Subtotal	3,392	3,465	5,312
Non-current			
Advance payments for property, plant and equipment	577	1,043	96
Prepayment for a related party	—	1,000	—
Value-added tax recoverable	2,506	1,234	3,800
Deposits for leases	508	510	577
Subtotal	3,591	3,787	4,473
Total	6,983	7,252	9,785

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 calculating the expected credit loss rate, the Group considers the historical loss rates and adjusts for forward-looking factors and information. As at 31 December 2023 and 2024 and 30 September 2025, the expected credit loss rates and the loss allowances were assessed to be minimal.

The Company

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current			
Prepayments	2,085	1,283	1,969
Prepayment for a related party	24	12	4
Deferred listing expenses	251	1,801	2,657
Deposits and other receivables	917	256	311
Subtotal	3,277	3,352	4,941
Non-current			
Advance payments for property, plant and equipment	577	1,043	96
Prepayment for a related party	—	1,000	—
Value-added tax recoverable	2,506	1,234	3,800
Deposits for leases	462	510	577
Subtotal	3,545	3,787	4,473
Total	6,822	7,139	9,414

17. CASH AND CASH EQUIVALENTS

The Group

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash and cash equivalents			
Cash and bank balances	241,512	139,213	73,794
Denominated in:			
RMB	241,458	138,233	72,095
US dollars	—	701	1,613
JPY	—	245	—
HK dollars	54	34	86
Total	241,512	139,213	73,794

Cash and bank balances of the Group denominated in RMB amounted to RMB241,458,000, RMB138,233,000 and RMB72,095,000 as at 31 December 2023 and 2024 and 30 September 2025, respectively. The RMB is not freely convertible into other currencies. However, under Mainland China'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. The bank balances are deposited with creditworthy banks with no recent history of default.

The Company

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash and cash equivalents			
Cash and bank balances	236,618	131,030	69,107
Denominated in:			
RMB	236,618	131,030	69,107

18. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

The Group and the Company

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	5,332	7,931	6,672
Over 1 year	1,288	—	2,880
Total	6,620	7,931	9,552

The trade payables are non-interest-bearing and are normally settled within one month after the receipt of the invoice.

19. OTHER PAYABLES AND ACCRUALS

The Group

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Payroll payable	1,875	2,947	2,786
Taxes payable	221	55	4
Accrued listing expenses	366	3,223	4,528
Other payables	439	704	480
Total	2,901	6,929	7,798

The Company

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Payroll payable	575	1,618	1,378
Taxes payable	193	53	4
Accrued listing expenses	366	3,223	4,528
Other payables	8,526*	23,728*	33,718*
Total	9,660	28,622	39,628

* Included were amounts of RMB8,115,000 and RMB23,041,000 and RMB33,258,000 as at 31 December 2023 and 2024 and 30 September 2025 representing the intercompany charges in regard to certain services provided by Huaren Yihai Biotechnology to the Company.

Other payables and accruals are non-interest-bearing and have no fixed terms of settlement.

20. DEFERRED INCOME

The Group and the Company

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At beginning of the year/period	—	—	646
Received during the year/period	—	1,080	—
Less: Recognised during the year/period	—	(434)	—
At the end of the year/period	—	646	646

Government grants have been received from the PRC local government authorities to support the Group's research and development activities. There are unfulfilled conditions related to these government grants.

21. DEFERRED TAX

The movements in deferred tax assets and liabilities during the Relevant Periods are as follows:

Deferred tax liabilities

	Right-of-use assets
	RMB'000
At 1 January 2023	1,312
Deferred tax credited to profit or loss during the year	(362)
Gross deferred tax liabilities at 31 December 2023 and 1 January 2024	950
Deferred tax credited to profit or loss during the year	(166)
Gross deferred tax liabilities at 31 December 2024 and 1 January 2025	784
Deferred tax credited to profit or loss during the period	(23)
Gross deferred tax liabilities at 30 September 2025	761

Deferred tax assets

	Lease liabilities	Tax losses	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2023	1,270	42	1,312
Deferred tax (charged)/credited to profit or loss during the year	(554)	192	(362)
Gross deferred tax assets at 31 December 2023 and 1 January 2024	716	234	950
Deferred tax (charged)/credited to profit or loss during the year	(249)	83	(166)
Gross deferred tax assets at 31 December 2024 and 1 January 2025	467	317	784
Deferred tax (charged)/credited to profit or loss during the period	20	(43)	(23)
Gross deferred tax assets at 30 September 2025	487	274	761

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for reporting purposes:

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net deferred tax assets recognised in the consolidated statement of financial position	—	—	—
Net deferred tax liabilities recognised in the consolidated statement of financial position	—	—	—

Deferred tax assets have not been recognised in respect of the following items:

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Tax losses arising in Mainland China	195,390	316,306	393,597
Tax losses arising in Hong Kong	3,362	7,241	10,129
Total	198,752	323,547	403,726

The Group had accumulated tax losses in Mainland China of RMB195,390,000, RMB316,306,000 and RMB393,597,000 as at 31 December 2023, 31 December 2024 and 30 September 2025, respectively, that would expire in one to ten years for offsetting against future taxable profits of the companies in which the losses arose.

The Group also had accumulated tax losses in Hong Kong of RMB3,362,000, RMB7,241,000 and RMB10,129,000 as at 31 December 2023, 31 December 2024 and 30 September 2025, respectively, that will be carried forward indefinitely for offsetting against future taxable profits of the company in which the losses arose.

Deferred tax assets have not been recognised in respect of these losses as they have arisen in companies that have been loss-making for some time and it is not considered probable that taxable profits in foreseeable future will be available against which the tax losses can be utilised.

22. OTHER FINANCIAL LIABILITIES

Series A Financing

In August 2021, the Company entered into an investment agreement with certain independent investors, pursuant to which these investors paid in aggregate of RMB75,000,000 and subscribed for the Company's paid-in capital of RMB3,374,000 (referred as "**Series A Financing**").

The investors of the Series A Financing are entitled to the same voting rights and dividend rights as other founding shareholders of the Company. Certain key preferential rights issued to the investors of the Series A Financing are summarised as follows:

Investors' redemption rights

The investors of the Series A Financing would have the right but not the obligation to request the Company to purchase all or part of the shares of the Company held by them, upon the occurrence of any of the specified contingent events, including but not limited to:

(i) a qualified initial public offering of the Company has not been consummated by 31 December 2026; or

(ii) the Company has not been acquired and is valued at a valuation of not less than RMB3,000,000,000 by 31 December 2026.

The redemption price of each share shall equal to the aggregate of the original issue price plus interest at 8% per annum calculated on a simple basis for the period from the payment date of the consideration up to the redemption date, plus all declared but unpaid dividends.

Liquidation preference

In the event of any liquidation or dissolution of the Company, the investors of the Series A Financing shall be entitled to receive the amount equal to investment costs and dividends that have accrued on the paid-in capital or all declared but unpaid dividends (the "**Priority Liquidation Amount**"). After the Priority Liquidation Amount is paid off, if the Company still has net assets legally available for distribution, the investors of the Series A Financing shall be entitled to the residual assets according to its actual investment ratio. If the investors of the Series A Financing fails to obtain the Priority Liquidation Amount, the founder is obliged to compensate the investors of the Series A Financing for the difference to the extent of the distribution property obtained from all of its equity.

Anti-dilution right

After the closing date, the Company shall ensure that the unit price of each of registered capital subscribed by any new investor other than the strategic investor for the additional registered capital of the Company shall not be less than the cost of each of registered capital investment paid by the Series A Investor in the Series A Financing.

Series B Financing

In May 2023, the Company entered into an investment agreement with an independent investor, pursuant to which the investor paid in aggregate of RMB300,000,000 and subscribed for the Company's paid-in capital of RMB9,091,000 (referred as "**Series B Financing**"). The transaction cost attributable to Series B Financing was RMB6,995,000.

The investor of the Series B Financing is entitled to the same voting rights and dividend rights as other founding shareholders of the Company. Certain key preferential rights issued to the investor of the Series B Financing are summarised as follows:

Investors' redemption rights

The investor of the Series B Financing would have the right but not the obligation to request the Company to purchase all or part of the shares of the Company held by them, upon the occurrence of any of the specified contingent events, including but not limited to:

(i) the Company has not obtained the Phase III clinical trial approval for a Class I new drug issued by the Center for Drug Evaluation of the National Medical Products Administration by 31 December 2025;

(ii) the Company has less than 5 pipelines under development before 31 December 2025;

(iii) a qualified initial public offering of the Company has not been consummated by 31 December 2026; or

(iv) the Company has not been acquired and is valued at a valuation of not less than RMB3,500,000,000 by 31 December 2026.

The redemption price of each share shall equal to the aggregate of the original issue price plus interest at 6% per annum calculated on a simple basis for the period from the payment date of the consideration up to the redemption date.

Liquidation preference

In the event of any liquidation or dissolution of the Company, the investor of the Series B Financing shall be entitled to receive the Priority Liquidation Amount. After the Priority Liquidation Amount is paid off, if the Company still has net assets legally available for distribution, the investor of the Series B Financing shall be entitled to the residual assets according to its actual investment ratio.

Presentation and classification

As the occurrence of the specified redemption triggering events such as no qualified initial public offering of the Company consummated by the specified date is beyond the Company's control, the Company recognised financial liabilities for its obligation to buy back

as the financial instruments. The financial liabilities are measured at the present value of the redemption amount. The changes in the carrying amount of the financial liabilities were recorded in profit or loss as "finance costs".

Derecognition of financial liabilities

The Group entered into a supplemental agreement with its investors of Series A Financing and Series B Financing to terminate certain preferential rights on 23 February 2024. According to the supplemental agreement, the financial liabilities with a carrying amount of RMB386,159,000 as at 23 February 2024 were derecognised and recorded to equity.

The movements of the financial liabilities recognised during the years ended 31 December 2023 and 2024 are set out below:

The Group and the Company

		Year ended 31 December	
	Note	**2023**	**2024**
		RMB'000	*RMB'000*
At beginning of the year		77,946	380,493
Issuance of financial instruments with preferential rights		279,377	—
Changes in carrying amount of the financial liabilities	*7*	23,170	5,666
Derecognition		—	(386,159)
At the end of the year		380,493	—

23. OTHER NON-CURRENT LIABILITIES

The Group and the Company

	As at 31 December		As at 30 September
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Payable for intangible assets	—	21,392	22,167

24. PAID-IN CAPITAL/SHARE CAPITAL

The Group and the Company

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Issued and fully paid	91,806	100,009	100,009

A summary of movements in the Company's issued paid-in capital/share capital during the Relevant Periods is as follows:

	Note	Paid-in capital
		RMB'000
At 1 January 2023		82,715
Issuance of financial instruments with preferential rights	*22*	9,091
At 31 December 2023 and 1 January 2024		91,806
Capital contributions*		8,203
Conversion of the Company into a joint stock company**		(100,009)
At 31 December 2024 and 1 January 2025		—
At 30 September 2025		—

	Number of shares in issue	Share capital
		RMB'000
At 1 January 2024	—	—
Conversion of the Company to a joint stock company**	100,008,722	100,009
At 31 December 2024 and 1 January 2025	100,008,722	100,009
At 30 September 2025	100,008,722	100,009

* Hainan Huaren Gongying Corporate Management Consultancy Partnership (Limited Partnership) and Qingdao Huaren Gongchuang Corporate Management Consultancy Partnership (Limited Partnership), the shareholders of the Company, made capital injection of RMB8,203,000 to the Company in February 2024.

** Pursuant to the promoters' agreement dated 27 March 2024, the then shareholders of the Company agreed to convert the Company into a joint stock company with limited liability. The net asset value of the Company as at 29 February 2024, the conversion base date, was approximately RMB257,229,000, of which the amount of RMB100,008,722 was converted into 100,008,722 shares with a par value of RMB1.00 per share. The above conversion was completed on 1 April 2024.

25. RESERVES

The amounts of the Group's reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity.

Capital reserves

Capital reserves comprise contributions made by shareholders.

Share award reserves

The share award reserves of the Group represent the fair value of equity-settled share-based payments as detailed presented in note 26.

Exchange fluctuation reserves

The exchange reserves comprise all foreign exchange differences arising from the translation of the financial statements of a foreign operation with functional currency other than RMB.

26. SHARE-BASED PAYMENTS

On 30 November 2020, Qingdao Huaren Gongchuang Corporate Management Consultancy Partnership (Limited Partnership) (青島華芒共創企業管理諮詢合夥企業(有限合夥)) was established in the PRC as a limited partnership as an employee incentive platform of the Group.

On 25 April 2021, Hainan Huaren Gongying Corporate Management Consultancy Partnership (Limited Partnership) (海南華人共贏企業管理諮詢合夥企業(有限合夥)) was established in the PRC as a limited partnership as an employee incentive platform of the Group.

2021 incentive plan

On 26 October 2021, an employee incentive plan ("**2021 incentive plan**") was implemented to incentivise certain eligible employees of the Group to retain them for the continued operation and development of the Group. The vesting conditions of the granted share awards are subject to a listing-based vesting condition and a service period vesting condition.

The Group has adopted the back-solve method to determine the fair value of the share awards for the employment incentive plan with reference to the issue price of the Series A Financing.

2024 incentive plan

On 7 February 2024, an employee incentive plan ("**2024 incentive plan**") was implemented to incentivise certain eligible employees of the Group to retain them for the continual operation and development of the Group. The vesting conditions of the granted share awards are subject to a service period vesting condition.

The Group has adopted the discounted cash flow method to determine the fair value of the share awards for the employment incentive plan.

During the Relevant Periods and the nine months ended 30 September 2024, share-based payment expenses of RMB14,671,000, RMB100,194,000, RMB68,524,000 and RMB73,866,000 were charged to profit or loss.

27. COMMITMENTS

(a) The Group had the following contracted commitments at the end of each of the Relevant Periods:

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Property, plant and equipment . . .	90	788	349

(b) The Group had no lease contracts that have not yet commenced as at 31 December 2023 and 2024 and 30 September 2025.

28. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the years ended 31 December 2023 and 2024 and the nine months ended 30 September 2025, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB8,912,000 and RMB3,004,000 and RMB2,616,000, in respect of lease arrangements for buildings and a motor vehicle.

(b) Changes in liabilities arising from financing activities

	Lease liabilities
	RMB'000
At 1 January 2023	8,464
Changes from financing cash flows*	(5,798)
New leases	8,912
Interest expenses	412
Revision of lease terms arising from a change of lease payment	(7,041)
At 31 December 2023	4,949
At 1 January 2024	4,949
Changes from financing cash flows*	(4,957)
New leases	3,004
Interest expenses	179
Exchange realignment	4
At 31 December 2024	3,179
At 1 January 2025	3,179
Changes from financing cash flows*	(2,292)
New leases	2,616
Termination of leases	(400)
Exchange realignment	(2)
Interest expenses	156
At 30 September 2025	3,257

* The amounts of the changes from financing cash flows do not include the value added tax amounts. The amounts of the value added tax were RMB288,000 and RMB192,000 and RMB74,000 for the years ended 31 December 2023 and 2024 and the nine months ended 30 September 2025.

(c) Total cash outflow for leases

The total cash outflow for leases included in the statements of cash flows is as follows:

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Within operating activities	1,075	1,797	1,482	768
Within financing activities	6,086	5,149	3,738	2,366
Total	7,161	6,946	5,220	3,134

29. RELATED PARTY TRANSACTIONS

(a) Name and relationship

The directors of the Group are of the review that the following company and individual are related parties that had transactions or balances with the Company during the Relevant Periods and the nine months ended 30 September 2024.

Name of related parties	Relationship with the Group
Mr. WANG Kelong	Executive director/Shareholder of the Company
Beijing Houmingde New Material Packaging Co., Ltd. ("**Beijing Houmingde**")*	Other related party

* Controlled by an immediate family member of the single largest shareholder of the Group.

(b) Transactions with related parties

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Lease from Beijing Houmingde*	1,065	1,083	812	774
Utility charges for Beijing Houmingde	44	23	22	18
Out of pocket expenses paid by Mr. WANG Kelong**	365	—	—	—
Lease of motor vehicle from Mr. WANG Kelong***	—	—	—	—
Total	1,474	1,106	834	792

* The lease of a building and the lease of a motor vehicle in the Relevant Periods were made according to the agreed prices with Beijing Houmingde.

** Mr. WANG Kelong paid the out of pocket expenses for the incorporation of Beijing Huarene Biotechnology.

*** The lease of a motor vehicle from Mr. WANG Kelong was made with nil rental charge according to the agreement and the lease agreement was terminated in December 2023.

(c) Outstanding balances with related parties:

		As at 31 December		As at 30 September
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Prepayments, other receivables and other assets:				
Prepayment for Beijing Houmingde	*(i)*	24	1,012	4
Other payables and accruals:				
Due to Mr. WANG Kelong	*(ii)*	8	8	—
Lease liabilities:				
Due to Beijing Houmingde	*(i)*	72	—	2,132

(i) The Group's balances due from and due to Beijing Houmingde are trade in nature, unsecured, non-interest-bearing and are normally settled within the business cycle in accordance with the agreements;

(ii) The Group's balances due to Mr. WANG Kelong are non-trade in nature, unsecured and non-interesting-bearing.

(d) Compensation of key management personnel of the Group:

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Fees	—	165	81	249
Salaries, bonuses, allowances and benefits in kind	8,196	7,864	5,800	5,992
Equity-settled share award expenses	11,311	34,897	26,149	21,583
Pension scheme contributions	281	350	259	250
Total compensation paid to key management personnel	19,788	43,276	32,289	28,074

Further details of directors' remuneration are included in note 8.

30. 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:

31 December 2023

Financial assets

	Financial assets at amortised cost
	RMB'000
Financial assets included in prepayments, other receivables and other assets	1,540
Cash and cash equivalents	241,512
Total	243,052

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Trade payables	6,620
Financial liabilities included in other payables and accruals	805
Other financial liabilities	380,493
Total	387,918

31 December 2024

Financial assets

	Financial assets at amortised cost
	RMB'000
Financial assets included in prepayments, other receivables and other assets	879
Cash and cash equivalents	139,213
Total	140,092

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Trade payables	7,931
Financial liabilities included in other payables and accruals	3,927
Other non-current liabilities	21,392
Total	33,250

30 September 2025

Financial assets

	Financial assets at amortised cost
	RMB'000
Financial assets included in prepayments, other receivables and other assets	1,237
Cash and cash equivalents	73,794
Total	75,031

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Trade payables	9,552
Financial liabilities included in other payables and accruals	5,008
Other non-current liabilities	22,167
Total	36,727

31. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts	Fair values
	As at 31 December 2023	As at 31 December 2023
	RMB'000	*RMB'000*
Financial liabilities		
Other financial liabilities	380,493	389,844

The financial liabilities were derecognised and reclassified to equity on 23 February 2024. Further details are included in note 22.

Management has assessed that the fair values of cash and cash equivalents, the current portion of financial assets included in prepayments, other receivables and other assets, financial liabilities included in other payables and accruals and other non-current liabilities, approximate to their carrying amounts.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer. 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 chief financial officer.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of prepayments, other receivables and other assets have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets and liabilities measured at fair value:

The Group did not have any financial assets and financial liabilities measured at fair value as at the end of the Relevant Periods.

Assets for which fair values are disclosed:

The carrying amounts of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair values as at the end of the Relevant Periods.

Liability for which fair value is disclosed:

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets	**Significant observable inputs**	**Significant unobservable inputs**	
	(Level 1)	**(Level 2)**	**(Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Other financial liabilities.	—	—	389,844	389,844

During the Relevant Periods, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial liabilities.

The discount rates when estimated the fair value of the redemption amount of other financial liabilities as at the end of each of the Relevant Periods are as follows:

At 31 December 2022	
— Series A Financing	7.67%
At 31 December 2023	
— Series A Financing	7.13%
— Series B Financing	7.50%

At 31 December 2023, 10% increase/decrease in the discount rates would result in the decrease/increase in the fair value of other financial liabilities of RMB5,417,000/RMB5,575,000, respectively.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents, financial assets included in prepayments, other receivables and other assets, trade payables, financial liabilities included in other payables and accruals, other financial liabilities, other non-current liabilities. The main purpose of these financial instruments is to raise finance for the Group's operations.

The main risks arising from the Group's financial instruments are credit risk and liquidity risk. The board of directors and senior management meet periodically to analyse and formulate measures to manage the Group's exposure to these risks.

Credit risk

The carrying amounts of cash and cash equivalents and financial assets included in prepayments, other receivables and other assets, represent the Group's maximum exposure equal to credit risk in relation to the financial assets.

The Group expects that there is no significant credit risk associated with cash and bank balances, financial assets measured at amortised cost since they are substantially held in reputable state-owned banks and other medium or large-sized listed banks. Management does not expect that there will be any significant losses from non-performance by these counterparties.

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 order to minimise the credit risk, the Group reviews the recoverable amount of each individual trade receivable periodically and management also has monitoring procedures to ensure the follow-up action is taken to recover overdue receivables. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

For financial assets included in prepayments, other receivables and other assets relate to receivables for which there was no recent history of default and past due amounts. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Long ageing balances are reviewed regularly by senior management. In view of the fact that deposits and other receivables relate to diversified counterparties, there is no significant concentration of credit risk. The directors of the Company believe that there is no material credit risk inherent in the Group's outstanding balances.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year/period-end staging classification as at 31 December 2023 and 2024 and 30 September 2025. The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2023

	12-month ECLs
	Stage 1
	RMB'000
Financial assets included in prepayments, other receivables and other assets — Normal*	1,540
Cash and cash equivalents — Not yet past due	241,512
Total	243,052

As at 31 December 2024

	12-month ECLs
	Stage 1
	RMB'000
Financial assets included in prepayments, other receivables and other assets — Normal*	879
Cash and cash equivalents — Not yet past due	139,213
Total	140,092

As at 30 September 2025

	12-month ECLs
	Stage 1
	RMB'000
Financial assets included in prepayments, other receivables and other assets — Normal*	1,237
Cash and cash equivalents — Not yet past due	73,794
Total	75,031

* The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management of the Company to finance the operations and mitigate the effects of fluctuations in cash flows.

The maturity profile of the Company's financial liabilities and lease liabilities as at the end of each of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

	Less than 1 year	1 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023				
Financial liabilities included in other payables and accruals	805	—	—	805
Trade payables	6,620	—	—	6,620
Other financial liabilities	—	399,970	—	399,970
Lease liabilities	2,360	2,821	—	5,181
Total	9,785	402,791	—	412,576
31 December 2024				
Financial liabilities included in other payables and accruals	3,927	—	—	3,927
Trade payables	7,931	—	—	7,931
Other non-current liabilities	—	10,000	20,000	30,000
Lease liabilities	2,351	935	—	3,286
Total	14,209	10,935	20,000	45,144
At 30 September 2025				
Financial liabilities included in other payables and accruals	5,008	—	—	5,008
Trade payables	9,552	—	—	9,552
Other non-current liabilities	—	10,000	20,000	30,000
Lease liabilities	2,146	1,185	—	3,331
Total	16,706	11,185	20,000	47,891

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. No changes were made in the objectives, policies or processes for managing capital during the Relevant Periods.

33. INVESTMENTS IN SUBSIDIARIES

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interests in subsidiaries, at cost	16,000	38,250	48,250
— Hainan Huaren Biotechnology	1,000	1,000	1,000
— Beijing Huarene Biotechnology	5,000	12,250	12,250
— Huaren Yihai Biotechnology	10,000	25,000	35,000

	Hainan Huaren Biotechnology	Beijing Huarene Biotechnology	Huaren Yihai Biotechnology	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	1,000	1,000	—	2,000
Capital increase	—	4,000	10,000	14,000
At 31 December 2023 and 1 January 2024	1,000	5,000	10,000	16,000
Capital increase	—	7,250	15,000	22,250
At 31 December 2024 and 1 January 2025	1,000	12,250	25,000	38,250
Capital increase	—	—	10,000	10,000
At 30 September 2025	1,000	12,250	35,000	48,250

Details of the subsidiaries of the Company are disclosed in note 1 to the Historical Financial Information.

34. EVENTS AFTER THE RELEVANT PERIODS

No significant events took place subsequent to 30 September 2025.

35. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to 30 September 2025.

The following information does not form part of the Accountants' Report from Ernst & Young, Certified Public Accountants, Hong Kong, the Company's reporting accountants, as set out in Appendix I to this prospectus, and is included for information purposes only. The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this prospectus and the Accountants' Report set out in Appendix I to this prospectus.

A. UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following unaudited pro forma adjusted consolidated net tangible assets of the Group have been prepared in accordance with Rule 4.29 of the Listing Rules and with reference to Accounting Guideline 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants for illustration purposes only, and is set out here to illustrate the effect of the Global Offering on the consolidated net tangible assets of the Group attributable to owners of the parent as if the Global Offering had taken place on 30 September 2025.

The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the parent has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Global Offering been completed as at 30 September 2025 or any future date.

	Consolidated net tangible assets attributable to owners of the parent as at 30 September 2025	**Estimated net proceeds from the Global Offering**	**Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the parent as at 30 September 2025**	**Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the parent per Share as at 30 September 2025**	
	RMB'000 Note 1	*RMB'000 Note 2*	*RMB'000*	*RMB Note 3*	*HK$ Note 4*
Based on an Offer Price of HK$38.20 per Share. . . .	55,704	578,922	634,626	5.39	5.93
Based on an Offer Price of HK$51.00 per Share. . . .	55,704	777,213	832,917	7.08	7.78

Notes:

(1) The consolidated net tangible assets attributable to owners of the parent as at 30 September 2025 is arrived at after deducting intangible assets of RMB28,832,000 from the consolidated net assets attributable to owners of the parent of RMB84,536,000 as at 30 September 2025, as shown in the Accountants' Report set out in Appendix I to this prospectus.

(2) The estimated net proceeds from the Global Offering are calculated based on the offer price of HK$38.20 per Share or HK$51.00 per Share, being the low-end price and high-end price, after deduction of the underwriting fees and related expenses payable by the Company (excluding the listing expense that have been charged to profit or loss during the Track Record Period).

(3) The unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the parent per Share are calculated based on 117,657,522 Shares (17,648,800 H Shares to be issued pursuant to the Global Offering) in issue assuming that the Global Offering has been completed on 30 September 2025.

(4) The unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the parent per Share are converted into Hong Kong dollars at an exchange rate of RMB0.9097 to HK$1.00.

(5) No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets to reflect any trading results or other transactions of the Group entered into subsequent to 30 September 2025.

The following is the text of a report, prepared for the purpose of incorporation in this prospectus, received from the reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, in respect of the unaudited pro forma financial information.

B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION

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To the Directors of B&K Corporation Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of B&K Corporation Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated net tangible assets as at 30 September 2025, and related notes as set out on pages II-1 to II-2 of the prospectus dated 12 December 2025 (the "**Prospectus**") issued by the Company (the "**Unaudited Pro Forma Financial Information**"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in note Appendix II(A) to the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the global offering of shares of the Company on the Group's financial position as at 30 September 2025 as if the transaction had taken place at 30 September 2025. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial statements for the period ended 30 September 2025, on which an accountants' report has been published.

Directors' responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline ("**AG**") 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

Our independence and quality management

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the global offering of shares of the Company on unadjusted financial information of the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma 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:

(a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Ernst & Young
Certified Public Accountants
Hong Kong

12 December 2025

Setting out below is a summary of the principal provisions of the Articles of Association of B&K Corporation Limited (the "**Huaren**"). The main purpose of this appendix is to provide an overview of the Huaren for prospective investors, and therefore it may not contain all the information that is important to prospective investors.

SHARES AND REGISTERED CAPITAL

Shares of the Company shall take the form of share certificates. The shares issued by the Company shall be denominated in RMB. The par value per share is RMB1.00.

The Company shall issue shares in an open, fair and just manner, and each share of the same class shall have the same rights.

Shares of the same class issued at the same time shall be issued on the same conditions and at the same price. Any entity or individual shall pay the same price for each of the shares for which it or he or she subscribes for.

INCREASE, DECREASE AND REPURCHASE OF SHARES

Capital Increase

The Company may, based on its business and development needs and in accordance with the laws, regulations and the securities regulatory rules of the place where the Company's shares are listed, increase its capital in the following ways, subject to separate resolutions of the shareholders' general meeting:

1. Public offering of shares;

2. Non-public issuance of shares;

3. distributing bonus shares to its existing shareholders;

4. Conversion of capital reserve into share capital;

5. other means as is stipulated by laws, administrative regulations, or as approved by securities regulatory rules of the place where the Company's shares are listed and relevant regulatory authorities.

Capital reduction

The Company may reduce its registered capital. When the company needs to reduce its registered capital, it must prepare a balance sheet and an inventory of assets.

The Company shall reduce its registered capital in accordance with the procedures stipulated in the Company Law, the Hong Kong listing rules and other relevant regulations and the Articles of Association.

Shares repurchase

The Company shall not buy back its shares, except in one of the following circumstances:

1. reducing the registered capital of the Company;

2. merging with another company that holds shares in the Company;

3. using shares for employee stock ownership plan or equity incentives;

4. shareholders who object to resolutions of the general meeting on merger or division of the Company requesting the Company to buy back their shares;

5. to use the shares for conversion of corporate bonds issued by the Company which are convertible into shares;

6. where it is necessary for the Company to preserve its value and shareholders' interest;

7. other circumstances permitted by laws, administrative regulations and relevant provisions of the Hong Kong listing rules, etc.

The Company may repurchase its shares through public centralised trading or other methods recognised by laws, administrative regulations, the CSRC and the stock exchange where the Company's shares are listed, and shall comply with applicable laws, administrative regulations, departmental rules and the securities regulatory rules of the place where the Company's shares are listed.

Where the Company repurchases its shares under the circumstances set out in items 1 and 2 above, a resolution shall be passed at the general meeting of the Company. Where the Company repurchases its shares under the circumstances set out in items 3, 5 and 6 above, a resolution may be passed at a Board meeting attended by more than two-thirds of the directors in accordance with the provisions of the Articles of Association or as authorized by the general meeting.

Where the Company repurchases its shares under the circumstances set out in item 1 above, such shares shall be cancelled within 10 days from the date of repurchase; where the Company repurchases its shares under the circumstances set out in items 2 and 4, such shares shall be transferred or cancelled within 6 months; where the Company repurchases its shares under the circumstances set out in items 3, 5 and 6, the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and such shares shall be transferred or cancelled within 3 years.

Transfer of Shares

Shares of the Company held by the promoters shall not be transferred within one year from the date of establishment of the Company. Shares issued by the Company prior to the public offering of shares shall not be transferred within one year from the date on which the Company's shares are listed and traded on the Hong Kong Stock Exchange.

Directors, supervisors and senior management of the Company shall declare to the Company their shareholdings in the Company and any changes thereof, and shall not transfer more than 25% of the total number of shares of the Company held by them each year during their terms of office; the shares of the Company held by them shall not be transferred within one year from the date on which the shares of the Company are listed and traded. The above personnel shall not transfer the shares of the Company held by them within half a year after they leave the Company.

If the Company's shareholders holding 5% (excluding the recognized clearing houses or their agents as defined in the relevant ordinances in force under the laws of Hong Kong from time to time) or above shares of the Company, Directors, Supervisors, senior management officers sell shares or other securities with an equity nature within six months after buying the same or buy shares or securities within six months after selling the same, the earnings arising therefrom shall belong to the Company and the Board shall recover such earnings. However, the restriction shall not be applicable to any sale of shares by a securities company holding 5% or above of the Company's shares as a result of its purchase and underwriting of the untaken shares after offering or other circumstances stipulated by CSRC.

The shares or other securities with an equity nature held by Directors, Supervisors, senior management officers and natural person shareholders referred to in the preceding paragraph include the shares or other securities with an equity nature held by their spouses, parents, children, and any of the above which is held by using others' accounts.

If the Company's Board does not comply with the provision of the first paragraph, the shareholders can request the Board to do so within 30 days. If the Board does not enforce such right within the aforesaid period, the shareholders are entitled to commence litigations in the people's court in their own names for the interests of the Company.

If the Company's Board does not enforce the provision of the first paragraph of this Article, the responsible Directors shall assume joint and severally liable in accordance with the laws.

REGISTER OF MEMBERS

The Company shall establish a register of shareholders in accordance with the evidence provided by the securities registration authority. The register of shareholders shall be sufficient evidence of the shareholders' shareholdings in the Company.

The original of register of holders of H Shares shall be maintained in Hong Kong and made available for inspection by shareholders.

When the Company convenes a general meeting, distributes dividends, conducts liquidation or engages in other activities that require the confirmation of the identity of shareholders, the Board or the convener of the general meeting shall determine the record date in accordance with the provisions of the securities regulatory rules of the place where the Company's shares are listed. Shareholders whose names appear on the register of shareholders after the close of trading on the record date shall be the shareholders entitled to relevant interests.

Rights and Obligations of Shareholders

Shareholders of the Company shall enjoy the following rights:

1. to receive dividends and other distributions in proportion to the number of shares held;

2. to request, summon, preside over, attend or appoint a proxy to attend shareholders' general meetings and speak at the shareholders' general meetings in accordance with the laws, and to exercise the corresponding voting rights (except where a shareholder is required by the securities regulatory rules of the place where the Company's shares are listed to abstain from voting on a particular matter);

3. to supervise the operation of the Company, making suggestions or enquiries;

4. to transfer, give or pledge the shares held by them in accordance with the laws, administrative regulations and the Articles of Association;

5. to review the Articles of Association, the register of members, counterfoils of corporate bonds, minutes of general meetings, resolutions of the Board meetings, resolutions of the Board of Supervisors meetings and financial and accounting reports;

6. in the event of the termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company in proportion to the number of shares held;

7. to request the Company to buy back the shares of shareholders objecting to resolutions of the general meeting concerning merger or division of the Company;

8. other rights stipulated by laws, administrative regulations, departmental rules, regulatory documents and securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Shareholders of the Company shall assume the following obligations:

1. to comply with laws, administrative regulations and the Articles of Association;

2. to pay subscription monies according to the number of shares subscribed and the method of subscription;

3. not to make divestment unless in the circumstances stipulated by laws and regulations;

4. not to abuse the rights of shareholders to damage the interests of the Company or that of other shareholders; not to abuse the independent status of the Company as a legal person and the limited liability of shareholders to damage the interests of the creditors of the Company;

5. other obligations imposed by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Shareholders of the Company who abuse their shareholders' rights and cause losses to the Company or other shareholders shall be liable for compensation in accordance with the law. Shareholders of the Company who abuse the independent status of the Company as a legal person and the limited liability of shareholders to evade debts and seriously damage the interests of the creditors of the Company shall bear joint and several liabilities for the debts of the Company.

RESTRICTIONS ON RIGHTS OF THE CONTROLLING SHAREHOLDERS

The controlling shareholders and de facto controllers of the Company shall not use their connected relations to damage the interests of the Company. If the violation causes losses to the Company, it shall be liable for compensation.

The controlling shareholders and de facto controllers of the Company shall have fiduciary duties towards the Company and its public shareholders. The controlling shareholders shall exercise its rights as a capital contributor in strict compliance with the laws. The controlling shareholder shall not damage the legitimate rights and interests of the Company and public shareholders by means of profit distribution, asset restructuring, external investment, fund appropriation, loan guarantee, etc., and shall not use its controlling status to damage the interests of the Company and public shareholders.

GENERAL MEETING

General Provisions of General Meetings

The shareholders' general meeting is the organ of authority of the Company and shall exercise the following functions and powers:

1. to decide on the Company's business policies and investment plans;

2. to elect and replace directors and supervisors who are not employee representatives and to decide on matters relating to the remuneration of directors and supervisors;

3. to consider and approve the reports of the Board;

4. to consider and approve the report of the Board of Supervisors;

5. to consider and approve the annual financial budgets and final accounts of the Company;

6. to consider and approve the Company's profit distribution plans and loss recovery plans;

7. to resolve on the increase or reduction of the registered capital of the Company;

8. to resolve on the issuance of corporate bonds and other securities and their listing;

9. to resolve on the merger, division, dissolution, liquidation or change of corporate form of the Company;

10. amendments to the Articles of Association;

11. to resolve on the appointment and dismissal of the accounting firm of the Company;

12. to consider and approve the external guarantees to be approved by the general meeting of shareholders;

13. to consider the purchase or disposal of material assets within one year with an amount exceeding 30% of the latest audited total assets of the Company;

14. to consider and approve the change in use of proceeds;

15. to consider and approve the connected transactions, external investments, pledge of assets, external financing and external donations that should be approved by the shareholders' general meeting as stipulated in the Hong Kong listing rules;

16. to consider share incentive schemes and employee stock ownership plan;

17. to consider other matters required by laws, administrative regulations, departmental rules, regulatory documents and the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association to be decided by the general meeting.

The above-mentioned powers of general meeting shall not be exercised by the Board or other institutions or individuals by way of authorization.

General meetings are divided into annual general meetings and extraordinary general meetings.

The annual general meeting shall be convened once a year within six months after the end of the previous accounting year.

The Company shall convene an extraordinary general meeting within two months from the date of occurrence of any of the following circumstances:

(1) the number of directors is less than the number stipulated in the Company Law or less than two-thirds of the number specified in the Articles of Association;

(2) when the unrecovered losses of the Company amount to one-third of the total amount of its paid-up share capital;

(3) when requested by shareholders individually or jointly holding 10% or more of the Company's shares;

(4) when deemed necessary by the Board;

(5) when proposed by the Board of Supervisors;

(6) other circumstances stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

If the extraordinary general meeting is convened in accordance with 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 where the Company's shares are listed (if applicable).

Summoning of General Meetings

The independent non-executive Directors are entitled to propose to the Board to convene an extraordinary general meeting. The Board shall, in accordance with the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, give a written reply on whether or not to convene the extraordinary general meeting within 10 days after receiving the proposal from the independent non-executive Directors.

If the Board agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within five days after the resolution of the Board is passed; if the Board does not agree to convene the extraordinary general meeting, it shall explain the reasons and make an announcement. Where the Hong Kong securities regulator provides otherwise, it shall apply accordingly.

The Board of Supervisors shall have the right to propose to the Board to convene an extraordinary general meeting in writing. The Board shall, in accordance with the laws, administrative regulations, regulatory documents, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, give a written reply on whether to convene the extraordinary general meeting or not within 10 days after receiving the proposal.

If the Board agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within 5 days after the resolution of the Board is passed. Any changes to the original proposal made in the notice shall be approved by the Board of Supervisors.

If the Board does not agree to convene the extraordinary general meeting or fails to give a reply within 10 days after receiving the proposal, the Board shall be deemed to be unable or fail to perform the duty of convening the general meeting, and the Board of Supervisors may summon and preside over the meeting on its own.

Shareholders individually or jointly holding 10% or more of the Company's shares shall have the right to request the Board of Directors in writing to convene an extraordinary general meeting. The Board shall, in accordance with the laws, administrative regulations, the 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 to convene the extraordinary general meeting or not within 10 days after receiving the proposal.

If the Board agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within five days after the resolution of the Board is passed. Any change to the original request made in the notice shall be approved by the relevant shareholders.

If the Board does not agree to convene an extraordinary general meeting or does not reply within 10 days after receiving the proposal, the shareholders individually or jointly holding more than 10% of the Company's shares shall have the right to propose to the Board of Supervisors to convene an extraordinary general meeting, and such proposal shall be made in writing.

If the Board of Supervisors agrees to convene the extraordinary general meeting, it shall issue a notice of general meeting within 5 days after receiving the request. Any changes to the original request in the notice shall be approved by the relevant shareholders.

If the Board of Supervisors fails to issue the notice of the general meeting within the prescribed period, it shall be deemed that the Board of Supervisors will not convene and preside over the general meeting, and shareholders individually or jointly holding 10% or more of the Company's shares for more than 90 consecutive days may summon and preside over the meeting by themselves.

Proposals at General Meetings

When the Company convenes a general meeting, the Board, the Board of Supervisors and shareholders individually or jointly holding more than 3% of the Company's shares shall have the right to submit proposals to the Company.

Shareholders individually or jointly holding 3% or more of the Company's shares may submit ad hoc proposals in accordance with the Hong Kong listing rules before a general meeting is convened. The convener shall issue a supplementary notice of the general meeting in accordance with the Hong Kong listing rules after receiving the proposal to announce the contents of the provisional proposal.

Except as provided in the preceding paragraph or the securities regulatory rules of the place where the Company's shares are listed, the convener shall not amend the proposals set out in the notice of the general meeting or add any new proposals after issuing the notice of the general meeting.

NOTICE OF GENERAL MEETING

The convener shall notify all shareholders by way of announcement 21 days before the annual general meeting and shall notify all shareholders by way of announcement 15 days before the extraordinary general meeting.

Convening of General Meetings

All shareholders registered on the record date or their proxies are entitled to attend the general meeting. They shall exercise their voting rights in accordance with the relevant laws, regulations and the Articles of Association.

Individual shareholders who attend the meeting in person shall produce their identity cards or other effective document or proof of identity and stock account cards. Proxies of individual shareholders shall produce their valid identity cards and the power of attorney of the shareholder.

Shareholder that is a legal person may be represented at the meeting by its legal representative or a proxy appointed by it (which will be regarded as if the legal person shareholder was present in person) to exercise its rights (including the right to vote). If a legal representative attends the meeting, he/she should produce his/her identity card and valid proof that he/she is a legal representative; if a proxy attends the meeting, the proxy should produce his/her identity card and documents proving that he/she has been appointed by such legal person (unless a shareholder is a recognised clearing house 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 or its nominee (hereinafter referred to as a "**Recognised Clearing House**"))

If the shareholder is a Recognised Clearing House, the Recognised Clearing House may authorize one or more persons as it thinks fit to act as its representative (s) at any shareholders' general meeting or any class shareholders' meeting or any creditors' meeting; however, if more than one person are so authorized, the power of attorney shall specify the number and class of shares in respect of which each such person is authorized, and the power of attorney shall be signed by the authorized personnel of the Recognised Clearing House. The person so authorized may attend the meeting on behalf of the recognised clearing house (without being required to produce share certificate, notarized authorization and/or further evidence to prove that he/she is duly authorized) to exercise the rights as if he/she was an individual shareholder of the Company.

Resolutions of General Meetings

Resolutions of the general meeting are divided into ordinary resolutions and special resolutions.

Ordinary resolutions shall be passed by votes representing more than half of the voting rights represented by the shareholders (including proxies) present at the meeting.

A special resolution shall be passed by votes representing more than two-thirds of the voting rights represented by the shareholders (including proxies) present at the meeting.

The following matters shall be approved by ordinary resolutions at a general meeting:

1. to decide on the Company's business policies and investment plans;

2. to elect and replace directors and supervisors who are not employee representatives and to decide on matters relating to the remuneration of directors and supervisors;

3. to consider and approve the reports of the Board;

4. to consider and approve the report of the Board of Supervisors;

5. to consider and approve the annual financial budgets and final accounts of the Company;

6. to consider and approve the Company's profit distribution plans and loss recovery plans;

7. to resolve on the appointment and dismissal of the accounting firm of the Company;

8. to consider and approve the external guarantees to be approved by ordinary resolutions at a general meeting;

9. to consider and approve the change in use of proceeds;

10. to consider employee stock ownership plan;

11. to consider and approve the connected transactions, external investments, pledge of assets, external financing and external donations that should be approved by the shareholders' general meeting as stipulated in the Hong Kong listing rules;

12. to consider other matters required by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association to be decided by ordinary resolutions at a general meeting.

The following matters shall be approved by special resolutions at a general meeting:

1. to resolve on the increase or reduction of the registered capital of the Company;

2. to resolve on the issue of corporate bonds and other securities and their listing;

3. to resolve on the merger, division, dissolution, liquidation or change of corporate form of the Company;

4. amendments to the Articles of Association;

5. to consider the purchase or disposal of material assets within one year with an amount exceeding 30% of the latest audited total assets of the Company;

6. to consider share incentive schemes;

7. to consider and approve the external guarantees to be approved by special resolutions at a general meeting;

8. to consider other matters required by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association to be decided by the general meeting.

DIRECTORS AND BOARD OF DIRECTORS

Directors

Directors shall be elected or replaced by the shareholders' general meeting, and may be removed by the shareholders' general meeting before the expiry of their terms of office. The term of office of the Directors shall be 3 years, and they may be re-elected and re-appointed, however, if the term of office of an independent non-executive director exceeds six years, he/she shall be reappointed after the appropriate review process in accordance with the Hong Kong listing rules.

The term of office of the Directors shall commence from the date of their appointment until the expiry of the term of the current session of the Board. If the term of office of a director expires but re-election is not made responsively, the said director shall continue fulfilling the duties as director pursuant to laws, administrative regulations, departmental rules and the Articles of Association until a new director is elected.

THE BOARD

The Company shall have a board of directors which shall be accountable to the general meeting.

The Board shall consist of 9 directors, including one chairman and one vice chairman. The number of independent non-executive Directors shall not be less than three and shall represent more than one-third of the total number of Directors at any time.

The Board shall exercise the following powers:

1. to summon general meetings and report its work to the general meetings;

2. to implement the resolutions of the general meeting;

3. to decide on the Company's business plans and investment plans;

4. to formulate the Company's annual financial budgets and final accounts;

5. to formulate the Company's profit distribution plans and loss recovery plans;

6. to formulate proposals for the increase or reduction of the Company's registered capital, the issue of bonds or other securities and listing plans;

7. to formulate plans for material acquisitions, purchase of shares of the Company or merger, division, dissolution and change of corporate form of the Company;

8. to consider and approve connected transactions, external investments, pledge of assets, external financing and external donations that should be approved by the Board of Directors under the Hong Kong listing rules;

9. to decide on external guarantees other than those requiring the approval of the general meeting of shareholders of the Company;

10. to decide on the purchase and sale of assets other than those requiring the approval of the general meeting of shareholders of the Company;

11. to decide on the establishment of the Company's internal management structure;

12. to decide on the appointment or dismissal of the Company's president, general manager, secretary to the Board and other senior management, and decide on their remuneration, rewards and punishments; to decide on the appointment or dismissal of the Company's

vice general manager, chief financial officer and other senior management based on the nomination of the general manager, and decide on their remuneration, rewards and punishments;

13. to formulate the basic management system of the Company;

14. to draw up a plan for the establishment of specialized committees of the Board of Directors and submitting it to the General Meeting of Shareholders for approval, and deciding on the selection and recruitment of the personnel of the specialized committees of the Board of Directors;

15. to formulate proposals for any amendment to the Articles of Association;

16. to manage the information disclosure of the Company;

17. to propose to the general meeting the appointment or replacement of the accounting firm that audits the Company;

18. to listen to the work report of the general manager of the Company and inspect the work of the general manager;

19. other functions and powers conferred by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Matters beyond the scope of authorization of the general meeting shall be submitted to the general meeting for consideration.

General Manager

The general manager shall be accountable to the Board and exercise the following powers:

1. to be in charge of the production, operation and management of the Company, organize the implementation of the resolutions of the Board and report to the Board;

2. to organize the implementation of the Company's annual business plan and investment plan;

3. to draft plans for the establishment of the Company's internal management structure;

4. to draft the basic management system of the Company;

5. to formulate the specific rules and regulations of the Company;

6. to propose to the Board to appoint or dismiss vice general managers and chief financial officer of the Company;

7. to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board;

8. to decide on external guarantee, external investment, external financing, purchase or sale of assets, pledge of assets, and connected transactions, that do not need to be submitted to the general meeting of shareholders, the board of directors and the chairman of the board of directors for approval;

9. to exercise other powers conferred by the Articles of Association or the Board.

The general manager attends Board meetings and non-director general manager do not have voting rights on the Board.

Secretary to the Board

The Company shall have a secretary to the Board, who shall be responsible for the preparation of the general meetings and Board meetings of the Company, keeping of documents, managing shareholders' information of the Company and handling matters such as information disclosure.

The secretary to the Board shall comply with the relevant provisions of laws, administrative regulations, departmental rules and the Articles of Association.

BOARD OF SUPERVISORS

The Company shall have a Board of Supervisors. The Board of Supervisors shall consist of three Supervisors and shall have one chairman. The chairman of the Board of Supervisors shall be elected by more than half of all Supervisors.

The Board of Supervisors shall comprise shareholder representatives and an appropriate proportion of the company's employee representatives, of which the proportion of employee representatives shall not be less than one-third. The employee representatives of the Board of Supervisors shall be democratically elected by the Company's employees at the employee representative assembly, employee meeting or otherwise.

The Board of Supervisors exercises the following powers:

1. it shall review the regular reports of the Company prepared by the Board and to provide written review opinions;

2. to examine the financial affairs of the Company;

3. to supervise the directors and senior management in their performance of their duties and to propose the removal of directors and senior management who have violated laws, administrative regulations, the Articles of Association or the resolutions of the shareholders' general meetings;

4. to demand rectification from a director or senior management when the acts of such persons are detrimental to the interests of the Company;

5. to propose the convening of extraordinary general meetings and to summon and preside over general meetings when the Board fails to perform the duty of summoning and presiding over general meetings under the Company Law;

6. to submit proposals to the general meeting;

7. to initiate proceedings against directors and senior management in accordance with Article 151 of the Company Law;

8. to investigate any irregularities identified in the operation of the Company; if necessary, to engage professional institutions such as accounting firms and law firms to assist its work and the costs shall be borne by the Company;

9. to exercise other powers conferred by these Articles, the general meeting and the Hong Kong listing rules.

Resolutions of the Board of Supervisors shall be passed by more than half of the supervisors.

FINANCIAL AND ACCOUNTING SYSTEM

The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and the requirements of the relevant state authorities.

The annual reports and interim reports of the Company are prepared in accordance with the relevant laws, administrative regulations, the requirements of the CSRC and the stock exchanges where the Company's shares are listed.

NOTICES

A notice of the Company shall be given in the following manners:

1. by hand;

2. by mail;

3. by fax or e-mail;

4. by publishing on the websites designated by the Company and the Hong Kong Stock Exchange, in accordance with the laws, administrative regulations and the listing rules of the stock exchange where the Company's shares are listed;

5. by other form as may be prescribed by the Articles of Association;

6. by other form as may be agreed upon in advance by the Company or the person to be notified or recognized by the person to be notified upon receipt of the notice;

7. other means stipulated by laws, administrative regulations, rules, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Subject to the securities regulation rules of the place where the Company's shares are listed, where a notice of the Company is published by way of announcement, the said notice shall be deemed as received by all relevant persons once it is published.

Dissolution and Liquidation of the Company

The Company shall be dissolved for the following reasons:

1. the term of its operations as is stipulated in the Articles of Association has expired or events of dissolution specified in the Articles of Association have occurred;

2. the shareholders' general meeting resolves to dissolve the Company;

3. dissolution is necessary due to merger or division of the Company;

4. the Company's business license is revoked, the Company is ordered to close down or be revoked in accordance with the law;

5. where the Company encounters serious difficulties in its operation and management and its continuous existence will cause significant losses to the interests of shareholders, and such difficulties cannot be resolved through other means, shareholders holding more than 10% of the voting rights of all shareholders of the Company may request the People's Court to dissolve the Company.

Where the Company is dissolved pursuant to items 1, 2, 4 and 5 above, a liquidation committee shall be established and the liquidation shall commence within 15 days after the occurrence of the cause of dissolution. The liquidation committee shall be composed of directors or persons determined by the shareholders' general meeting. If a liquidation committee is not established within the time limit, the creditors may apply to the people's court to designate relevant personnel to form a liquidation committee to carry out liquidation.

The liquidation committee shall notify creditors within 10 days from the date of its establishment, and publish an announcement in a newspaper recognized by the stock exchange where the Company's shares are listed within 60 days.

If the liquidation committee discovers that the Company's assets are insufficient to repay its debts after cleaning up the Company's assets and preparing a balance sheet and an inventory of assets, it shall apply to the People's Court for a declaration of insolvency in accordance with the law.

Upon completion of the liquidation, the liquidation committee shall prepare a liquidation report which shall be submitted to the shareholders' general meeting or the people's court for confirmation, and shall submit the same to the company registration authority, and apply for cancellation of the company's registration, and publish an announcement on the termination of the company.

AMENDMENTS TO THE ARTICLES

The Company shall amend the Articles of Association in any of the following circumstances:

(1) After the amendments are made to the Company Law or relevant laws, administrative regulations, departmental rules and securities regulatory rules of the place where the shares of the Company are listed, the provisions of the Articles of Association are in conflict with the amended laws, administrative regulations, departmental rules and securities regulatory rules of the place where the shares of the Company are listed;

(2) there is a change in the Company's situation, which is inconsistent with the matters recorded in the Articles of Association;

(3) the shareholders' general meeting decides to amend the Articles of Association.

The amendments to the Articles of Association passed by the shareholders' general meeting shall be submitted to the competent authorities for approval if they are subject to approval by the competent authorities. If there is any change relating to the registered particulars of the Company, application shall be made for registration of the changes in accordance with the laws.

A. FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation of Our Company

Our Company was established as a limited liability company in the PRC on April 24, 2012 and converted into a joint stock company with limited liability on April 1, 2024. Accordingly, 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 the Articles of Association" in Appendix III to this prospectus.

As of the date of this prospectus, our Company's registered office is at Room 1507, Building 1, Xiexin Center, No. 19 Qinling Road, Laoshan District, Qingdao, Shandong Province, PRC. Our Company has established a principal place of business in Hong Kong at Room 1915, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong and has been registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on April 26, 2024 with the Registrar of Companies in Hong Kong. Ms. Wong Wai Yee Ella (黃慧兒) has been appointed as our authorized representative for the acceptance of services of process and notices on behalf of our Company in Hong Kong. The address for service on the Company in Hong Kong is the same as its principal place of business in Hong Kong as set out above.

2. Changes in Share Capital of Our Company

On April 1, 2024, our Company was converted into a joint stock company with limited liability and renamed as B&K Corporation Limited (華芯生物科技(青島)股份有限公司). As of the Latest Practicable Date, our registered capital was RMB100,008,772 divided into 100,008,772 shares with a nominal value of RMB1.00 each.

Save as disclosed in "History, Development and Corporate Structure," there has been no alteration in the share capital of our Company within two years immediately preceding the date of this prospectus.

3. Changes in Share Capital of Our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in Note 1 to the Accountants' Report in Appendix I to this prospectus.

On November 11, 2024, the registered capital of Huaren Yihai Biotechnology (Beijing) Co., Ltd. (華仁益海生物科技(北京)有限公司) was increased from RMB20 million to RMB25 million. On March 12, 2025, the registered capital of Huaren Yihai Biotechnology (Beijing) Co., Ltd. was further increased from RMB25 million to RMB30 million. On August 13, 2025, the registered capital of Huaren Yihai Biotechnology (Beijing) Co., Ltd. was further increased from RMB30 million to RMB50 million.

Save as disclosed above, there has been no alteration in the share capital of the subsidiaries of our Company within two years immediately preceding the date of this prospectus.

4. Shareholders' Resolutions

Pursuant to the resolutions passed at duly convened general meetings of our Shareholders on April 1, 2024 and November 19, 2025, the following resolutions, among others, were passed by the Shareholders:

(a) the issue by our Company of H Shares with a nominal value of RMB1.00 each and such H Shares be listed on the Stock Exchange;

(b) the number of H Shares to be issued shall be no more than 33,336,600, representing approximately 25% of the total issued share capital of our Company as enlarged by the Global Offering, and the grant of the Over-allotment Option in respect of no more than 15% of the number of H Shares issued pursuant to the Global Offering;

(c) subject to filing with the CSRC, upon completion of the Global Offering, 65,373,345 Unlisted Shares will be converted into H Shares on a one-for-one basis;

(d) authorization of the Board or its authorized individual to handle all matters relating to, among other things, the Global Offering, the issue and the listing of H Shares on the Stock Exchange; and

(e) subject to the completion of the Global Offering, the conditional adoption of the Articles of Association, which shall become effective on the Listing Date.

5. Corporate Reorganization

Our Company has not gone through any corporate reorganization. For details of the history and development of our Company, see "History, Development and Corporate Structure" in this prospectus.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

The following contract (not being contracts entered into in the ordinary course of business) was entered into by members of our Group within the two years immediately preceding the date of this prospectus which is or may be material:

(a) a supplemental agreement to the shareholders' agreement dated February 23, 2024 entered into among the Company (previously known as Huaren Biotechnology (Qingdao) Limited (華芢生物科技(青島)有限公司)), Ms. Jia, Mr. Wang, Ms. Zhang, Mr. Li, Qingdao Huaren, Song Jianqing (宋建青), Hainan Huaren, Zhang Hong (張鴻), Qingdao CDH, Jiaxing CDH and Qingdao Hitech, pursuant to which, parties thereto agreed on, among others, the termination of the special rights previously granted to Qingdao CDH, Jiaxing CDH and Qingdao Hitech; and

(b) the Hong Kong Underwriting Agreement.

2. Our Material Intellectual Property Rights

(a) Trademarks

As of the Latest Practicable Date, we had registered the following trademarks, which we consider to be material to our Group's business:

No.	Trademark	Owner	Registration No.	Place of registration	Class	Expiry date
1.	华芯	Our Company	306063237	Hong Kong	05	September 19, 2032
2.	huarene	Our Company	306063228	Hong Kong	05	September 19, 2032
3.	修美瑞	Our Company	67207244	PRC	05	April 20, 2033
4.	修美平	Our Company	67213520	PRC	05	March 6, 2033
5.	瑞美平	Our Company	67225276	PRC	05	April 6, 2033
6.		Our Company	306529032	Hong Kong	05	April 15, 2034

(b) Patents

As of the Latest Practicable Date, we had registered the following patents which we consider to be or may be material to our business:

No.	Patent	Patentee	Patent Type	Patent Number	Application Date	Term
1.	Extract with auxiliary hypoglycaemic and hypolipidemic and preparation method thereof (一種具有輔助降血糖、降血脂的提取物及其製備方法)	Our Company	Invention	ZL 201410747586.8	December 10, 2014	20 years
2.	Genes of the novel coronavirus B.1.351 South African mutant strain RBD and its application (新型冠狀病毒B.1.351南非突變株RBD的基因及其應用)	Our Company	Invention	ZL 202110536967.1	May 18, 2021	20 years

No.	Patent	Patentee	Patent Type	Patent Number	Application Date	Term
3.	Genes of the British mutant strain RBD of the novel coronavirus B.1.1.7 and its application (新型冠狀病毒B.1.1.7英國突變株RBD的基因及其應用)	Our Company	Invention	ZL 202110597362.3	May 31, 2021	20 years
4.	Genes of the novel coronavirus B.1.525 Nigerian mutant strain RBD and its application (新型冠狀病毒B.1.525奈及利亞突變株RBD的基因及其應用)	Our Company	Invention	ZL 202110621618.X	June 4, 2021	20 years
5.	Genes of the Brazilian variant of the novel coronavirus P.1 mutant strain RBD and its application (新型冠狀病毒巴西株P.1突變株RBD的基因及其應用)	Our Company	Invention	ZL 202110654387.2	June 11, 2021	20 years
6.	A recombinant protein drug for the prevention and treatment of influenza virus and its application (一種流感病毒防治用重組蛋白藥物及其應用)	Our Company	Invention	ZL 202111303304.1	November 5, 2021	20 years
7.	pH-responsive hydrogel biocarrier and application thereof (一種pH響應型水凝膠生物載體及應用)	Our Company	Invention	ZL 202111296151.2	November 3, 2021	20 years
8.	Ionizable cationic lipid C6-A1 and nanoliposome particles composed of it (可離子化的陽離子脂C6-A1及由其組成的納米脂質體顆粒)	Our Company	Invention	ZL 202211368759.6	November 3, 2022	20 years

No.	Patent	Patentee	Patent Type	Patent Number	Application Date	Term
9.	Ionizable cationic lipid C6 and the nanoliposome particles composed thereof (可離子化的陽離子脂 C6 及由其組成的納米脂質體顆粒)	Our Company	Invention	ZL 202211370059.0	November 3, 2022	20 years
10.	Ionizable cationic lipid C5 and nanoliposome particles composed of it (可離子化的陽離子脂C5及由其組成的納米脂質體顆粒)	Our Company	Invention	ZL 202211357819.4	November 1, 2022	20 years
11.	Ionizable cationic lipid C5-A2 and nanoliposome particles composed of it (可離子化的陽離子脂C5-A2及由其組成的納米脂質體顆粒)	Our Company	Invention	ZL 202211373375.3	November 4, 2022	20 years
12.	Pilot production fermentation method to achieve complete acetylation-modified expression of rhTβ4 in E.coli (在E.coli中實現rhTβ4完全乙醯化修飾表達的中試生產發酵方法)	Our Company	Invention	ZL 201910498316.0	June 10, 2019	20 years
13.	Application of Tβ4 in the preparation of microecological balance regulator (胸腺素β4在製備微生態平衡調節劑中的應用)	Our Company	Invention	ZL 202010797488.0	August 10, 2020	20 years
14.	Application of Tβ4 in the preparation of drugs for treating pulmonary fibrosis with lung cancer (胸腺素β4在製備肺纖維化合併肺癌病治療藥物中的應用)	Our Company	Invention	ZL 202110821658.9	July 20, 2021	20 years

No.	Patent	Patentee	Patent Type	Patent Number	Application Date	Term
15.	Preparation method of N-terminal acetylated protein or polypeptide and its special engineered bacteria (N-末端乙酰化蛋白或多肽的製備方法及其專用工程菌)	Our Company	Invention	ZL 201010521842.3	October 21, 2010	20 years

For a discussion of the details of the material patents and patent applications in connection with our clinical and pre-clinical products, please see "Business – Intellectual Property Rights" in this prospectus.

(1) This patent was registered under the former name of our Company, namely Beijing Zhonghong Saisi Biotechnology Limited (北京中宏賽思生物技術有限公司).

(c) Software Copyrights

As of the Latest Practicable Date, we have registered the following software copyrights which we consider to be or may be material in relation to our Group's business:

No.	Registered Owner	Copyright	Registration Number	Date of Initial Publication
1.	Our Company[(1)]	Biomedical R&D Supervision System (生物醫藥研發監管系統)	2021SR0536590	Not yet
2.	Our Company[(2)]	Biomedical Innovation R&D Expert Technology System (生物醫藥創新研發專家技術系統)	2021SR0535807	Not yet
3.	Our Company[(3)]	Biomedical Human Cytokine-based R&D Expert Technology System (生物醫藥基於人細胞因子研發專家技術系統)	2021SR0535808	Not yet
4.	Our Company[(4)]	Biomedical R&D Review System (生物醫藥研發評審系統)	2021SR0545111	Not yet
5.	Our Company[(5)]	Biomedical R&D Review System (生物醫藥研發基因多態差異分析系統)	2021SR0535996	Not yet
6.	Our Company[(6)]	Biomedical Experimental Data Intelligent Collection and Analysis Software (生物醫藥實驗數據智能採集分析軟件)	2021SR0536035	Not yet

(1)–(6) This copyright was registered under the former name of our Company, namely Beijing Huaren Biotechnology Limited (北京華芒生物技術有限公司).

(d) Domain Names

As of the Latest Practicable Date, we owned the following domain names which we consider to be or may be material to our business:

No.	Domain Name	Registered Owner	Registration Date
1.	huarenshengwu.com.	Our Company	October 28, 2020
2.	bio-bank.net	Our Company	September 7, 2021

Save as aforesaid, as of the Latest Practicable Date, there were no other trade or service marks, patents, intellectual or industrial property rights which were material in relation to our business.

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUPERVISORS

1. Directors' and Supervisors' Service Contracts and Appointment Letters

We have entered into a contract with each of our Directors and Supervisors in respect of, among other things, compliance with the relevant laws and regulations, the Articles of Association and applicable provisions on arbitration.

Save as disclosed above, we have not entered, and do not propose to enter, into any service contracts with any of our Directors or Supervisors in their respective capacities as Directors or Supervisors (other than contracts expiring or determinable by the employer within one year without any payment of compensation (other than statutory compensation)).

2. Remuneration of Directors and Supervisors

Save as disclosed in "Directors, Supervisors and Senior Management" and "Appendix I — Accountant's Report — II. Notes to The Historical Financial Information — 8. Directors' and chief executive's remuneration" for the financial years ended December 31, 2023 and 2024 and the nine months ended September 30, 2025 none of our Directors and Supervisors received other remunerations of benefits in kind from us.

3. Employee Incentive Plans

The following is a summary of the principal terms of (i) the employee incentive plan approved and adopted by the Company in December 2020 (the "**Plan I**"); (ii) the employee incentive plan approved and adopted by the Company in October 2021 (the "**Plan II**"); and (iii) the employee incentive plan approved and adopted by the Company in February 2024 (the "**Plan III**," together with Plan I and Plan II, the "**Employee Incentive Plans**"), respectively. No further partnership interests in Qingdao Huaren and Hainan Huaren or Shares will be granted under the Employee Incentive Plans after the Listing. The terms of the Employee Incentive Plans are not subject to the provisions of Chapter 17 of the Listing Rules.

As of the Latest Practicable Date, Qingdao Huaren and Hainan Huaren, our Employee Shareholding Platforms, hold 8,000,000 Unlisted Shares (representing approximately 6.80% of total issued shares of our Company upon completion of the Global Offering, without taking into consideration the exercise of the Over-allotment Option) and 4,785,000 Unlisted Shares (representing approximately 4.07% of total issued shares of our Company upon completion of the Global Offering, without taking into consideration the exercise of the Over-allotment Option), respectively, as underlying Shares under the Employee Incentive Plans. Set out below is the ownership structure of the Employee Shareholding Platforms.

Name	Current and Historical Position in our Company	Position in the Employee Shareholding Platforms	Partnership Interests %	Disposal Restriction
Qingdao Huaren				
Qiu Dongmei (邱冬梅)	Deputy R&D director	Limited Partner	15.00%	A
Zhai Junhui (翟俊輝)	General manager and executive Director	Limited Partner	13.75%	A
Xiao Jianlin (肖建林)	Vice president	Limited Partner	12.50%	B
Zhang Jingfang (張璟芳)	Human resource deputy director	Limited Partner	9.38%	A
Ding Bo (丁波).	Head of investment and financing in Hong Kong	Limited Partner	6.25%	A
Fu Ling (付玲)	Deputy R&D director	Limited Partner	6.25%	C
Jia Qiuli (賈秋麗)[1][2]	Deputy director of procurement department (used to serve as our head of R&D department, director of procurement department)	Limited Partner	6.25%	A
Liu Hao (劉豪).	Government affairs liaison officer	Limited Partner	6.25%	A
Xu Zhenyu (徐震宇)	Vice president and chief marketing officer	Limited Partner	6.25%	D
Xia Xinyu (夏鑫玉)	Deputy internal control director	Limited Partner	6.25%	A
Zhang Liting (張麗婷)[1]	Deputy director of financial department	Limited Partner	5.00%	A
Chen Xuanyu (陳炫宇)	Head of internal control and Supervisor	Limited Partner	3.13%	A
Cheng Long (成龍)	Medical director	Limited Partner	2.50%	A

Name	Current and Historical Position in our Company	Position in the Employee Shareholding Platforms	Partnership Interests %	Disposal Restriction
Ho Hung Tim Chester (何鴻添).	Vice president, chief financial officer and secretary to the Board	Limited Partner	0.63%	A
Tang Anqi (唐安琪)[2].	Head of Funds Settlement	General Partner	0.63%	A
Hainan Huaren				
Zhao Xinghui (趙興卉)	Chief R&D officer	Limited Partner	31.35%	E
Song Bing (宋冰)	Chairperson of the Supervisory Committee and Supervisor	Limited Partner	21.66%	E
Jia Qiuli (賈秋麗)[1][2]	Deputy director of procurement department (used to serve as our head of R&D department, director of procurement department)	Limited Partner	20.90%	E
Cheng Long (成龍)[1]	Medical director	Limited Partner	6.27%	E
Zhang Liting (張麗婷)[1]	Deputy director of financial department	General Partner	19.82%	E

A. The interests held by such participant in Qingdao Huaren are not subject to any disposal restriction under the Employee Incentive Plans. The Shares held by Qingdao Huaren are subject a 12-month lock-up period under the PRC laws.

B. 20% of the interests held by such participant in Qingdao Huaren are not subject to any disposal restriction under the Employee Incentive Plans; the remaining 80% interest are subject to a three-year disposal restriction since the grant date, with 30%, 30% and 40% of such interests unlocked upon the first, second and third anniversary year. The Shares held by Qingdao Huaren are also subject a 12-month lock-up period under the PRC laws.

C. The interests held by such participant in Qingdao Huaren are subject to a three-year disposal restriction since the grant date, with 30%, 30% and 40% of such interests unlocked upon the first, second and third anniversary year, respectively. The Shares held by Qingdao Huaren are also subject a 12-month lock-up period under the PRC laws.

D. 40% of the interests held by such participant in Qingdao Huaren are not subject to any disposal restriction under the Employee Incentive Plans; the remaining 60% interests are subject to a three-year disposal restriction since the grant date, with 30%, 30% and 40% of such interests unlocked upon the first, second and third anniversary year, respectively. The Shares held by Qingdao Huaren are also subject a 12-month lock-up period under the PRC laws.

E. The interests held by such participants in Hainan Huaren are subject to disposal restriction from the grant date to the Listing Date. The Shares held by Hainan Huaren are also subject a 12-month lock-up period under the PRC laws.

Notes:

(1) Jia Qiuli, Zhang Liting and Cheng Long hold partnership interests in both Qingdao Huaren and Hainan Huaren.

(2) Jia Qiuli is the sister of Ms. Jia, aunt of Mr. Wang, mother of Wang Shen (王紳) (the cousin of Mr. Wang and nephew of Ms. Jia), aunt of Shao Yubo (邵煜博) (the cousin of Mr. Wang and nephew of Ms. Jia) and mother-in-law of Tang Anqi. Tang Anqi is the spouse of Wang Shen and daughter-in-law of Jia Qiuli.

Among the above17 individual participants, the interests granted to and held by one participant under the Employee Incentive Plans have been fully vested and the interests granted to and held by the other 16 participants under the Employee Incentive Plans are subject to restrictions under the Employee Incentive Plans and are therefore considered not to have been fully vested.

Save as disclosed above, to the best knowledge of our Company, each of the general and limited partners of Qingdao Huaren and Hainan Huaren is independent from our Company, our connected persons, and from each other.

The share-based payment expenses during the Track Record Period relating to grants under the Employee Incentive Plans have been determined by reference to the restrictions provided under the Employment Incentive Plans to which grants are subject, in accordance with applicable accounting principles. For details, see Appendix I to this prospectus.

(a) Objectives

The objectives of the Employee Incentive Plans are to further improve the corporate governance of our Company, to build an incentive mechanism for senior management members, core employees and consultants engaged by our Group, among others, to achieve our strategies and to advance development of the Group.

(b) Eligibility

Pursuant to the plan documents (the "**Plan Documents**"), participants of the Employee Incentive Plans include our Company's and its subsidiaries' directors, senior management members, core technical personnels, key employees consultants engaged by our Group and other eligible persons as approved by the Board. The Plan Documents further provided that the following employees or other talents may not be selected as participants to the Employee Incentive Plans (as the case may be):

- Persons who have received public reprimand from, or was considered as unfit for his or her position by, relevant regulators in the preceding twelve months;
- Persons who have received administrative penalties or prohibition order for entering into the market from relevant regulators in the preceding twelve months;
- Persons who was penalized by, or received prohibition order for entering into the market from, the CSRC or its relevant branches in the preceding twelve months;
- Persons who are not allowed to hold the position of director, supervisor or senior management pursuant to the Company Law of the PRC; and
- Persons who have been considered as not eligible by the Board in accordance with the Articles of Association, the Company Law of the PRC and the Securities Law of the PRC.

(c) Administration

The Employee Incentive Plans shall be approved by the Board and Shareholders. Subject to authorization from Shareholders, the Board shall be responsible for the amendment, explanation and implementation of the Employee Incentive Plans.

(d) Shares and Share Price under the Plan

As of the Latest Practicable Date, there were a total of 12,785,000 Shares and 17 individual participants under the Employee Incentive Plans. We do not expect to grant additional partnership interest or Shares as incentive under the Employee Incentive Plans. Immediately following completion of the Global Offering, the aggregate number of Shares underlying the Employee Incentive Plans shall remain as 12,785,000 representing 10.87% of the total issued Shares (without taking into consideration the exercise of the Over-allotment Option). As a result, the Employee Incentive Plans will not cause any dilution of the shareholding of our Shareholders immediately after the Global Offering. For further details on the interest of our core connected persons granted under the Employee Shareholding Platforms, see "History, Development and Corporate Structure — Employee Shareholding Platforms."

(e) Repurchase of Shares Granted

The partnership interests granted to any participant may be repurchased by the entities designated by the Company, the managing partner of the Employee Shareholding Platforms or the Board (as the case may be), at cost, cost plus interests or otherwise at an agreed price, in the event of, including but not limited to:

(i) the death, loses his/her ability to work or loss of civil capacity of the participant;

(ii) the participant engages in bribery, solicitation of bribes, embezzlement, theft, disclosure of commercial or technical secrets and violation of our Company's regulations on non-competition or restriction of non-competition during the period of his/her employment, breach of fiduciary duty, or carrying out related parties transaction or other violations of relevant laws, administrative regulations or the provisions of the Articles of Association, causing significant economic losses to our Company;

(iii) the participant has seriously neglected his/her duties, dereliction of duty, or committed malpractice for personal gain, which has caused significant damage to our Company;

(iv) the participant, as resolved by the Board, is directly liable for material adverse effect caused to the Company's operation, management, production and research and development; and

(v) for Plan II and Plan III only, the participant resigns, whose terms of service agreement expire and are not renewed, or whose service agreement is terminated.

D. DISCLOSURE OF INTERESTS

1. Disclosure of Interests of Directors, Supervisors and chief executive of our Company

Immediately following completion of the Global Offering (assuming the Over-allotment Option is not exercised), the interests or short positions of our Directors, Supervisors and the chief executive of our Company in our Shares, underlying Shares and debentures of our Company and its associated corporations, within the meaning of Part XV of the SFO which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he or she is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which will be required to be notified to us and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, will be as follows:

(a) Interest in Shares of our Company

Name of Director, Supervisor or chief executive	Position	Nature of Interest[1]	Number and class of Shares held	Approximate percentage of shareholding in the total issued Shares immediately prior to the Global Offering	Approximate percentage of shareholding in the total issued Shares immediately after the Global Offering[2]	Approximate percentage of shareholding in the relevant class of Shares after the Global Offering [2]
Ms. Jia	Chairperson of the Board and executive Director	Beneficial owner and Interest of concert parties [3]	22,895,959 Unlisted Shares	22.89%	19.46%	66.11%
		Beneficial owner and Interest of concert parties [3]	44,099,978 H Shares	44.10%	37.48%	53.12%
Mr. Wang	President, Executive Director and vice chairperson of the Board	Beneficial owner and Interest of concert parties [3]	22,895,959 Unlisted Shares	22.89%	19.46%	66.11%
		Beneficial owner and Interest of concert parties [3]	44,099,978 H Shares	44.10%	37.48%	53.12%

Notes:

(1) All interests stated are long positions.

(2) The calculation is based on the total number of 34,635,377 Unlisted Shares in issue and 83,022,145 H Shares to be issued pursuant to the Global Offering (including 65,373,345 H Shares to be converted from Unlisted Shares) in issue upon Listing, assuming that the Over-allotment Option is not exercised.

(3) As of the Latest Practicable Date, Ms. Jia, Mr. Wang, Ms. Zhang and Mr. Li directly held 19,540,937 Shares, 17,980,000 Shares, 17,475,000 Shares and 12,000,000 Shares in our Company, respectively. By virtue of the Concert Party Agreement, each of Ms. Jia, Mr. Wang, Ms. Zhang and Mr. Li is deemed to be interested in such Shares by the other Controlling Shareholders as they are parties acting in concert.

(b) Interest in associated corporations

None of the Directors, Supervisors or chief executive of the Company will, immediately following completion of the Global Offering, has any interests and/or short positions in the Shares, underlying Shares and debentures of our Company's associated corporations (within the meaning of Part XV of the SFO), which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

2. Disclosure of Interests of Substantial Shareholders

For information on the persons who will, immediately following the completion of the Global Offering, having or be deemed or taken to have beneficial interests or short position in our Shares or underlying shares which would fall to be disclosed to our Company under the provisions of 2 and 3 of Part XV of the SFO, or directly or indirectly be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group, please see "Substantial Shareholders" in this prospectus.

3. Disclaimers

(a) None of our Directors or any of the parties listed in "Qualifications of Experts" of this Appendix is interested in our promotion, or in any assets which, within the two years immediately preceding the date of this prospectus, have been acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to our Company;

(b) Save in connection with the Hong Kong Underwriting Agreement and the International Underwriting Agreement, none of our Directors or any of the parties listed in "Qualifications of Experts" of this Appendix is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to our business;

(c) Save in connection with the Hong Kong Underwriting Agreement and the International Underwriting Agreement, none of the parties listed in "Qualifications of Experts" of this Appendix:

(i) is interested legally or beneficially in any shares in any member of our Group; or

(ii) (has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of our Group; and

(d) none of our Directors or Supervisors or their close associates (as defined in the Listing Rules) or any shareholders of our Company (who, to the knowledge of our Directors owns more than 5% of our issued share capital) has any interest in our top five customers or suppliers.

E. OTHER INFORMATION

1. 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.

2. 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 adverse effect on our results of operations or financial conditions, taken as a whole.

3. Preliminary Expenses

As of the Latest Practicable Date, our Company has not incurred material preliminary expenses.

4. Promoters

The promoters of the Company are all of the 11 then shareholders of our Company as of April 1, 2024 immediately before our conversion into a joint stock limited liability company. Save as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus, 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 Global Offering and the related transactions described in this prospectus.

5. Taxation of Holders of H Shares

(a) Hong Kong

The sale, purchase and transfer of H shares are subject to Hong Kong stamp duty if such sale, purchase and transfer are effected on the H share register of members of our Company, including in circumstances where such transaction is effected on the Stock Exchange. The stamp duty is charged to each of the seller and purchaser at the ad valorem rate of 0.1% of the consideration for, or (if higher) the fair value of the H Shares being sold or transferred. In other words, a total of 0.2% is currently payable on a typical sale and purchase transaction of the H Shares. In addition, a fixed duty of HK$5 is charged on each instrument of transfer (if required).

(b) Consultation with professional advisors

Potential investors in the Global Offering are urged to consult their professional tax advisors if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in our H Shares (or exercising rights attached to them). None of us, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, or any other person or party involved in

the Global Offering accept responsibility for any tax effects on, or liabilities of, any person, resulting from the subscription, purchase, holding or disposal of, dealing in or the exercise of any rights in relation to our H Shares.

6. Application for Listing

The Joint Sponsors have made an application on behalf of our Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the H Shares to be issued as mentioned in this prospectus (including any H Shares which may be issued pursuant to the exercise of Over-allotment Option) and the H Shares to be converted from Unlisted Shares, on the Main Board of the Stock Exchange. All necessary arrangements have been made to enable the securities to be admitted into CCASS.

7. No Material Adverse Change

Our Directors confirm that, up to the date of this prospectus, there has been no material adverse change in the financial or trading position or prospect of our Group since September 30, 2025 (being the date to which the latest audited consolidated financial statements of our Group were prepared).

8. Qualification of Experts

The following are the qualifications of the experts (as defined under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) who have given opinions or advice which are contained in this prospectus:

Name	Qualification
Huatai Financial Holdings (Hong Kong) Limited	Licensed to conduct type 1 (dealing in securities), type 2 (dealing in future contracts), type 3 (leverage 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 as defined under the SFO
CITIC Securities (Hong Kong) Limited	Licensed to conduct type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities as defined under the SFO
Commerce & Finance Law Offices	Legal advisor to the Company as to PRC laws and PRC intellectual property law
Hogan Lovells	Legal advisor to the Company as to international sanctions
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant

Name	Qualification
Ernst & Young	Certified Public Accountants

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.

9. Consents of Experts

Each of the experts whose names are set out in paragraph 8 above has given and has not withdrawn its consent to the issue of this prospectus with the inclusion of its report and/or letter and/or legal opinion (as the case may be) and references to its name included herein in the form and context in which it respectively appears.

10. Joint Sponsors' Independence

Each of the Joint Sponsors satisfies the independence criteria applicable to the sponsor 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 each of the Joint Sponsors in respect of their services as sponsors in connection with the proposed listing on the Stock Exchange is US$500,000.

11. Binding Effect

This prospectus 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.

12. Bilingual Prospectus

The English and Chinese language versions of this prospectus 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).

13. Miscellaneous

(a) Save as disclosed in "History, Development and Corporate Structure" and "Statutory and General Information" in this prospectus, within the two years immediately preceding the date of this prospectus, no share or loan capital of any member of our Group has been issued or agreed to be issued or is proposed to be issued for cash or as fully or partly paid other than in cash or otherwise.

(b) No founder, management or deferred shares nor any debentures in any member of our Group.

(c) No share or loan capital or debenture of any member of our Group is under option or is agreed conditionally or unconditionally to be put under option.

(d) No commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of its subsidiaries by our Company for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any shares in or debentures of our Company or any of our subsidiaries.

(e) None of our Directors or experts (as named in this prospectus), have any interest, direct or indirect, in any assets which have been, within the two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to, any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group.

(f) No equity or debt securities of any company within our Group is presently listed on any stock exchange or traded on any trading system nor is any listing or permission to deal being or proposed to be sought.

(g) Our Company has no outstanding convertible debt securities or debentures.

(h) There is no arrangement under which future dividends are waived or agreed to be waived.

(i) There has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this prospectus.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this Prospectus delivered to the Registrar of Companies in Hong Kong for registration were:

(a) the written consents referred to in "Statutory and General Information — E. Other Information — 9. Consents of Experts" in Appendix IV to this prospectus; and

(b) a copy of each of the material contracts referred to in "Statutory and General Information — B. Further Information about our Business — 1. Summary of Material Contracts" in Appendix IV to this prospectus.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Stock Exchange at **www.hkexnews.hk** and our Company's website at **huarenshengwu.com** during a period of 14 days from the date of this prospectus:

1. the Articles of Association;

2. the Accountant's Report prepared by Ernst & Young in respect of the historical financial information of the Group for the years ended December 31, 2023 and 2024 and the nine months ended September 30, 2025, the text of which is set forth in Appendix I to this prospectus;

3. the audited consolidated financial statements of our Company for the financial years ended December 31, 2023 and 2024 and the nine months ended September 30, 2025;

4. the report from Ernst & Young on the unaudited pro forma financial information of our Group, the text of which is set forth in Appendix II to this prospectus;

5. the material contracts in "Statutory and General Information — B. Further Information about our Business — 1. Summary of Material Contracts" in Appendix IV to this prospectus;

6. the written consents referred to in "Statutory and General Information — E. Other Information — 9. Consents of experts" in Appendix IV to this prospectus;

7. the service contracts referred to in "Statutory and General Information — C. Further Information about our Directors and Supervisors — 1. Directors' and Supervisors' Service Contracts and Appointment Letters" in Appendix IV to this prospectus;

8. the legal opinions issued by Commerce & Finance Law Offices, our PRC Legal Advisor, in respect of, among other things, the general corporate matters and the property interests of our Group under PRC laws;

9. the legal opinions issued by Commerce & Finance Law Offices, our legal advisor as to PRC intellectual property law, in respect of, among other things, certain aspects of the IP matters of our Group;

10. the international sanctions memorandum prepared by Hogan Lovells, our legal advisors as to international sanctions, in respect of the sanctions analysis of our Group's activities with the AMMS;

11. the industry report issued by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., the summary of which is set forth in "Industry Overview" in this prospectus; and

12. the PRC Company Law, the PRC Securities Law, the Overseas Listing Trial Measures, together with their respective unofficial English translations.

B&K CORPORATION LIMITED
華芒生物科技(青島)股份有限公司