中慧生物
Ab&B Bio-Tech

江蘇中慧元通生物科技股份有限公司
Ab&B Bio-Tech CO., LTD. JS

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

Stock Code: 2627

GLOBAL OFFERING

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

CITIC SECURITIES

招銀国际 CMB INTERNATIONAL

Joint Bookrunners and Joint Lead Managers

利弗莫尔证券 LIVERMORE HOLDINGS LIMITED

富德證券 FUNDE SECURITIES

雅利多證券 ARISTO SECURITIES LIMITED

中銀國際 BOCI

ICBC 工银国际

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

Ab&B Bio-Tech CO., LTD. JS

江蘇中慧元通生物科技股份有限公司

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

GLOBAL OFFERING

Number of Offer Shares under the Global Offering	**33,442,600 H Shares (subject to the Offer Size Adjustment Option)**
Number of Hong Kong Offer Shares	**3,344,400 H Shares (subject to reallocation)**
Number of International Offer Shares	**30,098,200 H Shares (subject to reallocation and the Offer Size Adjustment Option)**
Maximum Offer Price	**HK$15.50 per H Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal value	**RMB1.00 per H Share**
Stock code	**2627**

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

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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 "Appendix VII—Documents Delivered to the Registrar of Companies and Documents on Display—A. Documents Delivered to the Registrar of Companies" 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 and the Registrar of Companies in Hong Kong take no responsibility for the contents of this prospectus or any other document referred to above.

The Offer Price is expected to be fixed by agreement between the Overall Coordinators (for themselves and on behalf of the Underwriters) and us on the Price Determination Date. The Price Determination Date is expected to be on or around Wednesday, August 6, 2025 (Hong Kong time) and, in any event, not later than 12:00 noon on Wednesday, August 6, 2025 (Hong Kong time). The Offer Price will be not more than HK$15.50 per Offer Share and is currently expected to be not less than HK$12.90 per Offer Share. If, for any reason, the Offer Price is not agreed by 12:00 noon on Wednesday, August 6, 2025 (Hong Kong time) between the Overall Coordinators (for themselves and on behalf of the Underwriters) and us, the Global Offering will not proceed and will lapse.

Applicants for Hong Kong Offer Shares may be required to pay, on application (subject to application channels), the maximum Offer Price of HK$15.50 for each Offer Share, together with brokerage fee of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%, subject to refund if the Offer Price as finally determined is less than HK$15.50 per Offer Share.

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement to subscribe for, and to procure applicants for the subscription for, the Hong Kong Offer Shares are subject to termination by the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) if certain grounds arise prior to 8:00 a.m. on the day that trading in the H Shares commences on the Stock Exchange. Such grounds are set out in "Underwriting—Underwriting Arrangements and Expenses—Hong Kong Public Offering—Grounds for Termination" in this prospectus.

The Offer Shares have not been, and will not be, registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered, sold, pledged or otherwise transferred within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. The Offer Shares are offered and sold only outside the United States in offshore transactions in reliance on Regulation S. There has not been and will not be any public offering of the H Shares in the United States.

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 www.abbbio.com. If you require a printed copy of this prospectus, you may download and print from the websites above.

July 31, 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 Stock Exchange at www.hkexnews.hk under the "HKEXnews > New Listings > New Listing Information" section, and our website at www.abbbio.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:

(1) apply online through the **HK eIPO White Form** service at **www.hkeipo.hk**;

(2) apply through the **HKSCC EIPO** channel to electronically cause HKSCC Nominees to apply on your behalf, including by instructing your **broker** or **custodian** who is a HKSCC Participant to submit an EIPO application on your behalf through HKSCC's FINI system in accordance with your instruction.

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 prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

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" in this prospectus 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	3,131.26	4,000	62,625.26	60,000	939,379.06	800,000	12,525,054.00
400	6,262.53	5,000	78,281.59	70,000	1,095,942.23	900,000	14,090,685.76
600	9,393.79	6,000	93,937.90	80,000	1,252,505.40	1,000,000	15,656,317.50
800	12,525.05	7,000	109,594.22	90,000	1,409,068.58	1,200,000	18,787,581.00
1,000	15,656.32	8,000	125,250.55	100,000	1,565,631.76	1,400,000	21,918,844.50
1,200	18,787.58	9,000	140,906.86	200,000	3,131,263.50	1,672,200[1]	26,180,494.13
1,400	21,918.85	10,000	156,563.18	300,000	4,696,895.26		
1,600	25,050.11	20,000	313,126.36	400,000	6,262,527.00		
1,800	28,181.37	30,000	469,689.53	500,000	7,828,158.76		
2,000	31,312.64	40,000	626,252.70	600,000	9,393,790.50		
3,000	46,968.96	50,000	782,815.88	700,000	10,959,422.26		

Notes:

(1) Maximum number of Hong Kong Offer Shares you may apply for and this is 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 of the Hong Kong Public Offering, we will issue an announcement in Hong Kong to be published on the Company's website at http://www.abbbio.com and the website of the Stock Exchange at www.hkexnews.hk.

Hong Kong Public Offering commences . . . . . .9:00 a.m. on Thursday, July 31, 2025

Latest time for completing electronic applications under the **HK eIPO White Form** service through the designated website at **www.hkeipo.hk**[2] . . . . . .11:30 a.m. on Tuesday, August 5, 2025

Application lists open[3] . . . . . .11:45 a.m. on Tuesday, August 5, 2025

Latest time for (a) completing payment of **HK eIPO White Form** applications by effecting internet banking transfer(s) or PPS payment transfer(s) and (b) giving **electronic application instructions** to HKSCC[4] . . . . . .12:00 noon on Tuesday, August 5, 2025

If you are instructing 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, you are advised to contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian.

Application lists close[3] . . . . . .12:00 noon on Tuesday, August 5, 2025

Expected Price Determination Date . . . . . on or before 12:00 noon, Wednesday, August 6, 2025

Announcement of the 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 allocation of the Hong Kong Offer Shares to be published on the website of the Stock Exchange at **www.hkexnews.hk** and on the Company's website at **http://www.abbbio.com**[5] at or before . . . . . 11:00 p.m. on Thursday, August 7, 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 **http://www.abbbio.com** and **www.hkexnews.hk**, respectively . . . . . at or before 11:00 p.m. on Thursday, August 7, 2025

- Results of allocation for the Hong Kong Public Offering will be available at the "Allotment Results" page from the designated results of allocations website at **www.hkeipo.hk/IPOResult** (or **www.tricor.com.hk/ipo/result**) with a "search by ID" function from . . . . . 11:00 p.m. on Thursday, August 7, 2025 to 12:00 midnight on Wednesday, August 13, 2025

- from the allocation results telephone enquiry line by calling +852 3691 8488 between 9:00 a.m. and 6:00 p.m. from . . . . . Friday, August 8, 2025 to Wednesday, August 13, 2025 (except Saturday, Sunday and public holidays in Hong Kong)

H Share certificates in respect of wholly or partially successful applications to be dispatched or deposited into CCASS on or before[6][8] . . . . . Thursday, August 7, 2025

HK eIPO White Form e-Auto Refund payment instructions/refund checks in respect of (i) wholly or partially successful applications if the final Offer Price is less than the price payable on application (if applicable) and (ii) wholly or partially unsuccessful application under the Hong Kong Public Offering to be dispatched on or before[7][8] . . . . . Friday, August 8, 2025

Dealings in the Shares on the Stock Exchange expected to commence at . . . . . .9:00 a.m. on Friday, August 8, 2025

Notes:

(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 in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Tuesday, August 5, 2025, the application lists will not open and will close on that day. For details, please refer to the paragraph 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 instructing their broker or custodian to give **electronic application instructions** to HKSCC via FINI should refer to the paragraph headed "How to Apply for Hong Kong Offer Shares—A. Application for Hong Kong Offer Shares—2. Application Channels" in this prospectus.

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

(6) H Share certificates will only become valid evidence of title at 8:00 a.m. on the Listing Date provided that the Global Offering has become unconditional and the right of termination described in "Underwriting—Underwriting Arrangements and Expenses—Hong Kong Public Offering—Grounds for Termination" has not been exercised. Investors who trade 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.

(7) 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 also 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.

(8) 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 paragraph 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 accounts 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.

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 paragraphs headed "How to Apply for the Hong Kong Offer Shares—D. Despatch/Collection of H Share Certificates and Refund of Application Monies."

The above expected timetable is a summary only. For further details of the structure of the Global Offering, including its conditions, and the procedures for applications for Hong Kong Offer Shares, please see "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" in this prospectus, respectively.

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 does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Hong Kong Offer Shares offered by this prospectus pursuant to the Hong Kong Public Offering. This prospectus may not be used for the purpose of, and does not constitute, an offer 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 made 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, any of the Underwriters, any of our or their respective directors, officers or representatives, or any other person or party involved in the Global Offering. Information contained on our website, located at www.abbbio.com, does not form part of this prospectus.

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CONTENTS

This summary aims to give you an overview of the information contained in this prospectus. As this is a summary, it does not contain all the information that may be important to you. You should read this prospectus in its entirety 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" of this prospectus. You should read that section carefully before you decide to invest in the Offer Shares. ***In particular, we are a biotech 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.*** *Our Core Products are products designated for the purpose of satisfying the eligibility requirements under Chapter 18A of the Listing Rules and Chapter 2.3 of the Guide for New Listing Applicants. We may continue to incur substantial costs and expenses in relation to research and development activities for the Core Products, and we may not be able to successfully develop or market both of our Core Products. There are unique challenges, risks and uncertainties associated with investing in companies such as us. Your investment decision should be made in light of these considerations.*

OVERVIEW

Founded in 2015, we are a China-based vaccine company dedicated to the research, development, manufacturing and commercialization of innovative vaccines* and traditional vaccines adopting new technical methods. As of the Latest Practicable Date, we had (i) two Core Products, the quadrivalent subunit influenza vaccine, which was approved by the National Medical Products Administration of the PRC (NMPA) for individuals aged three years and above under the brand name Huierkangxin (慧爾康欣) in May 2023, and lyophilized (freeze-dried) human rabies vaccine candidate, which is developed using human diploid cells with robust safety profile; and (ii) 11 other vaccine candidates covering various disease areas with considerable needs for vaccination.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET ALL OF OUR CORE PRODUCTS AND OTHER PIPELINE PRODUCTS SUCCESSFULLY.

* For example, our quadrivalent subunit influenza vaccine, one of our Core Products, which is registered as a Class I innovative drug

The following chart summarizes our pipeline as of the date of this prospectus. All of our vaccine product and product candidates are, or expected to be, classified as Class II vaccines in China.

Product	Indication	Route of Administration	R&D	Preclinical	IND Approval	Clinical			NDA Approval	Regulatory Agency	Expected Near-term Milestone
						Phase I	Phase II	Phase III			
Quadrivalent subunit influenza vaccine*△	Influenza (3 years and above)	Intramuscular injection	Self-developed							NMPA	Completion of post-approval safety study in Q4 2025
	Influenza (6 to 35 months)	Intramuscular injection	Self-developed							NMPA	NDA approval in Q3 2025
Adjuvanted quadrivalent subunit influenza vaccine	Influenza (65 years and above)	Intramuscular injection	Self-developed							NMPA	Commencement of Phase I clinical trial in Q4 2025
Trivalent subunit influenza vaccine	Influenza (3 years and above)	Intramuscular injection	Self-developed							NMPA	NDA approval in Q3 or Q4 2025
	Influenza (6 to 35 months)	Intramuscular injection	Self-developed							NMPA	NDA approval in Q3 or Q4 2025
Adjuvanted trivalent subunit influenza vaccine	Influenza (65 years and above)	Intramuscular injection	Self-developed							NMPA	Commencement of Phase I clinical trial in Q4 2025
Lyophilized human rabies vaccine (human diploid cell)*△	Rabies	Intramuscular injection	Self-developed							NMPA	Commencement of Phase III clinical trial in Q3 2025
PPSV23△	Invasive pneumococcal diseases	Intramuscular injection	Acquired†							NMPA	Commencement of Phase III clinical trial in Q4 2025 or Q1 2026
Recombinant zoster vaccine (CHO cell)◇	Herpes zoster	Intramuscular injection	Self-developed							NMPA	Completion of Phase I clinical trial in 1H 2026
Recombinant RSV vaccine (CHO cell)	RSV LRTI	Intramuscular injection	Self-developed‡							NMPA/FDA	IND approval expected in Q3 2025
mRNA RSV vaccine	RSV LRTI	Intramuscular injection	Self-developed‡							NMPA	Pre-IND application in Q3 or Q4 2025
mRNA mpox vaccine	Mpox	Intramuscular injection	Self-developed							NMPA	Pre-IND application in Q4 2025
PCV24	Invasive pneumococcal diseases	Intramuscular injection	Self-developed							NMPA	Pre-IND application in Q1 2026
Live attenuated varicella vaccine	Varicella	Intramuscular injection	Self-developed							NMPA	Pre-IND application in Q1 2026
Tetanus toxoid adsorbed vaccine	Tetanus	Intramuscular injection	Self-developed							NMPA	Pre-IND application in Q4 2025

* Core Product

† We contracted to acquire this asset before the clinical stage. We were and will continue to be responsible for clinical development. See "Business—Our Product and Product Candidates—Our Other Product Candidates—PPSV23" and "Business—Our Technology Transfer Arrangements—PPSV23 Technology Transfer Agreements."

‡ Self-developed with licensed antigen sequence

△ In line with established regulatory guidelines, our clinical development of such vaccines did not include Phase II clinical trials. See "Business—Our Product and Product Candidates."

◇ As of the date of this prospectus, we have completed participant enrollment and completed preliminary safety report for the Phase I clinical trial and have commenced participant enrollment for the Phase II clinical trial of our recombinant zoster vaccine. We expect to complete the Phase I clinical trial in the first half of 2026.

Note:

Clinical trial phases marked as ▨ are not required by the NMPA.

LRTI: lower respiratory tract infection; PPSV: pneumococcal polysaccharide vaccine; PCV: pneumococcal conjugate vaccine; RSV: respiratory syncytial virus

OUR CORE PRODUCTS

Quadrivalent Subunit Influenza Vaccine

Our quadrivalent subunit influenza vaccine is designed to offer broad protection against two influenza A viruses (H1N1 and H3N2 subtypes) and two influenza B viruses (Yamagata and Victoria lineages). Compared to whole-pathogen or split-virion vaccines, subunit influenza vaccines contain only crucial components of the viruses and require further purification after viral split, thus facilitating precise antigen targeting and ensuring a better safety profile with lower risks of adverse reactions. As a result, subunit influenza vaccines, including our quadrivalent subunit influenza vaccine, are typically priced at a premium relative to whole-pathogen and split-virion vaccines. We completed a Phase III clinical trial in healthy participants aged 3 years or above in China in December 2021. In this trial, in the total population of participants aged three years and above, our quadrivalent subunit influenza vaccine demonstrated better* or non-inferior** safety and efficacy for all four virus strains compared to the control quadrivalent split-virion influenza vaccine. In the same group of participants, our quadrivalent subunit influenza vaccine achieved seroprotection rates above the widely used European Union standard of 70.0%.

Our quadrivalent subunit influenza vaccine received NDA approval from the NMPA in May 2023 for use in individuals aged three years and above under the brand name Huierkangxin (慧爾康欣). It was the first and only quadrivalent subunit influenza vaccine approved in China as of the Latest Practicable Date. Employing our in-house manufacturing facilities and sales and marketing team, we commenced commercialization of this vaccine in September 2023 after receiving approval and generated revenue of RMB52.2 million, RMB259.6 million and RMB0.4 million in 2023, 2024 and the three months ended March 31, 2025, respectively. During the Track Record Period and up to the Latest Practicable Date, we manufactured all of our quadrivalent subunit influenza vaccine products in-house. As of the Latest Practicable Date, we were developing the quadrivalent subunit influenza vaccine for the 6 to 35 months age group. We had completed a Phase III clinical trial in healthy participants aged 6-35 months in China in April 2024 and had submitted an NDA for this age group, which

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* With statistically significant difference, the overall incidence of vaccination-related adverse events induced by our quadrivalent subunit influenza vaccine in participants aged 18 to 64 years was lower than that caused by the control quadrivalent split-virion influenza vaccine. With statistically significant differences, our quadrivalent subunit influenza vaccine elicited higher geometric mean titers (GMTs) of neutralizing antibodies against all four virus strains and achieved higher seroconversion rates in the H1N1, BV and BY virus strains and higher seroprotection rate in the BY virus than the control quadrivalent split-virion influenza vaccine. Seroconversion rate refers to the proportion of participants with (i) an increase in antibody titer of more than 4 times compared to pre-vaccination level if the participant had a pre-vaccination antibody titer of no less than 1:10; or (ii) an absolute antibody titer of no less than 1:40 if the participant had a pre-vaccination antibody titer of less than 1:10. Seroprotection rate refers to the proportion of participants with an antibody titer of 1:40 post-vaccination.

** Our quadrivalent subunit influenza vaccine demonstrated non-inferior seroconversion rate and/or seroprotection rate in certain virus strains and non-inferior safety in certain age groups compared to the control quadrivalent split-virion influenza vaccine. See "Business—Our Product and Product Candidates—Our Core Products—Quadrivalent Subunit Influenza Vaccine—Summary of Clinical Trials—Phase III Clinical Trial (3 years and above)."

was accepted by the NMPA in June 2024. We do not expect any material impediment in obtaining the NDA approval for such age group and expect to receive the approval in the third quarter of 2025. According to Frost & Sullivan, such approval timeline is in line with industry norm. As of the same date, we were also developing (i) an adjuvanted version of the vaccine for individuals aged 65 and above; (ii) a trivalent subunit influenza vaccine for individuals aged three years and above and aged 6 to 35 months; and (iii) an adjuvanted trivalent subunit influenza vaccine for individuals aged 65 and above. Upon approval of such vaccines, we expect to achieve a subunit influenza vaccine franchise that features full age- and valent-range coverage.

Addressable Market and Competitive Landscape

China's influenza vaccine market is large but remains significantly underpenetrated. According to the China CDC, the overall influenza vaccination rate in China was 3.8% in the 2022-2023 flu season, which dwarfed in comparison to developed markets such as the U.S., where the vaccination rate was 49.3% in all people aged six months and older for the same flu season, according to the U.S. CDC. According to Frost & Sullivan, the influenza vaccine market in China grew significantly from RMB2.0 billion in 2019 to RMB7.0 billion in 2024, at a CAGR of 28.7%, despite a decrease in market size in 2024 primarily due to the drop in the average prices of trivalent and quadrivalent inactivated influenza vaccines. The total number of lot release of influenza vaccines increased from 30.8 million in 2019 to 75.4 million in 2024. The influenza vaccine market in China is expected to further increase to RMB20.5 billion in 2033. As the first quadrivalent subunit influenza vaccine, developed by us, was approved by the NMPA in May 2023, the subunit influenza vaccine market in China is estimated to grow rapidly from RMB0.7 billion in 2024 to RMB2.9 billion in 2033, at a CAGR of 18.0%.

China's influenza vaccine market is highly competitive and we may incur increased costs to broaden the market acceptance considering that our quadrivalent subunit influenza vaccine was the first and only approved quadrivalent subunit influenza vaccine in China as of the Latest Practicable Date and is more expensive than other types of influenza vaccines, according to Frost & Sullivan. As of the Latest Practicable Date, all approved influenza vaccines in China were trivalent or quadrivalent influenza vaccines. According to Frost & Sullivan, in 2024, quadrivalent influenza vaccines represented 71.4% of the total influenza vaccine market in terms of production value, which is expected to decrease to about 61.5% by 2033, primarily driven by an expected increase in production value and market share of trivalent influenza vaccines based on recent WHO recommendation. WHO's recommendation of influenza vaccine composition changes depending on the prevailing virus strains. It first recommended switching from trivalent influenza vaccines to quadrivalent influenza vaccines for the 2013-2014 flu season due to the co-circulation of two distinct B-lineages (Victoria and Yamagata). Quadrivalent influenza vaccines were introduced to address the reduced effectiveness of trivalent influenza vaccines in years when the B-lineage included in the vaccine did not match the circulating strains, particularly causing greater risks to children. Recently, with Yamagata strains becoming rare after 2019, WHO has suggested that a return to trivalent influenza vaccines may be sufficient, while continues to publish the virus strain

composition for quadrivalent influenza vaccine where such vaccines are still in use due to their comprehensive protection. We do not believe that WHO's recent recommendation will negatively impact the business potential of our quadrivalent subunit influenza vaccine or its strategy, as it provides broader coverage and aligns with consumer demand for high-quality vaccines that could offer comprehensive protection. See "Business—Our Product and Product Candidates—Our Core Products—Quadrivalent Subunit Influenza Vaccine—Market Opportunity and Competition" for detail.

According to Frost & Sullivan, as of the Latest Practicable Date, there were 26 marketed influenza vaccines in China, primarily including 13 trivalent vaccines (including 11 split-virion vaccines, 1 subunit vaccine and 1 live attenuated vaccine) and 12 quadrivalent vaccines (including 11 split-virion vaccines and 1 subunit vaccine (developed by us)). As of the same date, there were 19 influenza vaccine candidates under clinical development in China, including 6 trivalent vaccines (including 4 split-virion vaccines, 1 live attenuated vaccine and 1 subunit vaccine (developed by us)) and 13 quadrivalent vaccines (including 11 split-virion vaccines and 2 subunit vaccines). See "Industry Overview—Influenza Vaccines—Competitive Landscape of Influenza Vaccines in China" for details.

Lyophilized Human Rabies Vaccine (Human Diploid Cell)

The lyophilized human rabies vaccine (human diploid cell) candidate is designed for prevention against rabies, which can be prevented with proper vaccination immediately after exposure to the virus but is almost always fatal once symptoms show. According to the UK Department of Public Health, regions across Asia, including China, are classified as high-risk regions for rabies exposure from land-based animals.

Our rabies vaccine candidate is developed based on human diploid cells, which are recommended by the WHO as one of the safest cell culture substrates for the production of viral vaccines. Our rabies vaccine candidate demonstrated a promising safety profile in its completed Phase I clinical trial. We are developing the rabies vaccine candidate for three immunization regimens: Essen (five doses), Zagreb (four doses) and simplified four-dose. We completed a Phase I clinical trial of the candidate in October 2024 and plan to commence a Phase III clinical trial in the third quarter of 2025.

Addressable Market and Competitive Landscape

According to Frost & Sullivan, the human rabies vaccine market in China, in terms of production value, increased from RMB3.8 billion in 2019 to RMB9.5 billion in 2024, at a CAGR of 20.3%. The total number of lot release increased from 58.8 million in 2019 to 77.8 million in 2024. Driven by increase in vaccination rates and the introduction of high-value rabies vaccines, the human rabies vaccine market in China is estimated to further increase to RMB13.0 billion in 2033, at a CAGR of 3.5% from 2024 to 2033. Rabies vaccines developed using human diploid cells are anticipated to partially replace traditional vaccines developed

using Vero and primary hamster kidney cell. In 2024, human rabies vaccines developed using human diploid cells accounted for 24.2% of the total rabies vaccine market in terms of production value, with a projected increase to approximately 41.5% by 2033, according to Frost & Sullivan.

China's market for human rabies vaccines is highly competitive. Various types of human rabies vaccines have been approved and compete in China's market. According to Frost & Sullivan, as of the Latest Practicable Date, there were 23 marketed human rabies vaccines in China, including 15 vaccines developed from Vero cells, 6 vaccines developed from hamster kidney cells and 2 vaccines developed from human diploid cells. As of the same date, there were 20 human rabies vaccine candidates under clinical development in China, primarily including 12 vaccines developed from Vero cells and 6 vaccines developed from human diploid cells (including our rabies vaccine candidate). See "Industry Overview—Human Rabies Vaccines—Competitive Landscape of Human Rabies Vaccines in China" for details.

OUR OTHER PRODUCT CANDIDATES

- **Trivalent Subunit Influenza Vaccine.** In order to better adapt to the evolving virological landscape of influenza viruses and cater to diverse immunization needs of the broad market in China, we are also developing a trivalent subunit influenza vaccine in addition to our quadrivalent subunit influenza vaccine. Our trivalent subunit influenza vaccine candidate aims to provide protection against two influenza A viruses (H1N1 and H3N2 subtypes) and one influenza B virus (Victoria lineage), aligning with the coverage recommended by the WHO for the 2024-2025 northern hemisphere influenza season. Our trivalent subunit influenza vaccine candidate leverages the established formulation of our approved quadrivalent subunit influenza vaccine, using the same bulk antigen with one influenza B virus subtype (Yamagata) omitted in the formulation. Leveraging the preclinical and clinical results of our quadrivalent subunit influenza vaccine, our NDAs for the trivalent subunit influenza vaccine candidate for individuals aged 3 years and above and for the 6 to 35 months age group were accepted by the NMPA in September 2024. As of the Latest Practicable Date, we were also developing an adjuvanted version of this vaccine candidate for individuals aged 65 and above.

- **23-valent pneumococcal polysaccharide vaccine (PPSV23).** We are developing a PPSV23 candidate indicated for individuals aged two years and above. According to Frost & Sullivan, PPSV23 products are the primary type of pneumococcal vaccine for adults in China, recognized for their efficacy across diverse age groups. Our PPSV23 candidate elicited robust immunogenic responses in participants aged two years and above in our Phase I clinical trial. After completion of the Phase I trial, we undertook significant process improvement, including the use of ion-exchange chromatography instead of ethanol precipitation, thereby eliminating harmful substances like ethanol and phenol and enhancing product safety. We plan to commence a Phase III clinical trial of the candidate in the fourth quarter of 2025 or the first quarter of 2026 to further evaluate its efficacy and safety.

- **Recombinant Zoster Vaccine (CHO cell).** We are developing a recombinant zoster vaccine candidate with self-developed dual adjuvants indicated for individuals aged 40 years and above. In preclinical animal studies, our recombinant zoster vaccine candidate stimulated stronger cell-mediated immune responses that are crucial for fighting varicella-zoster virus infections compared to a marketed recombinant zoster vaccine developed by an international pharmaceutical company, which could potentially translate into stronger protective efficacy. We obtained an IND approval for Phase I and Phase II clinical trials of our recombinant zoster vaccine candidate in August 2024. We initiated a Phase I trial in February 2025 and a Phase II trial in July 2025.

- **Other product candidates.** In addition to the above, we are also developing (i) a 24-valent pneumococcal conjugate vaccine (PCV24) for the prevention of pneumococcal diseases; (ii) an mRNA vaccine and a recombinant vaccine designed to provide protection against respiratory syncytial virus (RSV) infections; (iii) an mRNA mpox vaccine; (iv) a live attenuated varicella vaccine; and (v) a tetanus toxoid adsorbed vaccine.

OUR STRENGTHS

We believe our strengths are:

- Upgraded traditional vaccines as potential prominent core products to address unmet demand for quality vaccines;

- Market-driven strategy building a diverse vaccine pipeline;

- Advanced R&D technology platforms supporting vaccine candidate development;

- Expanding manufacturing capacity ensuring sustained future vaccine supply;

- Market outreach led by academic promotion and supported by established sales network; and

- Experienced R&D and management teams, supported by reputable shareholders in industry.

OUR STRATEGIES

We plan to pursue the following strategies:

- Efficiently advance post-approval studies and clinical trials for our Core Products;

- Accelerate the development of other vaccine candidates to address unmet clinical needs and enrich our vaccine pipeline;

- Continue to upgrade our technology platforms and enhance core technology competitiveness;

- Further strengthen manufacturing capacity and commercialization capabilities; and

- Venture into international markets to extend commercial value of vaccine candidates.

RESEARCH AND DEVELOPMENT

We are a China-based vaccine maker dedicated to the research, development, manufacturing and commercialization of innovative vaccines and traditional vaccines adopting new technical methods. We believe research and development is critical to our ability to remain competitive in the industry and have built up strong research and development capabilities to identify and develop high-potential and high-quality vaccines. Our research and development activities are led by a team of experienced scientists, including Dr. Chen Ze, who is our chief scientist and has nearly 28 years of experience in the fields of virology, pharmaceuticals and biotechnology, and Dr. Yelin Xiong, who has over 35 years of experience in the fields of pharmaceuticals and biotechnology and currently oversees our mRNA vaccine research platform and polysaccharide conjugation technology platform. Our research and development team also includes Mr. Li Guangfu, who is the director of our clinical development department and has over 20 years of experience in the pharmaceutical industry, Mr. Xu Qi (manager of our process development department) and Ms. Leng Wenna (manager of our quality research department), both of whom have around ten years of experience in the research and development of vaccines and were key members in the development of our Core Products. As of the Latest Practicable Date, our in-house research and development team consisted of 86 members, 45.3% of whom held doctoral or master's degrees.

We have established three comprehensive vaccine development support platforms, namely our genetic engineering and protein expression and purification platform, mRNA vaccine research platform and adjuvant development and production platform, enabling the discovery and development of new vaccines across various categories. These are complemented by our distinctive proprietary technology platforms, including our large-scale amplification platform, polysaccharide conjugation technology platform and microbes and immunity research platform, to further enhance our research and development capabilities. As a result, we had successfully obtained nine IND approvals from the NMPA for our vaccine candidates as of the Latest Practicable Date. In 2023, 2024 and the three months ended March 31, 2025, we incurred research and development costs of RMB283.2 million, RMB205.6 million and RMB46.5 million, respectively. Among which, the R&D expenses attributable to our Core Products, the quadrivalent subunit influenza vaccine and lyophilized human rabies vaccine candidate, amounted to (i) RMB38.8 million and RMB23.0 million in 2023, accounting for 13.7% and 8.1% of our total R&D expenses and 9.4% and 5.6% of our total operating

expenses* in the same year, respectively; (ii) RMB8.1 million and RMB35.2 million in 2024, accounting for 4.0% and 17.1% of our total R&D expenses and 2.0% and 8.5% of our total operating expenses in the same year, respectively; and (iii) RMB0.6 million and RMB9.7 million in the three months ended March 31, 2025, accounting for 1.2% and 20.9% of our total R&D expenses and 0.7% and 11.7% of our total operating expenses in the same period, respectively.

In line with industry norm, we engage CROs to support our preclinical and clinical studies from time to time. In 2023, 2024 and the three months ended March 31, 2025, we engaged 24, 16 and 14 CROs and incurred related expenses of RMB87.3 million, RMB34.0 million and RMB3.8 million, respectively. To the best of our knowledge, all of the CROs we engaged during the Track Record Period were Independent Third Parties.

MANUFACTURING

During the Track Record Period and up to the Latest Practicable Date, all of our quadrivalent subunit influenza vaccine products and our vaccine candidates used in our clinical trials were manufactured in our No. 1 Manufacturing Facility located at our headquarters in Taizhou. Our No. 1 Manufacturing Facility has a GFA of over 48,000 sq.m. and is equipped with advanced equipment and machinery, including bioreactors, large-scale centrifuges, ultra-filtration system and large-scale purification system and product filling and packaging lines. Our No. 1 Manufacturing Facility currently has three operational production lines, including one influenza vaccine production line with a designed annual production capacity of 4.0 million doses of quadrivalent and trivalent subunit influenza vaccines, a rabies vaccine production line with a designed annual production capacity of 5.0 million doses of rabies vaccines and a pneumococcal vaccine production line with a designed annual production capacity of 15.0 million doses of PPSV23 and PCV24. In 2023, 2024 and the three months ended March 31, 2025, we manufactured 1.2 million, 1.8 million and nil doses of our quadrivalent subunit influenza vaccine, representing a utilization rate of 30.2%, 45.8% and nil, respectively. As of the Latest Practicable Date, our second influenza vaccine production line in our No. 1 Manufacturing Facility was undergoing process validation. The second influenza vaccine production line has the same designed annual production capacity as the existing influenza vaccine production line. We expect to commence production by the end of 2026 for the second influenza vaccine production line.

We are also constructing two manufacturing facilities in our headquarters, namely our No. 2 Manufacturing Facility to expand our manufacturing capacity of influenza vaccines and No. 3 Manufacturing Facility for manufacturing recombinant protein vaccines (recombinant RSV vaccine and recombinant zoster vaccine). As of the Latest Practicable Date, our No. 2 Manufacturing Facility was undergoing road and landscape construction and we had completed construction of the main structure of our No. 3 Manufacturing Facility.

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* For the purpose of this paragraph, includes research and development expenses, administrative expenses, selling expenses, listing expenses and other expenses

COMMERCIALIZATION

We are required to participate in the public tender process held by provincial-level CDCs to sell our quadrivalent subunit influenza vaccine, which is a Class II vaccine, in China. For Class II vaccines, public tenders and re-tenders serve as an admission for entry to market of the relevant province. Following the public tenders, we are required to participate in the local selection process held by district- or county-level CDCs to sell our vaccine product to specific districts or counties. The public tenders and local selections do not specify any quota or the volume to be admitted. After the local selection process, each CDC will negotiate with us on the actual supply volume based on the vaccine demand collected from POVs. We generally compete with competitors on the technical designs, registration classification, bid price, clinical effectiveness and quality of product, as well as reputation. Through successful bids at public tenders, our quadrivalent subunit influenza vaccine has completed the market entry process in 30 provinces and been chosen by over 1,100 district- and county-level CDCs in local selections. We enter into sales agreements with district- and county-level CDCs, which specify the price and supply volume. We then engage logistic companies to arrange cold-chain transportation of our vaccine products to each district- and county-level CDCs. After completion of procurement from us, CDCs supply vaccine products to POVs, which are regulated by CDCs. As advised by our PRC Legal Advisor, this is only a vaccine circulation process without any sales relationship between CDCs and points of vaccination. Vaccination of Class II vaccines are not mandatory for the general public in China and vaccinees have the freedom to choose the vaccine products and receive vaccination at POVs. As Class II vaccines are not covered by national reimbursement practice, vaccinees, or their insurance companies, are responsible for the costs of vaccines and administration fees, if any.

We have established an in-house sales and marketing team covering sales, marketing, medical affairs and operations. Our sales team, consisting of 51 employees as of the Latest Practicable Date, is responsible for the sale of our quadrivalent subunit influenza vaccines and to prepare for the commercialization of our vaccine candidates. Our marketing team is responsible for formulating overall marketing and promotion strategies, attending academic conferences and communications with CDCs on medical and scientific information of our vaccine products. Our medical affairs team is responsible for post-approval studies of the vaccine. Our sales operations team is responsible for management of third-party marketing service providers, order management and shipment. We engage third-party marketing service providers to support our daily marketing activities, such as conducting market research, organizing academic conferences, reporting to us on the latest market trends and demands, educating the general public to raise awareness of the benefits of vaccination, promoting the advantages of our products, assisting in public tender document preparations and site-visiting CDCs and POVs.

Our market outreach strategy is anchored in academic promotion. We keep frequent communications with CDCs, local POVs and related healthcare professionals through academic events, vaccine-related research projects, regular visits, on-site trainings and post-administration follow-ups on the safety and effectiveness of our product. Our product design and promotional strategies also place an emphasis on special populations, such as pregnant women and people with chronic diseases.

With respect to our quadrivalent subunit influenza vaccine, for individuals aged 3 years and above and for those aged 6 to 35 months, we set a uniform bidding price of RMB319 per dose across different provinces in China. We set the price primarily considering existing influenza vaccine prices both domestically and internationally, along with an evaluation of our manufacturing costs. For our quadrivalent subunit influenza vaccine, we rely on our in-house sales and marketing team to carry out our overall academic-oriented market outreach strategy. We plan to increase product awareness and accessibility through a combination of offline activities such as academic conferences and professional visits. In line with market practice, we will also engage third-party marketing service providers to support our daily marketing activities.

In line with industry practice and according to Frost & Sullivan, we accept return (i) unused products that are expired or about to expire; (ii) products that are defective or are substandard; (iii) products with damaged packaging; and (iv) products that are otherwise unmarketable due to any fault on our part. During the Track Record Period and up to the Latest Practicable Date, we did not receive any complaints in relation to our vaccine products. As our influenza vaccines are seasonal-type vaccine against specific circulating viruses during each season, we also voluntarily accept unused influenza vaccines after the end of each influenza season, usually starting from April. The estimated sales return rate for the years ended December 31, 2023 and 2024, calculated as dividing refund liabilities by the sum of the revenue of the same year and refund liabilities as at the end of the year, was 20.3% and 24.6%, respectively. The actual product return recorded in 2024 in relation to the sales of influenza vaccines in 2023 were RMB21.3 million, which were higher than our initial estimation of RMB13.3 million as of December 31, 2023, representing an actual sales return rate of 32.5%. Given that such difference has already been reflected in our results of operations in 2024 and only accounted for 3.1% of our revenue in the year, the difference had no significant impact on our operations or financial condition. As of May 31, 2025, the actual product returns recorded in 2025 in relation to the sales of influenza vaccines in 2024 were RMB43.3 million. Based on the actual product returns recorded as of May 31, 2025 and our assessment of the current market situation, we expect that the actual product return will not exceed the refund liabilities as of December 31, 2024. See "Business—Commercialization—Selling Process—Return and Exchange."

INTELLECTUAL PROPERTY

As of the Latest Practicable Date, we had 190 patents in China, including 37 invention patents and 153 utility models. As of the same date, we had nine patent applications in China and two patent applications overseas. In particular, with respect to our Core Products, we had

12 registered patents for our quadrivalent subunit influenza vaccine and 5 registered patents for our rabies vaccine. All of our patents and patent applications as of the Latest Practicable Date were self-owned. See "Business—Intellectual Property" for key information of our material patents and patent applications. As of the Latest Practicable Date, we had registered 38 trademarks in China and two trademarks in Hong Kong. As of the same date, we were also the registered owner of four domain names in China. During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any material proceeding in respect of, and we had not received notice of any material claim of infringement of, any intellectual property rights that may be threatened or pending, in which we may be a claimant or a respondent that may have a material adverse impact on us.

OUR CUSTOMERS AND SUPPLIERS

During the Track Record Period, our customers were district- or county-level CDCs, to which we typically grant a credit period of six to nine months. Our sales to the five largest customers in 2023 and 2024 were no more than 30% of our total sales for the same periods. For the three months ended March 31, 2025, the revenue from our five largest customers in aggregate accounted for 45.3% of our total revenue, and our largest customer contributed 23.5% of our total revenue. During the Track Record Period, our major suppliers primarily included (i) suppliers of raw materials and consumables for our vaccine products and candidates; (ii) suppliers of equipment for our R&D and manufacturing process and (iii) service providers such as cold-chain storage and transport services, construction services and CROs. Our purchases from our five largest suppliers were RMB170.8 million, RMB199.0 million and RMB19.8 million in each year/period during the Track Record Period, respectively, accounting for approximately 28.0%, 44.5% and 22.1%, respectively, of our total purchases for the respective periods. Purchases from our largest supplier were RMB67.3 million, RMB94.5 million and RMB5.2 million in each year/period during the Track Record Period, respectively, accounting for approximately 11.0%, 21.1% and 5.8%, respectively, of our total purchases for the respective periods.

COMPETITION

Vaccine markets in China and globally are intensely competitive and rapidly evolving. We face potential competition from many difference entities, including large multi-national and domestic pharmaceutical and biotechnology companies that have commercialized or are commercializing or pursuing the development of vaccines that target specific diseases as we do. We compete primarily based on our vaccine pipeline, technology platforms and manufacturing facilities and process. Our key competitors vary by vaccine types. In addition, the emergence of universal influenza vaccine candidates under development may further affect our competitive landscape. Treatment options of the targeted indication of our vaccine products may also limit the market potential of our vaccine products. For further details of market opportunities and competition in respect of our vaccine pipeline, see "Industry Overview," "Business—Our Product and Product Candidates" and "Risk Factors—Risks Relating to the Sales and Marketing of Our Approved Vaccine Product and Commercialization of Our Vaccine Candidates."

OUR CONTROLLING SHAREHOLDER GROUP

As of the Latest Practicable Date, (i) the Concert Party Group, consisting of Mr. An Youcai (安有才), Jiangsu Tiaoyu (a company owned by Mr. An and his spouse as to 70% and 30%, respectively) and Mr. He Yiming (何一鳴), were collectively interested in approximately 35.84% of the Shares, and pursuant to the Concert Party Agreement, Mr. He shall reach consensus with Mr. An and Jiangsu Tiaoyu before voting unanimously at the general meetings or Board meetings, and in the event consensus cannot be reached among the parties, Mr. He shall follow the instruction of Mr. An and Jiangsu Tiaoyu; and (ii) Jiangsu Tiaoyu, by virtue of its role as the general partner of each of the Employee Ownership Platforms, was deemed to be interested in approximately 9.72% of the Shares held by the Employee Ownership Platforms. Accordingly, the Concert Party Group and the Employee Ownership Platforms constituted our Controlling Shareholder Group, holding in aggregate approximately 45.55% of the Shares, as of the Latest Practicable Date.

Immediately following the completion the Global Offering, the Controlling Shareholder Group will in aggregate hold approximately 41.68% of the Shares (assuming the Offer Size Adjustment Option is not exercised). Therefore, upon Listing, members of the Group's Controlling Shareholders will collectively remain our Controlling Shareholders.

PREVIOUS A-SHARE LISTING ATTEMPT

In connection with the proposed listing of our Shares on the Shanghai Stock Exchange Science and Technology Innovation Board ("**SSE STAR Market**") (the "**Previous A-Share Listing Attempt**"), we entered into a tutoring engagement agreement with the tutoring agent in March 2022. In June 2023, our Company submitted an application to the CSRC in relation to the Previous A-Share Listing Attempt. In September 2023, we voluntarily withdrew the application made with the SSE STAR Market, having considered the active fundraising activities within the biotechnology sector on the Stock Exchange, our future strategies to grasp opportunities in the international market, and the uncertain listing timetable in STAR Market. Prior to such voluntary withdrawal of the Previous A-Share Listing Attempt, we had not received any comments or issues from the relevant regulatory authorities in the PRC in relation to the Previous A-Share Listing Attempt.

To the best of our Directors' knowledge, information and belief, our Directors are not aware of any material matter relating to the Previous A-Share Listing Attempt, which may materially and adversely affect the suitability of our Company to list its H Shares on the Stock Exchange and should be brought to the attention of the Stock Exchange, its Shareholders or prospective investors.

PRE-IPO INVESTMENTS

Since our establishment, we have attracted certain Pre-IPO Investors and completed three rounds of financing and raised a total of RMB994.38 million. Our broad and diverse base of Pre-IPO Investors includes investors focusing on investment in biotech and healthcare industry,

among which Nanjing Gaotejia, Yingke Innovation and Sealand Innovation are Sophisticated Investors. Upon completion of the Global Offering and assuming the Offer Size Adjustment Option is not exercised, each of Nanjing Gaotejia, Yingke Innovation and Sealand Innovation will hold approximately 7.55%, 4.37% and 4.04% of the total issued share capital of our Company, respectively. Pursuant to the PRC Company Law, all Pre-IPO Investors shall not dispose of any of the Shares held by them within 12 months following the Listing Date. As of the Latest Practicable Date, the funds raised from the Pre-IPO Investments had been fully utilized. For further information of the principal terms of the Pre-IPO Investments and the identity and background of our Pre-IPO Investors, see "History, Development and Corporate Structure—Pre-IPO Investments."

RISK FACTORS

We believe that there are certain risks involved in our operations, many of which are beyond our control. These risks are set out in the section headed "Risk Factors" in this prospectus. Some of the major risks we face include:

- The development of new vaccine products is complex, uncertain, time-consuming and costly;
- We may be unable to obtain regulatory approval for our vaccine candidates under applicable regulatory requirements. The denial or delay of any such approval would delay development and commercialization of our vaccine candidates and adversely impact our potential to generate revenue, our business and our results of operations;
- Even if we receive regulatory approval for our products, we will be subject to ongoing or additional regulatory obligations and continued regulatory review, which may result in significant additional expenses;
- Results of earlier studies and trials of our vaccine candidates may not be predictive of future trial results and completion of clinical trials does not guarantee regulatory approval of the vaccine candidate;
- Our vaccines may cause undesirable side effects or have other properties that could delay or prevent their regulatory approval, limit the commercial profile of an approved label, or result in significant negative consequences following marketing approval, if any;
- Our pipeline of vaccine candidates is limited;
- If our bids in the public tender process are not successful or we fail to secure subsequent product orders, our business may be adversely affected;

- If we are unable to compete effectively in the competitive vaccine industry, or fail to develop competitive vaccine candidates, our business, financial condition, results of operations and prospects could be materially and adversely affected;

- We derived all of our revenue, profits and cash flows from our quadrivalent subunit influenza vaccine. Any decrease in its revenue would adversely affect our business, financial condition, results of operations and prospects; and

- Our sales are subject to seasonality, which could cause our results of operations to fluctuate.

SUMMARY OF KEY FINANCIAL INFORMATION

This summary of key financial information set forth below has been derived from, and should be read in conjunction with, our consolidated audited financial statements and reviewed condensed consolidated financial statements, including the accompanying notes, set forth in the Accountants' Report set out in Appendix I to this prospectus, as well as the information set forth in "Financial Information."

Summary Consolidated Statements of Profit or Loss and Other Comprehensive Income

The following table summarizes our consolidated statements of profit or loss and other comprehensive income for the years/periods indicated.

	For the Year Ended December 31,		Three months Ended March 31,	
	2023	2024	2024	2025
	(RMB in thousands)			
			(unaudited)	
Revenue	52,168	259,612	306	413
Cost of sales	(72,511)	(108,157)	(5,058)	(4,038)
Gross profit/(loss)	(20,343)	151,455	(4,752)	(3,625)
Other income	14,202	24,366	14,497	4,966
Impairment losses under expected credit loss model, net of reversal	(48)	(66)	21	25
Other gains and losses	1,312	(816)	113	9
Selling expenses	(55,433)	(140,300)	(8,842)	(19,303)
Administrative expenses	(74,663)	(58,563)	(15,475)	(11,944)
Listing expenses	–	(8,542)	–	(5,744)
Research and development expenses	(283,159)	(205,569)	(43,205)	(46,514)
Other expenses	–	(2,968)	(2,108)	(46)

	For the Year Ended December 31,		Three months Ended March 31,	
	2023	2024	2024	2025
	(RMB in thousands)			
			(unaudited)	
Finance costs	(6,609)	(17,713)	(3,580)	(5,141)
Loss before tax	**(424,741)**	**(258,716)**	**(63,331)**	**(87,317)**
Income tax expense	–	–	–	–
Loss and total comprehensive expenses for the year/period	**(424,741)**	**(258,716)**	**(63,331)**	**(87,317)**

As our influenza vaccines are seasonal-type vaccines against major circulating viruses during each flu season, our sales and return of influenza vaccines are affected by seasonal fluctuations in demand of vaccines in season, as affected by the seasonal outbreak of flus and seasonal circulating virus. Accordingly, our sales performance is subject to seasonal fluctuations as all of our revenue was derived from the sales of our quadrivalent subunit influenza vaccine during the Track Record Period. See "Risk Factors—Risks Relating to the Sales and Marketing of Our Approved Vaccine Product and Commercialization of Our Vaccine Candidates—Our sales are subject to seasonality, which could cause our results of operations to fluctuate," "Business—Seasonality" and "Financial Information—Major Factors Affecting Our Results of Operations and Financial Condition—Seasonality."

Our net loss decreased from RMB424.7 million for the year ended December 31, 2023 to RMB258.7 million for the year ended December 31, 2024, primarily due to a significant increase in our revenue mainly as a result of (i) the relatively low amount of sales volume in 2023 compared to 2024 as we commenced the commercial sales of our quadrivalent subunit influenza vaccines in late September 2023, which was already late for the flu season, (ii) our expanded market outreach and penetration in major cities as we increased our product promotion effort in 2024, and (iii) enhanced market acceptance in 2024 for our newly launched quadrivalent subunit influenza vaccine.

We incurred net loss of RMB63.3 million and RMB87.3 million for three months ended March 31, 2024 and 2025, primarily due to low revenue recorded in the first quarters of both years as the sales of influenza vaccines are subject to seasonal fluctuations, which tend to be more concentrated between July and September.

Summary of Certain Selected Items From the Consolidated Statements of Financial Position

The following table sets forth selected items from our consolidated statements of financial position as of the dates indicated.

	As of December 31,		As of March 31,
	2023	2024	2025
	(RMB in thousands)		
Total non-current assets	906,498	1,117,302	1,116,465
Total current assets	213,245	495,537	444,280
Total assets	1,119,743	1,612,839	1,560,745
Total current liabilities	529,163	908,679	914,539
Net current liabilities	**(315,918)**	**(413,142)**	**(470,259)**
Total non-current liabilities	227,310	557,573	584,029
Total liabilities	756,473	1,466,252	1,498,568
Net Assets	**363,270**	**146,587**	**62,177**

Our net current liabilities increased from RMB413.1 million as of December 31, 2024 to RMB470.3 million as of March 31, 2025, primarily due to (i) an increase in the current portion of our borrowings, and (ii) a decrease in our cash and cash equivalents (including the outstanding trade receivables collected), in both case to support the manufacturing of the influenza vaccines in preparation for the upcoming flu season.

Our net current liabilities increased from RMB315.9 million as of December 31, 2023 to RMB413.1 million as of December 31, 2024, primarily due to increases in (i) trade and other payables, see "—Description of Certain Consolidated Statements of Financial Positions Items—Trade and Other Payables" and (ii) the current portion of our borrowings, primarily due to the reclassification of certain long-term borrowings that were nearing maturity, partially offset by an increase in trade receivables, generally in line with the increase in our revenue and the seasonal nature of vaccine sales, which tend to be more concentrated between July and September.

We recorded net current liabilities during the Track Record Period, primarily because we invested significant capital into the production and marketing of our quadrivalent subunit influenza vaccine and the research and development of our vaccine candidates, and built and expanded our manufacturing facilities to support our business. We expect to improve our net current liabilities position with the following measures: (i) increasing our sales revenue as we expand market share with our quadrivalent subunit influenza vaccine and launch new vaccine products in the future; (ii) continuously covering our payables for acquisition of property, plant and equipment with project loans; and (iii) raising long-term borrowings to replace our short-term borrowings for stable financial resource.

Our net assets decreased from RMB363.3 million as of December 31, 2023 to RMB146.6 million as of December 31, 2024, primarily due to loss and total comprehensive expense for the year of RMB258.7 million, partially offset by recognition of equity-settled share-based payments of RMB42.0 million. Our net assets further decreased to RMB62.2 million as of March 31, 2025, primarily due to loss and total comprehensive expense for the three months ended March 31, 2025 of RMB87.3 million, partially offset by recognition of equity-settled share-based payments of RMB2.9 million.

Summary of Consolidated Cash Flow Statements

The following table sets forth a summary of our consolidated cash flow statements for the years/periods indicated.

	For the Year Ended December 31,		For the Three Months Ended March 31,	
	2023	**2024**	**2024**	**2025**
	(RMB in thousands)			
			(unaudited)	
Net cash used in operating activities	(305,988)	(199,509)	(86,607)	(21,808)
Net cash used in investing activities	(506)	(152,673)	(39,399)	(31,992)
Net cash generated from financing activities	335,166	439,058	160,497	36,167
Net increase in cash and cash equivalents	28,672	86,876	34,491	(17,633)
Cash and cash equivalents at beginning of the year	16,646	45,318	45,318	132,194
Cash and cash equivalents at end of the year/period	**45,318**	**132,194**	**79,809**	**114,561**

Our net cash used in operating activities decreased from RMB306.0 million for the year ended December 31, 2023 to RMB199.5 million for the year ended December 31, 2024, primarily due to a decrease in loss before tax. Our net cash used in operating activities decreased from RMB86.6 million for the three months ended March 31, 2024 to RMB21.8 million for the three months ended March 31, 2025, primarily due to decreases in (i) trade receivables as we proactively collected the outstanding trade receivables; and (ii) trade and other payables, mainly as a result of our settlement of payables for acquisitions of property, plant and equipment.

Taking into account the financial resources available to us, including cash from operations, cash and cash equivalents, borrowings and the estimated net proceeds from the Global Offering, our Directors are of the opinion that we have sufficient working capital to cover at least 125% of our costs, including general, administrative and operating costs and research and development expenses for at least the next 12 months from the date of this prospectus.

Our cash burn rate refers to our average monthly (i) net cash used in operating activities, which includes research and development expenses; and (ii) capital expenditures. Taking into account our cash and cash equivalents as of May 31, 2025, and assuming average monthly net cash used in operating activities going forward of 1.2 times the level in the year ended December 31, 2024, and the estimated capital expenditures with reference to the capital commitments as of March 31, 2025, we estimate that we will be able to maintain our financial viability for 9 months, or, if we also take into account the net proceeds from the Global Offering provided that the Offer Price is set at HK$12.90 per Share, being the low end of the indicative Offer Price range, and that the Offer Size Adjustment Option is not exercised, 22 months. Our Directors and our management team will continue to monitor our working capital, cash flows and our business development status. If the net proceeds from the Global Offering are less than expected or delayed, we might extract our unutilized unsecured credit facilities to maintain our daily operations, which applies to the case where the proceeds from the Global Offering are not available; other actions we might take include delaying the construction of our manufacturing facilities and reducing our R&D expenditures and/or the number of pipeline products we seek to develop.

GLOBAL OFFERING STATISTICS[(1)]

	Based on an Offer Price of HK$12.90 per Offer Share	Based on an Offer Price of HK$15.50 per Offer Share
Market capitalization of our Shares[(2)]	HK$5,075.4 million	HK$6,098.4 million
Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share[(3)]	HK$1.11	HK$1.32

Notes:

(1) All statistics in this table are on the assumption that the Offer Size Adjustment Option is not exercised.

(2) The calculation of market capitalization is based on 393,442,600 Shares expected to be in issue immediately after completion of the Global Offering.

(3) The pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company per Share as of March 31, 2025 is calculated after making the adjustments referred to in "Financial Information—Unaudited Pro Forma Statement of Adjusted Net Tangible Liabilities."

FUTURE PLANS AND USE OF PROCEEDS

We estimate that we will receive net proceeds of approximately HK$420.5 million after deducting the underwriting fees and expenses payable by us in the Global Offering, assuming an Offer Price of HK$14.20 per Offer Share, being the mid-point of the indicative Offer Price range of HK$12.90 to HK$15.50 per Offer Share set out in this prospectus, and assuming that the Offer Size Adjustment Option is not exercised. We intend to use the net proceeds from the Global Offering for the following purposes:

- approximately 63.6%, or HK$266.9 million, will be allocated to the development and domestic and international registration of our Core Products, of which:
  - approximately 32.4%, or HK$135.9 million, will be used for the continuing R&D and overseas market registration of our quadrivalent subunit influenza vaccine; and
  - approximately 31.2%, or HK$131.0 million, will be used for the Phase III clinical trial and registration of our lyophilized human rabies vaccine candidate;
- approximately 18.1%, or HK$76.4 million, will be allocated to the development and registration of our other vaccine candidates, of which:
  - approximately 6.9%, or HK$29.1 million, will be used for the Phase I and Phase II clinical trials of our recombinant zoster vaccine candidate;
  - approximately 5.2%, or HK$21.8 million, will be used for the Phase III clinical trial and registration of our PPSV23 candidate;
  - approximately 2.6%, or HK$10.9 million, will be used for the Phase I clinical trials of our adjuvanted quadrivalent and trivalent subunit influenza vaccines;
  - approximately 1.7%, or HK$7.3 million, will be used for the Phase I and Phase II clinical trials of our recombinant RSV vaccine candidate; and
  - approximately 1.7%, or HK$7.3 million, will be used for the preclinical studies of our other vaccine candidates;
- approximately 8.4%, or HK$35.4 million, will be allocated to the enhancement of our manufacturing and commercialization capabilities;
- approximately 4.9%, or HK$20.8 million, will be allocated to the development of our technology platforms; and
- approximately 5.0%, or HK$21.0 million, will be allocated to working capital and other general corporate purposes.

LISTING EXPENSES

Assuming the Offer Size Adjustment Option is not exercised, an Offer Price of HK$14.20 per Offer Share (which is the mid-point of the Offer Price range), we expect to incur approximately HK$54.4 million of listing expenses (including the aggregate underwriting commissions and fees, the Stock Exchange listing fees, the transaction levies and the Stock Exchange trading fee, legal and other professional fees and printing and all other expenses relating to the Global Offering), including (i) underwriting-related expenses (including underwriting commission and other expenses of approximately HK$19.0 million) and (ii) non underwriting-related expenses of approximately HK$35.4 million, comprising (a) fees and expenses of legal advisors and accountants of approximately HK$20.9 million and (b) other fees and expenses of approximately HK$14.5 million, accounting for approximately 11.5% of the gross proceeds from the Global Offering. Approximately HK$32.0 million of our listing expenses is expected to be charged to our consolidated statements of profit or loss and approximately HK$22.4 million is expected to be deducted from equity upon Listing. The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

DIVIDEND POLICY

No dividend has been proposed, paid or declared by our Company since its incorporation. We do not have any plan to declare or pay any dividends in the foreseeable future. The determination of whether to pay a dividend and in which amount is based on factors the Board may deem relevant. Any dividend distribution will also be subject to the approval of the Shareholders in the Shareholder's meeting. Under the PRC law and the Articles of Association, the general reserve requires annual appropriations of 10% of after-tax profits at each year-end until the balance reaches 50% of the relevant PRC entity's registered capital. In view of our accumulated losses, as advised by our PRC Legal Advisor, according to the relevant PRC laws and regulations and the Articles of Association, we shall not declare or pay dividend until the accumulated losses are covered by our after-tax profits and sufficient statutory common reserve are drawn in accordance with the relevant laws and regulations.

RECENT DEVELOPMENTS

Clinical Trials

We completed the preliminary safety report for the Phase I clinical trial of our recombinant zoster vaccine candidate in July 2025. We then commenced a Phase II clinical trial of our recombinant zoster vaccine candidate in July 2025. See "Business—Our Product and Product Candidates—Our Other Product Candidates—Recombinant Zoster Vaccine (CHO cell)—Summary of Clinical Trials" for details.

IND Applications

We submitted IND applications of our recombinant RSV vaccine candidate to the NMPA and the FDA in May and June 2025, respectively.

COVID-19

During the Track Record Period and up to the Latest Practicable Date, the COVID-19 outbreak had not caused any material impact to our business operation or clinical development activities.

Estimated Results of Operations for the Year Ending December 31, 2025

We expect to continue to incur net losses for the year ending December 31, 2025, primarily because we expect to incur significant research and development expenses, selling expenses, administrative expenses and other expenses related to our ongoing operations in the year. See "Risk Factors—Risks Relating to Our Financial Position and Need for Additional Capital—We incurred net losses in 2023 and 2024 and the three months ended March 31, 2024 and 2025, and may continue to experience net losses in the foreseeable future." for details.

No Material Adverse Change

The Directors confirm that, up to the date of this prospectus, there have been no material adverse changes in our financial, operational, or trading position or prospects since March 31, 2025, being the date of the latest reporting period of our consolidated audited financial statements as set out in the Accountants' Report set out in Appendix I to this prospectus.

CSRC FILING

We submitted a filing to the CSRC for application of listing of the H Shares on the Stock Exchange and the Global Offering on January 24, 2025. The CSRC confirmed our completion of filing on June 25, 2025.

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" of this prospectus.

DEFINITIONS

"2017 Employee Incentive Scheme"	the employee incentive scheme approved and adopted by our Company on July 25, 2017, a summary of the principal terms of which is set forth in "Appendix VI—Statutory and General Information—D. Employee Incentive Schemes" to this prospectus;
"2020 Employee Incentive Scheme"	the employee incentive scheme approved and adopted by our Company on December 4, 2020, a summary of the principal terms of which is set forth in "Appendix VI—Statutory and General Information—D. Employee Incentive Schemes" to this prospectus;
"Accountants' Report"	the accountants' report for the years ended December 31, 2023 and 2024 prepared by Deloitte, the text of which is set out in Appendix I to this prospectus;
"Articles of Association" or "Articles"	the articles of association of our Company adopted on January 8, 2025 which shall become effective as of the date on which the H Shares are listed on the Stock Exchange, as amended from time to time, a summary of which is set out in "Appendix V—Summary of Articles of Association" to this prospectus;
"associates"	has the meaning ascribed to it under the Listing Rules;
"Board" or "Board of Directors"	the board of Directors;
"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 holidays in Hong Kong;
"Capital Market Intermediaries"	the capital market intermediaries participating in the Global Offering and has the meaning ascribed thereto under the Listing Rules;

"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 otherwise, references in this prospectus to "China" and the "PRC" do not apply to Hong Kong, Macau and Taiwan;
"close associates(s)"	has the meaning ascribed to it under the Listing Rules;
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time;
"Companies (Winding up and Miscellaneous Provisions) Ordinance"	the Companies (Winding up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time;
"Company"	Ab&B Bio-Tech CO., LTD. JS (江蘇中慧元通生物科技股份有限公司), a limited liability company established in the PRC with on October 28, 2015 and converted into a joint stock limited liability company in the PRC on March 10, 2022;
"Company Law" or "PRC Company Law"	the Company Law of the PRC (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time;
"Compliance Advisor"	has the meaning ascribed to it under the Listing Rules;
"Concert Party Agreement"	the concert party agreement entered into by Mr. An, Jiangsu Tiaoyu and Mr. He in December 2022;
"Concert Party Group"	collectively, Mr. An, Jiangsu Tiaoyu and Mr He;
"connected person(s)"	has the meaning ascribed to it under the Listing Rules;
"connected transaction(s)"	has the meaning ascribed to it under the Listing Rules;

"Controlling Shareholder Group" or "Controlling Shareholder(s)"	unless the context requires otherwise, refers to Mr. An, Jiangsu Tiaoyu, Mr. He and the Employee Ownership Platforms, and a "Controlling Shareholder" or a "member of the Controlling Shareholder Group" shall mean each or any of them, and "Controlling Shareholder(s)" has the meaning ascribed thereto under the Listing Rules. See "Relationship with Our Controlling Shareholders" for details;
"Conversion of Unlisted Shares into H Shares"	the conversion of 262,919,245 Unlisted Shares in aggregate held by 38 existing Shareholders into H Shares upon the completion of the Global Offering. Such conversion of Unlisted Shares into H Shares and an application for H Shares to be listed on the Stock Exchange has been filed with the CSRC on January 24, 2025. The CSRC issued the filing notice on June 25, 2025 in respect of the Global Offering and the application for listing of our H Shares on the Stock Exchange;
"Core Product"	has the meaning ascribed thereto under Chapter 18A of the Listing Rules, which is the product for the purpose of satisfying the eligibility requirements under Chapter 18A of the Listing Rules and Chapter 2.3 of the Guide for New Listing Applicants;
"Designated Bank"	HKSCC Participant's EIPO Designated Bank;
"Director(s)"	the director(s) of our Company;
"EIT Law"	the PRC Enterprise Income Tax Law (中華人民共和國企業所得税法), as enacted by the NPC on March 16, 2007 and effective on January 1, 2008, as amended, supplemented or otherwise modified from time to time;
"Employee Incentive Schemes"	the 2017 Employee Incentive Scheme and 2020 Employee Incentive Scheme of the Company, a summary of the principal terms of which is set forth in "Appendix VI—Statutory and General Information—D. Employee Incentive Schemes" to this prospectus;
"Employee Ownership Platform(s)"	Taizhou Huida, Taizhou Huijia, Taizhou Huilong, Taizhou Huining, Taizhou Huirong and Taizhou Huixin;

"Extreme Conditions"	extreme conditions as announced by the government of Hong Kong;
"Fast Interface for New Issuance" or "FINI"	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 Listings;
"Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., a global market research and consulting company, 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;
"General Rules of HKSCC"	the terms and conditions regulating the use of HKSCC's services, as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures;
"Global Offering"	the Hong Kong Public Offering and the International Offering;
"Group"	our Company and all of our subsidiaries or, where the context so requires, in respect of the period before our Company became the holding company of our present subsidiaries, the business operated by such subsidiaries or their predecessors (as the case may be);
"Guide"	The Guide for New Listing Applicants, as published by the Stock Exchange on November 29, 2023 and effective on January 1, 2024, as amended or supplemented or otherwise modified from time to time;
"H Share(s)"	shares of our Company for which an application has been made for listing and permission to trade on the Stock Exchange;
"H Share Registrar"	Tricor Investor Services Limited;

"**HK eIPO White Form**"	the application for Hong Kong Offer Shares to be issued in the applicant's own name by submitting applications 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 EIPO**"	the application for the Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your or a designated HKSCC Participant's stock account through causing HKSCC Nominees to apply on your behalf, including by 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;
"HKSCC Nominees"	HKSCC Nominees Limited, a wholly owned subsidiary of HKSCC;
"HKSCC Operational Procedures"	the operational procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, 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" or "HK"	the Hong Kong Special Administrative Region of the PRC;
"Hong Kong dollar(s)" or "HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong;
"Hong Kong Offer Shares"	the 3,344,400 H Shares initially being 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" of this prospectus;

"Hong Kong Public Offering"	the offer for subscription of the Hong Kong Offer Shares to the public in Hong Kong at the Offer Price (plus brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%), subject to and in accordance with the terms and conditions set out in this prospectus;
"Hong Kong Underwriters"	the underwriters of the Hong Kong Public Offering whose names are set out in "Underwriting—Hong Kong Underwriters" of this prospectus;
"Hong Kong Underwriting Agreement"	the underwriting agreement dated Wednesday, July 30, 2025 relating to the Hong Kong Public Offering entered into by our Company, Mr. An Youcai, Jiangsu Tiaoyu, Mr. He Yiming, the Joint Sponsors, the Overall Coordinators and the Hong Kong Underwriters;
"Independent Third Party(ies)"	individuals or company(ies), who or which, to the best of our Directors' knowledge, information and belief, having made all reasonable enquiries, is not a connected person of our Company within the meaning of the Listing Rules;
"International Offer Shares"	the 30,098,200 H Shares initially being offered for subscription under the International Offering, together with, where relevant, any additional H Shares which may be issued by our Company pursuant to the exercise of the Offer Size Adjustment Option, and subject to reallocation as described in "Structure of the Global Offering" of this prospectus;
"International Offering"	the offer of the International Offer Shares at the Offer Price outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and subject to the terms and conditions of the International Underwriting Agreement, as further described in "Structure of the Global Offering" of this prospectus;
"International Underwriters"	the group of international underwriters expected to enter into the International Underwriting Agreement relating to the International Offering;

"International Underwriting Agreement"	the international underwriting agreement relating to the International Offering to be entered into by our Company and the International Underwriters on or about the Price Determination Date;
"IP Counsel"	Jia Yuan Law Offices, our legal advisors as to PRC intellectual property laws in connection with the Listing;
"Jiangsu Tiaoyu"	Jiangsu Tiaoyu Science and Trade Co., Ltd. (江蘇鞡宇科貿有限公司) (formerly known as Shanghai Tiaoyu Enterprise Management Consulting Co., Ltd. (上海鞡宇企業管理諮詢有限公司) and Jiangsu Tiaoyu Enterprise Management Consulting Co., Ltd. (江蘇鞡宇企業管理諮詢有限公司)), a company established under the laws of the PRC on April 1, 2017 and a Controlling Shareholder;
"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"	CITICS Securities (Hong Kong) Limited and CMB International Capital Limited;
"Latest Practicable Date"	July 21, 2025, being the latest practicable date for the purpose of ascertaining certain information contained in this prospectus prior to its publication;
"Listing"	the listing of our H Shares on the Main Board;
"Listing Committee"	the listing sub-committee of the board of directors of the Stock Exchange;
"Listing Date"	the date, expected to be on or about Friday, August 8, 2025 on which dealings in our H Shares first commence on the Main Board;
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or 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 Growth Enterprise Market of the Stock Exchange;
"Mr. An"	Mr. An Youcai (安有才), our founder, executive Director, chairman of the Board, general manager and a Controlling Shareholder;
"Mr. He"	Mr. He Yiming (何一鳴), our executive Director and a Controlling Shareholder;
"Offer Price"	the final offer price per Offer Share (exclusive of brokerage fee of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%) of not more than HK$15.50 and expected to be not less than HK$12.90, at which the Hong Kong Offer Shares are to be subscribed for, to be determined in "Structure of the Global Offering—Pricing of the Global Offering" in this prospectus;
"Offer Share(s)"	the Hong Kong Offer Shares and the International Offer Shares;
"Offer Size Adjustment Option"	the option expected to be granted by our Company to the International Underwriters, exercisable by the Overall Coordinators (for themselves and on behalf of the International Underwriters) under the International Underwriting Agreement, pursuant to which our Company may be required to allot and issue up to an aggregate of 5,016,200 additional H Shares, representing approximately 15% of the initial number of Offer Shares offered under the Global Offering, at the Offer Price to, among other things, cover any excess demand (if any) in the International Offering, as described in the section headed "Structure of the Global Offering" in this prospectus;
"Overall Coordinators"	CLSA Limited and CMB International Capital Limited;

"PRC government"	the central government of the PRC and all governmental subdivisions (including provincial, municipal and other regional or local government entities) and organizations of such government or, as the context requires, any of them;
"PRC Legal Advisors"	Grandway Law Offices, our legal advisors as to PRC laws in connection with the Global Offering;
"Pre-IPO Investment(s)"	the pre-IPO investment(s) in our Company, details of which are set out in "History, Development and Corporate Structure—Pre-IPO Investments" in this prospectus;
"Pre-IPO Investor(s)"	the investor(s) of the Pre-IPO Investments;
"Price Determination Agreement"	the agreement to be entered into between our Company and the Overall Coordinators (for themselves and on behalf of the Underwriters) on the Price Determination Date to record and fix the Offer Price;
"Price Determination Date"	the date, expected to be on or about Wednesday, August 6, 2025 on which the Offer Price is to be fixed by agreement between our Company and the Overall Coordinators (for themselves and on behalf of the Underwriters);
"Regulation S"	Regulation S under the U.S. Securities Act;
"Renminbi" or "RMB"	the lawful currency of the PRC;
"Securities and Futures Commission" or "SFC"	the Securities and Futures Commission of Hong Kong;
"Share(s)"	ordinary share(s) with par value RMB1.00 each in the share capital of the Company;
"Shareholder(s)"	holder(s) of our Share(s);
"Sophisticated Investor(s)"	has the meaning ascribed to it under Chapter 2.3 of the Guide;
"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, a wholly owned subsidiary of Hong Kong Exchange and Clearing Limited;
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules;
"substantial shareholder(s)"	has the meaning ascribed to it under the Listing Rules;
"Supervisor(s)"	the supervisor(s) of our Company;
"Supervisory Committee"	the supervisory committee of our Company;
"Taizhou Huida"	Taizhou Huida Enterprise Management Consulting Service Partnership (Limited Partnership) (泰州慧達企業管理諮詢服務合夥企業(有限合夥)), a limited partnership established in the PRC on December 21, 2020, one of our Employee Ownership Platforms and a Controlling Shareholder;
"Taizhou Huijia"	Taizhou Huijia Enterprise Management Consulting Service Partnership (Limited Partnership) (泰州慧嘉企業管理諮詢服務合夥企業(有限合夥)), a limited partnership established in the PRC on June 24, 2022, one of our Employee Ownership Platforms and a Controlling Shareholder;
"Taizhou Huilong"	Taizhou Huilong Enterprise Management Consulting Service Partnership (Limited Partnership) (泰州慧隆企業管理諮詢服務合夥企業(有限合夥)), a limited partnership established in the PRC on August 29, 2017, one of our Employee Ownership Platforms and a Controlling Shareholder;
"Taizhou Huining"	Taizhou Huining Enterprise Management Consulting Service Partnership (Limited Partnership) (泰州慧寧企業管理諮詢服務合夥企業(有限合夥)), a limited partnership established in the PRC on September 22, 2021, one of our Employee Ownership Platforms and a Controlling Shareholder;

"Taizhou Huirong"	Taizhou Huirong Enterprise Management Consulting Service Partnership (Limited Partnership) (泰州慧融企業管理諮詢服務合夥企業(有限合夥)), a limited partnership established in the PRC on August 29, 2017, one of our Employee Ownership Platforms and a Controlling Shareholder;
"Taizhou Huixin"	Taizhou Huixin Enterprise Management Consulting Service Partnership (Limited Partnership) (泰州慧新企業管理諮詢服務合夥企業(有限合夥)), a limited partnership established in the PRC on September 22, 2021, one of our Employee Ownership Platforms and a Controlling Shareholder;
"Track Record Period"	the two years ended December 31, 2023 and 2024 and the three months ended March 31, 2025;
"Underwriters"	the Hong Kong Underwriters and the International Underwriters;
"Underwriting Agreements"	the Hong Kong Underwriting Agreement and the International Underwriting Agreement;
"U.S." or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction;
"U.S. Securities Act"	United States Securities Act of 1933, as amended, supplemented or otherwise modified from time to time;
"US$" or "US dollars"	United States dollar(s), the lawful currency of the United States;
"we," "us" or "our"	the Company or the Group, as the context requires;
"Yither Biotech"	Yither Biotechnology (Shanghai) Co., Ltd. (易慧生物技術(上海)有限公司), a limited liability company established under the laws of the PRC on July 2, 2020, and a wholly owned subsidiary of our Company;

ACRONYMS

"AFRC"	the Accounting and Financial Reporting Council of Hong Kong;
"CAGR"	compounded annual growth rate, which is calculated by dividing the amount at the end of the period by the amount of the beginning of that period, raising the result to an exponent of one divided by the number of years in the period, and subtracting one from the subsequent result;
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC;
"CDC"	Center for Disease Control and Prevention;
"CDE"	Center for Drug Evaluation (國家藥品監督管理局藥品審評中心), a division of the NMPA responsible for acceptance and technical review of applications for drug clinical trials and drug marketing authorization;
"CNIPA"	National Intellectual Property Administration of the PRC (國家知識產權局);
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會);
"GFA"	gross floor area;
"HKSCC"	Hong Kong Securities Clearing Company Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited;
"IASB"	International Accounting Standards Board;
"IDMC"	independent data monitoring committee;
"IFRS"	International Financial Reporting Standards;
"MAH"	Marketing Authorization Holder;

"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);
"NPC"	the National People's Congress of the PRC (中華人民共和國全國人民代表大會);
"PBOC"	the People's Bank of China (中國人民銀行), the central bank of the PRC;
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局);
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time;
"STA"	the State Taxation Administration of the PRC (中華人民共和國國家税務總局); and
"VAT"	value-added tax.

For ease of reference, the names of Chinese laws and regulations, governmental authorities, institutions, natural persons or other entities (including certain of our subsidiaries) have been included in the prospectus in both the Chinese and English languages. In the event of any inconsistency, the Chinese versions shall prevail. English translations of company names and other terms from the Chinese language are provided for identification purposes only.

Certain amounts and percentage figures included in this prospectus were subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be arithmetic aggregations of the figures preceding them.

For the purpose of this prospectus, references to "provinces" of China include provinces, municipalities under direct administration of the central government and provincial-level autonomous regions.

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

"adenovirus"	a DNA virus originally identified in human adenoid cell culture, causing infections of the respiratory system, conjunctiva and gastrointestinal tract;
"adjuvant"	a substance that may be added to a vaccine to enhance the immune response to an antigen;
"adverse event" or "AE"	any untoward medical occurrence in a patient or clinical investigation subject administered a drug or other pharmaceutical product during clinical trials, which does not necessarily have a causal relationship with the use of drug;
"antibody" or "immunoglobulin"	a protective Y-shaped protein produced by B cells that the immune system uses to recognize and respond to invading foreign substance (antigens) such as bacteria and viruses;
"antigen"	the substance that is capable of activating the immune system to initiate an immune response, specifically activating lymphocytes, which are the infection-fighting white blood cells;
"attenuated vaccine" or "live attenuated vaccine"	a vaccine created by reducing the virulence of a pathogen, but still keeping it viable (or "**live**");
"B cell"	a type of white blood cell that can produce specific antibodies after being stimulated by an antigen;
"bioreactor"	a device that provides a suitable environment for the biological reaction process utilizing culture media, certain gases (such as air, oxygen, nitrogen, and carbon dioxide) and other necessary substances;
"carrier protein"	protein-based molecules to conjugate with capsule polysaccharide to enhance immunogenicity;

"CCID50"	cell culture infectious dose 50, the amount of virus required to infect 50% of cultured cells in a sample. It is a measure used to quantify the concentration of infectious virus in a sample;
"$CD4^+$ T cells"	a type of important T lymphocyte that helps coordinating the immune response by stimulating and regulating other immune cells to fight infections. $CD4^+$ T cells plays an important role in coordinating the body's immune response;
"CHO cell"	Chinese hamsters ovary cell, which is widely used in the biopharmaceutical industry to produce recombinant proteins;
"CMC"	chemistry, manufacturing and controls, processes used in preclinical and clinical development stages to ensure that pharmaceutical and biopharmaceutical drug products are consistently effective, safe and high quality for consumers;
"Class I innovative drug"	in terms of vaccines, a registration category of vaccines that have not been marketed anywhere in the world. Our quadrivalent subunit influenza vaccine is registered as a Class I innovative drug. We also plan to register our adjuvanted quadrivalent subunit influenza vaccine, adjuvanted trivalent subunit influenza vaccine, recombinant zoster vaccine, mRNA mpox vaccine, recombinant RSV vaccine, mRNA RSV vaccine, mRNA mpox vaccine and PCV24 as Class I innovative drugs;
"Class I vaccine"	a vaccine that the Chinese government provides to its citizens free of charge and that citizens should be vaccinated in accordance with relevant government regulations, including vaccines determined in the national immunization program, additional vaccines required by provincial government in the implementation of national immunization programs and vaccines used in emergency vaccination or mass vaccination organized by the government at county-level or above, or their respective healthcare department;
"Class II vaccine"	a vaccine that is voluntarily vaccinated by citizens in China, and the cost of which is paid by the recipient;

"clinical trial"	a research study for finding or validating the therapeutic and protective effects and side effects of test drugs to determine the safety and efficacy of such drugs;
"column chromatography"	a chromatography method used to separate a single chemical compound from a mixture;
"combination vaccines"	vaccines that can prevent two or more infectious diseases;
"conjugate"	chemically link bacterial capsular polysaccharide to a protein to enhance immunogenicity;
"CRO"	contract research organization, a company that provides support to pharmaceutical companies by providing a range of professional research services on a contract basis;
"dendritic cells (DC)"	cells that constantly monitor their surroundings for potential pathogens such as viruses and bacteria, detect dangers and initiate and regulate adaptive immune responses;
"emulsion"	a mixture of two or more liquids that are normally immiscible (unmixable or unblendable) owing to liquid-liquid phase separation;
"epitopes"	part of an antigen that is recognized by adaptive immune responses, specifically by T cell and B cell receptors and antibodies;
"fetal bovine serum"	serum components isolated from the blood of fetal bovine;
"GLP"	Good Laboratory Practice, a quality management system concerned with the organizational process and the conditions under which non-clinical health and environmental safety studies are planned, performed, monitored, recorded, archived and reported;

"GMP"	Good Manufacturing Practice, guidelines and regulations from time to time issued pursuant to the PRC Drug Administration Law (《中華人民共和國藥品管理法》) as part of quality assurance which aims to minimize the risks of contamination, cross contamination, confusion and errors during the manufacturing process of pharmaceutical products and to ensure that pharmaceutical products subject to these guidelines and regulations are consistently produced and controlled in conformity to quality and standards appropriate for their intended use;
"GMT"	geometric mean titers, the geometric mean of antibody titer for a group of subjects calculated by multiplying all observed antibody titer values and taking the n^{th} root of this number, where n is the number of subjects with available data;
"herpes zoster"	also known as shingles, a viral infection that causes a painful rash;
"IgG"	Immunoglobulin G, the most common type of antibody which is found in blood and other body fluids, and protects against bacterial toxin and viral infections;
"immune response"	the process by which the body's immune system is stimulated by antigens;
"immunogenicity"	the ability of a particular substance, such as an antigen, to provoke an immune response in the body of a human and other animal;
"inactivated vaccine"	a vaccine prepared by inactivating cultured viral particles, bacteria, or other pathogens through radiation, heat or chemical reagent;
"*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 organ or tissue or deceased organism, or those done *in vitro*;

"IND"	investigational new drug or investigational new drug application;
"influenza" or "flu"	highly infectious respiratory diseases caused by influenza viruses, characterised by sudden onset of high fever, aching muscles, headache, fatigue and a hacking cough. Serious outcome of influenza can result in hospitalization or death;
"KOL" or "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;
"lot release"	the supervisory and administrative system by which the NMPA designates a drug inspection institution to conduct document review, on-site verification and sample inspection in connection with vaccine products, blood products, *in vitro* diagnostics for blood screening, or any other biological products as described by the NMPA, before any batch of such products can be marketed or exported. Any batch of products failing in the lot release inspection or approval shall not be marketed or imported;
"lyophilised"	freeze-dried;
"mRNA"	messenger ribonucleic acid, a single-stranded molecule of RNA that contains a coding sequence of a gene, and is translated by a ribosome in the process of synthesizing a protein;
"NDA"	new drug application;
"neutralizing antibodies"	a type of antibodies that can bind to and neutralize the activities of pathogens such as viruses or toxins;
"pathogen"	a bacteria, virus or other microorganism that can cause disease;
"PCV24"	24-valent pneumococcal conjugate vaccine;

"Phase I clinical trial"	study in which a drug is tested for safety, dosage tolerance, absorption, metabolism, distribution and excretion and, if possible, an early indication of its effectiveness;
"Phase II clinical trial"	study in which a drug is administered to a limited population to identify possible adverse effects and safety risks, preliminarily evaluate the efficacy of the product for specific targeted diseases and determine dosage tolerance and optimal dosage;
"Phase III clinical trial"	study in which a drug is administered to an expanded 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 and to provide adequate information for the labeling of the product;
"pneumococcal disease"	an infection that is caused by the *Streptococcus pneumonia* bacterium and can result in pneumonia, infection of the blood, middle-ear infection, or bacterial meningitis;
"pneumonia"	inflammation of the lungs, usually caused by an infection;
"polysaccharide"	a biological macromolecule made up of several simple sugars that are sequentially connected;
"PPSV23"	23-valent pneumococcal polysaccharide vaccine;
"rabies"	a disease that is caused by the rabies virus transmitted through animal bites to humans and is almost always fatal following the onset of clinical symptoms;
"recombinant"	DNA, proteins, cells, or organisms that are made by combining genetic material from two different sources;
"recombinant protein vaccine"	one category of vaccines, which comprise protein antigens produced in a heterologous expression system (*e.g.*, cells or yeast);
"RSV"	respiratory syncytial virus, a common respiratory virus that affects the nose, throat and lungs;

"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;
"seroconversion"	the production of antibodies in the blood of a person who did not have the antibodies before. Testing for seroconversion can be used to see how well the body's immune system responds to a vaccine;
"serotype"	a group of organisms, microorganisms or cells distinguished by their shared specific surface antigens;
"split-virion vaccine"	a type of vaccine that is produced by using a chemical agent or physical method to disrupt the viral envelope and split open the viral particles;
"T cell"	cells that originate in the thymus, mature in the periphery, become activated in the spleen/nodes if their T-cell receptors bind to an antigen presented by an MHC molecule and they receive additional costimulation signals driving them to acquire killing (mainly $CD8^+$ T cells) or supporting (mainly $CD4^+$ T cells) functions;
"titer"	a measurement of the amount or concentration of a substance in a solution. For antibody titer, it refers to a measurement of how much antibody an organism has produced that recognizes a particular epitope, expressed as the inverse of the greatest dilution (in a serial dilution) that still gives a positive result;
"tetanus toxoid"	used to prevent tetanus (also known as lockjaw), which is a serious illness that causes convulsions (seizures) and severe muscle spasms that can be strong enough to cause bone fractures of the spine;
"tolerability"	the degree to which overt AEs of a drug can be tolerated by a patient;

"vaccine"	a biological preparation that activates immune system and provides active acquired immunity to a particular disease;
"valent"	in the context of vaccines, the type of microorganisms that the vaccine is designed to immunize against;
"varicella"	also known as chickenpox, an acute infectious disease caused by the first infection of the varicella zoster virus;
"vector"	an agent (such as a plasmid or virus) that contains or carries modified genetic material (such as recombinant DNA) and can be used to introduce exogenous genes into the target cells or the genome of an organism;
"Vero cell*"	a cell line derived from renal epithelial cells isolated from an African green monkey;
"VLPs"	virus-like particles, protein complexes with molecular structures that closely resemble viruses;
"VZV"	varicella-zoster virus, one of nine herpesviruses known to infect humans that causes chickenpox (varicella) in children and herpes zoster (shingles) in adults; and
"WHO"	World Health Organization.

* The original cell line was named Vero after an abbreviation of *verda reno*, which means 'green kidney' in Esperanto (a constructed international auxiliary language).

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

This prospectus contains certain forward-looking statements and information relating to our Company and our subsidiaries that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this prospectus, the words "aim," "anticipate," "believe," "could," "expect," "going forward," "intend," "may," "ought to," "plan," "project," "seek," "should," "will," "would" and the negative of these words and other similar expressions, as they relate to our Group or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this prospectus. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing our company which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- the timing of initiation and completion and the progress of our research and development programs and clinical trials;
- the timing and likelihood of regulatory filings and approvals, and pricing of our vaccine products;
- the commercialization of our vaccine products;
- the market opportunities and competitive landscapes of our vaccine products;
- estimates of our future costs, expenses, revenues, capital expenditures and our needs for additional financing;
- our ability to attract and retain senior management and key employees;
- our operations and business prospects;
- future developments, trends, conditions and competitive landscape in the industry and markets in which we operate;
- changes to regulatory and operating conditions in the industry and markets in which we operate;

- our strategies, plans, objectives and goals and our ability to successfully implement them;
- our financial condition and operating results and performance;
- industry trends and competition; and
- general political and economic conditions;

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

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

An investment in our H 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 H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition and results of operations. In any such case, the market price of our H Shares could decline, and you may lose substantial or all 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 will not be updated after the date hereof, and is subject to the cautionary statements in the section headed "Forward-looking Statements."

RISKS RELATING TO THE DEVELOPMENT AND REGULATORY APPROVALS OF OUR VACCINE CANDIDATES

The development of new vaccine products is complex, uncertain, time-consuming and costly.

Our success will depend, in part, on our ability to develop new vaccine products, a process which could be complex and uncertain, as well as time-consuming and costly. Whether we can be successful in developing new vaccine products depends on our ability to

- maintain strong R&D capabilities and retain adequate and experienced R&D personnel;
- apply technological advances to the development and manufacturing of new vaccine products;
- obtain all required approvals for preclinical studies, clinical trials and manufacturing activities; and
- conduct and complete preclinical studies and clinical trials on a timely and cost-effective manner, and under required procedures and standards.

Preclinical studies and clinical trials must be carried out before regulatory approvals for the sale of our vaccine candidates can be obtained, and their outcomes are inherently uncertain. Failure can occur at any time during the clinical development process. Neither the outcome from preclinical studies or early-stage clinical trials nor the successful interim clinical trial results are indicative in nature and may not imply the positive conclusion of later-stage clinical trials. We may encounter numerous unexpected events during, or as a result of, clinical trials that could delay or prevent our ability to receive regulatory approval or commercialize our vaccine candidates, including:

- regulators may not authorize us or our investigators to commence or conduct a clinical trial at a prospective trial site;

- clinical trials of our vaccine candidates may produce negative or inconclusive results, and we may decide, or regulators may require us, to conduct additional clinical trials or abandon vaccine development programs;

- the number of participants required for clinical trials of our vaccine candidates may be larger than expected, or enrollment may be insufficient or slow and participants may drop out at a higher rate than anticipated;

- in cases where the clinical trials are shown to lack meaningful clinical response or the participants are exposed to unacceptable health risks, we may have to suspend or terminate clinical trials;

- our vaccine candidates may fail to demonstrate safety and efficacy in clinical trials satisfactory to us and the regulatory authority;

- regulators may require suspension or termination of clinical research for various reasons, particularly in cases of non-compliance with certain regulatory requirements;

- the cost of clinical trials for our vaccine candidates may exceed our expectations; and

- the supply and quality of materials necessary for the clinical trials may be insufficient or inadequate.

Delays in conducting clinical trials or postponement in obtaining approvals may result in increases in our vaccine development costs. Significant delays in clinical trials will narrow the timeframe in which we have the exclusive right to commercialize our vaccine candidates. This may also allow our competitors to market similar products in advance, potentially impairing our ability to commercialize our vaccine candidates and harming our business and results of operations.

As a result of any or all of the foregoing factors, we cannot assure you that we will be able to continue developing new vaccine products effectively or timely, or that such products will be successfully approved. Failure to do so may materially and adversely affect our business, reputation, financial results and future commercial prospects.

We may be unable to obtain regulatory approval for our vaccine candidates under applicable regulatory requirements. The denial or delay of any such approval would delay development and commercialization of our vaccine candidates and adversely impact our potential to generate revenue, our business and our results of operations.

To gain approval to commercialize our vaccine candidates in China, we must provide the NMPA with preclinical studies and clinical data that adequately demonstrate the safety and efficacy of our vaccine candidates for the intended indications. The time required to obtain

approval from the NMPA is generally very long as it may take years to complete the required studies and trials. The approval may also be unpredictable as it is subject to the substantial discretion of the NMPA and depends on numerous factors. Our vaccine candidates could fail to receive regulatory approvals from the NMPA for many reasons, including:

- disagreement on the design or implementation of our clinical trials;
- disagreement on the standards in evaluating the vaccine candidate;
- failure to demonstrate that a vaccine candidate is safe, effective and potent for its proposed indications;
- failure of clinical trial results to meet the level of statistical significance required for approval;
- disagreement on our interpretation of data from preclinical studies or clinical trials;
- the insufficiency of data collected from clinical trials of our vaccine candidates to support the filing of NDA or other applicable submissions or obtaining regulatory approval;
- the relevant regulatory authorities' findings of deficiencies related to the manufacturing processes or facilities; and
- changes in approval policies or regulations that render our preclinical and clinical data insufficient for approval.

The NMPA or other applicable regulatory authorities may require more information, including additional preclinical or clinical data, to support the approval application. This requirement may delay or prevent us from obtaining the regulatory approvals in time and subsequently impact on our commercialization plans. In more extreme cases, we may decide to cancel the development program. Even if we obtain approvals, regulatory authorities may only grant approval for fewer or more limited indications for vaccine candidates compared to our requests, or subject to the performance of costly post-marketing clinical trials, or may approve with a label that is not desirable for the successful commercialization of that vaccine candidate. Any of the foregoing scenarios could materially harm the commercial prospects of our vaccine candidates.

In addition, approval policies, regulations or the type and amount of clinical data necessary to gain approval may change during a vaccine candidate's clinical development. Changes in regulatory requirements and guidance during our clinical trials may necessitate changes to clinical trial protocols, which could increase our costs, delay the timeline for, or reduce the likelihood of regulatory approval for our vaccine candidates.

Results of earlier studies and trials of our vaccine candidates may not be predictive of future trial results and completion of clinical trials does not guarantee regulatory approval of the vaccine candidate.

Success in preclinical studies and early clinical trials for our vaccine candidates does not ensure that later clinical trials will be successful. Significant setbacks could occur even after positive results are revealed in earlier preclinical studies or clinical trials. These setbacks could be caused by, among other things, preclinical findings made during clinical trials, or safety or efficacy concerns observed in clinical trials, including previously unreported adverse events. In addition, we also make assumptions, estimations, calculations and conclusions as part of our data analyses, but we may not have received or had the opportunity to fully evaluate all preclinical data. As a result, clinical trial results may differ from conclusions or expectations from earlier studies or different conclusions or consideration may qualify the results, once all clinical trial data have been received and fully evaluated. Furthermore, regulatory agencies may not accept or agree with our assumptions, estimates, calculations, conclusions or analyses. Therefore, notwithstanding any potential promising results in earlier studies and trials, we cannot assure you that we will not face similar setbacks. Vaccine candidates in later stages of clinical trials may fail to show desired pharmacological properties or safety and efficacy traits, despite having progressed through preclinical studies and initial clinical trials.

Even if we are able to initiate and complete clinical trials, the results may not be sufficient to obtain regulatory approval for our vaccine candidates. Approval is subject to considerable discretion on the part of regulatory authorities. See "—We may be unable to obtain regulatory approval for our vaccine candidates under applicable regulatory requirements. The denial or delay of any such approval would delay development and commercialization of our vaccine candidates and adversely impact our potential to generate revenue, our business and our results of operations."

Our vaccines may cause undesirable side effects or have other properties that could delay or prevent their regulatory approval, limit the commercial profile of an approved label, or result in significant negative consequences following marketing approval, if any.

As with most biological products, our vaccines could cause side effects that can vary in severity. If unacceptable side effects arise in the development of our vaccines, we could be forced to suspend or terminate our clinical trials, or the NMPA could order us to cease clinical trials or deny approval of our vaccines for any or all targeted indications. Adverse reactions could also affect participant recruitment, the ability of enrolled participants to complete clinical trials, or result in potential product liability claims. In addition, side effects may not be properly recognized or managed by the personnel administering the vaccine. Moreover, our vaccines may be perceived to cause severe side effects or adverse events following immunization if other vaccine manufacturers' products that target the same deceases, apply the same technology, or use the same culture cells or raw materials as our vaccines cause or are perceived to have caused severe side effects or adverse events following immunization, or if one or more regulators, such as the NMPA or an international institution, such as the WHO,

determines that products applying the same technology or using the same culture cells or raw materials as our vaccines could cause or lead to severe side effects or adverse events following immunization. Any of these occurrences could materially harm our business, financial condition and prospects.

In addition, even if we successfully advance our vaccines through clinical trials, such trials will likely involve only a limited number of participants and a limited duration of exposure to our vaccines. As a result, we cannot assure you that adverse effects of our vaccines will not be uncovered when a significantly larger population is exposed post-commercialization. Under the PRC law, we, as the vaccine producer, may be required to bear the responsibility to make compensation to vaccinees who suffer from adverse events following immunization of Class II vaccines, in cases where the immunization causes damage to a vaccinee's organs or physiological functions or leads to severe injuries or death of a vaccinee in the process of or after the immunization of a qualified vaccine, and no party has any fault during the process. As a result, we may have to provide compensation even when the damages do not necessarily have a causal relationship with the quality of our vaccines.

If one or more of our vaccines receive regulatory approval, and undesirable side effects are later identified, several serious negative consequences could ensue, including:

- forced suspension of vaccine commercialization;
- recall or withdrawal of our products;
- withdrawal of approvals by regulatory authorities;
- mandated additional warnings on the label;
- requirements to conduct post-marketing studies to assess new safety risks;
- potential lawsuits and liability for harm caused to participants; and
- damage to our reputation.

Any of the foregoing events could prevent us from achieving or maintaining market acceptance of our approved vaccine product, and result in significant revenue loss, which would materially and adversely affect our results of operations and business. In addition, if one or more of our approved vaccine product or vaccine candidates prove to be unsafe, our entire pipeline could be affected, which would have a material adverse effect on our business, financial condition, results of operations and prospects.

Our pipeline of vaccine candidates is limited.

Our future growth and success are substantially dependent on our ability to identify, develop and commercialize a robust pipeline of vaccine candidates. Currently, we possess a limited number of Class II vaccine candidates in development, which poses significant risks, including but not limited to:

- *Dependency on a narrow portfolio*: We rely on our limited number of Class II vaccine candidates. Should any of these candidates fail to demonstrate adequate efficacy, safety, or receive regulatory approval, it could significantly curtail our growth prospects.

- *Competitive disadvantages*: In the rapidly evolving field of vaccine development, competitors with a more extensive and diverse pipeline may bring products to market more quickly or adapt more readily to emerging pathogens. This positions them strategically better to capture market share, potentially marginalizing our offerings.

- *Impact on strategic partnerships and collaborations*: A limited pipeline may affect our ability to establish and maintain strategic partnerships or collaborations since potential partners often seek alliances with developers possessing a broader range of vaccine candidates. This could further inhibit our capacity to innovate and expand.

- *Financial implications*: Companies with a limited pipeline may be perceived as having higher risk compared to companies with broader development activities. Consequently, this perception may impact our ability to raise capital necessary for future research and development initiatives.

While we look for opportunities to expand our pipeline, there can be no assurance that these efforts will succeed, in which case our business, financial condition and results of operations may be materially and adversely affected.

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 preclinical studies and clinical trials. Data in the vaccine industry are often fragmented in origin, inconsistent in format and incomplete, which challenges the overall quality of collected or accessed data. The degree or amount of data that is knowingly or unknowingly absent or omitted can be significant. Mistakes in capturing, inputting, or analyzing these data may materially harm our ability to advance the development of our vaccine candidates, potentially damaging our business, prospects and reputation.

We also manage and submit data to governmental entities as a part of our regulatory approval process. These 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 are subject to audit and verification procedures that could result in material changes in the final data, in which case the regulatory authorities may conclude 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.

Additionally, we rely on CROs to monitor and manage data for some of our ongoing preclinical and clinical programs and control only certain aspects of their activities. If any of our CROs or other third parties do not perform to our standards in terms of data accuracy or completeness, data from those preclinical and clinical trials may be compromised.

We engage CROs, which are not under our control, to conduct certain clinical trial-related activities.

In line with industry norm, we engage CROs that are independent from our Group to support our preclinical and clinical studies from time to time. The work scope of these organizations in the development of our vaccine candidates may vary, subject to our overall management and instructions. With respect to preclinical studies, CROs typically provide us with service related to preclinical safety and immunogenicity evaluations of our vaccine candidates in accordance with our study design under our supervision. We are required to engage GLP-certified CROs to conduct safety evaluations studies under relevant laws and regulations. We engaged CROs to conduct preclinical safety and immunogenicity studies for our Core Products. With respect to clinical studies, CROs typically provide us with a comprehensive suite of services required in complex clinical trials in accordance with our trial design and under our supervision. We engaged CROs for all completed and ongoing clinical trials of our Core Products. We do not control these CROs. Outsourcing these functions involves the risk that third parties may not meet our standards, may not produce results in a timely manner or may fail to perform at all. In addition, the use of third-party service providers requires us to disclose our proprietary information to these parties, which could increase the risk of misappropriation.

The staff employed by CROs are not our employees and we cannot control whether or not they devote sufficient time, resources and oversight to our ongoing clinical programs. If we are unable to maintain or enter into agreements with these third parties on acceptable terms, or if any such engagement is terminated, we may be unable to conduct clinical trials and R&D testing in the manner that we anticipate. If these third parties fail to meet expected deadlines of their responsible work, timely transfer regulatory information to us, adhere to protocols or act in accordance with regulatory requirements or our agreements with them, or if they otherwise perform in a sub-standard manner or in a way that compromises the quality or

accuracy of their activities or the data they collect, the clinical trials of our vaccine candidates may be compromised, delayed, prolonged, suspended or terminated. Consequently, our data may be rejected by the NMPA or other applicable regulatory authorities.

Nevertheless, we are responsible for ensuring that each of our studies is conducted in accordance with the applicable protocol and legal, regulatory and scientific standards, such as GCP standards, which may be enforced by the NMPA for vaccine candidates in development. The NMPA enforces these standards through periodic inspections of trial sponsors, investigators and clinical trial sites. Our reliance on CROs to conduct trials does not relieve us of our regulatory responsibilities. If we or any of our CROs fail to comply with applicable requirements, the clinical data generated in the clinical trials may be deemed unreliable, and the NMPA may require us to perform additional clinical trials before approving our marketing applications. We cannot assure you that such regulatory authority will determine that our clinical trials conform to all their requirements, which may necessitate repeating such trials and delay the regulatory approval process. If CROs do not fulfill their contractual duties or meet expected deadlines, or if the quality or accuracy of the clinical data CROs obtain is compromised due to their failure to adhere to our clinical protocols, the regulatory requirements or for other reasons, our clinical trials may be extended, delayed or terminated, hindering our ability to obtain regulatory approval for or successfully commercialize our vaccine candidates. Any of the above could result in a material adverse effect on our business, financial condition and results of operations.

Even if we receive regulatory approval for our products, we will be subject to ongoing or additional regulatory obligations and continued regulatory review, which may result in significant additional expenses.

If the NMPA or a comparable regulatory authority approves any of our products, the manufacturing processes, labeling, packaging, storage, distribution, adverse event reporting, advertising, promotion, sampling, recordkeeping and post-marketing studies of the vaccine will be subject to extensive and ongoing or additional regulatory requirements. These requirements include submissions of safety and other post-marketing information and reports, registration, random quality control testing, adherence to any chemistry, manufacturing and controls, continued compliance with GMPs, GCPs, good storage practices and good vigilance practices and potential post-approval studies for the surveillance and monitoring of the safety and efficacy of the vaccine. For example, as of the Latest Practicable Date, we were conducting NMPA-required post-approval studies of our quadrivalent subunit influenza vaccine for individuals aged three and above. We expect that the NMPA will also require post-approval studies of our quadrivalent subunit influenza vaccine in the 6 to 35 months age group and our trivalent influenza vaccine similar to those required for our quadrivalent if it grants approval, and we have planned a portion of the proceeds from the Global Offering for such purposes. These requirements, in particular the post-approval studies, could result in significant additional expenses for us, which could have a material adverse effect on our financial condition and results of operations.

Moreover, any regulatory approvals that we receive for our products may also be subject to limitations on the approved uses for which the vaccine may be marketed or to the fulfilment of certain conditions. If we are not able to maintain strict compliance with any of the above regulatory requirements, we may lose the regulatory approvals that we have already obtained, which in turn could have a material adverse effect on our business, financial condition, results of operations and prospects.

We may not be successful in obtaining or maintaining necessary rights for our development pipeline through in-licenses and acquisitions.

Because our programs may involve vaccine candidates that may require the use of proprietary rights held by third parties, the growth of our business may depend in part on our ability to acquire and maintain licenses or other rights to use these proprietary rights. Collaborative relationships in our industry can be complex, particularly with respect to intellectual property rights. Disputes may arise in the future regarding ownership rights to technology developed by or with other parties. Such disagreements could lead to delays in the research, development, manufacture and commercialization of our vaccine candidates and may result in litigation or arbitration, both of which are time-consuming and costly. On the other hand, although parties are generally bound by agreements with us not to disclose our confidential information, any breach of such confidentiality obligation could cause leaking of valuable proprietary knowledge to the public, third parties or even our competitors, which would compromise our competitive advantage and significantly and adversely affect our results of operations.

We may be unable to acquire or in-license any compositions, methods of use, or other intellectual property rights from third parties that we identify. The licensing and acquisition of third-party intellectual property rights is a competitive area, and more established companies may also pursue strategies to license or acquire third-party intellectual property rights that we may consider attractive or necessary. These established companies may have a competitive advantage over us due to their size, resources and greater clinical development and commercialization capabilities. In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. We also may be unable to license or acquire third-party intellectual property rights on terms that would allow us to make an appropriate return on our investment or at all. If we are unable to successfully obtain rights to required third-party intellectual property rights or maintain the existing intellectual property rights we have, we may have to abandon development of the vaccine candidate, which could have a material adverse effect on our business, financial condition, results of operations and prospects for growth.

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

Our ability to enroll a sufficient number of participants who remain until the end of the clinical trial is a key factor in determining whether we can complete the clinical trial in a timely manner. We may experience difficulties in participant enrollment in our clinical trials for a variety of reasons, including:

- the size of the study population required for analysis of the trial's primary endpoints;
- design and eligibility criteria for the clinical trial in question;
- our ability to recruit clinical trial investigators with the appropriate competencies and experience;
- the risk that participants enrolled in clinical trials will not complete a clinical trial;
- our ability to obtain and retain consents from participants;
- the age of participants which may require parental consent;
- the public awareness of the infection rates of targeted infectious diseases and the size of population at risks of infection; and
- the availability of approved vaccines that are non-inferior or even superior to our vaccine candidates.

Moreover, our clinical trials may compete with our competitors' clinical trials for vaccine candidates in the same preventive areas as our vaccine candidates. Such competition will reduce the number and variety of participants available to us, as some participants might opt to enroll in a trial being conducted by our competitors instead of ours. Even if we are able to enroll a sufficient number of participants in our clinical trials, delays in participant enrollment may result in increased costs or may affect the timing or outcome of the planned clinical trials. This could prevent completion of these trials and adversely affect our ability to advance the development of our vaccine candidates.

We invest substantial resources in research and development in order to develop our vaccine candidates and enhance our technology platforms, which we may not be able to do successfully.

The vaccine industry is constantly evolving, and we must keep pace with new technologies and platforms to maintain our competitive position. For the years ended December 31, 2023 and 2024 and the three months ended March 31, 2024 and 2025, our research and development costs amounted to RMB283.2 million, RMB205.6 million, RMB43.2 million and RMB46.5 million, respectively. We expect to continue to invest significant

amounts of human and capital resources to develop our vaccine candidates, which will enable us to advance our pipeline vaccines. We intend to continue to strengthen our technical capabilities in the development and manufacture of our products, which are capital and time intensive. We cannot assure you that we will be able to develop improve or adapt to new technologies and platforms, successfully identify new vaccine candidates, develop and bring new or enhanced vaccines to market, obtain sufficient or any patent or other intellectual property protection for such new or enhanced vaccines or obtain the necessary regulatory approvals in a timely and cost-effective manner, or, if such products are introduced, that those products will achieve or maintain market acceptance. Any failure to do so may render our efforts obsolete, which could significantly reduce demand for our products and harm our business and prospects.

We might not be able to continue to identify, discover, develop or obtain regulatory approval for suitable vaccine candidates.

We may not be successful in our efforts to expand our pipeline of vaccine candidates, including identifying or discovering suitable vaccine candidates in the future. We primarily focus on the research, development, manufacturing and commercialization of innovative vaccines and traditional vaccines adopting new technical methods. However, we may not be able to identify or discover vaccine candidates that compare favorably to other marketed vaccines.

Even if we are able to discover suitable vaccine candidates, they may not be suitable for clinical development, including as a result of lack of safety, low immunogenicity, or other characteristics indicating they are unlikely to receive marketing approval or achieve market acceptance. There is no assurance that we will be able to successfully advance any of these additional vaccine candidates through the development process. Our research programs may initially show promise in identifying potential vaccine candidates, yet may ultimately fail to yield vaccine candidates for clinical development or commercialization for many reasons, including the following:

- we may not be able to assemble sufficient resources to acquire or discover additional vaccine candidates;
- the vaccine candidates may not succeed in preclinical or clinical testing;
- further study may reveal serious side effects or other characteristics suggesting that the vaccine candidate is unlikely to be effective or otherwise meet applicable regulatory criteria;
- competitors may develop alternatives that render our vaccine candidates obsolete or less attractive; and
- the vaccine candidates may not be accepted as safe and effective by patients or the medical community.

If any of these events occur, we may be forced to abandon our development efforts for a program or programs, or we may not be able to identify, discover, develop or commercialize additional vaccine candidates, which would have a material adverse effect on our business and results of operations.

We may not achieve our projected development goals in the time frames we announce and expect, or at all, which could materially and adversely affect our business and prospects.

Similar to many other companies in the vaccine industry, we set goals for the accomplishment of objectives critical to our success, such as the commencement and completion of clinical trials, and anticipated regulatory submission and approval dates and timing of product launches and other milestones. As of the Latest Practicable Date, we had 11 vaccine candidates in various stages of clinical and preclinical development. See "Business—Our Product and Product Candidates."

However, the successful implementation of our product development programs is subject to significant business, economic and competitive uncertainties and contingencies, including product development risk, the availability of funds, competition, regulation and government policies, and the continued growth of the vaccine market. The actual timing of these events may vary dramatically due to factors beyond our control, such as delays or failures in clinical trials, the uncertainties inherent in the regulatory approval process and delays in achieving manufacturing or marketing arrangements sufficient to product commercialization.

We cannot assure you that these preclinical studies or clinical trials will be completed, that we will make regulatory submissions or receive regulatory approvals as planned or that we will be able to adhere to our currently anticipated schedule for the launch of any products. If we fail to achieve one or more milestones in the time frames we announce and expect, or at all, our business and prospects could be materially and adversely affected.

RISKS RELATING TO THE SALES AND MARKETING OF OUR APPROVED VACCINE PRODUCT AND COMMERCIALIZATION OF OUR VACCINE CANDIDATES

We derived all of our revenue, profits and cash flows from our quadrivalent subunit influenza vaccine. Any decrease in its revenue would adversely affect our business, financial condition, results of operations and prospects.

As of the Latest Practicable Date, we had only one commercialized product, namely, the quadrivalent subunit influenza vaccine. During the Track Record Period, all of our revenue was from the sale of this vaccine. We expect sale of the quadrivalent subunit influenza vaccine to continue to generate a significant portion of our revenues in the near future. Any decrease in the demand for or pricing of our quadrivalent subunit influenza vaccine could cause our revenue and profitability to decline, which may materially and adversely affect our business, financial condition, results of operations and prospects. Factors that could lead to such a decline include, for example, the following, most of which we have very limited or no control:

- increased competition;

- new comparative or compelling product introductions by market newcomers or our competitors;
- the cost of vaccines relative to alternative treatments;
- results, timing and procedures of lot release determining whether we could market our products;
- results of public tenders determining whether we would be permitted to sell in designated markets;
- the market acceptability of our products to local CDCs and vaccinees and their willingness and power to purchase;
- PRC government-imposed pricing constraints or pricing guidance;
- disruptions in manufacturing or sales;
- media coverage and public opinion on side effect of vaccination or discovery of previously unknown adverse reactions; and
- newly discovered safety issues, such as issues relating to product quality or quality control.

Our sales are subject to seasonality, which could cause our results of operations to fluctuate.

Our sales performance is subject to seasonal fluctuations as all of our revenue was derived from the sales of our quadrivalent subunit influenza vaccine during the Track Record Period. As our influenza vaccines are seasonal-type vaccines against major circulating viruses during each flu season, our sales and return of the vaccines are affected by seasonal fluctuations in demand of vaccines in season, as affected by the seasonal outbreak of flus and seasonal circulating virus. Accordingly, our manufacturing activities tend to peak between March and August and our sales of influenza vaccines tend to be more concentrated between July and September. This seasonal pattern may result in the fluctuation of our operating results, and therefore, comparing our results of operations across different periods of a given year as an indicator of our performance may not be meaningful and should not be relied upon as indicators of future performance. Furthermore, if our operations are disrupted or affected by unpredictable events taking place during the peak flu vaccination seasons, our business, financial condition and results of operations could be adversely affected. As we expect that a significant portion of our revenue will be derived from the sales of influenza vaccines, our sales and operating results are likely to continue to fluctuate due to seasonality.

If our bids in the public tender process are not successful or we fail to secure subsequent product orders, our business may be adversely affected.

We are required to participate in the public tender process held by provincial-level CDCs to sell our vaccine product, which is a Class II vaccine, in China. We generally compete with competitors on the technical designs, registration classification, bid price, clinical effectiveness and quality of product, as well as reputation. Once we win a public tender, we will be eligible to sell vaccine products to CDCs. See "Business—Commercialization—Public Tenders." Our bids during the public tender process may not be successful and our vaccine products, including any vaccine products that we commercialize in the future, may not be chosen for a number of reasons, such as:

- our prices are not competitive;
- our products are perceived to be less clinically effective than competing products;
- our service quality or any other aspect of our operation is perceived not to meet relevant requirements; or
- our reputation is adversely affected by unforeseeable events.

If we fail to participate or bid successfully during any public tender process, we will not be able to sell our products to the relevant CDCs, which will negatively impact our sales volume as well as our financial condition and results of operations.

Even if we bid successfully, we cannot guarantee that we will be able to secure purchase orders from local CDCs. For Class II vaccines, public tenders serve as an admission for entry to market of the relevant province. Following the public tenders, we are required to participate in the local selection process held by district- or county-level CDCs to sell our vaccine products to specific districts or counties. Therefore, winning the public tender does not guarantee that we will make sales to local CDCs. If we fail to secure subsequent product orders from local CDCs after we bid successfully at the higher level of CDCs, our sales volume and results of operations will be materially and adversely affected.

Our sales to CDCs may subject us to uncertainties associated with the government funding, budgeting and decision-making process.

During the Track Record Period, our customers were district- or county-level CDCs, which are government agencies administrating public health affairs. These expose us to certain risks relating to doing business with public authorities. For example, changes in circumstances may result in changes or delays to, or cancellations of, the CDCs' purchase commitments due to, among others, differing policy and budgetary agendas. Any of the above-mentioned actions taken by the authorities could have a material adverse effect on our results of operations and expected earnings, or result in our failure to meet, or having to adjust downwards, our sales estimates.

In addition, many of the remedies that are available to us when dealing with private parties, such as making claims for breach of contract or taking other legal actions, may not be practicable in our dealings with CDCs. For example, in the event of any dispute with a CDC, we may find it is not in our best interest to take legal actions against the CDC and may, instead, resolve such disputes through other means, such as negotiations or third-party mediations. Therefore, we cannot assure you that results from such processes will be the same as or more favorable to us than those we would have obtained in legal proceedings.

We face credit risks relating to our trade receivables from CDCs.

We are exposed to certain risks when it comes to collecting payments from CDCs. Demand and ability to pay for our products may be affected by their budgetary cycles, shifting availability of funds and changes in government procurement policy. We typically grant credit periods ranging from six months to nine months to CDCs. The recovery period of the payment can be long due to the complex internal processes for settling payments of CDCs. As of December 31, 2023 and 2024 and March 31, 2025, our trade receivables were RMB73.6 million, RMB284.9 million and RMB221.3 million, respectively. Our trade receivables turnover days were 252.1 days in the year ended December 31, 2024. For more details on our trade receivables, see "Financial Information—Description of Certain Consolidated Statements of Financial Positions Items—Trade Receivables." We cannot assure you that CDCs could settle trade receivables in a timely manner, or at all, or that we can properly assess and respond in a timely manner to changes in their credit profile and financial condition. The delays in collecting payments from CDCs could adversely affect our cash flow and our working capital position for our normal business operation, our ability to make payments when due or to satisfy our financial needs to produce vaccines, conduct R&Ds or other business activities as planned, which in turn would materially and adversely affect our financial condition and results of operations.

Our vaccine products may become subject to national or other third-party reimbursement practices or unfavorable pricing regulations, which could harm our business.

The level of reimbursement available from PRC government health administration authorities, private health insurers and other organizations will affect how successfully we can commercialize an approved vaccine candidate. None of our approved vaccine product or vaccine candidates are currently covered by the PRC national reimbursement practice. As a result, if the approved vaccine product or vaccine candidate is not perceived to pose a high risk to a large number of population, people may elect not to receive the vaccination. On the other hand, if our vaccine is not covered by reimbursement from any third-party payor, while a competitor's vaccine targeting the same indications is covered, vaccinees may choose our competitor's vaccine over our own.

In the past, PRC government authorities and third-party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular vaccines. Therefore, we cannot be sure that reimbursement will be available for our approved vaccine product and any approved vaccine candidate that we commercialize in the future and, if reimbursement is

available, what the level of reimbursement will be. Obtaining or maintaining reimbursement for vaccine products may be particularly difficult. There may also be delays in obtaining reimbursement for vaccine products, and coverage may be more limited than expected.

Moreover, eligibility for reimbursement does not imply that any vaccine will be paid for in all cases or at a rate that covers our costs, including research, development, manufacture and sales. Payment rates may vary according to the clinical setting in which it is used, may be based on payments allowed for lower-cost vaccines that are already reimbursed, and may be incorporated into existing payments for other services. Our inability to promptly obtain coverage and profitable payment rates from both government-funded and private payors for our approved vaccine product and any future approved vaccine candidates could have a material adverse effect on our business, financial condition and results of operations.

Our pricing for vaccine products may limit market acceptance and result in reduced sales, adversely affecting our business and financial results.

Under the Vaccine Administration Law, Class II vaccine companies are required to follow the reasonable pricing principles, which is generally understood by the market players as setting prices with reference to market factors and purchase demand of CDCs. For our quadrivalent subunit influenza vaccine, we participate in provincial-level centralized bidding processes, prior to which we also set bidding prices in a reasonable and independent manner. If we win the bid, our bidding price becomes the selling price of such product in the respective province. The bidding price of our products is one of the factors considered by provincial CDCs. As Class II vaccines are paid by vaccinees, our pricing for such vaccines is primarily market driven. If our bidding price is high, we may not win the bid. Even if we end up winning the bid, if more than one vaccine manufacturer wins the bid and our product is priced higher, vaccinees may opt for the lower-priced product. As Class II vaccines, even if there is no competing vaccines available, vaccinees may still find our product expensive and choose not to inoculate. Any of the above could result limit market acceptance of our products, resulting in reduced sales, adversely affecting our business and financial results.

Moreover, our pricing approach could invite increased scrutiny and pressure from regulatory authorities aimed at reducing healthcare costs, potentially leading to adverse pricing regulations. Additionally, competitors may challenge our pricing strategy by offering similar vaccines at lower prices, attempting to capture market share and erode our competitive position.

If we fail to effectively communicate the value and benefits of our vaccine products to the market, our ability to maintain expected sales volumes and achieve projected revenues could be compromised. Consequently, our pricing strategy may adversely affect our business operations, financial condition and results of operations.

If we fail to obtain regulatory approval in any targeted jurisdictions outside of China, we will not be able to market our products in those jurisdictions.

We intend to market certain of our vaccine candidates, if approved, in jurisdictions outside of China. We obtained a registration certificate and market authorization of our quadrivalent subunit influenza vaccine in Macau in May 2024. Additionally, we initiated the registration process in the Philippines in November 2024. In 2025 and 2026, we plan to file product registration applications in various other jurisdictions, including Indonesia, Thailand, Uruguay, Canada, Singapore, Mexico and Hong Kong, along with any required GMP inspection applications. Entering any overseas market will require separate regulatory approvals in each region and compliance with numerous and varied regulatory requirements. Approval procedures vary among regions and countries, which may involve additional testing requirements, and the time required to obtain approval may differ from that needed for NMPA approval.

In addition, in many countries outside China, the prices that we intend to charge for our vaccines may also subject to approval. Approval by the NMPA does not ensure approval by regulatory authorities in other countries or jurisdictions. Similarly, approval by one foreign regulatory authority does not imply approval by other foreign authorities or the NMPA. The foreign regulatory approval process may involve all of the risks associated with obtaining NMPA approval. We may not obtain foreign regulatory approvals on a timely basis, if at all. Consequently, we may not be able to file for regulatory approvals or receive the necessary approvals to commercialize our vaccines in any market.

Our business and operation depend on our experience in launching and marketing vaccine products. If we cannot maintain sufficient marketing and sales capabilities, we may fail to generate sustainable revenue and profit.

To increase sales of our approved vaccine product as well as successfully commercialize our vaccine candidates, we will need to maintain and continue to build our sales and marketing capabilities, either on our own or in partnership with third parties, such as our third-party marketing service providers. The continued development of our sales and marketing team will be expensive and time-consuming and could delay any product launch. We compete with many vaccine companies that currently have extensive, experienced and well-funded marketing and sales operations to recruit, hire, train and retain marketing and sales personnel, and will have to compete with those companies to recruit, hire, train and retain any of our own marketing and sales personnel. If we are unable to sustain and expand our sales and marketing team, we may be unable to compete successfully against our competitors. On the other hand, for our collaboration with third-party marketing partners, such as our third-party marketing service providers, we need to negotiate and enter into arrangements with them. If we are unable to enter into such arrangements when needed, on acceptable terms, or at all, we may not be able to successfully commercialize any of our vaccine candidates that receive regulatory approval or any such commercialization may experience delays or limitations.

If we fail to effectively manage our third-party marketing service providers, our business and operations could be harmed, and we may be subject to product liability claims, potential litigation, governmental investigations and penalties.

Our ability to expand our business will depend on our ability to establish a sales network that timely delivers our products. Our marketing team is responsible for formulating overall marketing and promotion strategies, attending academic conferences and communications with CDCs on medical and scientific information of our vaccine products. Our medical affairs team is responsible for post-approval studies of the vaccine in different geographic areas. Our sales operations team is responsible for management of third-party marketing service providers, order management and shipment. In addition to our in-house teams, we also engage third-party marketing service providers to support our daily marketing activities. We typically enter into one-year agreements with the third-party marketing service providers, which may be renewed upon mutual agreement. While we may unilaterally terminate the contract with the third-party marketing service providers under a range of circumstances, our control over them is limited. If key third-party marketing service providers or a significant number of our third-party marketing service providers suspend or terminate their relationships with us, or fail to effectively promote our vaccine product, we may not be able to effectively maintain our sales volume. As a result, our business, financial condition and results of operations may be materially and adversely affected.

Under our agreements with our third-party marketing service providers, they are required to comply with applicable regulatory requirements on marketing activities and our sales policies. Although we can monitor their marketing activities pursuant to those agreement, their actions are not within our control. They may fail to maintain necessary business qualifications, fail to obtain the required registration certificate from the relevant local authorities required for sales in the designated market, market our products in the manner we contemplate, fail to meet our needs or standards, or breach the laws and regulations applicable to the provision of marketing service. In such cases, we may be subject to product liability claims, potential litigation, governmental investigations and penalties.

Even if one of our vaccine candidates obtains regulatory approval, they may fail to achieve the broad acceptance by CDCs, local POVs and clinics, physicians, vaccinees and others necessary for commercial success.

Even if one of our vaccine candidates obtains regulatory approval, the commercial success of any of our current or future vaccine candidates will depend significantly on the broad acceptance by CDCs, local POVs and related healthcare professionals, vaccinees and others. The degree and rate of CDC's and vaccinees' adoption of our current or future vaccine candidates, if approved, will depend on a number of factors, including:

- the clinical indications for which the product is approved and vaccinees demand for approved vaccine products that target those indications;

- the safety and efficacy of our vaccine products as compared to therapies for the disease and other available vaccines;
- the prevalence and severity of side effects;
- the time required for manufacture and release of our vaccine products;
- the availability of coverage and adequate reimbursement from China's national or other third-party reimbursement practices for any of our products;
- acceptance by physicians, operators of local POVs and clinics and vaccinees of the product as a safe and effective treatment;
- proper training and administration of our products by physicians and medical staff;
- vaccinees' satisfaction with the results and administration of our products and overall treatment experience, including, for example, the convenience of any dosing regimen;
- the cost of treatment with our vaccine candidates in relation to alternative treatments;
- limitations or warnings contained in the NMPA-approved labeling for our products;
- the effectiveness of our sales and marketing efforts;
- adverse publicity about our products or favorable publicity about competitive products; and
- potential product liability claims.

We cannot assure you that our current or future vaccine candidates, if approved, will achieve broad market acceptance among physicians and vaccinees. Any failure by our vaccine candidates that obtain regulatory approval to achieve market acceptance or commercial success would adversely affect our results of operations.

Failure to maintain and predict inventory and finished goods levels in line with the level of demand for our vaccine products could cause us to lose sales or face excess inventory risks and holding costs, either of which could have a material adverse effect on our business, financial condition and results of operations.

To operate our business successfully and meet our CDCs' demands and expectations, we must maintain a certain level of finished goods to ensure timely delivery when requested. Furthermore, we are required to maintain an appropriate level of inventory of our raw materials for our commercial production. If our forecast demand is lower than actual demand, we may

not be able to maintain an adequate inventory of finished goods or produce our products in a timely manner, and may lose sales and market share to our competitors. On the other hand, we may be exposed to increased inventory risks due to excess inventories. Excess inventory levels may increase our inventory holding costs, risk of inventory obsolescence or write-offs. As of December 31, 2023 and 2024 and March 31, 2025, we recorded inventory allowance of RMB46.1 million, RMB18.3 million and RMB17.5 million, respectively. According to Frost & Sullivan, the influenza vaccine industry generally features a relatively high inventory allowance given (i) the difficulties in predicting the vaccination rate given the difficulties in predicting the number of influenza cases, especially for newly launched vaccine products; (ii) the need to produce surplus vaccines to better prepare vaccine makers in case of need; and (iii) the relatively short life cycle of influenza vaccine products. See "Financial Information—Description of Certain Consolidated Statements of Financial Position Items—Inventories" for more details relating to our inventories and inventory allowance. We may routinely incur inventory write-offs and may incur significant inventory allowance due to unforeseen circumstances in the future.

We are exposed to risks associated with product returns.

In line with industry practice according to Frost & Sullivan, we accept return (i) unused products that are expired or about to expire; (ii) products that are defective or are substandard; (iii) products with damaged packaging; and (iv) products that are otherwise unmarketable due to any fault on our part. As our influenza vaccines are seasonal-type vaccine against specific circulating viruses during each season, we also voluntarily accept unused influenza vaccines after the end of each influenza season, usually starting from April. See "Business—Commercialization—Return and Exchange." We recognize a refund liability if we expect to refund some or all of the consideration received from customers. Where the actual return rate is different from the original estimate, such difference will be trued up in the subsequent period. We recorded refund liabilities of RMB13.3 million, RMB84.7 million and RMB81.1 million as of December 31, 2023 and 2024 and March 31, 2025, respectively.

The estimation of sales return requires the use of judgment and estimates. Given our limited experience in the commercialization of vaccine products, we cannot assure you that the estimation of our refund liabilities will be accurate. This inaccuracy could further complicate our inventory and financial management strategies. Failure to anticipate and manage product returns effectively could materially and adversely affect our financial results and results of operations.

The market opportunities for our vaccine candidates may be smaller than we anticipate, which could render some vaccine candidates ultimately unprofitable even if commercialized.

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

determining on which candidates to focus our resources for preclinical 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 vaccine by the medical community and vaccinee access, vaccine pricing and reimbursement.

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

We face risks from government actions regarding vaccines for diseases of major public health concern.

In response to a pandemic or the perceived risk of a pandemic, governments in China and other countries may take actions to protect their citizens, including but not limited to, intellectual property expropriation, compulsory licenses and/or strict price controls. These actions could limit our ability to control the production and generate revenue from sales of pandemic vaccines or otherwise impose burdensome regulations on our business. Additionally, we may be required by government or non-governmental authorities to reserve our vaccines for designated purposes or geographic areas, with stipulations on supply allocation. We may also face significant public scrutiny concerning our pricing policies with respect to our vaccines. If we are unable to successfully manage these risks, we could face significant reputational harm, which could negatively affect the price of our H Shares.

If we obtain approval to commercialize our vaccine outside of China, a variety of risks associated with international operations could materially adversely affect our business.

We intend to market certain of our vaccine candidates, if approved, in overseas markets. We obtained a registration certificate and market authorization of our quadrivalent subunit influenza vaccine in Macau in May 2024. Additionally, we initiated the registration process in the Philippines in November 2024. In 2025 and 2026, we plan to file product registration applications in various other jurisdictions, including Indonesia, Thailand, Uruguay, Canada, Singapore, Mexico and Hong Kong, along with any required GMP inspection applications.

As such, we expect that we will be subject to additional risks in commercializing our vaccine candidates outside of China, including:

- different regulatory requirements for vaccines and biologics in foreign countries;

- delays and difficulties in obtaining protection and weakened or lack of protection for our intellectual property rights, or more aggressive protection of our competitors' intellectual property rights;

- unexpected interruptions or changes with the collaboration with international partners;

- unexpected changes in tariffs, trade barriers and regulatory requirements;

- economic challenges, such as inflation, or political instability in specific foreign economies and markets;

- non-compliance with tax, employment, immigration and labor laws for employees residing or traveling abroad;

- foreign currency fluctuations and remittance limitations, which could result in increased operating expenses and reduced revenues;

- workforce uncertainty in countries where labor unrest is more prevalent than in China; and

- business interruptions resulting from geopolitical actions, including war and terrorism or natural disasters such as earthquakes, typhoons, floods and fires.

Failure to effectively manage these risks could have a material adverse effect on our business, financial condition, results of operations and prospects.

The recession or eradication of the infectious diseases that our vaccines target and the availability of alternative vaccines or treatment technologies may adversely affect our sales.

If the diseases that any of our vaccine products are indicated recess or are effectively eradicated, market demand for the relevant vaccine products will consequently diminish. Moreover, medical technologies are evolving and new vaccines or treatment technologies for diseases that our vaccines target may emerge. For example, several universal influenza vaccine candidates are being developed to provide protection against a wide range of virus strains. If these competing new vaccines or technologies are perceived by vaccinees to be more effective or to provide more comprehensive protection than our vaccines, market demand for our vaccines may decline. The occurrence of any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

RISKS RELATING TO THE MANUFACTURING AND SUPPLY OF OUR VACCINE PRODUCTS

The manufacturing of vaccines is a highly exacting and complex process, and if we encounter problems in manufacturing our products, our business could suffer.

The manufacturing of vaccines is a highly exacting and complex process, particularly because the complexity of biological mechanisms leads to variability in industrial yields, and also because the biological material being manufactured is very vulnerable to contamination. The manufacturing of vaccines is also heavily regulated by the NMPA and other regulatory authorities in China. Problems may arise during the manufacturing for a variety of reasons, including but not limited to:

- equipment malfunction;
- failure to follow specific protocols and procedures;
- problems with raw materials;
- delays related to the construction of new facilities;
- failure to comply with strictly enforced regulatory requirements and GMP;
- changes in the types of products produced;
- physical limitations that could inhibit continuous supply; and
- human-made or natural disasters and environmental factors.

If problems arise during the production of a batch of product, that batch of product may have to be discarded and we may experience product shortages or incur extra expenses. This could, among other things, lead to increased costs, decreased revenue, damage to customer relationships, time and expense spent investigating the cause and, depending on the cause, similar losses with respect to other batches or products. If problems are not discovered before the product is released to the market, recall and product liability costs may also be incurred. In addition, if we fail to timely improve and optimize our manufacturing processes or techniques or only make insufficient improvement, we may not be able to meet the clinical demand on better safety, immunogenicity and efficacy of vaccines, nor the market demand on larger and faster supply, which would impair our competitiveness in the vaccine industry, interfere with our current sales and future regulatory submissions and/or commercialization of new vaccine products, and in turn our business and results of operations would suffer.

Any failure to perform proper quality control and quality assurance would have a material adverse effect on our business and financial results.

Our products and manufacturing processes are subject to applicable laws, regulations and GMP requirements. These regulations and laws govern the manufacturing processes and procedures, such as record keeping, operation and implementing the quality management systems to control and assure the quality of products approved for sale and investigational products. We have established a comprehensive and robust quality control system in our production and sales process. Despite our quality control system and procedures, errors, defects or failures may still occur due a variety of reasons. In addition, in anticipation of the market demand of our future vaccine products, we are constructing two manufacturing facilities in our headquarters. See "Business—Manufacturing—Manufacturing Facilities and Production Capacity—New Manufacturing Facilities." We may not be able to ensure consistent quality control in such new facilities after they commence operation. If we acquire manufacturing facilities from other biotechnology or pharmaceutical companies in the future, we may not be able to immediately ensure that their manufacturing facilities and processes will meet our existing quality standards. Failure to detect and cure quality defects in our vaccine products or to prevent such defective products from being released for sale, failure to comply with relevant quality control requirements under applicable laws or GMP, or failure or deterioration of our quality control system and processes, could result in vaccinees' injury or death or product recalls or withdrawals, suspension or disruption in vaccine manufacturing, license revocation or regulatory fines, or other problems that could disrupt our business, seriously harm our reputation, expose us to liability and adversely affect our results of operations.

Errors or defects in our manufacturing could harm our reputation or expose us to product liability claims.

We face an inherent risk of product liability caused by our vaccines. Any such product liability claims may include allegations of defects in manufacturing, defects in design, insufficient or improper labelling, inadequate or misleading disclosures of side effects or dangers inherent in the product, negligence, strict liability and a breach of warranties. We cannot guarantee that we will not be involved in product liability related disputes in the future. If we cannot successfully defend ourselves against product liability claims, we may incur substantial liabilities or subject to limitations for commercializing of our vaccine candidates. Even successful defense would require significant financial resources and management attention. Regardless of the merits or outcomes, liability claims may result in:

- withdrawal of clinical trial participants;
- substantial monetary compensation to trial participants or vaccinees;
- a diversion of management's time and our resources;
- decreased demand for our vaccine candidates or any resulting products;

- injury to our reputation;
- product recalls, withdrawals or labeling, marketing or promotional restrictions;
- costs to defend the related litigation;
- loss of revenue;
- the inability to commercialize our vaccine candidates; and
- a decline in our H Share price.

Once our vaccine candidates obtain approvals, we are required to maintain liability insurance to cover product liability claims in accordance with the relevant laws and regulations. Our inability to obtain and retain sufficient product liability insurance at an acceptable cost to protect against potential product liability claims could prevent or inhibit the commercialization of vaccine candidates we develop. Even when we maintain such insurance, any claim that may be brought against us could result in a court judgment or settlement in an amount that is not covered, in whole or in part, by our insurance or that is in excess of the limits of our insurance coverage. Our insurance policies also have various exclusions, and we may be subject to a product liability claim for which we have no coverage. We will have to pay any amounts awarded by a court or negotiated in a settlement that exceed our coverage limitations or that are not covered by our insurance, which may have an adverse effect on our financial condition.

Any disruption of our manufacturing facilities or any failure to manage the manufacturing capacity properly could have a material and adverse effect on our business, financial condition and results of operations.

During the Track Record Period and up to the Latest Practicable Date, all of our quadrivalent subunit influenza vaccine products and our vaccine candidates used in our clinical trials were manufactured by our in-house manufacturing team. See "Business—Manufacturing—Manufacturing Facilities and Production Capacity—Manufacturing Facilities and Equipment." All vaccine manufacturing facilities are subject to inspection by regulatory agencies during the operation. If we fail to comply with applicable regulatory requirements for our manufacturing facilities, the operations at our manufacturing facilities may be suspended and we may be subject to sanctions, including but not limited to,

- refusal of regulatory agencies to review pending production permit applications or supplements to such applications;
- withdrawals, revocation or non-renewal of approvals, license or permits previously issued;

- product recalls, seizure or confiscation;
- total or partial suspension of production;
- monetary penalties; and
- criminal prosecution.

The normal operation of our manufacturing facilities may also be significantly impaired by natural disasters or other unanticipated catastrophic events, including power interruptions, water shortage, storms, fires, earthquakes, terrorist attacks and wars, as well as changes in governmental zoning plans, which would in turn disrupt our sales of existing products and adversely affect our business and financial results.

Moreover, we may fail to manage the manufacturing capacity properly. The manufacturing capacity is calculated based on the designed manufacturing capacity of our manufacturing facilities, after taking into account any reduction in capacity caused by, among other factors, suspension of manufacturing for renewal of GMP certification or production permits. The manufacturing capacity for a product directly determines the maximum amount of vaccine products that could be produced in a given period and the volume of finished products that will be available for sale in subsequent periods. Proper management of the manufacturing capacity, and in particular, minimizing the time for renewing GMP certification or production permits and maintaining sufficient GMP certified back-up capacity in preparation for suspension of manufacturing caused by planned or unexpected events, is critical to maintaining a steady supply of products and a stable growth in our revenues. We expect to have low utilization rates for our pneumococcal vaccine production line and our No. 3 Manufacturing Facility over the next three years until we commercialize our PPSV23 and our recombinant vaccines. Any suspension of production or delay in production schedule could lower the production utilization rates of the relevant products and affect our sales volume and revenue. See "Business—Manufacturing—Manufacturing Facilities and Production Capacity."

The expansion of our manufacturing facilities may be subject to delays, disruptions, cost overruns or may not produce expected benefits.

In anticipation of the market demand of our future vaccine products, we are constructing two manufacturing facilities in our headquarters, namely our No. 2 Manufacturing Facility and No. 3 Manufacturing Facility. See "Business—Manufacturing—Manufacturing Facilities and Production Capacity—New Manufacturing Facilities."

Under the PRC laws, construction projects of this nature are subject to extensive government supervision and approval processes, including project approvals, construction permits, occupational health and safety compliance, environmental approvals, and inspection and acceptance by relevant authorities. Failure to obtain any necessary approvals or permits could disrupt or halt our expansion plans. Non-compliance with relevant construction laws and regulations could result in fines, construction suspension and other administrative penalties,

materially affecting our business operations. Additionally, all vaccine manufacturing facilities are required to be approved by governmental authorities before we may use them to commercially manufacture vaccine products and are subject to inspection by regulatory agencies during the operation.

We may face delays or other difficulties in constructing these facilities, which will require significant capital investment. Any failure to complete the expansions on schedule and within budget could adversely affect our financial condition, production capacity and operational results.

Furthermore, ensuring the successful integration of new manufacturing facilities into our existing operations involves significant logistical and operational challenges. This includes recruiting and training a skilled workforce, establishing reliable supply chains and implementing effective quality control measures. Any deviations or failures in these areas could result in operational inefficiencies, production delays or compromised product quality. See "—Any failure to perform proper quality control and quality assurance would have a material adverse effect on our business and financial results."

Moreover, the expansion of our manufacturing capacity may not generate the expected economic benefits if the demand for the vaccines produced at these manufacturing facilities falls short of our expectations. In such cases, excess production capacity could lead to increased operational costs and reduced profitability. The construction of new facilities may expose us to unforeseen external risks, such as natural disasters, which could disrupt operations and supply chains.

If we are not able to source sufficient quantity of raw materials of required quality at commercially acceptable cost, our business could be harmed.

In order to manufacture our vaccine products, we must obtain sufficient quantities of high-quality raw materials at commercially acceptable prices and in a timely manner. A majority of the raw materials are widely available, and we are able to purchase them from numerous suppliers across China. However, if our suppliers become unable or unwilling to continue to supply the raw materials to us in the quantities or at the quality or price that we require, we would have to incur additional time and costs to find alternative supplier(s) that can meet our standards. In addition, even for the widely available raw material, due to procedures required to onboard a new supplier, we cannot assure you that we would always be able to obtain raw materials in the desired quantities and prices. We also cannot assure you that our suppliers 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 raw materials supplied to us. In either case above, our operations might be interrupted or delayed and our business and financial results might be adversely affected.

Furthermore, raw materials used in our production may be subject to supply shortage caused by external conditions, such as changes in governmental policies and natural disasters. Various factors could lead to significant fluctuation in the prices of our key raw materials. We cannot assure you that our raw material cost will not increase significantly in the future, or that we could pass any increased raw material costs along to our customers. As a result, any significant price increase of our raw materials may have an adverse effect on our profitability and results of operations.

Moreover, we cannot guarantee that we will be able to detect all quality issues in the supplies we use. If we are unable to do so and the quality of our products suffer as a result, we may have to recall our products, be subject to product liability claims, suspend our production and/or incur significant costs to rectify such issue, which may have a material and adverse effect on our business, financial condition and results of operations.

Failure to secure cooperation with qualified cold-chain logistics providers may subject our vaccine products, reputation and business to incalculable risk of damage.

Vaccines are sensitive biological products. Even slight changes to temperature and lighting conditions may affect their potency. To maintain quality and potency, vaccines must be stored in strictly controlled environments through cold-chain logistics companies. The Vaccine Administration Law requires cold-chain transportation and storage in the entire delivery process of vaccines in order to ensure constant monitoring and control of temperature, with a tracking system implemented to keep proper records of the temperature of vaccines during transportation and storage. See "Regulatory Overview." To fully comply with these requirements, we have engaged logistic companies with cold-chain capabilities to transport our products. Our agreements with such logistic companies require them to provide cold-chain transportation services with tracking systems that are suitable for vaccines or medical products. Upon delivery, the logistic companies are required to provide the temperature monitor records for the entire delivery process, and we are entitled to inspect their compliance with all applicable requirements. The logistic companies are also obligated to deliver our products on time and are responsible for losses and damages in transportation. While CDCs would generally require logistics companies to provide relevant licenses to show their eligibility to transport vaccine products, we also audit the logistic companies periodically to ensure the quality of their service. In addition to engaging cold chain logistic companies, as of the Latest Practicable Date, we used 24 qualified storage centers located in 24 provinces. See "Business—Commercialization—Vaccine Transportation and Storage." If we or third parties we cooperate with fail to strictly adhere to any of the requirements when transporting our products through cold chain, our vaccine products may be exposed to inappropriate temperatures or other improper storage conditions and subject to potency diminishment or even potency loss. In this case, all the vaccine products that are transported in the same batch are subject to quality damage and may need to be destroyed. As a result, our reputation and business may be materially and adversely affected.

Vaccine products are susceptible to contamination.

Vaccine manufacturing usually requires cultivation steps, including growth of the appropriate organism and the use of substances of animal origin, which makes it easy to introduce a contaminant and to amplify low levels of contamination. In addition, cross-contamination could result from manufacturing activities being based on the sharing of equipment and facilities, which are common. Other activities such as diagnosis and research are frequently linked to manufacture, which may create opportunities for cross-contamination. Furthermore, any improper actions during the long-distance transportation, storage and delivery services may result in contamination of our vaccine products.

In the event of vaccine contamination or injury resulting from such contamination, we could be subject to liabilities for any resulting damages to vaccinees, product recalls, confiscation and/or destroy. We also could incur significant costs associated with civil or criminal fines and penalties for failure to comply with such laws and regulations. In addition, contamination of our vaccine products could cause customers or other third parties with whom we conduct business to lose confidence in our products' quality and the reliability of our manufacturing procedures, which could adversely affect our sales and profits. In addition, contaminated products that are unknowingly distributed could result in harm on vaccinees, threaten the reputation of our vaccine products and expose us to product liability claims, criminal charges and administrative sanctions.

We deal with potentially harmful biological materials and other hazardous materials that may cause environmental contamination or injury to others.

Our manufacturing operations and R&D activities involve the controlled use of potentially harmful biological materials and other hazardous materials. In particular, the risk of accidental contamination to the environment or injury to our employees or others from the use, manufacture, storage, handling or disposal of these materials may not be completely eliminated. For example, the viruses and bacteria used for our production and examination of vaccines, if leaked, may pose risks on the environment or public health. In the event of contamination or injury, we could be held liable for any resulting damages, which could exceed any applicable insurance coverage we may have. Furthermore, governmental agencies could initiate investigations against us, which may result in fines, sanctions, revocations of operating permits, suspension of our operations, closure of our facilities or other penalties. Our reputation may be harmed as well. Laws and regulations regarding handling of harmful biological materials and other hazardous materials, or more stringent environmental regulations that may be adopted in the future, may mandate additional protective and other measures against potential contamination or injury caused by these materials, compliance with which could be costly, and our financial condition may be affected as a result.

OTHER RISKS RELATING TO OUR BUSINESS

If we are unable to compete effectively in the highly competitive vaccine industry, or fail to develop competitive vaccine candidates, our business, financial condition, results of operations and prospects could be materially and adversely affected.

We operate in a highly competitive environment, and we expect the competition to increase in the future. As of the Latest Practicable Date, there were 23 marketed influenza vaccines in China and 20 influenza vaccine candidates under clinical development in China; at the same time, there were 23 human rabies vaccines in China and 18 human rabies vaccine candidates under clinical development in China. In particular, we cannot rule out the possibility that overseas competitors will enter the market of quadrivalent subunit influenza vaccines or rabies vaccines in China in the future. Some of the competitors may have a longer operation history, are in a bigger size, or may have greater financial and/or other resources than we do. In addition, due to the growth potential of the vaccine markets, a number of other entities are trying to enter into the market and may offer products competing with ours. New competitors, domestic or international, may have, among other strengths, more innovative products or advanced technologies. In addition, the technologies used by us and our competitors are evolving rapidly, and new developments frequently result in price competition and product obsolescence.

Accordingly, we may not be able to obtain or maintain our current market share or outperform a competing product in the future for many reasons, such as:

- the competing product may gain a wider market acceptance;
- the competing product may incorporate more recent technological innovations or research findings;
- the competing product may be, or may be perceived to be, more effective or superior in quality or brand recognition;
- the competing product may be offered at a lower price;
- the competing product may be less sensitive to incidents or negative publicity;
- the competitor may have more financial resources or better R&D resources;
- the competitor may have more efficient manufacturing processes, greater production capacity or lower manufacturing costs;
- the competitor may have more aggressive marketing strategies, greater marketing capabilities or greater pricing flexibility; and
- the competitor may have better or more resource to, or may be able to in a more efficient manner, respond to new regulations or industry practice.

According to Frost & Sullivan, market players in the PRC vaccine market face many challenges, such as having to maintain stable vaccine manufacturing capacity, ensuring high quality standards and continuously investing in R&D and innovation. Furthermore, the vaccine market in China is expected to develop rapidly as a result of new trends, such as developing combined vaccines, mRNA vaccines and other innovative vaccines, as well as developments in related scientific research and technology. If we fail to react to new trends, research and technology and to identify, develop and commercialize competitive vaccine candidates in a timely and cost-effective manner, our business, financial condition, results of operations and prospects may be materially and adversely affected.

We depend on the continuing efforts of our senior management, as well as key scientific employees.

Our future success depends heavily upon the continued service of our key senior management members. In particular, the industry experience, management expertise, professional knowledge and contributions of our key members of our senior management are crucial to our success. We are led by An Youcai (Chairman, General Manager), Li Runxiang (Chief Financial Officer), Zhang Yangyang (Board Secretary), Chen Ze (Deputy General Manager and Chief Scientist), Yelin Xiong (Deputy General Manager) and Wang Kai (Deputy General Manager). See "Directors, Supervisors and Senior Management" for details. We do not maintain key man insurance for members of our management team or key scientific employees. If we lose the services of any senior management or key scientific employees, we may not be able to locate suitable or qualified replacements, and may incur additional expenses to recruit and train new personnel, which could severely disrupt our business and prospects.

In addition, we also rely on our key scientific employees for, among other things, R&D, production, to develop new products, technologies and applications, to enhance our existing products, to ensure quality and safety control in production. Our ability to attract and retain key scientific employees is a critical aspect of our competitiveness. Competition for these individuals could require us to offer higher compensation and other benefits in order to attract and retain them, which would increase our operating expenses and, in turn, could materially and adversely affect our results of operations and financial condition. Failure to attract or retain any key scientific employees required to achieve our business objectives could severely disrupt our business and prospects. We compete for qualified personnel with other biotechnology companies and research institutions, and we may be unable to locate a suitable replacement for any key personnel that we lose.

We may be unable to detect, deter and prevent all instances of fraud or other misconduct committed by our employees, third-party suppliers and commercial partners.

We may be exposed to fraud or other misconduct committed by our employees or third parties that could subject us to financial losses and sanctions imposed by governmental authorities, which may adversely affect our reputation. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any instances of fraud or other misconduct involving employees and other third parties that had any material adverse impact on our

business and results of operations. However, we cannot assure you 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 misconduct committed against our interests, which may include past acts that have gone undetected or future acts, may have a material adverse effect on our business and results of operations.

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. In addition to the intellectual properties related litigations we may face as mentioned in "—We may become involved in lawsuits to protect or enforce our intellectual property, which could be expensive, time-consuming and unsuccessful" and "—If we are sued for infringing, misappropriating or otherwise violating intellectual property rights of third parties or engaging in unfair competition, such litigation could be costly and time-consuming and could prevent or delay us from developing or commercializing our vaccine candidates", we may also be involved in disputes or litigations relating to other issues, among others, breach of contract, environmental matters and labor disputes. Any claims, disputes or legal proceedings initiated by us or brought against us, with or without merit, may result in substantial costs and diversion of resources, and if we are unsuccessful, could materially harm our reputation. In addition, if any verdict or award is rendered against us, we could be required to pay significant monetary damages and assume other liabilities. Consequently, our business, financial condition and results of operations may be materially and adversely affected.

Furthermore, claims, disputes or legal proceedings against us may be due to actions taken by our counterparties, such as our suppliers and other service providers. Even if we are able to seek indemnity from them, they 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.

We have limited insurance coverage, which could expose us to significant costs and business disruption.

Insurance companies in China may not offer business insurance products that suit our needs. As a result, we may not be able to acquire insurance for all types of risks we face in our operations. We maintain insurance policies that are required under PRC laws and regulations as well as based on our assessment of our operational needs and industry practice. In line with industry practice in China, we maintain different types of insurance policies, such as product liability insurance policies, clinical trials liability insurance and key personnel insurance. See "Business—Insurance". The insurances we maintain are subject to payment limits and coverage exceptions. Consequently, any occurrence of an uninsured loss or losses in excess of our insurance coverage, litigation expenses in relation to potential product liability claims or business disruption, may result in substantial costs to us and the diversion of our resources, which could have a material adverse effect on our financial condition and results of operations.

Increases in labor costs could slow our growth and affect our financial condition.

Since some of our operations are labor-intensive and require the use of technical skills and know-how of our employees, our success depends in part on our ability to attract, retain and motivate a sufficient number of qualified employees. We have implemented a number of initiatives in an effort to attract, retain and motivate our qualified and competent staff. There is no assurance that these measures will be effective or that supply of skilled labor in local markets will be sufficient to fulfil our needs. Competition for competent and skilled labor is intensive in the industry. Our failure to hire and retain enough skilled employees could delay the anticipated preclinical studies or clinical trials timeframe or receipt of regulatory approvals to commercialize our vaccine candidates, or result in our expenses exceeding our initial budget. Any of the foregoing changes could have a material adverse effect on our business, profitability and prospects.

Further, substantially our entire workforce is employed in China. The average labor cost in China has been steadily increasing over the past years as a result of government-mandated wage increases and other changes in the PRC labor laws. Further changes in the labor laws, rules and regulations may be promulgated by the Chinese government in the future and our operations may be materially adversely affected if such laws, rules or regulations impose additional burden on the employers. The labor cost will continue to increase in the future which is in line with the economic growth in China. Competition for employees would require us to pay higher wages, which would result in higher labor costs.

Natural disasters, epidemics, acts of war or terrorism or other factors beyond our control may have a material adverse effect on our business operations, financial condition and results of operations.

Natural disasters, power shortages, epidemics, acts of war or terrorism or other factors beyond our control may adversely affect the economy, infrastructure and livelihood of the people in the regions we conduct our business. These regions may be under the threat of typhoon, tornado, snowstorm, earthquake, flood, drought, power shortages or failures, or are susceptible to epidemics, such as COVID-19, potential wars or terrorist attacks, riots, disturbances or strikes. Serious natural disasters may result in a tremendous loss of lives and injury and destruction of assets and disrupt our business and operations. Severe infectious disease outbreaks could result in a widespread health crisis that could materially and adversely affect business activities in the affected regions, which could therefore materially affect our operations. Acts of war or terrorism, riots or disturbances may also injure or loss of lives to our employees and disrupt our business network and operations. Any of these factors and other factors beyond our control could have an adverse effect on the overall business environment, and materially and adversely impact our business, financial condition and results of operations.

Our internal information technology systems, or those used by our service providers, may fail or suffer security breaches.

Despite the implementation of security measures, our information technology systems and those of our current or future service providers are vulnerable to damage from cyber-attacks, computer viruses, malicious codes, unauthorized access, employee theft or misuse, natural disasters, fire, power loss, terrorism, war, and telecommunication and electrical failures, among other things. If such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our research and development programs. For example, our data may not be backed up in a timely manner and the loss of clinical trial data from ongoing or future clinical trials for any of our vaccine candidates could result in delays in regulatory approval efforts and significantly increase costs to recover or reproduce the data. To the extent that any disruption or security breach may result in a loss of or damage to data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur liability, and the further development of our vaccine candidates could be delayed. In addition, a security breach may result in the loss of, damage to, or public disclosure of personally identifiable information, and such an event could have serious negative consequences, including disputes, regulatory action, investigation, litigation, fines, penalties and damages, and time-consuming and expensive litigation, any of which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Our reputation is important to our business success, and damage to our reputation may adversely affect our business.

We, our Shareholders, Directors, officers, employees, suppliers, partners or other third parties we cooperate with or rely on may be subject to negative media coverage and publicity from time to time. Such negative coverage in the media and publicity could threaten the perception of our reputation. In addition, to the extent our Shareholders, Directors, officers, employees, suppliers, partners or other third parties we work with or rely on were non-compliant with any laws or regulations, we may also suffer negative publicity or harm to our reputation. As a result, 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.

Negative publicity may impact the public confidence in vaccine products in general, lead to lower demand of vaccination, and result in more stringent regulations.

We may be subject to the implications of negative publicity regarding vaccine products or the vaccine industry in general. For example, in March 2016, media reported on improperly stored vaccines illegally sold by distributors in the Shandong province and all across China. The illegal distribution resulted in sales to CDCs of a large amount of vaccine products, including rabies vaccines, which might be ineffective or less effective due to improper storage in distributions. Although this scandal was a result of illegal distributions and had no indication of any quality issues of vaccine manufacturers, this caused panic and public concerns over the

safety of vaccines in general. Such incidents led to an overall downturn in the vaccine market in China and promoted the PRC government to introduce more stringent legislations and regulations for the vaccine industry. The State Council amended the Regulation on the Administration of Circulation and Vaccination of Vaccines and required direct sale of vaccines by vaccine manufacturers to county-level CDCs and tightened the requirements and standards of transportation and storage of vaccines.

In July 2018, the NMPA found that Changchun Changsheng, a company unrelated to us, had violated GMP standards, including falsifying production data of its human rabies vaccines. After further investigation, NMPA uncovered additional violations, and terminated Changchun Changsheng's relevant drug production license, among others. This incident caused great public concerns on the safety of vaccine products and integrity of vaccine makers in general. NMPA subsequently launched a nation-wide investigation on all vaccine manufacturers with respect to the whole production process, from procurement of raw materials to lot releases. This incident may also result in changes in market preferences and regulatory requirements.

Any such negative publicity may shake the public confidence in vaccine products or industry in general, including our products, and lead to lower demand for vaccines in China, which in turn could affect our business and performance adversely. Investigations or more stringent governmental regulations after such negative publicity, if any, may require time and attention of our management team that would otherwise be devoted to operation of our business, or may cause more compliance expenses. In the event that any negative publicity is regarding our own products or our own business, the adverse impact on our financial condition or results of operation will be more significant. The market price of our H Shares could also suffer dramatically as a result of such negativity.

Our risk management and internal control systems may not fully protect us against various risks inherent in our business.

We have established risk management and internal control systems consisting of the relevant organizational framework policies, risk management policies and risk control procedures to manage our risk exposures, primarily our operational risks, legal risks and financial risks. However, we may not be successful in implementing our risk management and internal control systems. While we seek to continue to enhance such systems from time to time with future expansion of our business, we cannot assure you that our risk management and internal control systems will always be adequate or effective.

Since our risk management and internal control systems depend on the implementation by our employees, we cannot assure you that all of our employees will adhere to such policies and procedures, and the implementation of such policies and procedures may involve human errors or mistakes. Moreover, our growth and expansion may affect our ability to implement stringent risk management and internal control policies and procedures as our business evolves. If we fail to timely adopt, implement and modify, as applicable, our risk management and internal control policies and procedures, our business, financial condition and results of operations could be materially and adversely affected.

RISKS RELATING TO OUR INTELLECTUAL PROPERTY RIGHTS

If we are unable to obtain and maintain adequate patent and other intellectual property protection for our vaccine candidates throughout the selected markets in the world, or if the scope of such intellectual property rights obtained is not sufficiently broad or a compulsory license is issued, third parties could develop and commercialize vaccine candidates and technologies similar or identical to ours and compete directly against us, and our ability to successfully develop and commercialize any of our vaccine candidates or technologies would be materially and adversely affected.

Our success depends, in part, on our ability to protect our proprietary technologies and know-how. We try to protect the technology that we consider important to our business by a combination of patent and trade secret protection, integration of network hardware and software encryption systems, as well as employee and third-party confidentiality agreements. As of the Latest Practicable Date, we had 187 patents in China, including 34 invention patents and 153 utility models. As of the same date, we had 12 patent applications in China and two patent applications overseas. See "Business—Intellectual Property."

The patent prosecution process is expensive, time-consuming and complex, and we may not be able to file, prosecute, maintain, defend, enforce or license all necessary or desirable patents and patent applications at a reasonable cost or in a timely manner in all desirable jurisdictions. As a result, we may not be able to prevent competitors or other third parties from developing and commercializing competitive vaccines in all such fields and jurisdictions. Our pending and future patent applications may not result in patents being issued which protect our technology or vaccine candidates or which effectively prevent others from commercializing competitive technologies and vaccine candidates.

The requirements for patentability differ in certain jurisdictions. For example, methods of treatment of diseases are not patentable subject matters in China. Many jurisdictions have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. For example, according to the Patent Law of the People's Republic of China (《中華人民共和國專利法》) (the "**PRC Patent Law**"), for public health purposes, the China National Intellectual Property Administration ("**CNIPA**") may grant a compulsory license for manufacturing patented drugs and exporting them to countries or regions covered under relevant international treaties to which PRC has acceded. In addition, many jurisdictions limit the enforceability of patents against government agencies or government contractors. In these jurisdictions, 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 patent or patent application relevant to our business, our competitive position may be materially impaired and our business, financial condition, results of operations and prospects may be adversely affected.

It is also possible that we will fail to identify patentable aspects of our research and development output in time to obtain patent protection. Although we enter into non-disclosure and confidentiality agreements or clauses with parties who have access to confidential or patentable aspects of our research and development output, such as our employees and CROs, any of these parties may breach such agreements or clauses and disclose such output before a patent application is filed, thereby jeopardizing our ability to obtain patent protection. In addition, 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, not 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. Furthermore, China and other jurisdictions adopted the "first-to-file" system, under which the first inventor to file a patent application will be awarded the patent if all other patentability requirements are met. Under the first-to-file system, third parties may be granted a patent relating to a technology which we invented.

In addition, under the PRC Patent Law, any organization or individual that applies for a patent in a foreign country for an invention or utility model accomplished in China is required to file in advance to CNIPA, for confidentiality examination. Otherwise, if an application is later filed in China, the patent right will not be granted.

The coverage claimed in a patent application can be significantly reduced before the patent is issued, and its scope can be reinterpreted after issuance. Even if patent applications we own currently or in the future are issued as patents, they may not be issued in a form that will provide us with any meaningful protection, prevent competitors or other third parties from competing with us, or otherwise provide us with any competitive advantage. Any patents that we hold, acquire or in-license may be challenged, narrowed, circumvented or invalidated by third parties. In addition, the patent position of pharmaceutical companies generally is highly uncertain, involves complex legal and factual questions, and has been the subject of much litigation in recent years. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights are highly uncertain. Consequently, we do not know whether any of our platform advances and vaccine candidates will be protectable or remain protected by valid and enforceable patents. Our competitors or other third parties may be able to circumvent our patents by developing similar or alternative technologies or products in a non-infringing manner.

Issued patents covering one or more of our products and vaccine candidates could be found invalid or unenforceable.

The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and our patent rights may be challenged in the courts or patent offices in China and other jurisdictions. We may be subject to claims that former employees or other third parties have an interest in our patents or other intellectual property or become involved in opposition, derivation, revocation, reexamination, post-grant and inter partes review, or interference proceedings challenging our patent rights or the patent rights of others. If we are

unsuccessful in any interference proceedings or other priority or validity disputes (including any patent oppositions) to which our intellectual properties are subject, we may lose valuable intellectual property rights through the loss of one or more patents 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 exclusive ownership. 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, including parties involved in any such interference proceedings or other priority or inventorship disputes. Such licenses may not be available on commercially reasonable terms or at all or may be non-exclusive. If we are unable to obtain and maintain such licenses, we may need to cease the development, manufacture and commercialization of one or more of our vaccine 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 vaccine products. Any of the foregoing could result in a material adverse effect on our business, financial condition, results of operations or prospects. Even if we are successful in an interference proceeding or other similar priority or inventorship disputes, it could result in substantial costs and be a distraction to our management and other employees.

Despite measures we take to obtain patent and other intellectual property protection with respect to our vaccine candidates, any of our intellectual property rights could be challenged or invalidated. For example, if we were to initiate legal proceedings against a third party to enforce a patent covering one of our vaccine candidates, the defendant could counterclaim that our patent is invalid and/or unenforceable. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, for example, lack of novelty, obviousness or non-enablement. Grounds for an unenforceability assertion could be an allegation that someone connected with prosecution of the patent withheld relevant information from CNIPA or made a misleading statement, during prosecution. If a defendant were to prevail on a legal assertion of invalidity and/or unenforceability, we would lose at least part, and perhaps all, of the patent protection on a vaccine candidate.

Even if a defendant does not prevail on a legal assertion of invalidity and/or unenforceability, our patent claims may be construed in a manner that would limit our ability to enforce such claims against the defendant and others. Any loss of patent protection could have a material adverse impact on one or more of our vaccine candidates and our business. On the other hand, if third parties file counterclaims against us, we may need to exert significant time and expenses to defend such counterclaims, and failure to successfully defend counterclaims could require us to pay substantial damages, cease the sale of certain vaccines or enter into a license agreement and pay royalties (which may not be possible on commercially reasonable terms or at all).

Even if we obtain patent protection for our vaccine 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 our ability to successfully commercialize any product or technology would be materially and adversely affected.

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. The patents and pending patent applications, if issued, for our vaccine candidates are expected to expire on various dates. See "Business—Intellectual Property" for the expiration dates of our issued patents for Core Products. Upon the expiration of our issued patents or patents that may issue from our pending patent applications, we will not be able to assert such patent rights against potential competitors and our business and results of operations may be adversely affected.

Given the amount of time required for the development, testing and regulatory review of new vaccine candidates, patents protecting such vaccine candidates might expire before or shortly after such vaccine 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, which could have a material adverse effect on our competitive position, business, financial condition, results of operations and prospects.

We may become involved in lawsuits to protect or enforce our intellectual property, which could be expensive, time-consuming and unsuccessful.

Competitors or other third parties may infringe our patent rights or misappropriate or otherwise violate our intellectual property rights. To counter infringement, misappropriation or any other unauthorized use, litigation may be necessary in the future to enforce or defend our intellectual property rights, to protect our trade secrets or to determine the validity and scope of our own intellectual property rights. Litigation and other proceedings in connection with any of the foregoing claims can be expensive and time-consuming and, even if resolved in our favor, may cause us to incur significant expenses and could distract management and our scientific and technical personnel from their normal responsibilities. We may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be commercially meaningful. Any claims that we assert against perceived infringers and other violators could also provoke these parties to assert counterclaims against us alleging that we infringe, misappropriate or otherwise violate their intellectual property rights. Many of our current and potential competitors have the ability to dedicate more resources to enforce and defend their intellectual property rights than we can. Accordingly, despite our efforts, we may not be able to prevent third parties from infringing, misappropriating or otherwise violating our intellectual property rights. An adverse result in any litigation proceeding could put our patent, as well as any patents that may issue in the future from our pending patent applications, at risk of being invalidated, held unenforceable or interpreted narrowly. 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. Therefore, even if we were to ultimately prevail, or to settle at an early stage, such litigation could burden us with substantial unanticipated costs.

Moreover, we may not be able to detect infringement against our patents. Even if we detect infringement by a third party of any of our patents, we may choose not to pursue litigation against or settlement with such third party. If we later sue such third party for patent infringement, the third party may have certain legal defenses available to it, such as the delay between when the infringement was first detected and when the suit was brought. Such legal defenses may make it impossible for us to enforce our patents against such third party.

If we are sued for infringing, misappropriating or otherwise violating intellectual property rights of third parties or engaging in unfair competition, such litigation could be costly and time-consuming and could prevent or delay us from developing or commercializing our vaccine candidates.

Our commercial success depends in part on our ability to avoid infringing, misappropriating, or otherwise violating intellectual property rights of third parties. However, our efforts to identify and avoid infringing on third parties' intellectual property rights may not always be successful. Defending ourselves against third parties' intellectual right infringement allegations, meritorious or not, would be expensive and time consuming, and would be a substantial diversion of our resources and our management team's attention. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, some of our confidential information could be compromised by disclosure during this type of litigation.

In the event that third parties assert infringement claims against us, there is no assurance that the outcome would be in our favor, as whether a vaccine candidate or technology infringes on third parties' intellectual property rights involves an analysis of complex legal and factual issues, the determination of which is often uncertain, and the burden of proof required to successfully challenge or invalidate a third-party intellectual property right may be high. If we were found by courts or other competent authorities to have infringed on the patent or other intellectual property rights of third parties, we may be subject to injunctive or other equitable relief, which could prevent us from developing and commercializing our vaccine candidates, or at least delay the development or commercialization process. Even if the litigations or other proceedings are resolved in our favor, our involvement in such proceedings may attract publicity, thereby having a substantial adverse effect on our reputation and brand name.

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

We currently own a number of registered trademarks, any of which may be the subject of a governmental or third-party objection, which could prevent the maintenance of the same. We cannot assure you 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 CNIPA 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 cancellation proceeding 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 adversely affect our business. Moreover, as our products mature in the future, upon regulatory approval, 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, our business could be materially adversely affected.

Our trademarks or trade names may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks. We may be unsuccessful 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 could have a material adverse effect on our competitive position, business, financial condition, results of operations and prospects.

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

In addition to our issued patents and pending patent applications, we rely on trade secrets and confidential information, including unpatented know-how, technology and other proprietary information, to maintain our competitive position and to protect our vaccine products and vaccine candidates. We seek to protect our trade secrets and confidential information, in part, by entering into non-disclosure and confidentiality agreements or clauses with parties that have access to trade secrets or confidential information, such as our employees, collaboration partners, outside scientific collaborators, sponsored researchers, contract manufacturers, 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 or clauses. Monitoring unauthorized uses and disclosures is difficult and we do not know whether the steps we have taken to protect our proprietary technologies will be effective. Any of the parties with whom we enter into confidentiality agreements or clauses may breach or violate the terms of any such agreements

or clauses and may disclose our proprietary information, and we may not be able to obtain adequate remedies for any such breach or violation. As a result, we could lose our trade secrets and third parties could use our trade secrets to compete with our vaccine products, vaccine candidates and technology.

Additionally, we cannot guarantee that we have entered into such agreements or clauses with each party that may have or has had access to our trade secrets or proprietary technology and processes. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret can be difficult, expensive and time-consuming, and the outcome is unpredictable. 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.

We may be subject to claims that our employees have wrongfully used or disclosed alleged trade secrets of their former employers, or claims asserting ownership of what we regard as our own intellectual property.

Some of our employees, including our senior management, may have been previously employed at other pharmaceutical companies, including our competitors or potential competitors. Some of these employees may have executed proprietary rights, non-disclosure and non-competition agreements in connection with such previous employment. Therefore, 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 current or former employer. Litigation may be necessary to defend against such claims. If we fail in defending any such claims, in addition to paying monetary 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. Such failure would thus harm our business and may prevent us from successfully commercializing our vaccine candidates. In addition, we may lose personnel as a result of such claims and any such litigation or the threat thereof may adversely affect our ability to hire or retain our personnel. A loss of key personnel or their work products could hamper or prevent our ability to commercialize our vaccine candidates, which would have a material adverse effect on our business, results of operations, financial condition and prospects. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to our employees and management.

In addition, while we typically require the personnel that may be involved in the conception or development of intellectual property to enter into agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who in fact develops intellectual property that we regard as our own. 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. Furthermore, individuals executing agreements with us may have pre-existing or competing

obligations to a third party, such as an academic institution, and their agreements to assign such intellectual property to us may be ineffective. If we fail in prosecuting or defending any such claims, in addition to paying monetary 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.

Patent protection depends on compliance with various procedural, regulatory and other requirements, and our patent protection could be reduced or eliminated due to non-compliance with those requirements.

Periodic maintenance fees, renewal fees, annual fees and various other governmental fees on patents and patent applications are due to be paid to the CNIPA and other patent agencies in several stages over the lifetime of a patent. The CNIPA and other similar governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application and maintenance 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 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 failure to respond to official actions within prescribed time limits, non-payment of fees and failure to properly legalize and submit formal documents. In any such event, our competitors might be able to enter the market, which would have a material adverse effect on our business.

Intellectual property and other laws and regulations are subject to development, which could diminish the value of our intellectual property and impair the intellectual property protection of our vaccine candidates.

Our success is heavily dependent on obtaining, maintaining, enforcing and defending intellectual property, particularly patents. Obtaining and enforcing patents in the pharmaceutical and biopharmaceutical industry involves technological and legal complexity and is costly, time-consuming and inherently uncertain. Changes in either the patent laws or their interpretation in different jurisdictions may increase the uncertainties and costs surrounding the prosecution of our patents, diminish our ability to protect our inventions, and, more generally, affect the value of our intellectual property or narrow the scope of our patent rights. These developments could have a material adverse effect on 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.

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

The degree of protection afforded by our intellectual property rights is essentially uncertain because intellectual property rights have limitations and may not adequately protect our business or permit us to maintain our competitive advantage. The limitations of currently available intellectual property protection regimes include that:

- others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing our intellectual property rights;
- we may not be the first to make the inventions covered by the issued patents or pending patent applications that we own or may own in the future;
- our pending patent applications may not lead to issued patents;
- issued patents that we own or have exclusively licensed may not provide us with any competitive advantages, or may be held invalid or unenforceable as a result of legal challenges;
- patents may be obtained long before regulatory approval for vaccines utilizing the technologies, limiting the patents' commercial lifespan and value;
- we may fail to apply for or obtain adequate intellectual property protection in all the jurisdictions in which we currently or plan to operate, and our competitors might conduct R&D activities in countries where we do not have patent rights and then use the information learned from such activities to develop competitive vaccines for commercialization in the jurisdictions where we currently or plan to operate; and
- the patents of others may prevent us from commercializing our vaccine candidates.

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

RISKS RELATING TO OUR FINANCIAL POSITION AND NEED FOR ADDITIONAL CAPITAL

We incurred net losses in 2023 and 2024 and the three months ended March 31, 2024 and 2025, and may continue to experience net losses in the foreseeable future.

We have incurred, and may continue to incur, significant research and development expenses, selling expenses, administrative expenses and other expenses related to our ongoing operations. For the years ended December 31, 2023 and 2024 and the three months ended March 31, 2024 and 2025, we had loss and total comprehensive expenses of RMB424.7 million, RMB258.7 million, RMB63.3 million and RMB87.3 million, respectively. See "Financial Information—Period to Period Comparison of Results of Operations" for a

discussion of our financial performance during the Track Record Period. Our ability to generate revenue will depend primarily on our ability to sell our approved vaccine product, quadrivalent subunit influenza vaccine, as well as the success of the regulatory approval, manufacturing and commercialization of the vaccine candidates, which is subject to significant uncertainty. Even if we obtain regulatory approval to market our vaccine candidates, our future revenue will depend upon other factors such as the market size for the proposed indications of our vaccine candidates, and our ability to achieve sufficient market acceptance.

We expect to continue to incur significant expenses and losses for the foreseeable future. We anticipate that our expenses will increase significantly if and as we:

- continue to advance the clinical trials and preclinical studies of our vaccine candidates;
- initiate preclinical, clinical or other studies for new vaccine candidates;
- construct new manufacturing facilities;
- seek regulatory approvals for our vaccine candidates to complete clinical development and commence commercialization;
- commercialize our vaccine candidates for which we have obtained marketing approvals;
- attract and retain skilled personnel, and grant equity-settled awards to our employees under our share incentive schemes;
- develop and expand our commercialization team to commercialize any vaccine candidates in our pipeline for which we may obtain regulatory approval;
- maintain, protect, expand and enforce our intellectual property portfolio;
- enforce and defend any intellectual property-related claims; and
- acquire or in-license other vaccine candidates, intellectual property assets and technologies.

The amount of our future net losses will depend, in part, on our future expenses resulted from costs and expenses incurred by our research and development programs and in relation to our operations, the cost of commercializing any approved vaccine candidates, our ability to generate revenues, and the timing and amount of milestone and other payments we make or receive with or through arrangements with third parties. If any of our vaccine 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 recorded net current liabilities during the Track Record Period, which can expose us to liquidity risk.

We had net current liabilities of RMB315.9 million, RMB413.1 million and RMB470.3 million as of December 31, 2023 and 2024 and March 31, 2025, respectively, which expose us to the risk of shortfalls in liquidity. We expect to continue to incur significant expenses relating to purchase of plant and equipment for the construction of the No. 2 and No. 3 Manufacturing Facilities. We plan to primarily use our cash from operations, cash and cash equivalents, bank borrowings and proceeds from the Global Offering to fund our near future operations. If any changes on these funding sources or increases in the funding requirements, we will need to obtain substantial additional financing in connection with our continuing operations through public or private equity offerings, debt financing or other sources. Our ability to raise funds will depend on the worldwide financial, economic and market conditions and other factors, many of which are beyond our control. If adequate funds are not available to us on a timely basis, we may be required to tighten up the budget for existing products or delay, limit, reduce or terminate R&D activities, production facilities constructions, commercialization for one or more of our vaccine candidates or sales and marketing activities related to our vaccine product, and in turn will adversely affect our business, financial condition and results of operations and prospects.

We had net operating cash outflows during the Track Record Period, and we may need to obtain additional financing to fund our operations.

We had net cash flows used in operating activities of RMB306.0 million, RMB199.5 million, RMB86.6 million and RMB21.8 million in the years ended December 31, 2023 and 2024 and the three months ended March 31, 2024 and 2025, respectively. See "Financial Information—Liquidity and Capital Resources—Cash Flows." We expect that we may continue to experience net cash outflows from our operating activities for the foreseeable future. If we are unable to maintain adequate working capital, we may default in our payment obligations and may not be able to meet our capital expenditure requirements, be unable to meet our capital expenditure requirements, be forced to scale back our operations, and/or experience other negative impacts on our operations, which may have a material adverse effect on our business, financial condition, results of operations and prospects.

Expirations or unavailability of existing government incentives could have an adverse effect on our profitability.

Our business benefits from certain government incentives, such as tax reduction and government grants. The Company enjoyed super-deduction of 100% on qualifying research and development expenditures throughout the Track Record Period. See note 12 in the

Accountants' Report set out in Appendix I. If we are no longer able to enjoy additional deductions on qualifying research and development expenditures, the effective income tax rate may be higher and thus adversely affect our financial condition and results of operations.

In addition, we received government grants from time to time during the Track Record Period. Government grants recorded as other income amounted to RMB10.9 million and RMB23.8 million, respectively, representing 20.9% and 9.2% of our revenue for the years ended December 31, 2023 and 2024. Our government grants recorded as other income were RMB14.1 million and RMB4.7 million, respectively, for the three months ended March 31, 2024 and 2025, exceeding the Group's revenue during the same periods.

In order to continue to qualify for the above reduced tax rate incentives, we also have to meet a number of financial and non-financial criteria, see "Regulatory Overview—Regulatory Provisions—Laws and Regulations Relating to Taxation—Enterprise Income Tax ("**EIT**")" for details. Moreover, the government could determine at any time to eliminate or reduce the scale of such preferential tax policy. Similarly, the availability and size of government grants depend, to a large extent, on political and policy developments that would be out of our control. Government grants and subsidies are inherently non-recurring in nature. Changes in policies could lead to a significant reduction in or a discontinuation of such government support we received, resulting in an adverse impact on our business, financial condition and results of operations.

We may need to obtain additional financing to fund our operations even if we consummate the Global Offering, and if we fail to obtain such financing, we may be unable to complete the development and commercialization of our vaccine candidates.

During the Track Record Period, we funded our operations primarily through equity financing, bank borrowings and cash generated from our operations. We may require additional cash resources to meet our continued operating cash requirements in the future, especially to fund our research and development activities. Our cash operating costs mainly consist of (i) costs related to research and development of our vaccine candidates and (ii) production and marketing costs related to our quadrivalent subunit influenza vaccine. We expect to continue to spend substantial amounts of cash on advancing the clinical development of our vaccine candidates and commercializing any vaccine candidates for which we receive regulatory approval. With the continuing expansion of our business and vaccine portfolio, we may require further funding from our existing shareholders, through public or private offerings, debt financing, collaborations and licensing arrangements or other sources. It is uncertain whether financing will be available in the amounts or on terms acceptable or commercially reasonable to us, if at all. We may experience difficulty in obtaining or renewing bank loans and other borrowings. If we were not able to obtain additional capital to meet our cash requirements in the future, our business, financial condition, results of operations and prospects could be materially and adversely affected.

An impairment in the carrying value of intangible assets could have a material adverse effect on our financial condition and results of operations.

We had intangible assets of RMB26.8 million, RMB25.7 million and RMB25.2 million as of December 31, 2023 and 2024 and March 31, 2025, respectively. See note 18 to the Accountants' Report in Appendix I to this prospectus for details of the intangible assets.

Although we did not recognize impairment losses in respect of intangible assets during the Track Record Period, such intangible assets are tested impairment annually based on the recoverable amount of the cash-generating unit to which the intangible asset is related. See note 19 to the Accountants' Report in Appendix I to this prospectus for details of the assessment methods for our intangible assets. We cannot assure you that there will not be any impairment in respect of the intangible assets in the future. If we determine our intangible assets to be impaired, it may adversely affect our financial condition and results of operations.

Our results of operations, financial condition and prospects may be adversely affected by fair value changes and credit risk associated with our financial assets at FVTPL.

Our financial assets at FVTPL include wealth management products managed by financial institutions in the PRC. As of December 31, 2023 and 2024 and March 31, 2025, we had financial assets at FVTPL of RMB10.0 million, nil and nil, respectively. The principal of the wealth management products was unguaranteed by the relevant financial institution. Changes in the fair value of the wealth investment products are reflected in our consolidated statements of profit or loss. The methodology that we use to assess the fair value of our wealth investment products involve a significant degree of management judgment and are inherently uncertain. Although the wealth management products had matured as of December 31, 2024, we cannot assure you that wealth management products we invest in the future will create fair value gains. If we incur such fair value losses, our results of operations and financial condition may be adversely affected.

Share-based compensation may cause shareholding dilution to our existing Shareholders and have an adverse effect on our financial performance.

We implemented share incentive plans during the Track Record Period. For the years ended December 31, 2023 and 2024 and the three months ended March 31, 2024 and 2025, we incurred share-based payments of RMB47.9 million, RMB41.7 million, RMB12.9 million and RMB2.9 million, respectively. See "Appendix VI—Statutory and General Information—D. Employee Incentive Schemes" to this prospectus for details of the share incentive plans. To further incentivize our employees and non-employees to contribute to us, we may grant additional share-based compensation in the future. Issuance of additional Shares with respect to such share-based payment may dilute the shareholding percentage of our existing Shareholders. Expenses incurred with respect to such share-based payment may also increase our operating expenses and therefore have a negative effect on our financial performance.

Fluctuations in exchange rates could result in foreign currency exchange losses.

The change in the value of currencies may fluctuate and is affected by, among other things, changes of the relevant political and economic conditions and foreign exchange policies. Most of our costs, our assets (including cash and cash equivalents) will be denominated in a different currency from Hong Kong dollars, the currency that denominates our proceeds from the Global Offering. Any significant change in the related exchange rates may adversely affect the value of our H Shares in Hong Kong dollars.

RISKS RELATING TO GOVERNMENT REGULATIONS

All material aspects of the research, development and commercialization of vaccine candidates are heavily regulated. Any failure to comply with existing or future regulations and industry standards or any adverse actions by regulatory approval authorities against us could negatively impact our reputation and our business, financial condition, results of operations and prospects.

The vaccine industry in China and overseas is highly regulated and subject to extensive government regulation and supervision. In particular, the regulatory framework addresses all aspects of operations in the vaccine industry, ranging from clinical trials, product registration, production, transportation and storage, quality control to permission for sales, or lot releases, and requires various licensing, certification and satisfaction of regulatory or industry standards in relation to these aspects of operations. See "Regulatory Overview" for details.

Given the number and complexity of these regulations, compliance may be difficult and may cost us significant financial and other resources in setting up efficient compliance and monitoring systems. Moreover, these regulations constantly evolve, and the criteria used in reviewing applications for or renewals of licensing and certification in the vaccine industry may change and be more restrictive, and the regulatory regime over the vaccine industry, or any particular aspect thereof, may change from time to time or become more restrictive. Any enhanced regulatory requirements related to our business may make us bear higher compliance costs and we may face more severe administrative penalties for failure of compliance.

As a result, if we fail to, or are perceived to fail to, comply with applicable regulatory requirements at any stage during the R&D, manufacturing, transportation and storage process, including following any product approval, we may lose access to the market that only allows sales of products meeting those standards or requirements and may also be subject to sanctions which could have a material and adverse effect on our business, financial condition and results of operations, such as:

- monetary penalties;
- product recalls or seizure;
- injunctions;

- total or partial suspension of production;
- refusal of regulatory agencies to review approval applications or supplements to approval applications;
- withdrawals, revocation or non-renewal of approvals, license or permits previously issued; and
- criminal prosecution.

We primarily conduct clinical trials for our vaccine candidates in China, comparable foreign regulatory authorities may not accept data from such trials.

We primarily conduct clinical trials for our vaccine candidates in China, and may in the future conduct clinical trials for our vaccine candidates in other jurisdictions. The acceptance of trial data from clinical trials conducted outside these jurisdictions by the local regulatory authorities may be subject to certain conditions. 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 foreign regulatory authority will accept data from trials conducted outside its jurisdiction. If foreign regulatory authority does not accept such data, it would result in the need for additional trials, which would be costly and time-consuming and delay aspects of our business plan, and which may result in our vaccine candidates not receiving approval or clearance for commercialization in the applicable jurisdiction.

We are subject to registration, review and other requirements of the PRC and the overseas regulatory authorities for cross-border sales or licensing of technology as well as operations related to genetics and data safety.

China oversees and regulates the import and export of technology and software products. Under the Regulations on Administration of Imports and Exports of Technologies (《技術進出口管理條例》) promulgated by the State Council, which were amended in November 2020, technology import and export is defined to include, among others, the transfer or licensing of patents and know-how, and the provision of services related to technology.

Depending on the nature of the relevant technology, the import and export of technology require either approvals by or registration with the relevant PRC governmental authorities. The Measures for the Administration of Registration of Technology Import and Export Contracts (《技術進出口合同登記管理辦法》), issued by the MOFCOM in February 2009, specify registration requirements related to the import and export of technology. We may in the future transfer or out-license our patents or technology to overseas partners, or acquire or in-license patents or technology from overseas partners, or enter into agreements with overseas CROs for their technical support to assist us with the development of individual vaccine candidates, which may be deemed to constitute the import or export of technology under the regulations. As a result, such transfers may be required to be registered with applicable governmental authorities. We may also be subject to regulatory supervision over genetics and data-related operations. To carry out clinical trials, as a foreign-invested enterprise, we may be required to

obtain approval from or complete relevant filing with the Office of Human Genetic Resources Management under the Ministry of Science and Technology who will conduct genetics and data safety review. There is no assurance that we will be able to obtain such approval in a timely manner, or at all. In addition, we may also be subject to similar requirements of overseas regulatory authorities.

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 China must seek governmental approval before any scientific data involving a state secret or individual privacy 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. If and to the extent our research and development of vaccine candidates will be subject to the Scientific Data Measures and any relevant laws as required by the relevant government authorities, we cannot assure you that we can obtain relevant approvals for sending scientific data (such as the results of our preclinical studies or clinical trials conducted within China) abroad. If we are unable to obtain necessary approvals in a timely manner, or at all, our research and development of vaccine candidates may be hindered, which may materially and adversely affect our business, results of operations, financial condition and prospects. If the relevant government authorities consider the transmission of our scientific data to be in violation of the requirements under the Scientific Data Measures, we may be subject to fines and other administrative penalties imposed by those government authorities.

We may be exposed to risks related to our management of the medical data of participants enrolled in our clinical trials.

Any change in applicable laws and regulations relating to privacy and data security could affect our ability to use medical data and subject us to liability for the use of such data for previously permitted purposes. Complying with all applicable laws, regulations, standards and obligations relating to privacy and data security may cause us to incur substantial operational costs or require us to modify our data processing practices and processes. In addition, our clinical trials also frequently involve CROs working with our staff and enrolled participants. We cannot ensure that such persons will always comply with the applicable laws and regulations or our data privacy measures. Any leakage or abuse of patient medical data by the CROs may be perceived by the patients as our fault, negligence or a result of our failure. Noncompliance could result in proceedings against us by data protection authorities, governmental entities or others, which would subject us to significant fines, penalties, judgments and negative publicity. Any failure or perceived failure by us to prevent information security breaches or to comply with privacy policies or privacy-related legal obligations, or any compromise of information security that results in the unauthorized release or transfer of personally identifiable information or other patient data, could have a material adverse effect on our business, financial condition and results of operations.

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

Our operations are subject to various applicable anti-kickback, false claims laws, physician payment transparency laws, fraud and abuse laws or similar healthcare and security laws and regulations in China and the United States. These laws may impact, among other things, our proposed sales and marketing programs. Violations of fraud and abuse laws may be punishable by criminal and/or civil sanctions, including penalties, fines and/or exclusion or suspension from governmental healthcare programs and debarment from contracting with governments.

In addition, we may be subject to similar healthcare laws in other jurisdictions in the future, some of which may be broader in scope or stricter than others, and if we fail to comply with any such requirements, we could be subject to penalties.

Efforts to ensure that our business arrangements with third parties comply with applicable healthcare laws and regulations will involve substantial costs. Governmental authorities could conclude that our business practices may not comply with statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and 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, reputational harm, 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 significant impact on our businesses and results of operations.

In addition, we are subject to anti-bribery laws that generally prohibit companies and their intermediaries from making payments to government officials for the purpose of obtaining or retaining business or securing any other improper advantage. Moreover, although currently our primary operating business is in China, we are subject to the Foreign Corrupt Practices Act, which generally prohibits us from making improper payments to non-U.S. officials for the purpose of obtaining or retaining business. Although we have policies and procedures designed to ensure that we, our employees and our agents comply with anti-bribery laws, there is no assurance that such policies or procedures will prevent our agents, employees and intermediaries from engaging in bribery activities. Failure to comply with anti-bribery laws could disrupt our business and lead to severe criminal and civil penalties, including imprisonment, criminal and civil fines, suspension of our ability to do business with the government, denial of government reimbursement for our products and/or exclusion from participation in government healthcare programs. Other remedial measures could include further changes or enhancements to our procedures, policies, and controls and potential

personnel changes and/or disciplinary actions, any of which could have a material adverse effect on our business, financial condition, results of operations and liquidity. We could also be adversely affected by any allegation that we violated such laws.

RISKS RELATING TO THE JURISDICTIONS IN WHICH OUR BUSINESS OPERATES

Changes in the political and economic policies in the jurisdictions that we operate may materially and adversely affect our business, financial condition, results of operations and prospects.

Substantially all of our operations are located in the PRC and all of our revenue is generated in the PRC. Accordingly, our business, financial condition and results of operations and prospects are affected by economic, political and legal developments in the PRC.

The PRC economy has experienced significant growth over the past decades since the implementation of the PRC's reform and opening-up policy. In recent years, the PRC government has implemented measures emphasizing the utilization of market forces in economic reform and the establishment of sound corporate governance practices in business enterprises. These economic reform measures may be adaptively adjusted from industry to industry or across different regions of the country. The overall economic growth is influenced by the governmental regulations and policies in relation to capital investments, monetary policies, regulations of financial services and institutions, preferential treatment to particular industries or companies and others. If the business environment in China changes, our business and its growth prospects may be affected.

We cannot predict future changes in the PRC's economic, political and social conditions and the effect that new government policies would have on our business and prospects.

Changes in the international trade policies may affect our business operations.

Governments around the world may make significant changes in their trade policies and/or take certain actions that may materially impact international trade, such as imposing several rounds of tariffs. Any unfavorable government policies on international trade, such as capital controls or tariffs, may affect the demand for our vaccine products, the competitive position of our vaccine products, the hiring of scientists and other research and development personnel, and import or export of raw materials in relation to drug development, or may prevent us from selling our vaccine products in certain countries. If any new tariffs, legislation and regulations are implemented, or if existing trade agreements are renegotiated, such changes could have an adverse effect on our business, financial condition and results of operations.

The evolving trade disputes may escalate going forward and may result in certain types of goods, such as advanced research and development equipment and materials and manufacturing equipment, becoming significantly more expensive to procure from overseas suppliers or even becoming 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 among the relevant countries or regions. Trade disputes, tensions and political concerns among the relevant countries or regions may therefore adversely affect our business, financial condition, results of operations, cash flows and prospects.

Payment of dividends is subject to restrictions under PRC law.

Under PRC law, dividends may be paid only out of distributable profit. Distributable profit is our profit as determined under PRC GAAP, less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. As a result, we may not have sufficient or any distributable profit that enables us to make dividend distributions to our Shareholders, including in periods in which we are profitable. Any distributable profit not distributed in a given year is retained and available for distribution in subsequent years.

In addition, we are required to comply with the dividend distribution rules prescribed by the PRC regulatory authorities when determining our dividend payout ratios. The CSRC may further amend the dividend distribution rules for listed companies in China in the future, which could significantly affect the amount of capital available to support the development and growth of our business.

We are subject to environmental protection, health and safety laws and regulations, and if we fail to comply with these 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 but not limited to the treatment and discharge of pollutants into the environment and the use of toxic and hazardous chemicals in the process of our business operations. Delays or failures in obtaining all the requisite regulatory approvals for our construction projects may affect our abilities to develop, manufacture and commercialize our vaccine candidates as we plan. As requirements imposed by such laws and regulations may change and more stringent laws or regulations may be adopted, we may not be able to comply with, or accurately predict any potential substantial cost of complying with, these laws and regulations. If we fail to comply with environmental protection, and health and safety laws and regulations, we may be subject to rectification orders, substantial fines, potentially significant monetary damages, or production suspensions in our business operations. As a result, any failure by us to control the use or discharge of hazardous substances could have a material and adverse impact on our business, financial condition, results of operations and prospects.

In addition, we cannot fully eliminate the risk of accidental contamination, biological or chemical hazards or personal injury at our facility during the process of discovery, testing, development and manufacturing of our vaccine candidates. In the event of such accident, we could be held liable for damages and clean-up costs which, to the extent not covered by existing insurance or indemnification, could harm our business. Other adverse effects could

result from such liability, including reputational damage. We may also be forced to close or suspend operations at certain of our affected facility temporarily, or permanently. As a result, any accidental contamination, biological or chemical hazards or personal injury could have a material and adverse impact on our business, financial condition, results of operations and prospects.

In addition, we may be required to incur substantial costs 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 of the foregoing could materially adversely affect our business, financial condition, results of operations and prospects.

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

Holders of H Shares, being non-PRC resident individuals or non-PRC resident enterprises, whose names appear on the register of members of H Shares of our Company, are subject to PRC income tax in accordance with the applicable tax laws and regulations, on dividends received from us and gains realized through the sale or transfer by other means of shares by such shareholders.

According to the Individual Income Tax Law of the PRC and the Implementation Regulations for the Individual Income Tax Law of the PRC, both came into effect on January 1, 2019, the tax applicable to non-PRC resident individuals is proportionate at a rate of 20% for any dividends obtained from within China or gains on transfer of shares and shall be withheld and paid by the withholding agent. Pursuant to the Arrangement between the Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (the "**Arrangements**") executed on August 21, 2006, the PRC Government may levy taxes on the dividends paid by PRC companies to Hong Kong residents in accordance with the PRC laws, but the levied tax (in the case the beneficial owner of the dividends are not companies directly holding at least 25% of the equity interest in the company paying the dividends) shall not exceed 10% of the total dividends.

According to the Enterprise Income Tax Law of the PRC, which was newly revised and implemented on December 29, 2018, and the Implementation Regulations for the Enterprise Income Tax Law of the PRC, which was newly revised and implemented on April 23, 2019, if a non-resident enterprise has no presence or establishment within China, or if it has established a presence or establishment but the income obtained has no actual connection with such presence or establishment, it shall pay an enterprise income tax on its income derived from within China with a reduced rate of 10%. Pursuant to the Arrangements, dividends paid by PRC resident enterprises to Hong Kong residents can be taxed either in Hong Kong or in accordance with the PRC laws. However, if the beneficial owner of the dividends is a Hong Kong resident,

the tax charged shall not exceed: (i) 5% of the total amount of dividends if the Hong Kong resident is a company that directly owns at least 25% of the capital of the PRC resident enterprise paying dividends; (ii) otherwise, 10% of the total amount of dividends.

The interpretation and enforcement of applicable tax laws and regulations in the PRC by the PRC tax authorities, including whether and how income tax will be levied on non-PRC resident shareholders, will be determined according to the laws and regulations then in effect. Non-PRC resident holders of our H Shares should be aware that they may be obligated to pay PRC income tax on the dividends and gains realized through sales or transfers by other means of the H Shares.

We may be affected by currency exchange regimes.

Our revenue and expenses are substantially denominated in Renminbi, and the net proceeds from the Global Offering and dividends we pay on our H Shares, if any, will be in Hong Kong dollars. Under China's existing foreign exchange regulations, following the completion of the Global Offering, we will be able to make current account foreign exchange transactions, including paying dividends in foreign currencies without prior approval from SAFE, by complying with certain procedural requirements.

However, the foreign exchange policies regarding payment of dividends in foreign currencies may change from time to time in the future. In addition, any insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to shareholders, our ability to obtain foreign exchange through offshore financing and other foreign exchange related matters may also be affected.

There exist uncertainties in effecting service of legal process, enforcing foreign judgments or bringing original actions in China against us or our management based on Hong Kong or other foreign laws.

Both our company and our subsidiary are incorporated under the laws of China, and substantially all of our assets are located in China. A majority of our Directors, Supervisors and senior management personnel also reside in China, and substantially all of their assets are located in China. As a result, it may not be possible for investors to effect service of process upon us or our Directors, Supervisors and senior management personnel in China.

On July 14, 2006, the Supreme People's Court of PRC and the government of Hong Kong Special Administrative Region entered into the 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 Pursuant to Choice of Court Agreements between Parties Concerned (《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 PRC court or any designated Hong Kong court has made an enforceable final judgment requiring payment of money in a civil or commercial case under a choice of court agreement in writing, any party concerned may apply to the relevant PRC court or Hong

Kong court for recognition and enforcement of the judgment. A choice of court agreement in writing is defined as any agreement in writing entered into between parties after the effective date of the 2006 Arrangement in which a Hong Kong court or a PRC court is expressly designated as the court having sole jurisdiction for the dispute. Therefore, it is not possible to enforce a judgment rendered by a Hong Kong court in PRC if the parties in dispute have not agreed to enter into a choice of court agreement in writing. Although the 2006 Arrangement became effective on August 1, 2008, the outcome and effectiveness of any action brought under the 2006 Arrangement remain uncertain.

On January 18, 2019, the Supreme People's Court of PRC and the government of Hong Kong Special Administrative Region entered into the 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 "**New Arrangement**"), which seeks to establish a mechanism with further clarification on and certainty for recognition and enforcement of judgments in a wider range of civil and commercial matters between Hong Kong Special Administrative Region and PRC. The New Arrangement discontinued the requirements for a choice of court agreement for bilateral recognition and enforcement. The New Arrangement will only take effect after the promulgation of a judicial interpretation by the Supreme People's Court of PRC and the completion of the relevant legislative procedures in Hong Kong Special Administrative Region. The New Arrangement will, upon its effectiveness, supersede the Arrangement. Therefore, before the New Arrangement becomes effective, there exist uncertainties in enforcing a judgment rendered by a Hong Kong court in PRC if the parties in the dispute do not agree to enter into a choice of court agreement in writing.

Furthermore, China has not entered into treaties or arrangements providing for the reciprocal recognition and enforcement of judgments awarded by courts of the U.S., the United Kingdom, or most other western countries, and Hong Kong has no arrangement for the reciprocal enforcement of judgments with the U.S. As a result, recognition and enforcement in PRC or Hong Kong of judgment of a court in the U.S. or any other jurisdictions mentioned above in relation to any matter that is not subject to a binding arbitration provision may be difficult or impossible.

RISKS RELATING TO THE GLOBAL OFFERING

There has been no prior public market for our H Shares and there can be no assurance that an active market would develop, and the price and trading volume of our H Shares may be volatile.

No public market currently exists for our H Shares. The Offer Price may differ significantly from the market price of the H Shares following the Global Offering. We have applied to the Stock Exchange for the listing of, and permission to deal in, the H Shares. A listing on the Stock Exchange, however, does not guarantee that an active and liquid trading

market for our H Shares will develop, especially during the period when a certain portion of our H Shares may be subject to lock-up, or if it does develop, that it will be sustained following the Global Offering, or that the market price or trading volume of the H Shares will not decline following the Global Offering.

In addition, the trading price and trading volume of the H Shares may be subject to significant volatility in responses 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 H 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 product candidates, the results of our applications for approval of our product candidates, regulatory developments affecting the vaccine market, 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 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.

You will incur immediate and substantial dilution and may experience further dilution in the future.

The Offer Price of our H Shares is higher than the net tangible asset value per H Share immediately prior to the Global Offering. Therefore, purchasers of our H Shares in the Global Offering will experience an immediate dilution in pro forma net tangible asset value.

In order to expand our business, we may consider offering and issuing additional Shares in the future. Purchasers of our H Shares may experience dilution in the net tangible asset value per share of their H Shares if we issue additional Shares in the future at a price which is lower than the net tangible asset value per H Share at that time.

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.

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 H 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.

We cannot assure you that we will make any dividend payments in the future.

No dividend has been proposed, paid or declared by our Company since its incorporation. We do not have any plan to declare or pay any dividends in the foreseeable future. Any future determination to pay dividends will be made at the shareholders' meeting and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors may deem relevant. In addition, regulations in the PRC currently permit payment of dividends of us only out of our accumulated distributable after-tax profits less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make, as determined in accordance with our Articles of Association and the accounting standards and regulations in China. As a result, we cannot assure you that we will make any dividend payments on our H Shares in the future. See "Financial Information—Dividend Policy." Therefore, you should not rely on an investment in our H Shares as a source for any future dividend income.

Facts, forecasts and statistics in this prospectus relating to vaccine market may not be fully reliable.

Facts, forecasts and statistics in this prospectus relating to the vaccine industry in and outside China are obtained from various sources, including information provided or published by government agencies, third-party reports and other publicly available sources. We believe that the information originated from appropriate sources and was extracted and reproduced after taking reasonable care. 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. However, the collection methods of such information may be flawed or ineffective, or there may be discrepancies between published information and market practice, which may result in the statistics being inaccurate or not comparable to statistics produced for other economies.

The information from official government sources has not been independently verified by us, the Joint Sponsors, the Overall Coordinators, 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. In addition, we cannot assure you that such information is stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In any event, you should consider carefully the importance placed on such information or statistics.

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

This prospectus contains certain future plans and forward-looking statements about us that are made based on the information currently available to our management. The forward-looking information contained in this prospectus is subject to certain risk and uncertainties. Whether we implement those plans, or whether we can achieve the objectives described in this prospectus, will depend on various factors including the market conditions, our business prospects, actions by our competitors and the global financial situations.

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 do not have sufficient control over the press and media coverage, and analysts might issue negative views or recommendations on us, which could have an adverse effect on the market price of H Shares.

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.

You should rely solely upon the information contained in this prospectus, the Global Offering and any formal announcements made by us in making your investment decision regarding our H Shares. We do not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding our H Shares, the Global Offering or us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such data or publication. Accordingly, prospective investors should not rely on any such information, reports or publications in making their decisions as to whether to invest in the Global Offering. By applying to purchase our H Shares in the Global Offering, you will be deemed to have agreed that you will not rely on any information other than that contained in this prospectus and the Global Offering.

In preparation for the Listing, our Group has sought the following waivers from strict compliance with the relevant provisions of the Listing Rules and exemption from strict compliance with the relevant provisions of the Companies (Winding Up and Miscellaneous Provisions) Ordinance:

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rules 8.12 and 19A.15 of the Listing Rules, an issuer must have sufficient management presence in Hong Kong and, in normal circumstances, at least two of the issuer's executive directors must be ordinarily resident in Hong Kong.

Currently, all of our executive Directors reside in the PRC and for the foreseeable future will not be ordinarily resident in Hong Kong. Our Group's business operations, management headquarters, senior management and assets are primarily conducted and located in the PRC, and it would be practically difficult and commercially unnecessary for us to relocate two of our executive Directors to Hong Kong, or to appoint additional executive Directors solely for the purpose of satisfying Rules 8.12 and 19A.15 of the Listing Rules, primarily on the basis that, as our headquarters, business operations, senior management and assets are located in the PRC, our management is best able to attend to its function by being based in the PRC.

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

(a) pursuant to Rule 3.05 of the Listing Rules, we have appointed two authorized representatives (the "**Authorized Representatives**"), Mr. An, our executive Director, chairman of our Board and general manager, and Ms. Li Runxiang (李潤香), our executive Director and chief financial officer, who will act as our Company's principal channel of communication with the Stock Exchange. Each of our Authorized Representatives will be available to meet with the Stock Exchange in Hong Kong within a reasonable time frame upon the request of the Stock Exchange and will be readily contactable by telephone, facsimile and/or email (where available). Each of our Authorized Representatives is authorized to communicate on our behalf with the Stock Exchange;

(b) both of our Authorized Representatives have means to contact all our Directors (including our independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact our Directors for any matters. Our Directors who are not ordinarily resident in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and will be able to meet with the Stock Exchange within a reasonable period of time, when required. Each of our Directors has provided his/her respective mobile phone numbers, office phone numbers, fax numbers and/or email addresses (where available) to our Authorized

Representatives. In the event that a Director expects to travel, he/she will endeavor to provide the phone number of the place of his/her accommodation to our Authorized Representatives or maintain an open line of communication via his/her mobile phone. Each of our Directors and Authorized Representatives has provided his/her mobile phone numbers, office phone numbers, fax numbers and/or email addresses (where available) to the Stock Exchange;

(c) pursuant to Rule 3A.19 of the Listing Rules, we have appointed Octal Capital Limited as our Compliance Advisor, which shall have access at all times to our Authorized Representatives, Directors, Supervisors, senior management and other officers of our Company, and will act as an additional channel of communication between the Stock Exchange and us; and

(d) meetings between the Stock Exchange and our Directors could be arranged through our Authorized Representatives or the Compliance Advisor, or directly with our Directors within a reasonable time frame. We will promptly inform the Stock Exchange of any changes of our Authorized Representatives and/or the Compliance Advisor.

JOINT COMPANY SECRETARIES

According to Rules 3.28 and 8.17 of the Listing Rules and Chapter 3.10 of the Guide, the secretary of an issuer must be a person who has the requisite knowledge and experience to discharge the functions of the company secretary and is either (i) a member of the Hong Kong Chartered Governance Institute, a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong) or a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong); or (ii) an individual who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of a company secretary.

According to Chapter 3.10 of the Guide, a waiver under Rule 3.28 of the Listing Rules will be granted for a fixed period of time, but in any case will not exceed three years from the Listing Date (the "**Waiver Period**") and on the conditions that (i) the company secretary in question must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 and is appointed as a joint company secretary throughout the Waiver Period; and (ii) the waiver can be revoked if there are material breaches of the Listing Rules by our Company.

We have appointed Ms. Zhang Yangyang (張陽陽) ("**Ms. Zhang**") and Ms. Lin Sio Ngo (練少娥) ("**Ms. Lin**") as our joint company secretaries. Ms. Zhang joined our Group as our board secretary in June 2021, where she has been primarily responsible for the business development, corporate governance, company secretarial matters, and financing and capital market matters of our Group. Our Directors are of the view that, having regard to Ms. Zhang's thorough understanding of the overall business operations and corporate governance matters of our Group, she is considered as a suitable person to act as a company secretary of our Company. In addition, as our headquarters and principal business operations are substantially based and conducted in the PRC, our Directors believe that it is necessary to appoint Ms. Zhang as a company secretary whose presence in the headquarters of our Group enables her to attend to the day-to-day corporate secretarial matters of our Group and to take the necessary actions in an effective and efficient manner.

However, given that Ms. Zhang does not possess a qualification stipulated in Note 1 to Rule 3.28 of the Listing Rules nor the "relevant experience" set out in Note 2 to Rule 3.28 of the Listing Rules, she is not able to solely fulfill the requirements as a company secretary of a listed issuer stipulated under Rules 3.28 and 8.17 of the Listing Rules. In order to provide support to Ms. Zhang, we have appointed Ms. Lin, an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute, who is qualified under Rule 3.28 of the Listing Rules, to act as the other joint company secretary to closely work with and provide support to Ms. Zhang during the Waiver Period so as to enable Ms. Zhang to acquire the relevant experience (as required under Note 2 to Rule 3.28 of the Listing Rules) to duly discharge her duties as a company secretary of a listed issuer.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules in relation to the appointment of Ms. Zhang as our joint company secretary on the condition that Ms. Zhang will be assisted by Ms. Lin as our joint company secretary throughout the Waiver Period. Being a manager of SWCS Corporate Services Group (Hong Kong) Limited and by virtue of her experience in corporate secretarial practice and administration management, Ms. Lin is, in our Directors' opinion, a qualified and suitable person to render assistance to Ms. Zhang so as to enable her to acquire the relevant experience (as required under Note 2 to Rule 3.28 of the Listing Rules) to duly discharge her duties. In addition, Ms. Zhang will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance her knowledge of the Listing Rules during the Waiver Period. Our Company will further ensure that Ms. Zhang has access to the relevant training and support that would enhance her understanding of the Listing Rules and the duties of a company secretary of an issuer listed on the Stock Exchange.

Such waiver will be revoked immediately if and when Ms. Lin ceases to provide such assistance or our Company commits any material breaches of the Listing Rules during the Waiver Period. Before the expiry of such three-year period, we will liaise with the Stock Exchange to enable it to assess the then experience of Ms. Zhang, having had the benefit of Ms. Lin's assistance for three years, will have acquired the relevant experience within the meaning of Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

See "Directors, Supervisors and Senior Management" in this prospectus for the biographical information of Ms. Zhang and Ms. Lin.

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

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

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

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

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

According to Rule 4.04(1) of the Listing Rules, the Accountants' Report contained in this prospectus must include, among others, the results of our Company in respect of each of the three financial years immediately preceding the issue of this prospectus or such shorter period as may be acceptable to the Stock Exchange.

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

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

(a) our Company is primarily engaged in the research, development, manufacturing and commercialization of vaccines, and falls within the scope of biotech company as defined under Chapter 18A of the Listing Rules;

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

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

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

(e) our Directors are of the view that the Accountants' Report covering the two years ended December 31, 2023 and 2024 and the three months ended March 31, 2025, together with other disclosures in this prospectus, has already provided the potential investors with adequate and reasonably up-to-date information in the circumstances to form a view on the track record of our Company, and our Directors confirm that all information which is necessary for the investing public to make an informed assessment of our Group's business, assets and liabilities, financial position, trading position, management and prospects has been included in this prospectus. Therefore, the exemption would not prejudice the interest of the investing public.

The SFC has granted 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 to the Companies (Winding Up and Miscellaneous Provisions) Ordinance on the condition that particulars of the exemption are set out in this prospectus and that this prospectus will be issued on or before July 31, 2025.

DIRECTORS' RESPONSIBILITY STATEMENTS

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 (Cap 571V of the Laws of Hong Kong) and the Listing Rules for the purpose of giving information to the public with regard to the Group. 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 matters the omission of which would make any statement in this prospectus misleading.

CSRC FILING

We submitted a filing to the CSRC for application of listing of the H Shares on the Stock Exchange and the Global Offering on January 24, 2025. The CSRC confirmed our completion of filing on June 25, 2025.

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 set 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 in this prospectus. 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 our Company, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors, officers, employees, partners, agents, employees or advisors or any other party (collectively, the "**Relevant Persons**") involved in the Global Offering.

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 under the terms and conditions of the Hong Kong Underwriting Agreement and is subject to our Company and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) agreeing on the Offer Price. The International Offering is expected to be fully underwritten by the International Underwriters subject to the terms and conditions of the International Underwriting Agreement, which is expected to be entered into on or around the Price Determination Date.

The Offer Price is expected to be determined between the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company on the Price Determination Date. The Price Determination Date is expected to be on or around Wednesday, August 6, 2025 and, in any event not later than 12:00 noon on Wednesday, August 6, 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), the Global Offering will not proceed and will lapse. For full information about the Underwriters and the underwriting arrangements, see the section headed "Underwriting" in this prospectus.

Neither the delivery of this prospectus nor any subscription or acquisition made under it shall, 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 of any date subsequent to the date of this prospectus.

PROCEDURES FOR APPLICATION FOR THE HONG KONG OFFER SHARES

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

STRUCTURE AND CONDITIONS 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.

RESTRICTIONS ON OFFER AND SALE OF THE OFFER SHARES

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

No action has been taken to permit a public offering of the Offer Shares or the general distribution of this prospectus in any jurisdiction other than in Hong Kong. Accordingly, and without limitation to the following, this prospectus may not be used for the purposes 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 and 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 H SHARES ON THE STOCK EXCHANGE

We have applied to the Listing Committee of the 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 and the H Shares to be converted from the Unlisted Shares.

No part of our Shares or loan capital is listed or dealt in on any other stock exchange and no such listing or permission to list is being or proposed to be sought on any other stock exchange as of the date of this prospectus. All the Offer Shares will be registered on the H Share register of members of the Company in Hong Kong in order to enable them to be traded on the Stock Exchange.

Under section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any allotment made in respect of any application will be invalid if the listing of, and permission to deal in, the H Shares on the 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 or on behalf of the 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 Friday, August 8, 2025, it is expected that dealings in the H Shares on the Stock Exchange are expected to commence at 9:00 a.m. on Friday, August 8, 2025. The H Shares will be traded in board lots of 200 H Shares each. The stock code of the H Shares will be 2627.

H SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the H Shares on the Stock Exchange 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 Listing Date 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. Investors should seek the advice of their stockbroker or other professional advisors for details of the settlement arrangement as such arrangements may affect their rights and interests.

All necessary arrangements have been made to enable the H Shares to be admitted into CCASS.

PROFESSIONAL TAX ADVICE RECOMMENDED

You should consult your professional advisors if you are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of, or dealing in, the H Shares or exercising any rights attaching to the H Shares. We emphasize that none of us, the Relevant Persons, any of our or their respective directors, officers or representatives or any other person involved in the Global Offering accepts responsibility for any tax effects or liabilities resulting from your subscription, purchase, holding or disposing of, or dealing in, the H Shares or your exercise of any rights attaching to the H Shares.

H SHARE REGISTER OF MEMBERS AND STAMP DUTY

All of the H Shares issued pursuant to applications made in the Global Offering will be registered on our H Share register of members to be maintained in Hong Kong by our H Share Registrar, Tricor Investor Services Limited. Our principal register of members will be maintained by us at our head office in the PRC.

Dealings in the H Shares registered in our H Share register of members will be subject to Hong Kong stamp duty. See "Statutory and General Information—E. Other Information—6. Taxation of Holders of H Share" in Appendix VI to this Prospectus. Investors should seek professional tax advice for further details of Hong Kong stamp duty.

Unless determined otherwise by our Company, dividends payable in respect of our H Shares will be paid to the Shareholders listed on the H Share register of members of our Company in Hong Kong, by ordinary post, at the Shareholders' risk, to the registered address of each Shareholder of our Company.

EXCHANGE RATE CONVERSION

Solely for your convenience, this prospectus contains translations among certain amounts denominated in Renminbi, Hong Kong dollars and U.S. dollars. No representation is made that the amounts denominated in one currency could actually be converted into the amounts denominated in another currency at the rates indicated or at all. Unless indicated otherwise, (i) the translations between Renminbi and U.S. dollars were made at the rate of RMB7.1522 to US$1.00, (ii) the translations between U.S. dollars and Hong Kong dollars were made at the rate of HK$7.8488 to US$1.00, and (iii) the translations between Renminbi and Hong Kong dollars were made at the rate of RMB0.91125 to HK$1.00. Any discrepancies in any table between totals and sums of amounts listed therein are due to rounding.

LANGUAGE

If there is any inconsistency between the English version of this prospectus and the Chinese translation of this prospectus, the English version of this prospectus shall prevail unless otherwise stated. However, the English translation of the names of the PRC entities, enterprises, nationals, facilities and regulations in Chinese included in this prospectus is for identification purposes only. To the extent there is any inconsistency between the Chinese names of the PRC entities, enterprises, nationals, facilities and regulations and their English translations, the Chinese names shall prevail. In addition, if there is any inconsistency between the names of any of the entities mentioned in the English version of this prospectus which are not in the English language and their English translations, the names in their respective original language shall prevail.

ROUNDING

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables or charts may not be an arithmetic aggregation of the figures preceding them and figures rounded to the nearest thousand, million or billion may not be identical to figures that have been rounded differently to them.

Name	Address	Nationality
Executive Directors		
Mr. An Youcai (安有才)	Room 3204, Block 32 Huarun International Garden Hailing District Taizhou, Jiangsu PRC	Chinese
Ms. Li Runxiang (李潤香)	Room 1102 No. 19, 1811 Nong, Zhangyang Road Pudong New District Shanghai PRC	Chinese
Mr. He Yiming (何一鳴)	Room 1202, Block 1 Tianluhu Garden Medical High-tech Zone Taizhou, Jiangsu PRC	Chinese
Non-executive Directors		
Mr. Cheng Qianwen (程千文)	No. 90, 7171 Nong, Shenjiang Road Zhangjiang Town Pudong New District Shanghai PRC	Chinese
Mr. Yu Jianlin (于建林)	12A Block 16, Century Village No. 118, Shahe East Road Nanshan District Shenzhen, Guangdong PRC	Chinese
Mr. Du Mu (杜沐)	Room 401 No. 18, 270 Nong, Jin'an East Road Pudong New District Shanghai PRC	Chinese

Name	Address	Nationality
Independent non-executive Directors		
Mr. Li Xiangming (李向明)	Room 1606 10th Building, Anyuan Beili Chaoyang District Beijing PRC	Chinese
Ms. Li Xiaoqing (李曉青)	Flat 9E Victoria Mansion 6-14A Gordon Road Causeway Bay Hong Kong	Chinese
Mr. Chen Chengbei (陳乘貝)	701 Yinghua Ge, Fanghua Garden Zhongxin Street, Shahe Road Nanshan District Shenzhen, Guangdong PRC	Chinese

SUPERVISORS

Name	Address	Nationality
Mr. Feng Hao (封浩)	Room 101, Block 17 Longjin Huating Kouan Road Gaogang District Taizhou, Jiangsu PRC	Chinese
Mr. Wang Shuguang (王曙光)	Room 605, Block 2 Guanghui Garden No. 1-2, 271 Nong, Dongan Road Xuhui District Shanghai PRC	Chinese
Mr. Wang Wei (王威)	No. 195-106 Gutian New Village Jiangyan District Taizhou, Jiangsu PRC	Chinese

For further information regarding our Directors and Supervisors, see "Directors, Supervisors and Senior Management" in this prospectus.

PARTIES INVOLVED IN THE GLOBAL OFFERING

Joint Sponsors	**CITIC Securities (Hong Kong) Limited** 18/F, One Pacific Place 88 Queensway Hong Kong **CMB International Capital Limited** 45/F, Champion Tower 3 Garden Road Central Hong Kong
Overall Coordinators	**CLSA Limited** 18/F, One Pacific Place 88 Queensway Hong Kong **CMB International Capital Limited** 45/F, Champion Tower 3 Garden Road Central Hong Kong
Joint Global Coordinators	**CLSA Limited** 18/F, One Pacific Place 88 Queensway Hong Kong **CMB International Capital Limited** 45/F, Champion Tower 3 Garden Road Central Hong Kong

Joint Bookrunners

CLSA Limited
18/F, One Pacific Place
88 Queensway
Hong Kong

CMB International Capital Limited
45/F, Champion Tower
3 Garden Road
Central
Hong Kong

Livermore Holdings Limited
Unit 1214A
12/F, Tower II Cheung Sha Wan Plaza
833 Cheung Sha Wan Road
Kowloon
Hong Kong

Funde Securities Limited
Unit 2203, 22/F, Tower 1
Admiralty Centre, 18 Harcourt Road
Admiralty
Hong Kong

Aristo Securities Limited
Room B, 11/F, Golden Star Building
22 Lockhart Road
Wan Chai
Hong Kong

BOCI Asia Limited
26/F, Bank of China Tower
1 Garden Road
Central
Hong Kong

ICBC International Securities Limited
37/F, ICBC Tower
3 Garden Road
Hong Kong

Joint Lead Managers

CLSA Limited
18/F, One Pacific Place
88 Queensway
Hong Kong

CMB International Capital Limited
45/F, Champion Tower
3 Garden Road
Central
Hong Kong

Livermore Holdings Limited
Unit 1214A
12/F, Tower II Cheung Sha Wan Plaza
833 Cheung Sha Wan Road
Kowloon
Hong Kong

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Unit 2203, 22/F, Tower 1
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Hong Kong

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Wan Chai
Hong Kong

BOCI Asia Limited
26/F, Bank of China Tower
1 Garden Road
Central
Hong Kong

ICBC International Securities Limited
37/F, ICBC Tower
3 Garden Road
Hong Kong

Capital Market Intermediaries

CLSA Limited
18/F, One Pacific Place
88 Queensway
Hong Kong

CMB International Capital Limited
45/F, Champion Tower
3 Garden Road
Central
Hong Kong

Livermore Holdings Limited
Unit 1214A
12/F, Tower II Cheung Sha Wan Plaza
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Hong Kong

BOCI Asia Limited
26/F, Bank of China Tower
1 Garden Road
Central
Hong Kong

ICBC International Securities Limited
37/F, ICBC Tower
3 Garden Road
Hong Kong

Legal advisors to our Company	*As to Hong Kong and U.S. laws:* **Linklaters** 11/F, Alexandra House Chater Road Central Hong Kong *As to PRC laws:* **Grandway Law Offices** 7-8/F News Plaza No. 26, Jianguomennei Avenue Dongcheng District Beijing PRC *As to PRC intellectual property laws:* **Jia Yuan Law Offices** 32F Building S1, Bund Finance Center No. 600, Zhongshan No. 2 Road (E) Huangpu District Shanghai, PRC
Legal advisors to the Joint Sponsors and the Underwriters	*As to Hong Kong and U.S. laws:* **Clifford Chance** 27th Floor, Jardine House 1 Connaught Place Hong Kong *As to PRC laws:* **Commerce & Finance Law Offices** 12-15th Floor, China World Office 2 No. 1 Jianguomenwai Avenue Beijing PRC
Auditors and reporting accountants	**Deloitte Touche Tohmatsu** *Certified Public Accountants* *Registered Public Interest Entity Auditor* 35/F, One Pacific Place 88 Queensway Hong Kong

Industry consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** Room 2504, Wheelock Square No. 1717, West Nanjing Road Jingan District Shanghai PRC
Receiving bank	**Bank of China (Hong Kong) Limited** 1 Garden Road Hong Kong

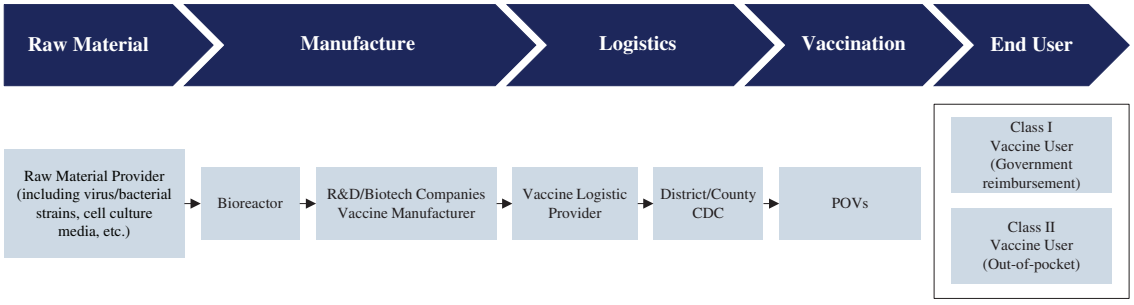
Headquarters and registered office in the PRC	No. 32, Xinglin Road Medical High-tech Zone Taizhou, Jiangsu PRC
Principal place of business in Hong Kong	40th Floor, Dah Sing Financial Centre 248 Queen's Road East Wanchai Hong Kong
Company's website	**www.abbbio.com** *(information on this website does not form part of this prospectus)*
Joint company secretaries	**Ms. Zhang Yangyang (張陽陽)** No. 32, Xinglin Road Medical High-tech Zone Taizhou, Jiangsu PRC **Ms. Lin Sio Ngo (練少娥)** 40th Floor, Dah Sing Financial Centre 248 Queen's Road East Wanchai Hong Kong
Authorized representatives	**Mr. An Youcai (安有才)** Room 3204, Block 32 Huarun International Garden Hailing District Taizhou, Jiangsu PRC **Ms. Li Runxiang (李潤香)** Room 1102 No. 19, 1811 Nong, Zhangyang Road Pudong New District Shanghai PRC
Audit Committee	Ms. Li Xiaoqing (李曉青) *(Chairperson)* Mr. Li Xiangming (李向明) Mr. Cheng Qianwen (程千文)

Remuneration and Appraisal Committee	Mr. Chen Chengbei (陳乘貝) *(Chairperson)* Ms. Li Xiaoqing (李曉青) Ms. Li Runxiang (李潤香)
Nomination Committee	Mr. Li Xiangming (李向明) *(Chairperson)* Ms. Li Xiaoqing (李曉青) Mr. Yu Jianlin (于建林)
Strategy Committee	Mr. An Youcai (安有才) *(Chairperson)* Mr. Cheng Qianwen (程千文) Mr. Li Xiangming (李向明)
Compliance advisor	**Octal Capital Limited** 801-805, 8/F Nan Fung Tower 88 Connaught Road Central Central, Hong Kong
H Share Registrar	**Tricor Investor Services Limited** 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong
Principal banks	**Bank of Nanjing Taizhou Branch** No. 80, Wuyi Road Hailing District Taizhou, Jiangsu PRC **Bank of China Fengcheng Branch** Shops 1, 9-10, 47, Unit 1, 201 Block 47, Huaze Tianxia Taizhou, Jiangsu PRC **Bank of Shanghai Taizhou Branch** No. 288-5, Yongding East Road Taizhou, Jiangsu PRC

Certain information and statistics set out in this section have been extracted from various official government publications, market data providers and a report commissioned by us and prepared by an independent third party, Frost & Sullivan. 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 Capital Market Intermediaries, the Underwriters or any of their respective directors, officers, employees, advisors or agents or any other parties involved in the Global Offering, and no representation is given as to its accuracy, fairness and completeness.

OVERVIEW OF VACCINES

Vaccines are biological preparations that provide active acquired immunity against particular diseases. A vaccine typically contains one or several antigens from, or similar to, a disease-causing microorganism and improves immunity to a particular disease upon administration by inducing specific immune responses. Traditional vaccines are usually made by growing cultures of the target virus. Viruses can grow in different cell lines, such as primary cells, Vero cells or human diploid cells. Viruses are usually grown and cultured using bioreactors before the cell cultures are harvested and purified. The vaccine manufacturer then completes formulation, filing, packaging and quality control assessment before the cold-chain logistic provider delivers the vaccines to district- and county-level CDCs, which then deliver the vaccines to qualified POVs based on local vaccination needs. Vaccines in China are classified as Class I and Class II. Class I vaccines are reimbursed by the government whereas Class II vaccines are paid by vaccinees out-of-pocket. The following chart sets forth key participants in the vaccine industry value chain.



Generally, based on the technical design, vaccines can be categorized into live attenuated vaccines, inactivated vaccines, viral vector vaccines, recombinant protein vaccines and nucleic acid vaccines.

- *Live attenuated vaccines*. Live attenuated vaccines contain pathogens that have been artificially screened to reduce virulence, so that the pathogens do not cause disease but still retain the ability to provoke an immune response and replicate. Live attenuated vaccines are used for the prevention of influenza, measles and varicella.

- *Inactivated vaccines*. Inactivated vaccines are produced by inactivating pathogenic microorganisms using heat or chemical agents, where the microorganisms lose pathogenic ability while retaining antigenic properties. These vaccines generally require multiple administrations, but can easily made into combination or multivalent vaccines. Inactivated vaccines primarily include whole virion inactivated vaccines, split-virion vaccines and inactivated subunit vaccines.

- *Viral vector vaccines*. Viral vector vaccines are developed through the integration of genes encoding antigenic proteins into low- or non-pathogenic viral vectors, which facilitate the stable expression of antigens within the human body, thereby inducing targeted immune responses. Viral vector vaccines primarily include adenovirus vector vaccines, lentivirus vector vaccines and adeno-associated virus vector vaccines.

- *Recombinant protein vaccines*. In the development of recombinant protein vaccines, the gene-encoding target antigen is inserted into an appropriate expression vector. This vector is subsequently introduced into host cells, such as insect cells, bacteria, yeast or mammalian cells. Under specifically controlled induction conditions, these host cells are used to produce substantial quantities of the antigen protein. Recombinant protein vaccines primarily include recombinant subunit vaccines, virus particle-like vaccines and nanoparticle vaccines.

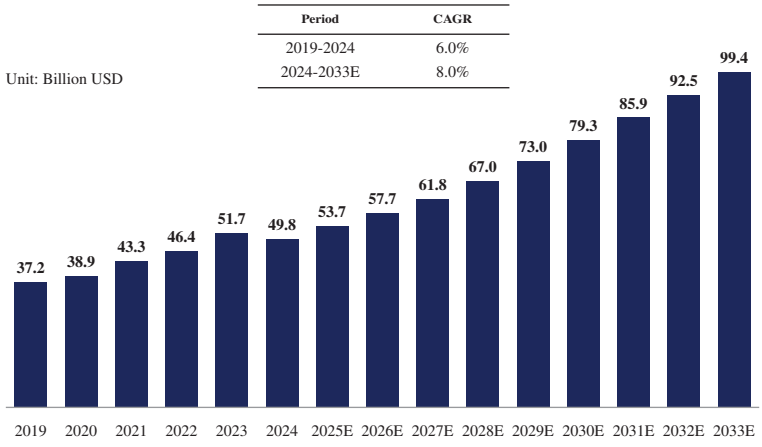
- *Nucleic acid vaccines*. Nucleic acid vaccines operate by directly delivering exogenous genes, such as DNA or RNA, that encode a specific antigen protein into host cells. These host cells then utilize their intrinsic expression systems to synthesize the corresponding antigen protein. Nucleic acid vaccines primarily include DNA vaccines and mRNA vaccines.

OVERVIEW OF THE HUMAN VACCINE MARKET

Global Human Vaccine Market

Since its emergence, vaccine has been one of the most important innovations in the science of public health. The global human vaccine market, in terms of sales revenue and without considering COVID-19 vaccines, increased from US$37.2 billion in 2019 to US$49.8 billion in 2024, at a CAGR of 6.0%. Driven by the continuous commercialization of innovative vaccines and market growth in emerging countries, such as China, the global human vaccine market is expected to reach US$99.4 billion in 2033 at a CAGR of 8.0% from 2024 to 2033. The following chart sets forth the historical and estimated size of the global human vaccine market for the periods indicated.

Global Human Vaccine Market, 2019-2033E



Source: Frost & Sullivan analysis (based on annual reports of relevant companies)

Note: COVID-19 vaccines are not taken into consideration.

The history of vaccine development dates back to 1798 with the creation of the smallpox vaccine, which set the foundation for subsequent innovations. In the 19th century, Louis Pasteur's work led to the development of live attenuated cholera and inactivated anthrax vaccines. Between 1890 and 1950, there was significant growth in bacterial vaccine development, exemplified by the Bacillus-Calmette-Guerin (BCG) vaccine for the prevention of tuberculosis, which is still in use today. In 1972, recombinant genetic vaccines were developed. Among genetically engineered vaccines, the recombinant hepatitis B vaccine demonstrated notable success by providing a stronger immune response. The late 1980s and early 1990s saw increased research into nucleic acid vaccines, driven by gene therapy experiments.

In recent decades, advancements in molecular genetics have significantly impacted vaccine development, facilitating progress in immunology, microbiology and genomics. Developments include the recombinant meningococcal B vaccine and new methods for manufacturing seasonal influenza vaccines. Molecular genetics is facilitating advancements in vaccine delivery systems, such as DNA vaccines and new adjuvants, alongside efforts to develop vaccines for challenging diseases like tuberculosis, Ebola and HIV. In 2020, the deployment of mRNA vaccines, developed by Pfizer/BioNTech and Moderna, marked a notable development as part of the response to the COVID-19 pandemic. These vaccines represent the first approved use of mRNA technology in vaccine production, establishing a new process benchmark in the field. The following chart sets forth the details of the vaccines (other than COVID-19 vaccines) approved by the FDA from 2019 to 2024.

Year	Number of Vaccines Approved	Trade Name	Indications	Company Name
2019	3	DENGVAXIA	Dengue fever	Sanofi
		JYNNEOS	Smallpox, mpox	Bavarian Nordic
		ERVEBO	Ebola	MSD
2020	2	AUDENZ	Influenza	Seqirus
		MenQuadfi	Meningococcal disease	Sanofi
2021	3	PREHEVBRIO[(1)]	Hepatitis B	VBI Vaccines
		VAXNEUVANCE	Pneumococcal	MSD
		TICOVAC	Tick-borne encephalitis	Pfizer
2022	2	IPOL	Poliomyelitis	Sanofi
		PRIORIX	MMR	GSK
2023	5	CYFENDUS	Anthrax	Emergent BioSolutions
		Abrysyo	RSV	Pfizer
		Arexvy	RSV	GSK
		Penbraya	Meningococcal disease	Pfizer
		Ixchiq	Chikungunya virus	Valneva
2024	2	MRESVIA	RSV	Moderna
		CAPVAXIVE	Pneumococcal 21-valent Conjugate virus	Merck

Sources: FDA, Frost & Sullivan

Notes:

(1) PREHEVBRIO has been voluntarily withdrawn from the market by VBI Vaccines.

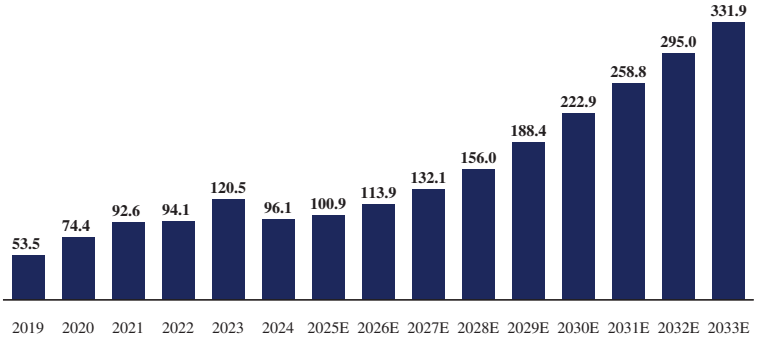
(2) COVID-19 vaccines are not included in the chart.

The Chinese Human Vaccine Market

The human vaccine market in China, in terms of production value and without considering COVID-19 vaccines, grew from RMB53.5 billion in 2019 to RMB96.1 billion in 2024, at a CAGR of 12.4%. Driven by the expected continuous launch of innovative vaccines, the human vaccine market in China is expected to further grow to RMB331.9 billion in 2033, at a CAGR of 14.8% from 2024 to 2033. The following chart sets forth the historical and estimated size of the human vaccine market in China in terms of production value for the period indicated.

Human Vaccine Market in China, 2019-2033E

Period	CAGR
2019-2024	12.4%
2024-2033E	14.8%

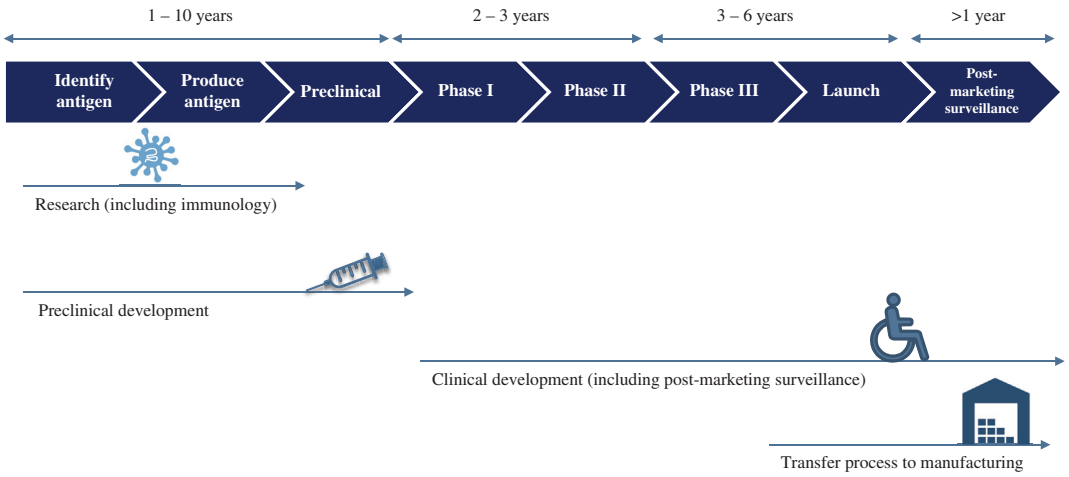


Sources: Frost & Sullivan analysis (based on annual reports of relevant companies)

Note: Production value is calculated by multiplying the total number of lot release by the respective unit price of each vaccine. COVID-19 vaccines are not taken into consideration.

In the PRC, vaccines are categorized into two classes. Class I vaccines are vaccines provided free of charge to citizens. They are procured at relatively low prices under government procurement programs, which are managed by CDCs. Class II vaccines are paid for by vaccinees themselves or insurance companies, and are relatively more expensive. Class II vaccines dominate the vaccine market in China in terms of production value. In terms of production revenue, the Class II vaccine market in China increased from RMB51.4 billion in 2019 to RMB92.5 billion in 2024, at a CAGR of 12.5%. Driven by increased awareness and ability to pay and introduction of new vaccines, particularly with the anticipated increase in the manufacturing of Class II vaccines in the coming years, the Class II vaccine market in China is expected to reach RMB324.4 billion in 2033, at a CAGR of 15.0% from 2024 to 2033.

The development of vaccines in China is a prolonged process, taking more than 15 years on average to bring a vaccine to commercialization after identifying the antigen. The following graph illustrates the lifecycle of vaccine development in China.



Source: Frost & Sullivan analysis

Imported vaccine manufacturers seeking approval for their products in the Chinese market must follow a similar approval process to that of domestic manufacturers, adhering to the regulations and technical requirements set by the NMPA. This process involves several stages, including the submission of preliminary documentation, clinical trials, technical reviews, production license applications, lot release and post-marketing surveillance.

In addition, as China enacted comprehensive regulations governing the vaccine industry, covering the entire value chain from research and development to inoculation, only a limited number of vaccines were approved by the NMPA each year in the past few years. The following chart sets forth the details of the vaccines approved by the NMPA from 2019 to 2024.

Year	Number of Vaccines Approved	Trade Name	Indications	Company Name
2019	4 1 5	Quadrivalent influenza virus split-virion vaccine	Influenza	GDK (金迪克生物)
		SHINGRIX	Herpes zoster	GSK
		Varicella vaccine	Varicella	Sinovac (科興生物)
		WEUPHORIA (沃安欣)	Pneumonia	Walvax (沃森生物)
		Cecolin (馨可寧)	Cervical carcinoma	Wantai BioPharm (萬泰生物)
2020	5 5	Wugan (霧感)	Influenza	BCHT (百克生物)
		Diphtheria, Tetanus and Acellular Pertussis Combined Vaccine, Adsorbed	Diphtheria, tetanus and acellular pertussis	Minhai (民海生物)
		Group A and Group C Meningococcal Conjugate Vaccine	Cerebrospinal meningitis	Olymvax (歐林生物)
		Influenza Vaccine (Split Virion), Inactivated, Quadrivalent	Influenza	Sinovac (科興生物)
		23-valent Pneumococcal Polysaccharide Vaccine	Pneumonia	Sinovac (科興生物)
2021	8 8	Menphecia (美奈喜)	Cerebrospinal meningitis, pneumonia	CanSino (康希諾生物)
		Menhycia (曼海欣)	Cerebrospinal meningitis, pneumonia	CanSino (康希諾生物)
		Rabies Vaccine (Vero Cell), Freeze-dried	Rabies	Yidu Biotechnology (亦度生物)
		Weiminfeibao (維民菲寶)	Pneumonia	Minhai (民海生物)
		Haemophilus Influenza Type b Conjugate Vaccine	Cerebrospinal meningitis, pneumonia	Minhai (民海生物)
		Poliomyelitis Vaccine (Vero Cell), Inactivated, Sabin Strains	Poliomyelitis	Sinovac (科興生物)
		Influenza Vaccine (Split Virion), Inactivated, Quadrivalent	Influenza	Shanghai Institute of Biological Products (上海生物製品研究所)
		Rabies Vaccine (Vero Cell), Freeze-dried	Rabies	Changchun Institute of Biological Products (長春生物製品研究所)
2022	2 1 3	AdimFlu-S (安定伏)	Influenza	Adimmune (國光生物)
		Walrinvax (沃澤惠)	HPV	Walvax (沃森生物)
		Group ACYW135 Meningococcal polysaccharide vaccine	Cerebrospinal meningitis	Beijing Institute of Biological Products (北京生物製品研究所)
2023	8 1 9	live attenuated zoster vaccine (感維)	Herpes zoster	BCHT (百克生物)
		freeze-dried rabies vaccine, vero cell	Rabies	Hualan Bio (華蘭生物)
		Tetanus Vaccine, Adsorbed	Tetanus	Hualan Bio (華蘭生物)
		VaxigripTetra (凡爾佳)	Influenza	Sanofi
		ROTALAN (瑞特威)	Rotavirus gastroenteritis	Lanzhou Institute of Biological Products (蘭州生物製品研究所)
		Quadrivalent Subunit Influenza Vaccine (慧爾康欣)	Influenza	***the Company***
		23-Valent Pneumococcal Polysaccharide Vaccine	Pneumonia	ZFSW (智飛生物)
		freeze-dried rabies vaccine	Rabies	Minhai (民海生物)
		freeze-dried rabies vaccine, Vero cell	Rabies	CuroVax (康潤生物)
2024	2 2	Freeze-dried Rabies Vaccine (Vero Cell) for Human use	Rabies	Aleph (复星雅立峰)
		Varicella Vaccine, Live	Varicella	MINHAI (民海生物)

Domestic Vaccines
Imported Vaccines

Sources: NMPA, Frost & Sullivan analysis

Note: COVID-19 vaccines are not included in the chart.

The strict regulations are designed to elevate the quality of vaccines and eliminate unlawful practices within the industry. For example, the PRC government promulgated regulations in 2016 to restructure the vaccine market by streamlining distribution processes and tightening safety measures for transportation and storage. Class I vaccines are purchased through a centralized bidding process by provincial-level CDCs and subsequently allocated to district- and county-level CDCs, which then distribute them to POVs as needed. Manufacturers of Class II vaccines are now required to sell directly to, and settle payments with, district- and county-level CDCs following successful public tender bids at the provincial level, except for the Beijing CDC, which manages its procurement and allocation. Enhancements in the public tender procedure, cold chain management and safety protocols have bolstered overall vaccine safety. Furthermore, the PRC has established a national electronic traceability collaboration platform with uniform standards. Vaccine manufacturing license holders are mandated to implement electronic traceability systems, while disease prevention institutions must accurately record and provide traceability data. Since 2002, the NMPA, alongside other government departments, has enhanced the traceability across the entire vaccine lifecycle by including more vaccines under the scope of the lot release system. By 2016, comprehensive lot release management was achieved for all marketed vaccines, with revisions in 2020 mandating stringent review and testing procedures for each vaccine lot. These initiatives underscore China's commitment to ensuring the highest standards of vaccine safety and public health protection. Vaccine distribution and administration in China also involve a robust network of POVs, which integrates essential information, particularly for Class II vaccines, and offers pre-vaccination health consultations along with post-vaccination monitoring of adverse reactions.

Market Drivers and Trends

The primary drivers and future trends of vaccine market in China include:

- *Technical development and availability of new vaccines.* China's vaccine industry has advanced significantly, covering both Class I vaccines and Class II vaccines. Continuous R&D efforts focus on improving existing vaccines and developing next-generation vaccines for diseases such as rabies, malaria, HPV and tuberculosis. Innovations like launch of EV71 vaccine for HFMD, COVID-19 vaccines and domestic PCV13 vaccines, highlight the strong R&D capabilities of domestic companies. These efforts are enhancing vaccine attributes, including acceptability, cost-effectiveness and protection. Companies with robust technical platforms are well-positioned to optimize the design of new vaccines, aligning with market needs and expanding production to meet regional demand. Advances in biotechnology, such as the shift to bioreactor technology, have also improved vaccine quality and efficacy. This technological progress allows manufacturers to offer new vaccine products that better meet consumer demands. Such focus on technological development and innovation is poised to drive significant growth in the Chinese vaccine market.

- *Favorable policies.* The Chinese government has introduced several policies to stimulate the vaccine market. Initiatives such as the Guidelines of the Plan for Development of the Pharmaceutical Industry (《醫藥工業發展規劃指南》) and the Health and Wellness Plan in the Thirteenth Five-Year Plan (《"十三五"衛生與健康規劃》) focus on promoting R&D for multivalent vaccines and expanding national immunization programs. These policies underline the strategic priority on disease prevention, thereby driving market expansion. In addition, policies such as the "Opinions on Further Strengthening Vaccine Circulation and Vaccination Management" (《關於進一步加強疫苗流通和預防接種管理工作的意見》) promote large-scale production of domestic vaccines and industrialization of new vaccines, particularly for combination vaccines and multivalent vaccines. As a result, domestic vaccine manufacturers are expected to gain significant market share in the Class II vaccine market.

- *Increasing affordability and awareness of vaccines.* Economic growth in China has improved affordability and healthcare spending on vaccines. Increased health awareness, especially after COVID-19, is boosting vaccination rates. Rising disposable income has further enhanced the ability and willingness of citizens to pay for vaccines.

- *Resistance to therapeutic drugs and lack of effective treatments.* Drug resistance and the absence of effective treatments for infectious diseases like rabies underscore the importance of vaccination. This realization has prompted greater promotion and adoption of vaccines, thus fueling market growth.

- *Being geared to international standards.* China's alignment with international standards, evidenced by WHO pre-certification eligibility and International Council for Harmonization of Technical Requirements for Pharmaceuticals for Human Use (ICH) membership, positions domestic manufacturers to expand globally. This commitment to meeting global benchmarks is likely to open new international markets.

- *Developing multivalent and combination vaccines.* The demand for multivalent and combination vaccines is rising, driven by their effectiveness in preventing multiple diseases. While global companies currently dominate, several Chinese firms are working on developing new multivalent vaccines to meet growing demand.

- *Limited market opportunities for imported influenza and rabies vaccine manufacturers in China.* The influenza and rabies vaccine markets in China are intensely competitive, featuring a diverse array of approved domestic and imported brands. Domestic manufacturers have established strong advantages in terms of product development, production efficiency and market access due to extensive technical expertise and market presence. Domestic brand vaccines also offer significant price benefits, better fulfilling domestic demand. Furthermore, demand for imported rabies vaccines is limited, particularly in developed countries where

pet vaccination rates are high. As such, with limited market demand, few foreign manufacturers focus on rabies vaccines for human use, limiting innovation and production advancements. In contrast, significant demand in China due to high rabies prevalence has led domestic companies to establish robust production and distribution systems, minimizing market opportunities for foreign entities. Stricter regulations and heightened safety and efficacy requirements by the Chinese government further complicate entry for foreign manufacturers, demanding adherence to NMPA reviews and adaptation to local policies. This process is time-consuming and uncertain, posing additional barriers for imported vaccine manufacturers seeking to enter the Chinese market.

INFLUENZA VACCINES

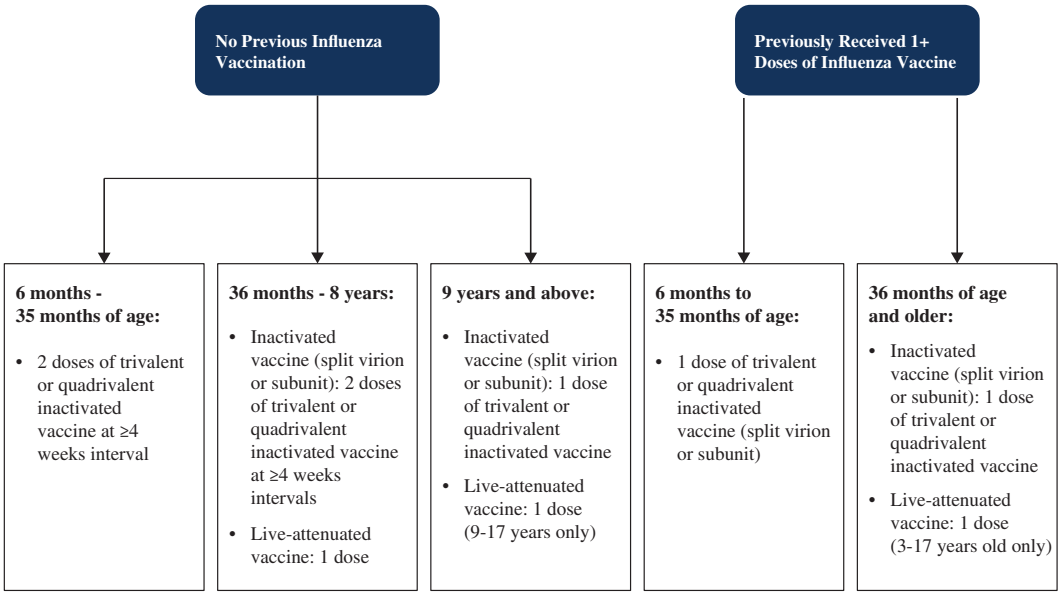
Overview of Influenza

Influenza is a contagious respiratory illness caused by influenza viruses that infect the nose, throat and sometimes the lungs. Influenza viruses are categorized into four types: A, B, C and D. Types A and B are responsible for seasonal flu epidemics, with influenza A virus being unique in its potential to cause pandemics due to their ability to emerge as new strains that spread efficiently among humans. Influenza type C typically causes mild illness, while influenza D primarily affects cattle and does not infect humans. Most experts believe that influenza viruses primarily spread through tiny droplets expelled when infected individuals cough, sneeze or speak, and can also be transmitted by touching contaminated surfaces and then touching the mouth, nose or eyes. Influenza can cause mild to severe illness and can lead to death at times. Common symptoms of influenza include fever, headaches, runny nose, cough, sore throat, body aches, nausea, fatigue and chills. Influenza may also involve complications such as bacterial pneumonia, ear infections, sinus infections and worsening of chronic medical conditions, such as congestive heart failure or asthma. The best way to prevent influenza is by getting an annual flu vaccination. For the elderly over 65 years old, children under five years old and people with certain chronic medical conditions, there is an increased risk of developing severe complications if they are infected with influenza. According to WHO, there are around one billion cases of seasonal influenza annually, including approximately 3 to 5 million cases of severe illness that lead to approximately 290,000 to 650,000 respiratory deaths annually.

According to the Influenza Diagnosis and Treatment Plan (2025 Edition) (《流行性感冒診療方案(2025年版)》), treatment for influenza in China includes both antiviral and symptomatic approaches. Antiviral treatment primarily include neuraminidase inhibitors (Oseltamivir, Peramivir, Zanamivir), RNA polymerase inhibitors (Baloxavir Marboxil, Favipiravir) and hemagglutinin inhibitors (Arbidol). For severe or critically ill cases, supportive treatment is required to prevent and manage complications, underlying conditions or concurrent/secondary infections, involving both mechanical and pharmacological methods with medications such as vasoactive medications and glucocorticoids and organ function

support when needed. Symptomatic treatment includes physical cooling and antipyretic drugs for high fever, cough suppressants and expectorants for severe coughs with sputum and oxygen therapy based on hypoxia levels. Additionally, traditional Chinese medicine may be used in treatment.

The WHO and China CDC have provided guidelines for influenza vaccination, targeting specific priority groups to mitigate the risks associated with the virus. The WHO emphasizes the importance of vaccinating pregnant women at any stage of pregnancy, given their increased vulnerability to severe influenza-related illnesses. Children aged six months to five years, particularly those under two years, are also identified due to the significant risk of serious illness they face. Additionally, the elderly population, specifically those aged 65 and older, along with individuals suffering from chronic diseases, are regarded as high-risk groups warranting prioritization in vaccination efforts. Health care workers are highlighted due to their dual role in protecting themselves and vulnerable patients from influenza. Similarly, China CDC underscores the necessity for vaccination among medical personnel, participants and staff at large events and vulnerable individuals in communal settings, such as nursing homes and long-term care facilities. Key populations including teachers, students and individuals in detention facilities are also noted. Further, particular consideration is given to the elderly aged 60 and over, infants of 6-23 months and their family members and caregivers, people with chronical disease and pregnant women or women planning to become pregnant during the influenza season. According to the National Bureau of Statistics and the United Nations database, Population Estimates and Projections, it was estimated that in 2024, the population for the 65 and above age group in China was approximately 220.0 million, the population for the 3 and above age group in China was approximately 1.4 billion and the population for children under 3 was approximately 38.9 million, including approximately 32.0 million in the 6 to 35 months age group. During the 2022-2023 influenza season, the vaccination rate for children aged 6 months to 14 years was 12.6%, while the rate for the 60 years and above age group remained below 5.0%. China CDC also stresses that vaccination should be made available to all people over six months old who are willing to be vaccinated and have no contraindications. China CDC has also published a guideline specifying the number of doses of vaccine to be administered, which is summarized in the following chart.



Sources: CDC, Frost & Sullivan analysis

Overview of Influenza Vaccines

Based on the technical design, influenza vaccines can generally be categorized into whole-virion inactivated vaccines, split-virion vaccines, inactivated subunit vaccines, live attenuated vaccines, recombinant vaccines and mRNA vaccines.

- *Whole-virion inactivated influenza vaccine.* This traditional vaccine involves cultivating the influenza virus and subsequently inactivating it using heat or chemical methods. It contains complete virus particles, preserving various antigenic proteins, which can induce a broad immune response. Although these vaccines have a long history of application and are noted for their relatively straightforward manufacturing process, they have relatively high side-effect profile.

- *Split-virion vaccine.* This type of vaccine retains not only influenza virus nucleoprotein, matrix protein and other internal proteins but also surface antigens. The process involves inactivating the virus, followed by applying a lytic agent to disrupt the viral lipid membrane, facilitating the purification of viral antigens. While these vaccines have simple preparation method, its complex antigen composition may lead to inferior safety profiles.

- *Live attenuated influenza vaccine.* Created using attenuated strains of the virus obtained through virulence reduction or artificial selection, these vaccines mimic natural infections without inducing disease, thus stimulating robust, long-lasting immune responses by activating the immune system in a manner similar to a natural infection. However, these vaccines are unsuitable for individuals with compromised immune systems owing to the presence of live viruses.

- *Inactivated subunit vaccine.* Refined from split-virion vaccines, these vaccines focus on isolating and purifying surface proteins haemagglutinin (HA) and neuraminidase (NA). The enhanced purification leads to these vaccines with single antigenic components, providing improved safety and reduced incidence of side effects due to their antigen's simplicity and high antigen purity. However, the enhanced purification and manufacturing process may lead to higher manufacturing costs.

- *Recombinant vaccine.* Utilizing genetic engineering techniques, recombinant vaccines are developed by introducing DNA sequences that encode viral antigens into the expression system. This technique facilitates antigen expression and purification before formulation into vaccines, often employing the baculovirus-insect cell expression system. This method ensures high antigen purity and safety, but has relatively weak immunogenicity, which requires the use of appropriate adjuvants to boost immunogenicity and thus may lead to higher manufacturing costs.

- *mRNA vaccine.* These vaccines incorporate mRNA that encodes for specific antigen proteins. Once inside the body, the mRNA directly encodes the antigen protein to stimulate immune responses, bypassing the conventional viral replication and transcription processes. mRNA vaccines offer rapid and cost-effective production with high safety profiles, ideal for responding swiftly to infectious disease pandemics, although challenges remain in terms of long-term safety and efficacy evaluations.

Influenza vaccines can also be categorized based on the "valence," which describes their spectrum of protection against various influenza virus strains. Currently marketed influenza vaccines primarily include trivalent vaccines and quadrivalent vaccines. Trivalent vaccines are designed to offer protection against three influenza viruses: two influenza A viruses (usually H1N1 and H3N2) and one influenza B virus. These vaccines are designed to target the most prevalent strains anticipated to circulate during the influenza season but may not provide comprehensive protection against all circulating B strains. In contrast, quadrivalent vaccines expand on the trivalent formulation by including an additional B virus strain Yamagata, which increases the breadth of protection. This quadrivalent vaccine addresses the concern regarding the co-circulating of dual lineages of influenza B viruses and ensures broader coverage, thereby improving the vaccine's efficacy in preventing influenza infection across a wider range of virus strains.

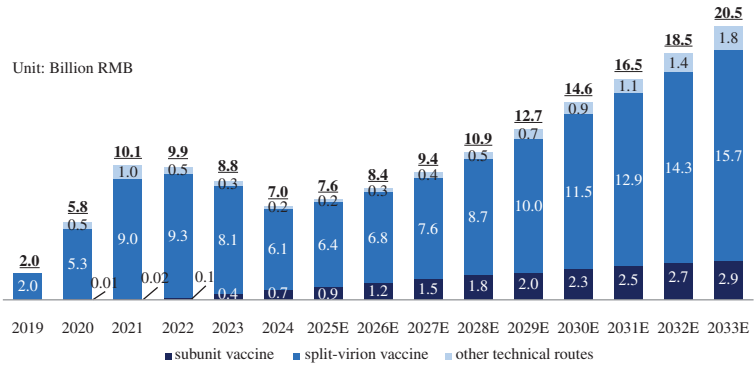
Market Size of Influenza Vaccines

The global influenza vaccine market increased from US$5.3 billion in 2019 to US$6.6 billion in 2024, at a CAGR of 4.5%, and is estimated to further increase to US$12.7 billion in 2033, at a CAGR of 7.5% from 2024 to 2033. The global subunit influenza vaccine market has gradually increased from US$0.4 billion in 2019 to US$0.5 billion in 2024, and it is estimated to further increase to US$1.2 billion by 2033. The influenza vaccine market in China has also grown significantly from RMB2.0 billion in 2019 to RMB7.0 billion in 2024, at a CAGR of

28.7%. The total number of lot release of influenza vaccines increased from 30.8 million in 2019 to 75.4 million in 2024. With the low influenza vaccination rate of approximately 2% to 4% in China, as compared to approximately 50% in the United States, and the large vulnerable population in China, there is significant growth potential for the influenza vaccine market in China. Driven by the consistently increasing vaccination rates and expanding population coverage as government policies increasingly promote vaccination and public awareness improves, the influenza vaccine market in China is estimated to further increase to RMB20.5 billion in 2033, at a CAGR of 12.6% from 2024 to 2033. The influenza vaccine market in China is estimated to grow at a lower CAGR from 2024 to 2033 than it did from 2019 to 2024 due to the rapid growth from 2019 to 2021 attributable to a substantial increase in the lot release, especially those of high-value quadrivalent influenza vaccines, a trend not expected to continue in the coming years. While there has been a downward trend in influenza vaccine prices in recent years, current prices have already reached relatively low levels, and the potential for further significant price reductions is limited. The following chart sets forth the market size of influenza vaccines in China in terms of production value for the period indicated.

Influenza Vaccine Market in China, 2019-2033E

Period	CAGR			
	Subunit vaccine	Split-virion vaccine	Other technical routes	Total
2019-2024	–	25.3%	–	28.7%
2024-2033E	18.0%	11.0%	26.3%	12.6%



Note: Production value is calculated by multiplying the total number of lot release by the respective unit price of each vaccine.

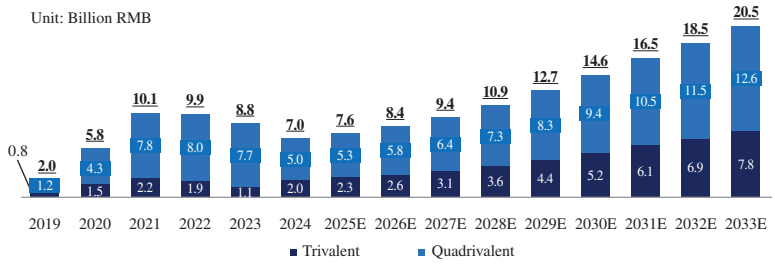
Source: NIFDC, Frost & Sullivan analysis

The first quadrivalent influenza vaccine was approved by the NMPA in 2018. Since then, China's quadrivalent influenza vaccine market has grown significantly. The total number of lot release increased from 9.7 million in 2019 to 46.6 million in 2024, at a CAGR of 36.8%. The influenza market size surged briefly from 2020 to 2021 due to COVID-19 prevention efforts, leading to manufacturers rapidly expanding their operations and increasing lot release frequency and volume. However, post-2022, as COVID-19's impact diminished, the market entered a phase of cyclical adjustment, with a slight decrease in lot release frequency and volume, resulting in a contraction in scale. Additionally, in 2024, the prices of both trivalent

and quadrivalent inactivated influenza vaccine dropped. As a result, the market size of influenza vaccines in China decreased from 2022 to 2024. The following chart sets forth the market size of influenza vaccines in China by valence in terms of production value for the period indicated.

Influenza Vaccine Market in China, by valence, 2019-2033E

Period	CAGR		
	Trivalent	Quadrivalent	Total
2019-2024	21.5%	32.6%	28.7%
2024-2033E	16.1%	10.9%	12.6%



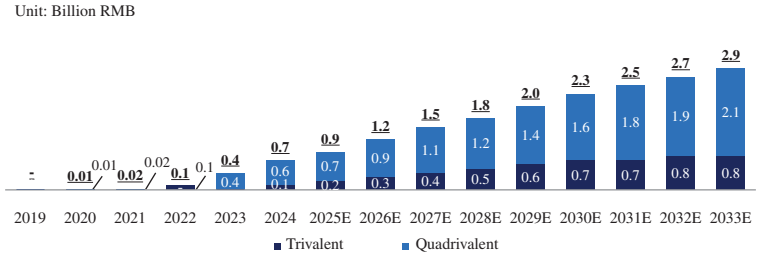
Note: Production value is calculated by multiplying the total number of lot release by the respective unit price of each vaccine.

Source: NIFDC, Frost & Sullivan analysis

The subunit influenza vaccine market in China was negligible compared to that of split-virion influenza vaccines before 2023. As the first quadrivalent subunit influenza vaccine, namely the Company's quadrivalent subunit influenza vaccine, was approved by the NMPA in 2023, there are currently two market players in the subunit influenza vaccine market in China. However, with ongoing R&D efforts, it is anticipated that more subunit vaccines will be approved in the future. Furthermore, there is potential for expanding indicated demographics. The proportion of subunit influenza vaccines in total influenza vaccine lot release has been steadily increasing, from 0.6% in 2022 to 1.7% in 2023, and further to 3.0% in 2024. As the subunit influenza vaccine market in China is still at early stage, benefiting from better safety profiles of subunit vaccines, the steady increase in consumers' healthcare spending on vaccines and reduced vaccine prices as production technology matures, the acceptance of subunit influenza vaccines is expected to increase and market share of subunit influenza vaccines in terms of lot release is expected to grow. The proportion of subunit influenza vaccines in total influenza vaccine lot release is expected to increase to approximately 4.5% in 2033. In addition, the subunit influenza vaccines generally command higher prices compared to other types of influenza vaccines. Therefore, despite general pricing pressures on vaccines, the subunit influenza vaccine market in China is estimated to grow rapidly from RMB0.7 billion in 2024 to RMB2.9 billion in 2033, at a CAGR of 18.0%. The following chart sets forth the market size of subunit influenza vaccines in China in terms of production value for the period indicated.

Subunit Influenza Vaccine Market in China, 2019-2033E

Period	CAGR		
	Trivalent	Quadrivalent	Total
2019-2024	–	–	–
2024-2033E	30.9%	15.2%	18.0%



Note: Production value is calculated by multiplying the total number of lot release by the respective unit price of each vaccine.

Source: NIFDC, Frost & Sullivan analysis

In recent years, governmental bodies, healthcare institutions and vaccine companies in China have collectively undertaken various initiatives to boost influenza vaccination rates. Government-led measures include the introduction and enforcement of policies aimed at increasing accessibility of influenza vaccines, strengthening vaccination infrastructure and expanding coverage via vaccination networks. For example, the Healthy China Initiative (2019-2030) (《健康中國行動(2019-2030年)》) encourages free influenza vaccination for eligible elderly persons, children in nurseries and primary and secondary school students in qualifying regions. The Healthy China Initiative Chronic Respiratory Disease Prevention and Control Implementation Plan (2024-2030) (《健康中國行動—慢性呼吸系統疾病防治行動實施方案(2024-2030年)》) further calls for intensified public education around vaccination and aims to improve vaccination rates among the elderly and individuals with chronic illnesses, with a focus on influenza and pneumococcal vaccines. Complementary guidelines issued by the National Health Commission promote vaccination among priority groups such as the elderly, children and chronic disease patients, emphasizing the use of digital communication to raise health awareness and promptly address residents' health inquiries. Additional directives specifically require maternal and child health institutions to enhance public education efforts and increase influenza vaccination coverage among children. In parallel with these policies, many cities and provinces, including Beijing, Zhejiang, Guizhou and Shandong, have introduced local standards or guidelines for adult vaccination clinics, improving the quality and accessibility of preventive vaccination services. Regions such as Shandong, Guangdong, Zhejiang and Chongqing are piloting innovative models in which clinical and general practitioners directly prescribe vaccines to eligible patients, supporting more integrated and accessible vaccination services. Furthermore, for special populations including elderly persons and children enrolled in medical insurance, the payment of vaccine costs can now be facilitated through family medical insurance pooling arrangements. These measures have facilitated

broader access to free or subsidized vaccinations and streamlined community vaccination processes, thereby making influenza vaccination more efficient and convenient. The vaccines companies in China, including the Company, have also engaged actively in increasing public awareness of influenza vaccines. Public education efforts have focused on communicating the scientific rigor underlying vaccine development, stringent quality control measures and innovations within the industry. These initiatives aim to build public trust and encourage higher vaccination uptake among key demographic groups.

China's influenza vaccination rate remains significantly lower than that of the United States, standing at 3.8% in the 2022-2023 season, compared with 49.3% in the United States. Within China, key target populations, including individuals under 18 years of age, those aged 60 or above and healthcare personnel, represent large demographic segments with low levels of overall vaccination. The influenza vaccine market has shown signs of recovery since 2023, supported by increasing policy emphasis on vaccination. While the market size of influenza vaccines in China in terms of production value decreased from 2023 to 2024 primarily due to the drop in average prices of trivalent and quadrivalent inactivated influenza vaccines*, the total lot release of influenza vaccines in China increased from 70.5 million in 2023 to 75.4 million in 2024 and is estimated to reach 150.0 million in 2029 and to exceed 200.0 million in 2033. It is expected that China's influenza vaccination rate could increase to approximately 9.0% to 9.5% by 2029 and further increase to approximately 15.0% to 15.5% by 2033, trending toward the higher vaccination rates observed in Europe and North America. The subunit influenza vaccine market segment, in particular, has seen steady growth in recent years. Based on historical growth rates, it is estimated that by 2033, subunit influenza vaccines could account for approximately 14.2% of the total influenza vaccine market by value.

Competitive Landscape of Influenza Vaccines in China

As of the Latest Practicable Date, there were 26 marketed influenza vaccines in China, primarily including 13 trivalent vaccines (including 11 split-virion vaccines, 1 subunit vaccine and 1 live attenuated vaccine) and 12 quadrivalent vaccines (including 11 split-virion vaccines and 1 subunit vaccine, namely the Company's quadrivalent subunit influenza vaccine). The following table sets forth details of the Company's quadrivalent subunit influenza vaccine and other marketed influenza vaccines in China as of the Latest Practicable Date.

* The average bidding prices for influenza vaccines in China decreased from RMB126 per dose in 2022 to RMB125 per dose in 2023, and further decreased to RMB93 per dose in 2024. In particular, the average bidding price of split-virion vaccine dropped significantly, from RMB122 per dose in 2022 to RMB119 per does in 2023 and further to RMB85 per dose in 2024. However, influenza vaccination rate in China increased from 2.5% in the 2021-2022 influenza season to 3.8% in the 2022-2023 influenza season. For the 2023-2024 season, while no official overall influenza vaccination rate is available, it is estimated that the influenza vaccination rate in China remained relatively stable at 3.0% to 3.5%. In 2029, the influenza vaccination rate is estimated to reach approximately 9.0% to 9.5%, with an estimated average price of approximately RMB85 to RMB88 per dose. In 2033, the influenza vaccination rate in China is estimated to reach approximately 15.0% to 15.5%, with an estimated average price of approximately RMB80 to RMB85 per dose.

Type	Brand Name (Generic Name)	Technical Route	Manufacturer	NMPA Approval Date[1]	Age Coverage	End User Price[2] *(RMB per dose)*	Market Share[3] %
Not disclosed	–	Whole Virion Inactivated	Lanzhou institute of biological products (蘭州生物製品研究所)	2000	NA	NA	–
Trivalent	英扶宁	Split Virion		2005/02	6 months of age and older	NA	–
	–	Split Virion	CuroVax (康潤生物)	2005/03	3 years of age and older	NA	–
	Anflu (安爾來福)	Split Virion	Sinovac (科興)	2007/01	6 months of age and older	52.5 (0.25ml) 80 (0.5ml)	10.0
	Influenza vaccine	Split Virion	Shanghai Institute of Biological Products (上海生物製品研究所)	2007/05	6 months of age and older	31 (0.25ml) 58 (0.5ml)	2.5
	YUGANNING (御感寧)	Split Virion	Toyouvax (天元生物)	2007/06	6 months of age and older	68 (0.25ml) 88 (0.5ml)	1.8
	適普利爾	Split Virion	Changchun Institute of Biological Products (長春生物製品研究所)	2007/07	6 months through 3 years of age	31 (0.25ml) 50 (0.5ml)	6.8
	Influenza vaccine	Split Virion	Hualan Biological Bacterin (華蘭生物)	2008/04	6 months of age and older	31 (0.25ml) 53 (0.5ml)	3.8
	Influenza vaccine	Split Virion	Fosun Apexvac (復星雅立峰)	2009/06	3 years of age and older	60.5 (0.25ml) 80.5 (0.5ml)	7.0
	FLU-K (孚洛克)	Subunit	Zhongyianke Biotech (中逸安科)	2010/04	3 years of age and older	168 (0.5 ml)	0.5
	–	Split Virion	AIM (艾美疫苗)	2012/11	3 years of age and older	NA	–
	VAXIGRIP (凡爾靈)	Split Virion	Sanofi Pasteur Biological Products	2013/06	3 years of age and older; 6-35 months of age	55 (0.25ml) 70 (0.5ml)	4.8
	Influenza vaccine	Split Virion	Adimmune (國光生物)	2015/10	3 years of age and older	135.5 (0.5 ml)	–
	感霧	Live Attenuated	BCHT (百克生物)	2020/02	3-17 years of age	298 (0.2 ml)	0.9
Quadrivalent	Influenza vaccine, quadrivalent	Split Virion	Hualan Biological Bacterin (華蘭生物)	2018/06	6 months of age and older	128 (0.25ml) 88 (0.5ml)	20.1
	迪福賽爾	Split Virion	GDK (金迪克生物)	2019/05	3 years of age and older	88 (0.5 ml)	3.5
	Influenza vaccine, quadrivalent	Split Virion	Changchun Institute of Biological Products (長春生物製品研究所)	2020/03	3 years of age and older	95 (0.5 ml)	2.9
	Influenza vaccine, quadrivalent	Split Virion	Wuhan Institute of Biological Products (武漢生物製品研究所)	2020/04	3 years of age and older	88 (0.5 ml)	4.8
	Influenza vaccine, quadrivalent	Split Virion	Sinovac (科興)	2020/06	3 years of age and older	88 (0.5 ml)	13.8
	Influenza vaccine, quadrivalent	Split Virion	Shanghai Institute of Biological Products (上海生物製品研究所)	2021/03	6 months of age and older	91.5 (0.5 ml)	9.5
	安定伏	Split Virion	Adimmune (國光生物)	2022/02	3 years of age and older	205.5 (0.5 ml)	0.5
	VaxigripTetra 凡爾佳	Split Virion	Sanofi Pasteur Biological Products	2023/02	6 months of age and older	128 (0.5 ml)	4.3
	Influenza vaccine, quadrivalent	Split Virion	ZFSW (智飛生物)	2025/03	3 years of age and older	NA	–
	Influenza vaccine, quadrivalent	Split Virion	Fosun Apexvac (復星雅立峰)	2025/06	3 years of age and older	NA	–
	Influenza vaccine, quadrivalent	Split Virion	TOYOUVAX (天元生物藥業)	2025/07	NA	NA	–
	慧爾康欣	Subunit	***the Company***	2023/05	3 years of age and older	319 (0.5 ml)	2.4

Notes:

(1) The approval date is the time when the vaccine was first approved, without considering age-group expansion.

(2) The end-user price is calculated based on the median of the winning bid prices in 2024, as publicly disclosed in the provincial public tenders.

(3) The market share was calculated based on lot release volume in 2024.

Sources: NMPA, Frost & Sullivan

As of the Latest Practicable Date, there were 19 influenza vaccine candidates under clinical development in China, including 6 trivalent vaccines (including 4 split-virion vaccines, 1 live attenuated vaccine and 1 subunit vaccine, namely the Company's trivalent subunit influenza vaccine) and 13 quadrivalent vaccines (including 11 split-virion vaccines and 2 subunit vaccines). The following table sets forth details of the Company's trivalent subunit influenza vaccine candidate and other influenza vaccine candidates in China as of the Latest Practicable Date.

Type	Technical Route	Manufacturer	Clinical Stage	First Posted Date*	Age Coverage
Trivalent	Subunit	***the Company***	NDA	2024/09	3 years of age and older
			NDA	2024/10	6-35 months of age
	Live Attenuated	BCHT (百克生物)	NDA	2024/04	3-59 years of age
	Split Virion	ZFSW (智飛生物)	NDA	2024/10	3 years of age and older
			NDA	2024/11	6-35 months of age
	Split Virion	Chengda Biotechnology (成大生物)	NDA	2025/03	NA
	Split Virion	Olymvax (歐林生物)	I	2025/01	6 months of age and older
	Split Virion	Peisen Biotechnology (培森生物)	I (completed)	2022/03	3 years of age and older
Quadrivalent	Subunit	***the Company***	NDA	2024/06	6-35 months of age
	Subunit	Changchun Institute of Biological Products (長春生物製品研究所)	I	2024/04	3 years of age and older
	Split Virion	GDK biological technology (金迪克)	NDA	2025/07	6-35 months of age
	Split Virion	CuroVax (康潤生物)	NDA	2024/03	3 years of age and older
			I	2024/04	6-35 months of age
	Split Virion	Toyouvax (天元生物)	NDA	2023/12	3 years of age and older
			I	2024/03	6 months of age and older
	Split Virion	ZFSW (智飛生物)	NDA	2024/09	6-35 months of age
	Split Virion	Wuhan Institute of Biological Products (武漢生物製品研究所)	NDA	2024/11	3 years of age and older
	Split Virion	BioKangtai (康泰生物)	NDA	2024/11	3 years of age and older
	Split Virion	Chengda Biotechnology (成大生物)	NDA	2025/01	3 years of age and older
	Split Virion	Sinovac (科興)	III (Completed)	2023/09	6-35 months of age
	Split Virion	Fosun Apexvac (復星雅立峰)	III	2023/10	6-35 months of age
	Split Virion	Walvax (沃森生物)	III	2024/10	3 years of age and older
	Split Virion	ZFSW (智飛生物)	I/II	2025/01	18 years of age and older
	Split Virion	Olymvax (歐林生物)	I	2025/01	6 months of age and older
	Split Virion	Hygiea Biotech (海基亞生物)	I	2020/10	6-35 months of age; 3 years of age and older
			III	2025/04	3 years of age and older

Note: The dates for products in NDA stage are the dates handled by the CDE.

Sources: CDE, Frost & Sullivan

Competitive Landscape of Influenza Vaccines Outside China

As of the Latest Practicable Date, there were 22 influenza vaccines approved by the FDA, including 12 trivalent vaccines (including 6 split-virion vaccines, 4 inactivated subunit vaccine, 1 recombinant subunit vaccine and 1 live attenuated vaccine) and 10 quadrivalent vaccines (including 6 split-virion vaccines and 2 inactivated subunit vaccine, 1 recombinant subunit vaccine and 1 live attenuated vaccine). The following table sets forth details of the influenza vaccines approved by the FDA as of the Latest Practicable Date.

Type	Brand Name (Generic Name)	Technical Route	Manufacturer	FDA Approval Date*	Age Coverage
Trivalent	FLUVIRIN	Inactivated, Subunit	Seqirus	1988	4 years of age and older
	AFLURIA	Split Virion		2007/09	6 month of age and older
	Agriflu	Inactivated, Subunit		2009/11	18 years of age and older
	Flucelvax	Inactivated, Subunit		2012/11	6 month of age and older
	FLUAD	Inactivated, Subunit		2015/11	65 years of age and older
	Fluzone	Split Virion	Sanofi	1980	6 month of age and older
	Fluzone High-Dose	Split Virion		2009/12	65 years of age and older
	Fluzone Intradermal	Split Virion		2011/05	18-64 years of age
	Flublok	Recombinant, Subunit		2013/01	18 years of age and older
	Fluarix	Split Virion	GSK	2005/08	6 month of age and older
	FluLaval	Split Virion		2006/10	6 month of age and older
	FluMist	Live Attenuated	AZ	2003/06	2-49 years of age
Quadrivalent	Flucelvax Quadrivalent	Inactivated, Subunit	Seqirus	2016/05	6 month of age and older
	Afluria Quadrivalent	Split Virion		2017/07	6 month of age and older
	Fluad Quadrivalent	Inactivated, Subunit		2020/02	65 years of age and older
	Fluzone Quadrivalent	Split Virion	Sanofi	2013/06	6 month of age and older
	Fluzone Intradermal Quadrivalent	Split Virion		2014/12	18-64 years of age
	Flublok Quadrivalent	Recombinant, Subunit		2016/10	18 years of age and older
	Fluzone High-Dose Quadrivalent	Split Virion		2019/11	65 years of age and older
	Fluarix Quadrivalent	Split Virion	GSK	2012/11	6 month of age and older
	Flulaval Quadrivalent	Split Virion		2013/08	6 month of age and older
	FluMist Quadrivalent	Live Attenuated	AZ	2003/07	2-49 years of age

Note: The approval date is the time when the vaccine was first approved, without considering age-group expansion.

Sources: FDA, Frost & Sullivan

As of the Latest Practicable Date, there were 12 influenza vaccine candidates under clinical development outside China, primarily including 2 trivalent mRNA vaccines and 6 quadrivalent vaccines (primarily including 4 mRNA vaccines). The following table sets forth details of influenza vaccine candidates outside China as of the Latest Practicable Date.

Type	Generic Name	Technical Route	Manufacturer	Clinical Stage	First Posted Date	Age Coverage	Location
Trivalent	GSK4382276A	mRNA	GSK	II	2024/05	18 years of age and older	US
	PF-07845104	mRNA	Pfizer	I/II (completed)	2024/05	18 years of age and older	US
Quadrivalent	mRNA-1010	mRNA	Moderna	III	2024/09	50 years of age and older	Global
	mRNA-1020			I/II (completed)	2022/04	18 years of age and older	US
	mRNA-1030			I/II (completed)	2022/04	18 years of age and older	US
	SP0237	mRNA	Sanofi	II	2024/04	18 years of age and older	US, Puerto Rico, Honduras
	OVX836	Non-VLP Nanoparticles	Osivax	II (completed)	2024/09	20-69 years of age	Belgium
	KBP-V001	Recombinant	KBio	I (completed)	2020/06	18-49 years of age	US
Pentavalent	mRNA-1011	mRNA	Moderna	I/II (completed)	2023/04	50-75 years of age	US
Hexavalent	mRNA-1012	mRNA	Moderna	I/II (completed)	2023/04	50-75 years of age	US
	–	mRNA	Sanofi	I/II	2024/12	50 years of age and older	US, Australia
Not Disclosed	UFluA	Non-VLP Nanoparticles	Emergent BioSolutions	I (completed)	2021/12	18-45 years of age	Australia

Sources: ClinicalTrials.gov, Frost & Sullivan

In addition to influenza vaccines targeting specific virus strains, several universal influenza vaccines candidates are being developed to provide protection against a wide range of virus strains. However, the efficacy of universal influenza vaccine needs to be further validated. For example, BiondVax's M001 project failed to meet both the primary and secondary efficacy endpoints in its Phase III clinical trial. In addition, universal influenza vaccine candidates developed based on mRNA and other novel technology are in early stages, without near-term prospects for commercialization. On May 1, 2025, the NIH announced that a universal influenza vaccine candidate developed based on its Generation Gold Standard platform is expected to commence clinical trial in 2026, with FDA approval targeted by 2029.

Market Drivers and Future Trends

The primary drivers and future trends of influenza vaccine market in China include:

- *Increased market demand.* Influenza affects individuals of all ages, especially infants, children and the elderly, necessitating widespread immunization. The China CDC advises annual vaccinations for all individuals aged six months and above who are willing and have no contraindications. The target population for influenza vaccines is huge and the market demand is high. As the immune protection generated by influenza decrease over time and the frequent emergence of influenza virus mutations may result in mismatch between the vaccine strain and the prevalent virus strain, it is necessary to receive annual vaccination for best protection. China CDC also recommends vaccination of one to two doses to generate a sufficient amount of antibodies. The annual and multi dose vaccination of influenza vaccines has expanded market demand for vaccines and driven market development.

- *Favorable policies.* Though influenza vaccines are not included in China's national immunization program, several regions have initiated free vaccination schemes for certain demographics, boosting public vaccination rates. For instance, Beijing offers free vaccines to residents over 60, students and other key groups, while Zhejiang and Shenzhen have similar initiatives that offer free vaccines to the elderly. These policies increase public willingness to vaccinate, promoting market growth. In recent years, in order to improve the vaccination rate, the PRC government has introduced various policies to promote the popularization of influenza vaccines. The 14th Five-Year Plan for National Health (《"十四五"國民健康規劃》) released by the State Council in April 2022 and the Notice on Doing a Good Job in the Prevention and Control of Influenza in the 2021-2022 Epidemic Season (《關於做好2021-2022年流行季流感防控工作的通知》) issued by the Comprehensive Group of the State Council Joint Prevention and Control Mechanism (國務院聯防聯控機制綜合組) in October 2021 recommend, (i) encouraging regions with sufficient resources to offer free vaccination, improving the vaccination rate of influenza vaccines, and reducing the occurrence of occurrence influenza outbreaks, (ii) strategically planning or establishing influenza POVs and coordinating vaccination of COVID-19 vaccines, influenza vaccines and other routine vaccines, and (iii) utilizing information system to manage vaccination data.

- *Increased vaccine coverage.* Due to public hesitancy stemming from insufficient awareness and understanding, the absence of national reimbursement for vaccine costs, and poor accessibility, the vaccination coverage rate, which represents the proportion of people who receive at least one dose of influenza vaccine during a influenza season, in China is low. Referencing a vaccination coverage rate of 49.3% in all people aged 6 months and older in the U.S. during the 2022-2023 season compared to an overall vaccination coverage rate of 3.8% in China for the same year, there is considerable room for improvement in China. With favorable policies that offer free vaccinations and people's increased ability to pay, the coverage of influenza vaccines in China will continue to increase, narrowing the gap with developed countries.

- *Pediatric and elderly markets.* Vulnerable to severe influenza symptoms, infants, young children and the elderly are key demographics for vaccine expansion. Ongoing promotion and introduction of vaccines for these groups are expected to drive growth. Policy-backed free vaccination for these populations is also anticipated to significantly boost penetration rates.

- *Vaccine diversification.* The approval of the Company's quadrivalent subunit influenza vaccine, which is the first marketed quadrivalent subunit influenza vaccine in China, in May 2023 represents a significant advancement, addressing a domestic gap with its high safety and targeted protection. Inspired by mRNA

COVID-19 vaccine successes, there has been a notable increase in investment in developing mRNA vaccines and other diverse vaccine types, providing more choices, better protection with enhanced safety to target populations, and thus boosting market adoption.

- *Strengthened influenza awareness and guidelines.* Due to the impact of COVID-19, the number of influenza cases in 2020 and 2021 was low, leading to a decreased demand for influenza vaccination. However, COVID-19 significantly raised residents' awareness of influenza prevention and their willingness to vaccinate. In September 2023, the China CDC released the Technical Guidelines for Influenza Vaccination in China (2023-2024) (《中國流感疫苗預防接種技術指南(2023-2024)》), highlighting that annual influenza vaccination is the most economical and effective measure for preventing influenza. All CDCs are required to actively promote scientific education, health awareness, and risk communication, aiming to help the public understand and prevent influenza scientifically, enhance awareness and gradually improve vaccine coverage among key populations.

Entry Barriers

The primary entry barriers of influenza vaccine market in China include:

- *Price pressure and cost control.* In recent years, the bidding prices of influenza vaccines in China have seen a substantial decrease. In response to this trend, manufacturers must rigorously manage production costs through reduction of raw material procurement costs, optimization of manufacturing processes and large-scale production, to stay competitive in the market.

- *Product variety and R&D barriers.* The market features many products and intense competition, with high barriers in research and development capabilities and technology reserves. Currently, the range of influenza vaccines in China is expansive, primarily comprising trivalent and quadrivalent split-virion vaccines, which leads to a high level of product homogeneity. Manufacturers must continuously upgrade their technology and develop innovative influenza vaccines, such as subunit vaccines, mRNA vaccines and nasal spray vaccines, to improve vaccine efficacy and enhance vaccination experience.

- *Seasonality and demand fluctuations*. Influenza are seasonal, with prevalent virus strains varying each year, leading to, sometimes substantial, fluctuations in annual demand of influenza vaccines. Therefore, it requires manufacturers to develop flexible production and supply strategies.

HUMAN RABIES VACCINES

Overview of Rabies

Rabies is an acute zoonotic infectious disease that primarily affects the central nervous system, caused by the rabies virus, which usually enters the human body through bites by infected animals. In its advanced stages, rabies can manifest as either "furious" or "paralytic" forms. Furious rabies is marked by confusion, involuntary body responses like pupil dilation and excessive saliva production and intense throat spasms. Paralytic rabies involves progressive paralysis, limb weakness and sensory impairment. Rabies is almost always fatal once symptoms show. The incubation period of the rabies virus typically lasts from one to three months. After seizure, it usually causes death within seven to ten days. Accordingly, rabies vaccines are crucial in preventing infection caused by the rabies virus after exposure. The human rabies vaccine can cause the human body to produce antibodies against the rabies virus and thus prevent infections.

The UK Department of Public Health has conducted an assessment of post-exposure risk of rabies globally. The assessment indicates that while contact with primates and rodents generally poses a low rabies risk worldwide, all regions, except United Kingdom and Ireland, are considered high-risk for exposure through bats. Additionally, regions across Asia, Africa, South America and Central America, including China, are classified as high-risk for rabies exposure from land-based animals. In developing countries, rabies poses a significant public health challenge, with developing countries in Asia and Africa accounting for over 95% of global human rabies deaths. The high incidence and mortality rates necessitate immediate post-exposure vaccination as a primary control measure. Conversely, in developed countries, rabies case is seldomly reported due to robust animal disease control systems, primarily involving comprehensive preventive vaccinations for pets. Consequently, the demand for rabies vaccines in these areas remains driven largely by prevention rather than active outbreaks. This delineates a dual focus within the global rabies vaccine industry where developing countries prioritize human vaccines for immediate post-exposure needs, while developed nations emphasize animal vaccinations to maintain low disease incidence.

According to the Guidelines for Rabies Exposure Prevention and Treatment (2023 Edition) (《狂犬病暴露預防處置工作規範(2023年版)》), rabies exposure is classified into three levels. Individuals with Level II and Level III exposures require specific medical treatment, including wound management and rabies vaccination, with Level III requiring further rabies passive immunization injections. For rabies patients who have developed symptoms after the latent period, there currently lacks specific treatment, except for symptomatic and supportive care. If necessary, comprehensive treatment measures providing major organ support, including antiviral and noninflammatory therapies, may be administered. However, the mortality rate remains nearly 100%.

Although rabies is a highly dangerous disease with no effective treatment once symptoms have appeared, it can be prevented if a vaccine is administered immediately after exposure to the virus. The China CDC recommends urgent post-exposure measures, such as rabies

vaccination, following any bites or scratches from high-risk animals, including dogs, cats and wild mammals like bats. This necessity has led to a substantial demand for rabies vaccines in China. Driven by the increased public awareness about the importance of human rabies vaccination and stricter control over animal populations, the incidence of rabies infection in China has been decreasing over the years. According to the Statistical Report on China's Health Care Development, there were 170 new cases, including 143 deaths, related to rabies in China in 2024.

As explained above, post-exposure vaccination is crucial for anyone potentially exposed to rabies through animal bites or saliva exposure. Depending on the contact with infected animals, individuals are subject to different exposure risks. For individuals with mild exposure level, such as minor scratches without bleeding or licks on broken skin, wound treatment and rabies vaccinations are required. For individuals with severe exposure level, such as transdermal bites or scratches, licks on open wounds or exposure to bats, administration of rabies immunoglobulin are required in addition to wound treatment and rabies vaccinations. In addition, pre-exposure rabies vaccinations are recommended for individuals frequently exposed to environments with a rabies risk. For those at high risk of rabies exposure due to their occupation, such as laboratory workers handling rabies virus or veterinarians, regular booster vaccinations are recommended, especially if their serum antibody levels decline below a protective threshold.

Overview of Human Rabies Vaccines

Currently marketed human rabies vaccines in China can be categorized into the following types based on the manufacturing technology route under which the rabies virus strain is cultured.

- *Primary cell rabies vaccines.* Traditionally used in rabies vaccine production, primary cells, such as primary chicken embryo cells and primary hamster kidney cells, are cultured through traditional adherent cell culture processes. Despite their lower production costs, these cells come with higher risks of contamination and face limitations in large-scale manufacturing, making them less competitive compared to more modern methods like Vero cells. Primary chicken embryo cell vaccines may also cause allergic reactions due to the egg ingredients.

- *Vero cell rabies vaccines.* These are seen as an innovative cell line with significant advantages over traditional methods. Vero cells are derived from the kidney cells of the African green monkey. With bioreactor technology, Vero cells can be cultivated in suspension culture, which ensures higher culture efficiency and lower production costs. This leads to improved production quality and lowers the risk of contamination by external pathogens. However, the presence of residual host cell DNA may lead to inferior safety profile. The culturing of Vero cells may also cause DNA mutations or alterations that may lead to tumorigenicity, resulting in safety concern of the Vero cell rabies vaccines.

- *Human diploid cell rabies vaccines.* A human diploid cell is a cell that is isolated from human tissues and cultured *in vitro*. These cells contains two complete sets of chromosomes, one set from each biological parent. These cells face challenges in scaling up production due to highly sophisticated and stringent technical standards required for extraction and cultivation. Consequently, these requirements result in higher production costs compared to other cell lines, making the large-scale vaccine manufacturing of such vaccines more challenging. However, as human diploid cell vaccines do not contain any potential tumor-causing DNA residues or risk of foreign protein allergens, they are theoretically safer than primary cell and Vero cell vaccines. The WHO also recommends human diploid cells as one of the safest cell substrates for the production of viral vaccines. The neutralizing antibodies in human diploid cell vaccines can also produce faster and better antibody responses. Although there are currently only two marketed human diploid cell rabies vaccines, the production of human diploid cell rabies vaccines is expected to increase in the next two to three years and human diploid cell rabies vaccines are expected to become one of the mainstream vaccines in the human rabies vaccine market.

Human rabies vaccines can be administered through different schedules, including the Essen regimen, Zagreb regimen and "1-1-1-1" regimen. The Essen regimen is a five-dose regimen where one dose is administered on each of days 0, 3, 7, 14 and 28. The "1-1-1-1" regimen, also known as the simplified four doses regimen, modifies the Essen regimen by eliminating the final dose. In the "1-1-1-1" regimen, vaccinations are administered on days 0, 3, 7 and between days 14 and 28, resulting in a total of four doses. The Zagreb regimen is specifically applicable for certain rabies vaccines approved in China. It consists of two initial doses administered on day 0, one in each of the arms, followed by additional doses on days 7 and 21.

Human rabies vaccines are available in both lyophilized and non-lyophilized forms. Lyophilized human rabies vaccines offer certain advantages over their non-lyophilized counterparts, primarily in terms of shelf life. Lyophilized human rabies vaccine can have a shelf life of up to 24 or 36 months, compared to 12 or 18 months for non-lyophilized human rabies vaccines. Furthermore, the compact form and stabilized components of lyophilized human rabies vaccine facilitate ease of transportation and storage, which is particularly beneficial in remote or resource-scarce regions. Although some procedural differences exist between lyophilized and non-lyophilized human rabies vaccines during preparation, such as the addition of sterile water for injection and subsequent reconstitution for lyophilized vaccines, these steps do not substantially extend the overall preparation time.

The number of individuals vaccinated with human rabies vaccines in China has remained relatively stable in recent years, ranging from approximately 18 million to 20 million persons annually. However, according to the Analysis of Rabies Epidemiological Characteristics in China, 2021 (published in 2024), among those seeking medical attention after rabies exposure, 81.41% completed the full vaccination regimen.

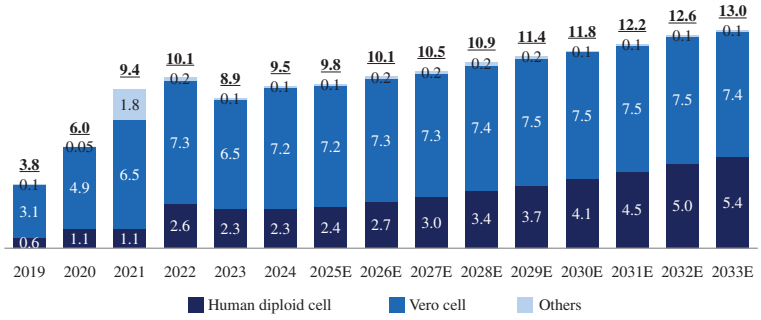
Market Size of Human Rabies Vaccines

The human rabies vaccine market in China, in terms of production value, increased from RMB3.8 billion in 2019 to RMB9.5 billion in 2024, at a CAGR of 20.3%. The total number of lot release increased from 58.8 million in 2019 to 77.8 million in 2024. The human rabies vaccine market is primarily driven by the continuously increasing number of pets in China and the rising prevalence of stray dogs and cats, which together contribute to an elevated risk of rabies exposure. There is a large population of pet owners in China and the number of pets has been increasing steadily in recent years. There were over 124.1 million pet dogs and cats in China in 2024. While pet dog owners in China are required to provide their pets with regular rabies vaccinations, compliance with these legal requirements is inconsistent across different regions and inadequate pet registration and low levels of vaccination coverage for pets are prevalent, particularly in rural or township areas. According to The 2021 Epidemiological Characteristics of Rabies in China, the immunization rate for dogs and cats stands at an average of only 29.8% and 19.5%, respectively. The lack of sufficient vaccination coverage among pets leaves humans more vulnerable to rabies exposure. In addition, the issue of stray animals, particularly dogs, remains substantial in China. Stray animals often exhibit high mobility, especially in rural and less developed areas, further increasing the likelihood of rabies exposure. Irresponsible pet abandonment, along with the growing number of pets, perpetuates the issue of stray animals over time. Given the near-certain fatality of rabies once symptoms appear, post-exposure vaccination is essential. While public understanding of responsible pet ownership and pet vaccination practices has been improving gradually, meaningful reductions in human vaccine demand are unlikely in the short term and the human rabies vaccine market remains highly reliant on post-exposure vaccination. Additionally, as more vaccines become available in the Zagreb regimen, the proportion of vaccinees receiving full post-exposure vaccination and the vaccination rates will further increase. As a result, the human rabies vaccine market in China is estimated to further increase to RMB13.0 billion in 2033, at a CAGR of 3.5% from 2024 to 2033. With the introduction of human rabies vaccines developed from human diploid cells, the formulation is anticipated to partly replace traditional vaccines manufactured with Vero and primary hamster kidney cell, leading to an increase in the unit price of human rabies vaccines, which is around RMB300 per dose. Furthermore, the market share for human diploid cell vaccines has been gradually increasing and more human diploid cell vaccines are anticipated to receive approval in the future. The following chart sets forth the market size of human rabies vaccines in China in terms of production value for the period indicated.

Human Rabies Vaccine Market in China, 2019-2033E

Period	CAGR			
	Human diploid cell	Vero cell	Others	Total
2019-2024	29.1%	18.5%	2.2%	20.3%
2024-2033E	10.2%	0.4%	3.2%	3.5%

Unit: Billion RMB



Note: Production value is calculated by multiplying the total number of lot release by the respective unit price of each vaccine.

Sources: NIFDC, Frost & Sullivan analysis

Fluctuations in the human rabies vaccine market are influenced by multiple factors, including product type, regulatory approvals, and corporate strategies. The high CAGR of 20.3% for the human rabies vaccine market in China between 2019 and 2024 was largely due to disruptions stemming from the Changchun Changsheng incident in 2018, which had led to tighter industry regulations, with some domestic manufacturers halting production to improve processes, causing a decline in lot release volume and production value in 2018 and 2019 as demand exceeded supply. After 2020, the market began to stabilize, with recovery in lot release volumes and production value driving rapid growth. The size for human rabies vaccines market in China decreased from 2022 to 2023, primarily due to the high lot release volume in 2022, causing the supply to exceed demand in 2022 and a decline in lot release volume in 2023. Looking forward, the market is expected to enter a phase of gradual development, resulting in a low projected CAGR of 3.5% between 2024 and 2033. The lot release of primary cell rabies vaccines vary annually, as they are subject to the strategic considerations of individual vaccine manufacturers as well as decisions by NIFDC. The relatively large production value of other rabies vaccine in 2021 was primarily attributable to an increase in the unit price of hamster kidney cell rabies vaccines.

As rabies has nearly 100% mortality once it manifests, there are no statistics tracking incidence in mild or severe exposure groups. Individuals frequently exposed to environment with rabies risk include laboratory workers involved in rabies research, staff in contact with rabies patients, veterinarians, animal shelter workers, researchers dealing with wildlife, and hunters. However, due to the lack of sufficient data on the current or historical prevalence of such high-risk individuals, it is difficult to estimate the future rabies infection rate or addressable market size for pre-exposure rabies vaccines.

Competitive Landscape of Human Rabies Vaccines in China

As of the Latest Practicable Date, there were 23 marketed human rabies vaccines in China, including 15 vaccines developed from Vero cells (including 11 lyophilized vaccines), 6 vaccines developed from hamster kidney cells (including 2 lyophilized vaccines) and 2 vaccines developed from human diploid cells, both of which are lyophilized. The following table sets forth details of marketed rabies vaccines in China as of the Latest Practicable Date.

Cell Line	Brand Name (Generic Name)	Manufacturer	NMPA Approval Date	Immunization Schedule[1]	End User Price[2] *(RMB per dose)*	Market Share[3] *(%)*
Human diploid cell (lyophilized)	–	Kanghua Biological Products (康華生物)	2012/01	Essen 5 doses	315	5.0
	–	Minhai (民海生物)	2023/09	Zagreb 4 doses & Essen 5 doses	298	4.3
Vero cell	武生旺寧	Wuhan Institute of Biological Products (武漢生物製品研究所)	2004/01	Essen 5 doses	/	–
	成大速達	Chengda Biotechnology (成大生物)	2004/01	Zagreb 4 doses & Essen 5 doses	89.5	–
	–	HK Biotech (惠康生物)	2006/11	Essen 5 doses	80	–
	–	Fosun Apexvac (復星雅立峰)	2016/09	Essen 5 doses	74	2.5[4]
Vero cell (lyophilized)	–	Yisheng Biopharma (依生生物)	2003/04	Essen 5 doses	95	18.8
	–	Chengda Biotechnology (成大生物)	2004/01	Zagreb 4 doses & Essen 5 doses	98	32.3
	武生欣寧	Wuhan Institute of Biological Products (武漢生物製品研究所)	2005/01	Essen 5 doses	/	–
	–	AIM (艾美疫苗)	2007/09	Essen 5 doses	99	6.1
	–	Promise Biological (諾誠生物)	2008/01	Essen 5 doses	/	–
	–	Zhuoyi Biological (卓誼生物)	2016/11	Essen 5 doses	118.5	6.7
	–	Changchun Institute of Biological Products (長春生物製品研究所)	2021/04	Zagreb 4 doses & Essen 5 doses	99	11.7
	–	Yidu Biotechnology (亦度生物)	2021/07	Zagreb 4 doses & Essen 5 doses	91	10.0
	–	Hualan Biological Bacterin (華蘭生物)	2023/04	Zagreb 4 doses & Essen 5 doses	129	1.2
	–	CuroVax (康潤生物)	2023/09	Zagreb 4 doses & Essen 5 doses	158	–
	–	Fosun Apexvac (復星雅立峰)	2024/03	Essen 5 doses	113	–
Hamster kidney cell	–	Yatai Biopharmaceuticals (亞泰生物)	1999/01	Essen 5 doses	/	–
	–	CGE Healthcare (遠大生物)	2000/01	Essen 5 doses	79	1.4
	–	Lanzhou Institute of Biological Products (蘭州生物製品研究所)	2000/01	Essen 5 doses	/	–
	–	Zhongke Biotic (中科生物)	2000/02	Essen 5 doses	95	–
	–	AIM (艾美疫苗)	2006/01	Essen 5 doses	/	–
Hamster kidney cell (lyophilized)	–	Lanzhou Institute of Biological Products (蘭州生物製品研究所)	2005/01	Essen 5 doses	/	–

Notes:

(1) All approved products for the post-exposure vaccination program can also be used for the pre-exposure prophylaxis 3-dose immunization program.

(2) The end-user price is calculated based on the median of the winning bid prices in 2024, as publicly disclosed in the provincial public tenders.

(3) The market share was calculated based on lot release volume in 2024.

(4) Including the lyophilized and non-lyophilized type of the company's human rabies vaccines.

(5) Certain human rabies vaccines are available in two immunization schedules, as they have undergone clinical validation and are proven to achieve the desired effects under each schedule. The decision of which schedule to adopt is primarily determined by the vaccine itself, and its administration should follow the instructions provided in the user guide.

Sources: NMPA, Frost & Sullivan

As of the Latest Practicable Date, there were 20 human rabies vaccine candidates under clinical development in China, primarily including 12 vaccines developed from Vero cells and 6 vaccines developed from human diploid cells (including the Company's rabies vaccine candidate). The following table sets forth details of the Company's rabies vaccine candidate and other rabies vaccine candidates in China as of the Latest Practicable Date.

Cell Line	Manufacturer	Clinical Stage	First Posted Date[1]	Immunization Schedule
Human diploid cell	Chengda Biotechnology (成大生物)	NDA	2024/08	Zagreb 4 doses & Essen 5 doses & 1-1-1-1
	ZFSW (智飛生物)	NDA	2024/10	Zagreb 4 doses & Essen 5 doses
	Chengdu Institute of Biological Products (成都生物製品研究所)	III	2017/05	Zagreb 4 doses & Essen 5 doses
	Prokang Biotechnology (普康生物)	III	2024/07	Zagreb 4 doses & Essen 5 doses
	AIM (艾美疫苗)	III	2025/06	Zagreb 4 doses & Essen 5 doses & 1-1-1-1
		I	2025/05	Zagreb 4 doses & Essen 5 doses
	the Company	I (completed)	2023/11	Zagreb 4 doses & Essen 5 doses[3]
Vero cell	BYS Bio (白雲山生物)	NDA	2024/07	Zagreb 4 doses & Essen 5 doses
	Sinovac (科興)	NDA	2025/01	1-1-1-1 & Essen 5 doses
	Ronsen (榮盛生物)	NDA	2025/03	Essen 5 doses
	AIM (艾美疫苗)	NDA	2025/04	Essen 5 doses
	GDK (金迪克生物)	III (completed)	2017/12	Essen 5 doses
	Maokangyuan Biotechnology (茂康源生物)	III	2019/12	Essen 5 doses
	ZFSW (智飛生物)	III	2020/12	Zagreb 4 doses & Essen 5 doses
	Chengda Biotechnology (成大生物)	III (completed)	2021/07	1-1-1-1
		I	2025/02	Essen 5 doses
	RBSPH (銀河陽光生物製品)	III	2022/11	1-1-1-1 & Essen 5 doses
	Yisheng Biopharmaceutical (依生生物)	III	2024/11	1-1-1-1 & Zagreb 4 dose
	Yidu Biotechnology (亦度生物)	III	2025/06	1-1-1-1
	Yatai Biological Pharmaceutical (亞泰生物藥業)	I (completed)	2021/02	Essen 5 doses
Chicken embryo cell	King-cell Biotechnology (青賽生物)	NDA	2024/10	Zagreb 4 doses & Essen 5 doses
	Qingfeng/C-Fusion Biotechnology (青峰藥業/賽爾富森生物科技)	III	2022/01	Zagreb 4 doses & Essen 5 doses

Notes:

(1) The dates for products in NDA stage are the dates handled by the CDE.

(2) Certain human rabies vaccines are applicable to two immunization schedules, as they have undergone clinical validation and are proven to achieve the desired effects under each schedule. The decision of which schedule to adopt is primarily determined by the vaccine itself, and its administration should follow the instructions provided in the medication guide.

(3) While the Company is developing the rabies vaccine candidate for simplified four-dose, a separate assessment of simplified four-dose regimen was not necessary in its Phase I clinical trial. Therefore, such regimen is not included in the clinical trial information of the Company's rabies vaccines as registered with the CDE. See "Business—Our Product and Product Candidates—Our Core Product—Lyophilized Human Rabies Vaccine (Human Diploid Cell)—Summary of Clinical Trials—Phase I Clinical Trial."

Sources: CDE, Frost & Sullivan

Competitive Landscape of Human Rabies Vaccines Outside China

As of the Latest Practicable Date, there were two marketed human rabies vaccines approved by the FDA, including one vaccine developed from human diploid cell and one vaccine developed from primary chicken embryo cell. The following table sets forth details of the human rabies vaccines approved by the FDA as of the Latest Practicable Date.

Cell Line	Brand Name (Generic Name)	Manufacturer	NMPA Approval Date*	Immunization Schedule
Human Diploid Cell	Imovax	Sanofi	NA	Essen 5 doses
Primary chicken embryo cell	RabAvert/Rabipur	Bavarian Nordic	1997	Essen 5 doses

Note: The approval date is the time when the vaccine was first approved, without considering age-group expansion.

Sources: FDA, Frost & Sullivan

As of the Latest Practicable Date, there were five human rabies vaccines under clinical development outside China, including two vaccines developed from Vero cell. The following table sets forth details of human rabies vaccine candidates outside China as of the Latest Practicable Date.

Cell Line/Technical Route	Manufacturer	Clinical Stage	First Posted Date*	Immunization Schedule	Location
Vero cell	Sanofi	III (completed)	2017/05	2-2-2-2	Thailand
	Yisheng Biopharma	III	2022/12	2-2-1 & Essen 5 doses	Pakistan, Philippines
		II (completed)	2016/11	1-1-1-1 & 2-2-1	Singapore
	Sinovac (科興)	III	2025/07	Essen 5 doses	Pakistan
		III	2025/07	PrEP 1-1-1	Pakistan
mRNA	CureVac	I (completed)	2018/10	1-1-1 & 1/2-1/2	Belgium, Germany
saRNA	GSK	I (completed)	2019/08	1-1	US

Note: The first posted date for the candidate in NDA stage is the date handled by FDA.

Source: ClinicalTrials.gov, Frost & Sullivan

Market Drivers and Future Trends

The primary drivers and future trends of human rabies vaccine market include:

- *Increase in pet ownership*. The number of pet owners in China is rising, with a significant increase in pet dogs. Social and demographic changes, along with better living standards, contribute to this growth. According to China Pet Industry White Paper, there were 124.1 million urban dogs and cats in China, of which 52.6 million

were pet dogs in 2024. According to WHO's World Health Statistics reports, over 95.0% of human rabies cases worldwide are caused by dog-related injuries. Unlike developed nations, China has not yet effectively implemented widespread animal vaccination programs, leading to higher demand for human rabies vaccines.

- *Affordability and awareness*. Higher per capita disposable income enables more people to afford self-funded vaccines like human rabies vaccines. In 2015, the WHO proposed a global strategic plan to eliminate human rabies caused by dogs worldwide by 2030 during the Global Rabies Conference held in Geneva, Switzerland. In recent years, the PRC government has released several guidelines, such as the Expert Consensus on Rabies Exposure Prevention and Treatment (《狂犬病暴露預防處置專家共識》) in 2019 and the Guidelines for Rabies Exposure Prevention and Treatment (2023 Edition) (《狂犬病暴露預防處置工作規範(2023年版)》). These guidelines recommend that individuals who are continuously and frequently exposed to environments with a risk of rabies should receive pre-exposure prophylactic rabies vaccination. For post-exposure treatment, rabies vaccination should be administered as early as possible. 24-hour dog injury clinics have also been established in various provinces and cities in China and made their locations public to help improve post-exposure vaccination rates.

- *Advancements in serum-free culture for rabies vaccines.* In the early stages of rabies vaccine development, natural animal fluid supplements like animal serum (such as newborn bovine serum and premium fetal bovine serum) were added to cultured cells to sustain growth. However, the composition of serum culture media is complex, and viruses, mycoplasma, and prions associated with bovine spongiform encephalopathy present in animal serum pose a high contamination risk. Additionally, China's bovine serum supply is highly import-dependent, limiting its availability. Serum-free culture addresses these issues with stable components, low contamination risks, and high safety. Guiding Catalogue for Industrial Structure Adjustment (2019 Edition) (《產業結構調整指導目錄(2019年本)》) issued by the NDRC encourages developing and applying serum-free and protein-free culture, fermentation and purification technologies for vaccine production for major diseases. Despite high entry barriers for serum-free culture technology, advancements in rabies vaccine cell matrix culture are gradually incorporating serum-free methods, which will become a future trend. Practices in low-serum and serum-free cultivation of human diploid cells already exist, promoting the development of the rabies vaccine market.

- *Growth in human diploid cell rabies vaccine market share*. The human rabies vaccine developed from human diploid cell is the WHO's gold standard for rabies vaccines, offering higher safety and stronger immune responses. While the current price of such vaccines, which is much higher than other human rabies vaccines, impacts vaccination rates, technological advancements may reduce production costs, improving affordability. With economic growth, the market share of human diploid cell rabies vaccines is anticipated to rise.

Entry Barriers

The primary entry barriers of rabies vaccine market in China include:

- *Research and development capabilities.* Rabies vaccine immunization schedules are relatively complex, often requiring multiple doses. Developing simpler administration protocols, while maintaining the requisite efficacy, is a vital direction for future rabies vaccine research and development.

- *Complex manufacturing process.* Human diploid cell rabies vaccines are widely recognized as safe and effective. However, the manufacturing process is intricate, with high technological barriers. The manufacturing process involves culturing of human diploid cell and complex purification, both requiring extensive experience and technical capabilities.

- *Established market dynamics.* The rabies vaccine market has evolved into a stable landscape over the years. Some of the earlier approved brands have gained widespread recognition from CDCs and medical professionals due to their extensive market experience. New entrants face significant barriers, requiring substantial resources for channel development to break into this established market structure.

PNEUMOCOCCAL VACCINE

Overview of Pneumococcal Disease

Pneumococcal diseases are caused by *Streptococcus pneumonia*, a pneumococcus bacteria. Pneumococcal diseases can be divided into invasive pneumococcal diseases (IPD) and non-invasive pneumococcal diseases (NIPD). NIPD occurs when pneumococcus bacteria infect areas outside the major organs or bloodstream, such as the upper and lower respiratory tracts. These infections can lead to conditions like otitis media (infection of the middle ear), bronchitis (inflammation of the bronchial tubes) and nasosinusitis (infection and inflammation of the nasal passages and sinuses). In contrast, IPDs are more severe, as the bacteria invade major organs or the bloodstream. This can result in serious conditions such as bacteremia (the presence of bacteria in the blood), sepsis (a life-threatening response to infection causing systemic inflammation), meningitis (infection of the protective membranes covering the brain and spinal cord), pneumonia, osteomyelitis (infection of the bone) and septic arthritis (infection of a joint). IPD has a notably high mortality rates in children, particularly in low- and middle-income countries, where the mortality rate for sepsis associated with IPD can reach up to 20%, while that for meningitis can be as high as 50%. In 2019, there were 0.8 million new cases of pneumococcal diseases in China. Due to increased health awareness among residents, enhanced government immunization efforts and the commercial production and sales of domestic pneumococcal vaccines, the incidence rate of pneumococcal diseases has gradually decreased in recent years, with 0.7 million new cases in China in 2024. While pneumococcal diseases can affect all age groups, high risk populations are those with relatively weaker

immune systems, including the young children and the elderly. In addition, antibiotic resistance caused by the wide misuse of antibiotics has exacerbated morbidity and mortality among the elderly infected with pneumococcal diseases.

Currently, antibiotic therapy is the first choice for treatment of pneumococcal disease. However, *Streptococcus pneumonia* has shown significant resistance to many commonly prescribed antibiotics. The introduction of pneumococcal vaccinations has successfully decreased the prevalence of resistant strains in certain developed areas. However, resistance remains a significant issue in many Asian countries due to extensive antibiotic use and low vaccine coverage. Hence, preventive measures, especially the use of vaccines, are increasingly necessary. Pneumococcal vaccines, particularly conjugate vaccines, have proven effective in preventing pneumococcal diseases, especially in children. However, pneumococcal vaccines have a low vaccination rate of approximately 9% in China in terms of the total population, compared to over 90% in the United States.

Overview of Pneumococcal Vaccines

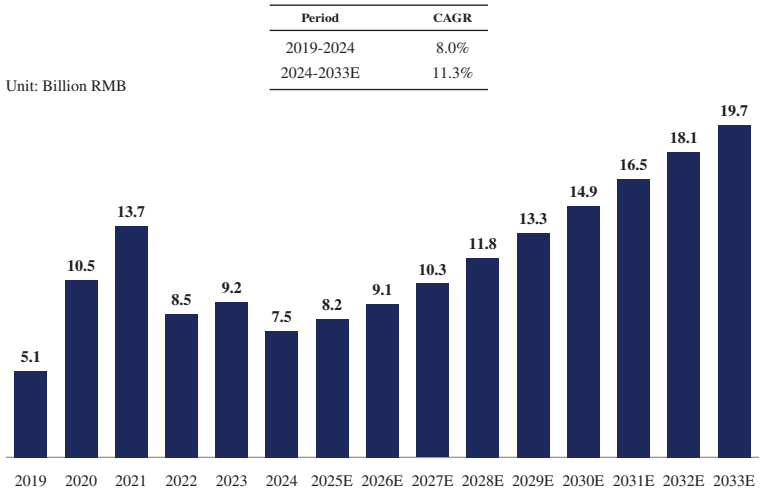
Pneumococcal vaccines can be classified into several types, among which polysaccharide vaccines and conjugate vaccines are the most commonly used. Pneumococcus has various serotypes, whose distribution and prevalence may vary by age, region, vaccine introduction, and other factors. Over time, the use of vaccines, along with other factors, can result in shifts in pathogenic serotypes, with the prevalence of some serotypes decreasing while others may increase. The primary differences between pneumococcal vaccines of different valence lie in the range of serotypes covered and slight variations in clinical application and immunization schedules for target populations. 23-valent pneumococcal polysaccharide vaccines (PPSV23) and 13-valent pneumococcal conjugate vaccines (PCV13) are the only two types of pneumococcal vaccines currently sold in China. Currently, PCV13 are used in infants and children and PPSV23 are used in people aged 50 years and above or people over 2 years old with increased infection risks. In contrast, a number of pneumococcal vaccines are available outside China, including 7-valent pneumococcal conjugate vaccines (PCV7), 10-valent pneumococcal conjugate vaccines (PCV10), PCV13, 15-valent pneumococcal conjugate vaccines (PCV15), 20-valent pneumococcal conjugate vaccines (PCV20) and PPSV23. PCV7 and PCV10 are currently used in children while PCV15 and PCV20 are currently used in children and adults.

Cross-protection in pneumococcal vaccines refers to the immune response induced by the vaccine against one or several serotypes, which can offer some protection against other antigenically similar serotypes not directly covered by the vaccine. This phenomenon relies on the antigenic similarity between pneumococcal serotypes. As vaccines become widely used, excluded serotypes may emerge as new pathogenic threats, and cross-protection might mitigate this issue partially. However, cross-protection is generally weaker than direct protection because antibodies may have lower affinity for similar serotypes, thus cross-protection cannot fully replace direct protection against specific serotypes.

Market Size of Pneumococcal Vaccines

The pneumococcal vaccine market in China, in terms of production value increased from RMB5.1 billion in 2019 to RMB7.5 billion in 2024, at a CAGR of 8.0%. The total number of lot release increased from 14.2 million in 2019 to 16.6 million in 2024. It is expected to further increase to RMB19.7 billion in 2033, at a CAGR of 11.3% from 2024 to 2033. The market size in China decreased from 2021 to 2022, primarily due to (i) prioritization of COVID-19 vaccinations, delaying pneumococcal immunizations for children and the elderly, (ii) people reducing hospital visits and postponing non-mandatory vaccinations during the COVID-19 pandemic due to cross-infection concerns, and (iii) surplus of lot release volumes in 2021. The following chart sets forth the market size of pneumococcal vaccines in China in terms of production value for the period indicated.

Pneumococcal Vaccine Market in China, 2019-2033E



Note: Production value is calculated by multiplying the total number of lot release by the respective unit price of each vaccine.

Sources: NIFDC, Frost & Sullivan analysis

The PPSV23 market in China, in terms of production value, was RMB1.8 billion in 2019. Driven by the increase awareness of pneumonia awareness after the COVID outbreak in 2020, the PPSV23 market significantly increased to RMB3.4 billion in 2020, with the total number of lot release of PPSV23 vaccine also increased from 9.5 million in 2019 to 17.4 million in 2020. However, after the marketing of COVID-19 vaccines in 2021, the market size and lot release of PPSV23 have declined, remaining at approximately the same level as in 2019. Furthermore, due to a fall in the number of newborns, intensified market competition and relatively high level of unsold inventory at the end of 2023, the market of PPSV23 in China decreased to RMB1.2 billion in 2024 and the total number of lot release decreased to 6.2 million in 2024. However, with the increased availability more advanced products in China, the PPSV23 market in China is expected to grow in the next few years, reaching RMB5.0 billion in 2033, at a CAGR of 17.4% from 2024 to 2033.

Competitive Landscape of Pneumococcal Vaccines in China

As of the Latest Practicable Date, there were 10 marketed pneumococcal vaccines in China, including 6 PPSV23 and 4 PCV13. The following table sets forth details of marketed pneumococcal vaccines in China as of the Latest Practicable Date.

Type	Brand Name (Generic Name)	Technical Route	Manufacturer	NMPA Approval Date*	Age Coverage
23-valent	PNEUMOVAX (紐莫法)	Polysaccharide	MSD	2010/02	50 years of age and older; 2 years of age and older who are at increased risk
	沃朵菲		Walvax (沃森生物)	2017/03	2 years of age and older who are at increased risk
	維民菲樂		Minhai (民海生物)	2018/08	2 years of age and older who are at increased risk
	惠益康		Chengdu Institute of Biological Products (成都生物製品研究所)	2020/07	2 years of age and older who are at increased risk
	23-valent Pneumococcal Polysaccharide Vaccine		Sinovac (科興)	2020/12	2 years of age and older who are at increased risk
	優威克		ZFSW (智飛生物)	2023/08	2 years of age and older who are at increased risk
13-valent	Prevnar 13	Polysaccharide Conjugate	Pfizer	2016/10	6 weeks through 5 years of age
	維民菲寶		Minhai (民海生物)	2021/09	6 weeks through 5 years of age
	Weuphoria (沃安心13)		Walvax (沃森生物)	2019/12	6 weeks through 5 years of age
	優佩欣		Cansino (康希諾)	2025/06	6 weeks through 5 years of age

Note: The approval date is the time when the vaccine was first approved, without considering age-group expansion.

Sources: NMPA, Frost & Sullivan

As of the Latest Practicable Date, there were 22 pneumococcal vaccine candidates under clinical development in China, primarily including 8 PCV13, 4 PCV24 and 3 PPSV23 (including the Company's PPSV23). The following table sets forth details of the Company's PPSV23 candidate and other pneumococcal vaccine candidates in China as of the Latest Practicable Date.

Type	Technical Route	Manufacturer	Clinical Stage	First Posted Date*	Age Coverage
23-valent	Polysaccharide	Lanzhou Institute of biological products (蘭州生物製品研究所)	III (completed)	2015/12	2 years of age and older
		AIM (艾美疫苗)	III	2023/08	2 years of age and older
		the Company	I (completed)	2020/09	2 years of age and older
13-valent	Polysaccharide Conjugate	Lanzhou Institute of Biological Products (蘭州生物製品研究所)	NDA	2023/03	2 months through 5 years of age (at least 6 weeks of age)
			I (completed)	2016/07	2 months through 59 years of age (at least 6 weeks of age)
		AIM (艾美疫苗)	NDA	2024/11	2 months through 5 years of age (at least 6 weeks of age)
		Fosun Adgenvax (復星安特金)	III	2022/05	2-3 months of age (at least 6 weeks of age)
			I	2020/04	2 months of age and older (at least 6 weeks of age)
		Sinovac (科興)	III	2023/10	2 months through 5 years of age (at least 6 weeks of age)
			I	2022/08	2 months of age and older (at least 6 weeks of age)
		Kunli Biopharmaceutical (坤力生物)	I	2021/07	2 months through 59 years of age (at least 6 weeks of age)
		Microvac Biotech (微超生物)	I	2022/03	2 months through 49 years of age (at least 6 weeks of age)
		BravoVax, Chengda (博沃生物，遼寧成大)	I	2022/10	2 months of age and older (at least 6 weeks of age)
		Chengdu Institute of Biological Products (成都生物製品研究所)	I	2023/03	2 months through 59 years of age (at least 6 weeks of age)
24-valent	Polysaccharide Conjugate	Reinovax (瑞宙生物)	II	2024/04	18 years of age and older
			I	2024/04	2 months through 17 years of age (at least 6 weeks of age)
		Kunli Biopharmaceutical (坤力生物)	I/II (completed)	2022/02	18 years of age and older
		Sinovac (科興)	I	2025/01	2-23 months of age
			I	2024/08	2-17 years of age
			I	2024/06	18 years of age and older
			Ib/II	2025/06	18 years of age and older
		Fosun Adgenvax (復星安特金)	I	2025/05	2 months of age and older (at least 6 weeks of age)
20-valent	Polysaccharide Conjugate	MINHAI (民海生物)	II	2025/03	2 months through 5 years of age
			I	2024/11	2 months through 59 years of age
		Innovax Biotech (萬泰滄海生物)	I	2023/03	6 weeks of age and older
		Microvac Biotech/JUWEIBIO (微超生物/聚微生物)	I	2023/04	2 months through 55 years of age (at least 6 weeks of age)
		Pfizer (輝瑞)	I	2025/05	6 weeks through 49 years of age
			I	2025/06	50 years of age and older
15-valent	Polysaccharide Conjugate	ZFSW (智飛生物)	NDA	2025/06	3 months through 5 years of age
			I (completed)	2019/06	6 weeks of age and older
26-valent	Polysaccharide Conjugate	ZFSW (智飛生物)	I/II	2024/08	2 months of age and older (at least 6 weeks of age)
Not Applicable(1)	Protein-based pneumococcal vaccine	Cansino (康希諾)	I (completed)	2019/09	18-49 years of age
			I	2022/11	50 years of age and older

Note:

* The dates for products in NDA stage are the dates handled by the CDE.

(1) A protein-based pneumococcal vaccine candidate which is not serotype-dependent.

Sources: CDE, Frost & Sullivan

Market Drivers and Future Trends

The primary drivers and future trends of pneumococcal vaccine market in China include:

- *Increased risk among the elderly*. With advancing age, the susceptibility to pneumococcal disease rises, particularly among individuals aged 65 and above. China's population in this age group reached 222.5 million in 2024, and it is estimated to increase to 298.5 million by 2033. Coupled with a growing trend of population aging and rising per-capita disposable income, the demand for pneumococcal vaccines, especially PPSV23, is anticipated to increase, leading to an expansion of the market size.

- *Rising vaccination rates*. Pneumococcal vaccination rates are still low in many regions of China as such vaccines are not covered by the national immunization program. The serious health impact of pneumococcus bacteria has led to WHO recommending inclusion of PCV in immunization schedules and the U.S. CDC recommending public vaccination. As health awareness grows among the Chinese population, the demand for preventive healthcare services, including pneumococcal vaccines, is expected to rise, consequently expanding the pneumococcal vaccine market in China.

- *Expansion of serotype coverage*. Multivalent pneumococcal vaccines address a broader array of pneumococcal serotypes and higher valent vaccines can prevent more pneumococcal serotypes and thus have better preventive effects. PCV7 has been gradually replaced by PCV13. Meanwhile, PCV24 is being developed and some PCV24 candidates have entered the clinical stage. The serotype coverage will likely expand further with the continuous development of new pneumococcal vaccines.

- *Increase in domestic production*. Before 2019, Pfizer's Prevnar 13 was the only available PCV13 globally. However, the launch of a domestically developed PCV13 in China in 2020 marked the end of Pfizer's market monopoly, bolstered by supportive national policies and an influx of advanced technology from overseas companies. Currently, there are two domestically developed PCV13 and five PPSV23 in China, and the number of domestically developed pneumococcal vaccines is expected to gradually increase in the future.

- *Widening scope of vaccine application*. The PCV13 currently under development in China has broadened their applicability to a larger population. Clinical trials have examined safety and efficacy in individuals from 2 months to 59 years. Meanwhile, the PCV24 under development targets those aged 18 years and above. As expertise accumulates through trials, the applicability of pneumococcal vaccines is expected to expand.

ZOSTER VACCINES

Overview

Herpes zoster, also known as shingles, is a medical condition caused by the reactivation of the varicella-zoster virus (VZV) that remains dormant in the body. VZV is the same virus responsible for chickenpox. This reactivation typically occurs when an individual's immunity to VZV diminishes due to factors such as aging or immunosuppression. While herpes zoster can manifest at any age, it predominantly affects the elderly. The disease is characterized by symptoms including pain, a general sense of malaise, fever, chills, muscle aches, headache, itching, numbness and a distinctive rash. Notably, VZV can be transmitted from an individual with active shingles to someone who has neither had chickenpox nor received a zoster vaccine. Following recovery from herpes zoster, the virus can remain inactive within the dorsal root and cranial nerve ganglia for extended periods, potentially for decades. The incidence of herpes zoster in China increased from 7.0 million in 2019 to 7.8 million in 2024. The global incidence of herpes zoster also increased from 31.0 million in 2019 to 43.9 million in 2024.

Currently available zoster vaccines include live attenuated vaccines and recombinant vaccines. The live attenuated zoster vaccine can enhance VZV-specific cell-mediated immunity in elderly individuals. However, its efficacy diminishes with increasing age and significantly diminishes after six to eight years post-vaccination. In contrast, the recombinant zoster vaccine demonstrates superior efficacy in elderly individuals and remains robust irrespective of the age of the vaccinee, with immune response persisting six to nine years after vaccination. This improved performance is attributable to the stronger immune response elicited by the current marketed recombinant zoster vaccine.

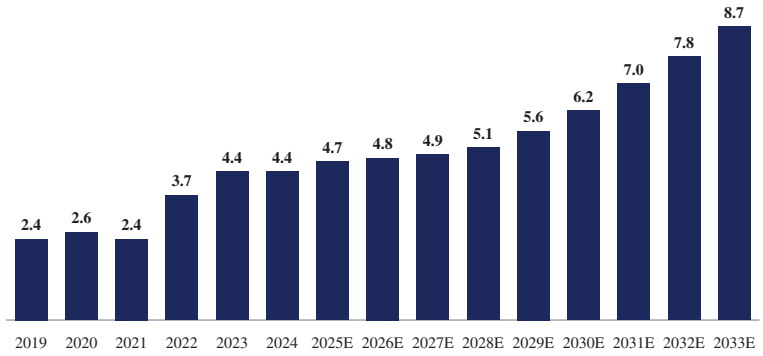
Market Size of Zoster Vaccines

The global zoster vaccine market increased from US$2.4 billion in 2019 to US$4.4 billion in 2024, at a CAGR of 12.8%, and is estimated to reach US$8.7 billion in 2033, at a CAGR of 7.8% from 2024 to 2033. The global market size decreased from 2020 to 2021, primarily due to reduced demand for routine adult vaccinations during the COVID-19 pandemic. The following chart sets forth the global market size of zoster vaccines in terms of sales revenue for the period indicated.

Global Zoster Vaccine Market, 2019-2033E

Period	CAGR
2019-2024	12.8%
2024-2033E	7.8%

Unit: Billion USD



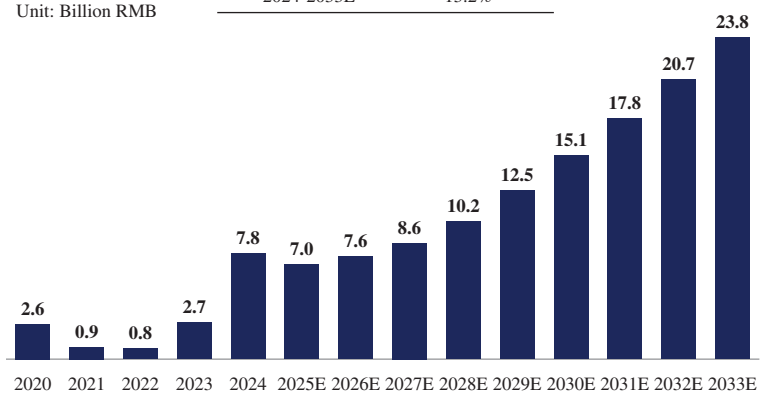
Sources: Annual reports of relevant companies, Frost & Sullivan analysis

The zoster vaccine market in China reached RMB2.6 billion in terms of production value in 2020 after the first zoster vaccine obtained approval from the NMPA in 2019. Driven by growing awareness of herpes zoster and the increasing number of available zoster vaccine products, the zoster vaccine market is estimated to increase from RMB7.8 billion in 2024 to RMB23.8 billion in 2033, at a CAGR of 13.2%. The decrease in the market size in China from 2021 to 2022 was primarily due to: (i) the prioritization of vaccination of COVID-19 vaccines during the COVID-19 pandemic, and (ii) reduced offline promotional activities during the COVID-19 pandemic, impacting general public's awareness and willingness to vaccinate. The following chart sets forth the market size of zoster vaccines in China in terms of production value for the period indicated.

Zoster Vaccine Market in China, 2020-2033E

Period	CAGR
2020-2024	31.2%
2024-2033E	13.2%

Unit: Billion RMB



Note: Production value is calculated by multiplying the total number of lot release by the respective unit price of each vaccine.

Sources: NIFDC, Frost & Sullivan analysis

Competitive Landscape of Zoster Vaccines in China

As of the Latest Practicable Date, there were two marketed zoster vaccines in China, including one recombinant vaccine and one live attenuated vaccine. The following table sets forth details of the marketed zoster vaccines in China as of the Latest Practicable Date.

Brand Name (Generic Name)	Technical Route	Manufacturer	NMPA approval date*	Age Coverage
SHINGRIX	Recombinant	GSK	2019/05	50 years of age and older
感維	Live Attenuated	BCHT (百克生物)	2023/01	40 years of age and older

Note: The approval date is the time when the vaccine was first approved, without considering age-group expansion.

Sources: NMPA, Frost & Sullivan

As of the Latest Practicable Date, there were 15 zoster vaccine candidates under clinical development in China, including 10 recombinant vaccines and 2 live attenuated vaccines. The following table sets forth details of the Company's recombinant zoster vaccine candidate (CHO cell) and other zoster vaccine candidates in China as of the Latest Practicable Date.

Technical Route	Manufacturer	Clinical Stage	First Posted Date	Age Coverage
Recombinant	Recbio (瑞科生物)	III	2024/10	40 years of age and older
Recombinant	Lvzhu Biotech (綠竹生物)	NDA	2025/02	The age for submitting NDA for this product has not been disclosed
		III	2023/09	40 years of age and older
		II	2024/11	50 years of age and older
		II (completed)	2022/04	50-70 years of age
Recombinant	MaxVax (邁科康生物)	III	2024/06	40 years of age and older
		II	2023/05	30 years of age and older
		I	2022/10	18 years of age and older
Recombinant	Varnotech (華諾泰生物)	II	2024/10	40 years of age and older
Recombinant	CGE Healthcare (遠大賽威信)	II	2025/07	40 years of age and older
Recombinant	GeneVax (吉諾衛)	II	2025/06	40 years of age and older
Recombinant	SinoCellTech (神州細胞工程)	I/II	2025/01	40 years of age and older
Recombinant	Ivye Pharma (綠葉製藥)	I	2025/03	40 years of age and older
Recombinant	Shanghai Institute of Biological Products (上海生物製品研究所)	I	2025/04	40 years of age and older
Recombinant	***the Company***	I/II	2025/02	40 years of age and older
Live Attenuated	Changsheng Biotechnology (長生生物)	III	2017/10	40 years of age and older
Live Attenuated	Shanghai Institute of Biological Products (上海生物製品研究所)	I/II (completed)	2018/12	40 years of age and older
mRNA	RHEGEN (瑞吉生物)	I	2025/05	40 years of age and older
mRNA	ABOGEN (艾博生物)	I	2025/05	40 years of age and older
mRNA	CSPC (石藥集團)	I	2025/04	40 years of age and older

Sources: CDE, Frost & Sullivan

Competitive Landscape of Zoster Vaccines Outside China

As of the Latest Practicable Date, there were two zoster vaccines approved by the FDA, namely Zostavax, a live attenuated vaccine, and Shingrix, a recombinant vaccine. The following table sets forth details of the zoster vaccines approved by the FDA as of the Latest Practicable Date.

Brand Name (Generic Name)	Technical Route	Manufacturer	FDA Approval Date*	Age Coverage
Zostavax	Live Attenuated	Merck	2006/05	50 years of age and older
SHINGRIX	Recombinant	GSK	2017/10	50 years and above/18 years and above who are or will be at increased risk

Note: The approval date is the time when the vaccine was first approved, without considering age-group expansion.

Sources: FDA, Frost & Sullivan

As of the Latest Practicable Date, there were 14 zoster vaccine candidates under clinical development outside China, primarily including 8 recombinant vaccines and 5 mRNA vaccines. The following table sets forth details of zoster vaccine candidates outside China as of the Latest Practicable Date.

Generic Name	Technical Route	Manufacturer	Clinical Stage	First Posted Date	Age Coverage	Location
Z-1018	Recombinant	Dynavax	I/II	2024/08	50-69 years of age	Australia
–	Recombinant	Shanghai Institute of Biological Products	I/II	2025/04	40 year of age and older	NA
BV211	Recombinant	BravoVax	I	2023/02	30-70 years of age	NA
REC610	Recombinant	Recbio	I (completed)	2023/03	40 years of age and older	Philippines
ChAdOx1-VZV	Recombinant	CanSino	I (completed)	2023/08	50-65 years of age	Canada
CVI-VZV-001	Recombinant	CHA Vaccine Institute	I	2023/11	50-65 years of age	Korea
LYB004	Recombinant	Patronus Biotech	I	2024/03	50-70 years of age	Australia
EuHZV	Recombinant	Eubiologics	I	2024/05	50-69 years of age	Korea
CRV-101	Subunit	Curevo	II	2022/03	50 years of age and older	US
mRNA-1468	mRNA	Moderna	I/II	2023/01	50 years of age and older	Puerto Rico, US
IN001	mRNA	Shenxin Biotechnology	I	2024/01	50-69 years of age	US, Australia
BNT167	mRNA	Pfizer/BioNTech	II	2023/01	50-69 years of age	US
SYS6017	mRNA	CSPC	I	2025/05	40 years of age and older	NA
JCXH-105	Self-replicating RNA	Immorna Biotherapeutics	II	2024/09	50 years of age and older	US

Sources: ClinicalTrials.gov, Frost & Sullivan

Market Drivers and Future Trends

The primary drivers and future trends of zoster vaccine market include:

- *Aging society.* The lifetime risk of herpes zoster in the general population ranges from 20-30% and significantly increases after age 50, reaching a 50% lifetime risk by age 85. As the global population ages, the number of individuals over 50, who are susceptible to herpes zoster, rises. This demographic is notably at risk for postherpetic neuralgia, a common and severe complication of herpes zoster, which can persist for extended periods, severely impacting the quality of life. The risk of having postherpetic neuralgia after herpes zoster also increase with age. Accordingly, there is strong market potential for effective zoster vaccines.

- *High reactivation rate.* Herpes zoster can reactivate later in life following initial varicella or chickenpox infection, particularly in the elderly or immunocompromised individuals. With over 1.5 million people afflicted by herpes zoster and its persistence of neuropathic pain each year in China, coupled with significant annual healthcare costs exceeding RMB1.0 billion, a substantial market exists for zoster vaccines.

- *Technical upgrades.* Zostavax, the first zoster vaccine, was a live attenuated vaccine approved by the FDA in 2006. Although Zostavax's efficacy declines significantly within six to eight years after vaccination, the market has evolved with the introduction of Shingrix in 2017. Shingrix, a recombinant protein vaccine, offers significantly better protection as proven in clinical trials. This technical advancement resulted in Shingrix's revenues reaching US$2.7 billion in 2024, when FDA discontinued lot release of Zostavax in the same year, underscoring an expanded market share for new vaccines.

- *Safe and effective innovations.* Advances in biotechnology and production process are leading to development of zoster vaccines with improved durability and stronger immunogenic responses. These developments are suitable not only for healthy individuals but also for the elderly and immunocompromised population. Innovations such as the mRNA zoster vaccine, which are currently being tested in rhesus monkeys, show promising extended immune responses with acceptable side effects.

- *High market penetration.* Improved production process and technology can also reduce manufacturing costs of zoster vaccines, lowering their prices and encouraging wider vaccination uptake. Enhanced safety and efficacy can also bolster the vaccine's applicability, expanding the user base and significantly increasing market penetration.

RESPIRATORY SYNCYTIAL VIRUS (RSV) VACCINES

Overview

The Respiratory Syncytial Virus (RSV) is a common virus affecting the respiratory tract, with symptoms often resembling a mild cold in upper respiratory tract infections. These symptoms are typically self-limiting. However, RSV can escalate to severe infections like bronchiolitis or pneumonia, particularly impacting vulnerable populations such as infants, the elderly and those with chronic illnesses. There were approximately 2.0 million new cases of acute lower respiratory tract infections caused by RSV in China in 2024. The virus, primarily transmitted via droplets and contact with contaminated surfaces, remains viable on such surfaces for about four to seven hours. An infected individual is typically contagious for three to eight days, although infants and individuals with compromised immune systems may continue to spread RSV for up to four weeks post-symptom resolution.

Despite the prevalence of RSV, the healthcare sector currently lacks a safe and effective vaccine or direct antiviral treatment. Current management of RSV infection relies on broad-spectrum antivirals and symptomatic treatment, although these are not fully effective in curbing the infection. Consequently, there is an urgent need for the development of an effective RSV vaccine.

The development of RSV vaccines has been a priority for the WHO since the 1960s. After the world's first two RSV vaccines obtained FDA approval in May 2023, the global RSV market, in terms of sales revenue, reached US$1.5 billion in 2024 and is estimated to reach US$8.3 billion in 2033, at a CAGR of 20.6%.

Competitive Landscape of RSV Vaccines

As of the Latest Practicable Date, no RSV vaccine had been approved by the NMPA. As of the same date, there were 14 RSV vaccine candidates under clinical development in China.

As of the Latest Practicable Date, there were three RSV vaccines approved by the FDA, including two recombinant vaccines and one mRNA vaccine. As of the same date, there were 22 RSV vaccine candidates under clinical development outside China.

MPOX VACCINES

Overview

Mpox is a disease caused by infection with the mpox virus, an enveloped double-stranded DNA virus of the orthopoxvirus genus in the Poxviridae family. Symptoms typically include fever, rash, swollen lymph nodes and muscle aches, appearing between one to two weeks after infection. Certain individuals may harbor the infection without developing any symptoms. Mpox is transmitted zoonotically through rodents or direct contact with infected animals or their secretions. Individuals diagnosed with mpox retain the potential to transmit the

disease to others until such time as all lesions have fully healed and a fresh layer of skin has formed. Children, pregnant women and those with compromised immune systems, are at higher risk for severe symptoms and death as a result of mpox-related complications.

Since the second half of 2022, mpox has seen a notable increase in prevalence, drawing global attention. Initially concentrated in parts of Central and West Africa, the virus began to spread more widely, with outbreaks reported in several countries across Europe, North America and Asia. According to WHO, between January 1, 2022 and November 30, 2024 there had been a total of 117,663 confirmed cases of mpox worldwide, including 263 confirmed deaths. Mpox cases also emerged sporadically in China, with a total of 951 confirmed cases between September 2023 and November 2024. Although the incidence in China remained relatively low compared to heavily affected regions, China has been vigilant in its public health strategies to prevent widespread transmission.

While chemotherapies, including antiviral drugs such as cidofovir and ST246, are potential treatment options of orthopoxvirus infections, vaccines are also crucial for preventing infections. Traditional orthopoxvirus vaccines such as vaccinia virus vaccines have been associated with considerable adverse reactions. In response to these challenges, third-generation vaccines like modified vaccinia Ankara (MVA) vaccines and LC16m8 have been developed. These newer vaccines employ attenuation strategies to reduce side effects, thereby enhancing safety profiles while preserving immunogenicity. MVA-based vaccines have shown promising results in clinical trials by providing effective protection even post-exposure to orthopoxvirus.

Competitive Landscape of Mpox Vaccines

As of the Latest Practicable Date, no mpox vaccine had been approved by the NMPA and there was one mpox vaccine candidate under clinical development in China. As of the same date, there were two mpox vaccine approved by the FDA, which was a live attenuated vaccine, and three mpox vaccines (one live attenuated vaccine and two mRNA vaccines) under clinical development outside China.

VARICELLA VACCINES

Overview

Varicella, commonly known as chickenpox, is an acute systemic infectious disease caused by the varicella-zoster virus (VZV). While typically self-limiting in immunocompetent children, the disease can have more severe symptoms in adults and certain high-risk populations, including infants, pregnant women and immunocompromised individuals. Transmission typically occurs through airborne droplets or direct contact, leading to symptoms such as a characteristic rash, fever, malaise and headache, which appear approximately 10 to 21 days post-exposure. Although chickenpox is usually self-limited, complications such as secondary bacterial infections and, in severe cases, central nerve system involvement can

occur. In China, varicella incidence shows a seasonal pattern, with peaks from May to June and from October to January of the following year. There were approximately 516.6 thousand reported cases of varicella in China in 2024.

Treatment for mild cases involves symptomatic relief through antihistamines and soothing baths, whereas severe cases may necessitate antiviral therapy. Vaccination remains the most effective preventive measure against varicella, particularly given the disease's high infectivity rate. As such, vaccination plays a critical role in controlling outbreaks and epidemics, especially during peak seasons in winter and spring.

Competitive Landscape of Varicella Vaccines in China

As of the Latest Practicable Date, there were eight marketed varicella vaccines in China, all of which are live attenuated vaccines. As of the same date, there were two varicella vaccine candidates under clinical development in China, both of which are live attenuated vaccines.

TETANUS VACCINES

Overview

Tetanus is an acute specific infection caused by the entry of spores bacterium *clostridium tetani* into the body through wounds. It can be very dangerous and can cause death, and dirty wound may require tetanus booster immunization. The spores are found everywhere in the environment, particularly in soil, ash, feces of animals and humans, and on the surfaces of skin and rusty tools like nails, needles and barbed wire. The prevention of tetanus critically relies on both proper wound management and immunization. Primary prevention through active immunization involves the administration of vaccines containing tetanus toxoid to foster long-term immunity, while secondary prevention utilizes passive immunization techniques, introducing immediate immune effectors such as tetanus antitoxin (TAT) or immunoglobulin for acute cases. Tetanus vaccines can be categorized into single-component tetanus vaccines and combination vaccines. Single-component tetanus vaccines are generally adsorbed tetanus vaccines that focus specifically on tetanus prevention, while combination vaccines offer broader protection against multiple diseases simultaneously, including diphtheria, pertussis, haemophilus influenzae type B and hepatitis B, based on the vaccine type and target population.

Competitive Landscape of Tetanus Vaccines in China

As of the Latest Practicable Date, there were six marketed single-component tetanus vaccines in China, all of which were adsorbed vaccines. As of the same date, there were four single-component tetanus vaccine candidates under clinical development in China, all of which were adsorbed vaccines.

SOURCE OF INFORMATION

In connection with the Global Offering, we have commissioned Frost & Sullivan to conduct an analysis of and prepare an industry report on the global and Chinese vaccine market. Frost & Sullivan is an independent global market research and consulting company which was founded in 1961 and is based in the United States. Services provided by Frost & Sullivan include market assessments, competitive benchmarking and strategic and market planning for a variety of industries. The sum of our contract with Frost & Sullivan for preparation of its report and conducting clinical audit is RMB550,000. The payment of such amount was not contingent upon our successful Listing or on the results of the report. Except for the report prepared by Frost & Sullivan, we did not commission any other industry report in connection with the Global Offering. Frost & Sullivan prepared its report based on its in-house database, independent third-party reports and publicly available data from reputable industry organizations. Where necessary, Frost & Sullivan contacts companies operating in the industry to gather and synthesize information in relation to the market, prices and other relevant information. Frost & Sullivan believes that the basic assumptions used in preparing its report, including those used to make future projections, are factual, correct and not misleading. Frost & Sullivan has independently analyzed the information, but the accuracy of the conclusions of its review largely relies on the accuracy of the information collected. Frost & Sullivan research may be affected by the accuracy of these assumptions and the choice of these primary and secondary sources.

Our business operations are primarily in the PRC and subject to regulation by the PRC government. This section provides (i) an introduction of the primary PRC government authorities with jurisdiction over our operations; and (ii) an overview of the laws, regulations and policies with which we must comply.

REGULATORY AUTHORITIES

NMPA and CDE

The National Medical Products Administration ("**NMPA**"), formerly known as the China Food and Drug Administration (國家食品藥品監督管理總局), is the competent authority for China's pharmaceutical industry. It is responsible for drawing up the laws and regulations relating to pharmaceuticals, vaccines and medical devices, formulating policies and plans, formulating departmental regulations, organizing the formulation and issuance of standards, classifications and management systems for pharmaceutical and medical devices, and supervising their implementation.

The Center for Drug Evaluation ("**CDE**") is the technical evaluation unit for drug registration of the NMPA. It is mainly responsible for conducting technical evaluation on the drugs applying for registration and verifying the relevant drugs registrations.

NHC

The National Health Commission (國家衛生健康委員會) ("**NHC**") is the primary supervisory unit for public health and family planning, and is mainly responsible for organizing the formulation of national health policies, coordinating and promoting the deepening of the reform of the medical and health system, formulating and organizing the implementation of disease prevention and control planning and national immunization planning, and organizing the formulation of national drug policies and the national system of basic medicines, among other things.

NIFDC

The National Institutes for Food and Drug Control (中國食品藥品檢定研究院) ("**NIFDC**") is a public institution directly subordinate to NMPA and the statutory authority and the supreme technical arbitration institution for inspecting the quality of pharmaceuticals and biological products in the country, and undertakes the implementation of approval and registration testing, import testing, supervision and inspection, safety evaluation and approval and issuance of biological products in various fields, such as drugs, biological products, medical devices, food, health food, cosmetics, experimental animals, packaging materials, etc., in accordance with the law. It is also in charge of the research, distribution and management of the national standard substances for drugs and medical devices, and the bacterial strains used for production and testing, as well as carrying out the related technical research work.

China CDC

The Chinese Center for Disease Control and Prevention (中國疾病預防控制中心) ("**China CDC**") is a public institution directly subordinate to the National Disease Control and Prevention Administration (國家疾病預防控制局). It is primarily responsible for carrying out disease prevention and control and responding to public health emergencies, providing technical support and consulting suggestions for the formulation of public health laws, regulations, policies, plans and projects, monitoring infectious diseases, public health emergencies and suspected abnormal reactions to inoculation as well as the monitoring and evaluation of the national health status. It carries out investigations and risk assessments of major public health problems, researches and formulates intervention measures for major public health problems and national immunization plans and organizes their implementation, guides localities in the implementation of national disease prevention and control plans and projects, and provides operational guidance to local disease prevention and control institutions.

NDRC

The National Development and Reform Commission (國家發展和改革委員會) ("**NDRC**") is a ministerial-level department of the State Council. NDRC is primarily responsible for formulating and organizing the implementation of national economic and social development strategies, medium and long-term development plans and annual plans, participating in the formulation of health development policies, setting up investment projects for technological reforms, providing macro guidance and management of the economic performance of pharmaceutical enterprises, and overseeing the implementation of the relevant policies and regulations. It monitors and forecasts changes in drug prices and puts forward price control objectives and policy recommendations.

MOFCOM

The Ministry of Commerce (商務部) ("**MOFCOM**") is responsible for providing macro guidance on foreign investment affairs throughout the country, drafting policies, laws, regulations and rules on foreign investment, guiding the approval and filing of foreign investment, and formulating the Special Administrative Measures for Foreign Investment Entry (Negative List) (《外商投資准入特別管理措施(負面清單)》) and the Catalog of Industries Encouraging Foreign Investment (《鼓勵外商投資產業目錄》) with NDRC.

NHSA

The National Healthcare Security Administration (國家醫療保障局) ("**NHSA**") is mainly responsible for formulating draft laws and regulations, policies, plans and standards for medical insurance, maternity insurance, medical assistance and other medical security systems, organizing the formulation and adjustment of prices and fees for medicines and medical services, and formulating and supervising the implementation of policies on bidding and procurement of medicines and medical consumables.

REGULATORY PROVISIONS

Laws and Regulations Relating to Drugs

The Drug Administration Law of the PRC (《中華人民共和國藥品管理法》) promulgated by the Standing Committee of the NPC in September 1984 and most recently amended on August 26, 2019 and effective since 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》) promulgated by the State Council in August 2002 and most recently amended on November 22, 2024, set forth the legal framework for the establishment and maintenance of pharmaceutical manufacturing enterprises, as well as for the administration of pharmaceutical products.

Pursuant to the Vaccine Administration Law of the People's Republic of China (《中華人民共和國疫苗管理法》) promulgated by the Standing Committee of the NPC on June 29, 2019 and effective since December 1, 2019, vaccines refer to the preventive biological products used for human immunization in order to prevent and control the occurrence and prevalence of diseases. These vaccines include two categories: Class I vaccines are provided by the Chinese government to its citizens free of charge and should be administered in accordance with relevant government regulations. These include vaccines determined in the national immunization program, additional vaccines required by provincial governments in implementing national immunization programs and vaccines used in emergency vaccination or mass vaccination organized by the government at the county level or above, or their respective healthcare departments. Class II vaccines are those voluntarily vaccinated by citizens in China, with the cost paid by the recipient.

The General Office of the State Council promulgated Opinions on Further Enhancing Administration of Circulation and Vaccination of Vaccines (《關於進一步加強疫苗流通和預防接種管理工作的意見》) on January 15, 2017, which requires the strengthening of the management of the whole process of vaccine circulation, including the standardization of centralized procurement of vaccines, the enhancement of vaccine cold-chain distribution management and the strengthening of the whole process of vaccine traceability management.

Non-clinical Research

The Good Laboratory Practices for Nonclinical Drug Research (《藥物非臨床研究質量管理規範》), promulgated by the China Food and Drug Administration on July 27, 2017 and became effective since September 1, 2017, is a code to be followed for activities related to non-clinical safety evaluation studies of drugs, and other preclinical research activities related to drugs for the purpose of registration are also referred to this code.

Pursuant to the Measures for the Certification and Management of Non-clinical Drug Research Quality Management Practices (《藥物非臨床研究質量管理規範認證管理辦法》) promulgated by the State Food and Drug Administration on April 16, 2007, revised on January 19, 2023 and implemented on July 1, 2023, the NMPA is responsible for the examination of materials related to the GLP certification, on-site inspections and comprehensive evaluation, as well as the implementation of the supervision and inspection of the relevant institutions and other work.

Animal Testing

Pursuant to the Regulations for the Administration of Affairs Concerning Experimental Animals (《實驗動物管理條例》) promulgated by The State Science and Technology Commission (now known as the Ministry of Science and Technology) in November 1988 and recently amended by the State Council in March 2017, the Administration Measures on Good Practice of Experiment-use Animals (《實驗動物質量管理辦法》) promulgated by the State Science and Technology Commission and the State Bureau of Quality and Technical Supervision in December 1997, and the Administrative Measures on the Certificate for Experiment-use Animals (Trial) (《實驗動物許可證管理辦法(試行)》) promulgated by The Ministry of Science and Technology and other regulatory authorities in December 2001, the use of laboratory animals for scientific research and experiments requires a license.

Clinical Trial

Pursuant to the Measures for the Administration of Drug Registration (《藥品註冊管理辦法》) promulgated by the State Administration for Market Regulation on January 22, 2020, which became effective on July 1, 2020, drug clinical trials shall be conducted before a drug is listed for registration. If an applicant submits an application for drug clinical trials after completing the pharmacology, pharmacology toxicology and other studies supporting the drug clinical trial, it shall submit relevant research information in accordance with the requirements of the declaration information. The relevant authorities should reach a decision on whether to approve the application for drug clinical trials within sixty days from the date of acceptance, and notify the applicant of the approval results through the CDE website. If the notification is not provided within this timeframe, it is deemed that the applicant is permitted to proceed with the drug clinical trials in accordance with the program.

Pursuant to the Administrative Provisions on Drug Clinical Trial Institutions (《藥物臨床試驗機構管理規定》), promulgated by the NMPA and NHC on November 29, 2019 and effective since December 1, 2019, the commencement of clinical trials of drugs should be carried out in drug clinical trial institutions; drug clinical trial institutions should comply with the conditions stipulated in the "Administrative Provisions on Drug Clinical Trial Institutions" and be filed in the State Drug Supervision and Administration Department.

When conducting a clinical trial, all parties involved must comply with the procedural requirements of the Good Practice for Clinical Trials of Drugs (《藥物臨床試驗質量管理規範》) most recently amended by NMPA and NHC on April 23, 2020 and effective since July 1, 2020, which stipulates the requirements for the procedures of conducting clinical trials, including preclinical trial preparations, trial protocols, protection of the rights and interests of the subjects, the duties of the investigators, sponsors and supervisors, as well as the management of data and statistical analyses.

The China Food and Drug Administration issued several technical guidelines on March 20, 2003, including the Technical Guideline for Preclinical Research of Preventive DNA Vaccines (《預防用DNA疫苗臨床前研究技術指導原則》), the Technical Guideline for Quality Control of Human Recombinant DNA Products (《人用重組DNA製品質量控制技術指導原則》), and the Technical Guideline for Quality Control and Clinical Research of Human Gene Therapy (《人基因治療研究和制劑質量控制技術指導原則》). These guidelines clarified the requirements for preclinical research and quality control of DNA vaccines.

The China Food and Drug Administration issued the Technical Guideline for Vaccine Clinical Trials (《疫苗臨床試驗技術指導原則》) on December 3, 2004, which clarified the requirements for preclinical studies and lab evaluations, the uniqueness of vaccines, selection of subjects, safety, immunogenicity, vaccine efficacy, criteria for determining protective effects, adverse event monitoring, and reporting. Clinical trials are divided into four phases: Phase I, II, III, and IV. The focus of Phase I is primarily on safety; Phase II aims to observe or evaluate whether the vaccine achieves its expected outcomes (usually referring to immunogenicity) and general safety information in the target population; Phase III evaluates the overall efficacy and safety of the vaccine; Phase IV clinical trials are conducted post-market approval to comprehensively assess the vaccine's safety and effectiveness in actual use populations. Clinical trials must ensure the rights, safety, and health of participants, and all research must be reviewed and approved by an independent ethics committee.

On October 14, 2005, the China Food and Drug Administration issued additional guidelines such as the Technical Guideline for Preclinical Research of Preventive Vaccines (《預防用疫苗臨床前研究技術指導原則》) (revised on April 22, 2010), the Technical Guideline for Management of Changes in Biologics Manufacturing Processes (《生物製品生產工藝過程變更管理技術指導原則》), the Technical Guideline for Preclinical and Clinical Research of Combined Vaccines (《聯合疫苗臨床前和臨床研究技術指導原則》), the Technical Guideline for Production and Quality Control of Peptide Vaccines (《多肽疫苗生產及質控技術指導原則》), and the Technical Guideline for Quality Control and Clinical Research of Conjugate Vaccines (《結合疫苗質量控制和臨床研究技術指導原則》). These guidelines clarified the requirements for preclinical research, changes in manufacturing processes, and quality control during clinical stages to ensure the safety and efficacy of vaccines.

The China Food and Drug Administration issued the Technical Guideline for Stability Studies of Biological Products (Trial) (《生物製品穩定性研究技術指導原則(試行)》) on April 15, 2015, which clarified the design and analysis of stability studies for biological product raw materials, finished products, or intermediates.

The CDE issued the Technical Guideline for Aluminum-Adjuvanted Preventive Vaccines (《預防用含鋁佐劑疫苗技術指導原則》) on December 9, 2019, which clarified the technical requirements for pharmacology, preclinical research, clinical research, and post-marketing production quality control related to aluminum-adjuvanted vaccines.

The CDE issued the Regulations for the Assessment and Management of Safety Information During Drug Clinical Trials (Trial) (《藥物臨床試驗期間安全信息評估與管理規範(試行)》) and the Management Regulations for Development Safety Update Reports During Research and Development (Trial) (《研發期間安全性更新報告管理規範(試行)》) on July 1, 2020. After obtaining approval for clinical trials, applicants must submit rapid reports on suspected and unexpected serious adverse reactions (SUSAR) and other potential serious safety risk information during the clinical trial period, as well as DSURs.

The CDE issued the Technical Guideline for Pharmaceutical Research and Change Management During Clinical Trials (Trial) (《臨床試驗期間生物製品藥學研究和變更技術指導原則(試行)》) on June 14, 2024, which clarified the requirements for pharmaceutical changes and updates during clinical trials to ensure the safety and efficacy of vaccines.

Post-approval Studies of Vaccines

The CDE issued the Technical Guideline for Post-Marketing Pharmaceutical Changes of Biological Products (Trial) (《已上市生物製品藥學變更研究技術指導原則(試行)》) on June 25, 2021. The MAH must establish a post-marketing change control system for biological products and be responsible for all post-marketing pharmaceutical changes, self-assessment of research results, and continuous dynamic change management.

The CDE issued the Technical Guideline for Post-Marketing Pharmaceutical Changes of Vaccines (Trial) (《已上市疫苗藥學變更研究技術指導原則(試行)》) on June 14, 2024. The MAH should strengthen the construction of vaccine quality systems and be responsible for all post-marketing pharmaceutical changes, self-assessment of research results, and continuous dynamic change management. Additionally, they should continuously optimize production processes to maintain advanced production and control methods.

The NMPA issued the Management Measures for Post-Marketing Changes of Drugs (Trial) (《藥品上市後變更管理辦法(試行)》) on January 12, 2021. MAHs should proactively conduct post-marketing studies to achieve full lifecycle management of drugs. Post-marketing changes must not adversely affect the safety, efficacy, or quality control of the drugs.

Approval and Filing of Human Genetic Resources

The Administrative Regulations of the People's Republic of China on the Management of Human Genetic Resources (《中華人民共和國人類遺傳資源管理條例》) was promulgated by the State Council on May 28, 2019 and became effective on July 1, 2019, and was revised on March 10, 2024 by the State Council. Pursuant to the Regulations, for the purpose of obtaining marketing authorization for relevant medicines and medical devices in China, no approval is required for the use of China's human genetic resources in clinical institutions to conduct international collaborative clinical trials, provided that these materials do not involve the export of human genetic resource materials. However, both the Chinese and international parties involved in the clinical collaboration shall file the types and quantities of human genetic resources to be used and their uses with the competent health authorities of the State Council before conducting clinical trials.

The Biosecurity Law of the People's Republic of China (《中華人民共和國生物安全法》) was promulgated by the Standing Committee of the NPC on October 17, 2020 and became effective on April 15, 2021, and was most recently amended on April 26, 2024. This law clarifies the State's sovereignty over human genetic and biological resources in the country.

Drug Registration

Pursuant to the Measures for the Administration of Drug Registration (《藥品註冊管理辦法》), an applicant shall upon completion of pharmacy, pharmacology and toxicology and clinical trial of drugs etc. to support registration of drug marketing, determination of quality standards, verification of commercial scale manufacturing process, and preparation to undergo examination and inspection for drug registration, submit an application for drug marketing authorization. The CDE is responsible for reviewing for accepted drug marketing authorization applications. Where the application is cleared after comprehensive review, the drug shall be approved for marketing and a drug registration certificate shall be issued. An applicant who has obtained a drug registration certificate shall be a drug marketing authorization holder ("**MAH**").

Drug Manufacturing

Pursuant to the Drug Administration Law of the PRC (《中華人民共和國藥品管理法》), drug registration applicants must obtain a drug manufacturing certificate to undertake drug manufacturing. Those without a drug manufacturing license are not allowed to manufacture drugs.

Pursuant to the Administrative Measures on Supervision of Pharmaceutical Manufacturing (《藥品生產監督管理辦法》) promulgated by the State Administration of Market Regulation on January 22, 2020 and effective since July 1, 2020, a drug manufacturing certificate shall be valid for five years, and the holder of a drug manufacturing license shall apply to the original issuing authorities for reissuance of a drug manufacturing certificate at least six months prior to the expiration of the validity period.

The Good Manufacturing Practice for Drugs (《藥品生產質量管理規範》), most recently amended on January 17, 2011 and effective since March 1, 2011, comprises a set of detailed standard guidelines governing the manufacture of drugs, including institution and staff qualifications, production premises and facilities, equipment, hygiene conditions, production management, quality controls, product operation, raw material management, maintenance of sales records and manner of handling customer complaints.

Lot Release of Vaccines

Pursuant to the Measures for the Administration of Lot Release of Biological Products (《生物製品批簽發管理辦法》) promulgated on December 13, 2002 and most recently amended on December 11, 2020 and effective since March 1, 2021, the vaccine products with

marketing approval shall be subject to document review and sample inspection by drug lot release institutions designated by the NMPA and shall pass the biological product lot release approval before the marketing and sales of each batch of products. The NMPA has established a unified information platform for the lot release of biological products. This platform publishes information about the lot release institutions, any adjustments made, major issue resolution decisions, and provides applicants with access to query the progress and conclusion of lot releases. Additionally, it promptly publishes information on products that have passed lot release for public inquiry.

Circulation of Vaccines

According to the Opinions on Further Enhancing Administration of Circulation and Vaccination of Vaccines (《關於進一步加強疫苗流通和預防接種管理工作的意見》), vaccines should be procured online in accordance with the principles of transparency, competition and fair dealing.

The procurement of Class II vaccines shall be organized by provincial CDCs through provincial public resources trading platforms. Pursuant to the Vaccine Administration Law of the People's Republic of China (《中華人民共和國疫苗管理法》), the price of vaccines shall be set reasonably and independently by the vaccine MAH, and the price level, price difference rate and profit rate of vaccines shall be kept within a reasonable range. A vaccine MAH shall, as agreed upon in the procurement contract, deliver vaccines to the relevant CDC or the points of vaccination ("**POV**") designated thereby.

Based on the above, the prices of vaccines are determined by the MAHs in accordance with the law, without upper limit on profit margins.

Storage and Transportation of Vaccines

Pursuant to the Vaccine Administration Law of the People's Republic of China (《中華人民共和國疫苗管理法》), the vaccine MAHs and CDCs that distribute vaccines themselves shall have the conditions for cold chain storage and transport of vaccines or may entrust eligible vaccine distribution entities to distribute vaccines. The whole process of storage and transport of vaccines shall be subject to prescribed temperatures, and the cold chain storage and transport shall meet the relevant requirements, and the temperature shall be regularly monitored and recorded.

According to the Distributing Regulations on Administration of Vaccine Storage and Transportation (《疫苗儲存和運輸管理規範》) promulgated by the NMPA and NHC on December 15, 2017, vaccine manufacturers are required to equip full-time staff for vaccine management, establish a management system for vaccine storage and transportation, maintain cold-chain facilities and equipments for the storage and transportation of vaccines in order to ensure the quality of vaccines, and are required to store and transport vaccines in accordance with the instructions for the use of vaccines, the working rules for vaccines and other relevant regulations on vaccine storage and transportation temperature.

Administration of Vaccines after Marketing

Pursuant to the Measures for the Administration of Drug Registration (《藥品註冊管理辦法》), the MAH shall proactively conduct drug post-marketing research, further confirm the safety, effectiveness and quality control of the drug, and strengthen continuous management of marketed drug.

Pursuant to the Vaccine Administration Law, the vaccine MAH shall establish and improve the quality management system for the whole life cycle of a vaccine, formulate and implement the risk management plan after the vaccine is marketed, carry out studies after the vaccine is marketed, and further confirm the safety, effectiveness and quality controllability of the vaccine. With respect to a vaccine for which the requirements for further study are put forward when the application for registration of the vaccine is approved, the vaccine MAH shall complete the study within the prescribed time limit. If it fails to complete the study within the time limit or is unable to prove that the benefits outweigh the risks, the NMPA shall deal with the matter in accordance with law until its drug registration certificate is nullified.

The vaccine MAH shall continuously update the instructions and labels based on the research conducted after the vaccine is marketed and Monitoring Program for Adverse Events Following Immunization ("**AEFI**") and shall apply for approval or filing in accordance with the provisions. The NMPA shall, in a timely manner, release the updated contents of the vaccine instructions and labels on its website.

Laws and Regulations Relating to Environmental Protection and Fire Prevention

Pursuant to the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), promulgated by the SCNPC on December 26, 1989 and most recently amended on April 24, 2014 and effective since January 1, 2015, the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》), promulgated by the SCNPC on October 28, 2002 and most recently amended on December 29, 2018, and the Administrative Regulations on the Environmental Protection of Construction Project (《建設項目環境保護管理條例》), promulgated by the State Council on November 29, 1998 and most recently amended on July 16, 2017 and effective since October 1, 2017, the State shall implement classified administration of environmental impact assessment for construction projects in accordance with the degree of environmental impacts of construction projects; and the construction entity shall produce environmental impact reports and environmental impact statements or complete environmental impact registration forms pursuant to the laws and regulations.

Pursuant to the Administrative Measures for Pollutant Discharge Licensing (《排污許可管理辦法》) promulgated on April 1, 2024 and effective since July 1, 2024 by the Ministry of Ecological Environment (生態環境部), as well as the Regulation on Pollutant Discharge Permit Administration (《排污許可管理條例》) promulgated by the State Council on January 24, 2021, the enterprises, public institutions and other producers and operators shall be subject to the key management, simplified management of pollutant discharge licensing and pollutant discharge registration management according to the quantity of pollutants generated and

discharged, the impact on the environment and other factors. Entities subject to pollutant discharge licensing administration in accordance with the law shall apply for a pollutant discharge permit in accordance with the law and discharge pollutants as stipulated in the pollutant discharge permit. No pollutants may be discharged without such permit. The period of validity of a pollutant discharge permit is five years. Should a pollutant discharging entity need to continue discharging pollutants upon the expiration of the permit, it must apply to the approving department 60 days before the expiration of the pollutant discharge permit.

Pursuant to Categorized Management Catalog of Pollutant Discharge Permits for Stationary Sources of Pollution (2019 Edition) (《固定污染源排污許可分類管理名錄(2019年版)》) issued on December 20, 2019 by the Ministry of Ecological Environment, the State implements key management, simplified management and registration-based management of pollutant discharge permits according to factors such as the quantity of pollutants generated and discharged and the degree of impact on the environment. Pollutant discharging entities subject to registration-based management are not required to apply for a pollutant discharge permit.

Laws and Regulations Relating to Data Compliance

Cyber and Data Security

The Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》), promulgated by the Standing Committee of the NPC on November 7, 2016 and effective since June 1, 2017, requires network operators to adopt technical and other necessary measures to ensure security of personal data and safeguard against information leakage, damage or loss.

On June 10, 2021, the Standing Committee of the NPC promulgated the Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》) which became effective on September 1, 2021. The Data Security Law provides that "data" refers to any recording of information by electronic or other means and "data processing" includes the collection, storage, use, processing, transmission, availability and disclosure of data, etc. Data processors shall establish and improve the whole-process data security management rules, organize and implement data security training as well as take appropriate technical measures and other necessary measures to protect data security.

On December 28, 2021, the Cyberspace Administration of China, together with other government departments, promulgated the Measures for the Cybersecurity Review (《網絡安全審查辦法》), which became effective on February 15, 2022. Pursuant to the Measures, the online platform operators possessing personal information of more than one million users who are applying for foreign listing, must make declaration for cybersecurity review with the Office of Cybersecurity Review.

Personal Information Protection

Pursuant to the Civil Code of the People's Republic of China (《中華人民共和國民法典》), which was promulgated by the NPC on May 8, 2020 and became effective on January 1, 2021, the personal information of an individual shall be protected. Any organization or individual must legally obtain the personal information of any person when necessary and ensure its safety, and shall not illegally collect, use, process or transmit such personal information, or illegally buy or sell, provide or make public such personal information. A natural person has the privacy right and provisions on the privacy right shall apply to the private information included in personal information.

The Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》), promulgated by the Standing Committee of the NPC on August 20, 2021 and effective since November 1, 2021, stipulates the scope of personal information and establishes rules for processing personal information onshore and offshore. The Law sets forth certain specific personal information protection requirements, including but not limited to detailed inform and consent requirements in various contexts, enhanced and categorized obligations of personal information processors, and additional limitations and rules on the processing of personal information.

Management of Scientific Data

Pursuant to the Measures for the Management of Scientific Data (《科學數據管理辦法》), promulgated and implemented by the General Office of the State Council since March 17, 2018, scientific data primarily includes data generated through basic research, applied research, experimental development, and other activities in fields such as natural sciences and engineering technology. It also includes original data and derived data obtained through observation, monitoring, surveys, inspections, and testing, which are used for scientific research activities. Scientific data involving state secrets, national security, public interest, trade secrets, and personal privacy shall not be made publicly available or shared. If it is necessary to open such data to the public, a review must be conducted on the purpose of use, user qualifications, confidentiality conditions, etc., and the scope of access must be strictly controlled. In cases where international exchanges and cooperation require providing scientific data involving state secrets, legal entities must clearly specify the category, scope, and purpose of the data usage. They must follow confidentiality management procedures to obtain approval from the relevant authorities. After obtaining approval, the legal entity must complete the necessary formalities and sign a confidentiality agreement with the user.

Cross-border Data Transfer

Pursuant to the Measures for Security Assessment of Data Export (《數據出境安全評估辦法》), issued by the Cyberspace Administration of China on July 7, 2022, and implemented since September 1, 2022, data handlers must apply for a security assessment through their local provincial cyberspace administration to the national cyberspace administration before exporting data under any of the following circumstances:

1. The data handler intends to export important data;

2. Critical information infrastructure operators and data handlers processing personal information of more than one million individuals intend to export such personal information;

3. Since January 1 of the previous year, the data handler has cumulatively exported personal information of 100,000 individuals or sensitive personal information of 10,000 individuals and intends to continue exporting such information;

4. Other situations as specified by the national cyberspace administration that require a security assessment for data export.

Pursuant to the Regulations for Promoting and Regulating Cross-border Data Flows (《促進和規範數據跨境流動規定》), issued and implemented by the Cyberspace Administration of China since March 22, 2024, data handlers must identify and report important data in accordance with relevant regulations. If the data has not been designated or publicly announced as important data by relevant authorities or regions, data handlers are not required to report it for a data export security assessment as important data. Data collected and generated in activities such as international trade, cross-border transportation, academic cooperation, multinational production, and marketing, which does not contain personal information or important data, is exempt from the requirement to undergo a data export security assessment, sign a standard contract for personal information export, or obtain personal information protection certification. For data handlers other than critical information infrastructure operators, if the cumulative amount of personal information (excluding sensitive personal information) exported since January 1 of the current year is less than 100,000 individuals, they are also exempt from the requirement to undergo a data export security assessment, sign a standard contract for personal information export, or obtain personal information protection certification.

Laws and Regulations Relating to Product Liability

Pursuant to the Product Quality Law (《中華人民共和國產品質量法》) promulgated on February 22, 1993 and amended on July 8, 2000, August 27, 2009 and December 29, 2018 respectively by the Standing Committee of the NPC, a seller shall be responsible for the repair, replacement or return of the product sold if (1) the product sold does not possess the properties for use that it should possess, and no prior and clear indication is given of such a situation; (2)

the product sold does not conform to the applied product standard as carried on the product or its packaging; or (3) the product sold does not conform to the quality indicated by such means as a product description or physical sample. If a consumer incurs losses as a result of purchased product, the seller shall compensate for such losses.

Pursuant to the Civil Code of the People's Republic of China (《中華人民共和國民法典》), where a patient suffers damage due to defects in drugs, disinfectants or medical equipment, or receipt of transfusion of unqualified blood, the patient may seek compensation from the drug MAH, manufacturer, blood supply institution or medical institution.

The Law of the PRC on the Protection of the Rights and Interests of Consumers (《中華人民共和國消費者權益保護法》) was promulgated on October 31, 1993 and most recently amended on October 25, 2013 and came into effect on March 15, 2014 to protect consumers' rights when they purchase or use goods and accept services. All business operators must comply with the law when they manufacture or sell goods and/or provide services to customers. All business operators must pay high attention to protecting customers' privacy and must strictly keep confidential any consumer information they obtain during their business operations.

Laws and Regulations Relating to Intellectual Property

Patent

The Patent Law of the People's Republic of China (《中華人民共和國專利法》) was most recently revised on October 17, 2020 and became effective on June 1, 2021. The duration of patent rights for an invention shall be 20 years and the duration of patent rights for a utility model shall be 10 years, commencing from the filing date. Following the grant of patent rights for an invention or a utility model, unless otherwise stipulated in this Law, no organization or individual shall implement the patent without a specific license from the patentee; they shall not manufacture, use, offer to sell, sell or import such patented products for manufacturing and business purposes, nor use the patented method and use, offer to sell, sell or import products obtained directly according to the patented method. Implementation of a patent without licensing of the patentee shall constitute an infringement of patent rights. Disputes arising therefrom shall be negotiated and resolved by the parties concerned. Where the parties concerned are not willing to negotiate or the negotiation is unsuccessful, the patentee or an interested party may file a lawsuit with a people's court, or request the patent administrative authority to handle the matter.

Trademark

The Trademark Law of the People's Republic of China (《中華人民共和國商標法》) was most recently revised on April 23, 2019 and became effective on November 1, 2019. A registered trademark shall be valid for 10 years, commencing from the date of registration. Upon expiry of the validity period of a registered trademark, where the trademark registrant intends to continue using the trademark, it shall complete renewal formalities pursuant to the

provisions within the 12-month period before the expiry date. The validity period of each renewal shall be 10 years. In case of infringement of the exclusive rights of use of registered trademarks, the trademark registrant or a stakeholder may file a lawsuit with a People's Court or request that the administration for industry and commerce to handle the dispute.

Copyright

The Copyright Law of the People's Republic of China (《中華人民共和國著作權法》) was most recently amended on November 11, 2020 and became effective on June 1, 2021. For the purpose of this Law, works shall refer to original intellectual achievements in the fields of literature, art and science which can be expressed in a certain form, including fine arts and computer software, among others. Chinese citizens, legal persons or organizations without legal personality enjoy copyright over their works, regardless of whether they have been published.

Domain Names

The Administrative Measures on the Internet Domain Names (《互聯網域名管理辦法》) was promulgated by the Ministry of Industry and Information Technology (工業和信息化部) ("**MIIT**") on August 24, 2017 and became effective on November 1, 2017. The MIIT is the primary regulatory authority responsible for the administration of internet domain names in the PRC. Domain names registrations are handled through domain name service agencies established under the relevant regulations, and the applicants become domain name holders upon successful registration. Communications administrative bureaus at provincial levels shall conduct supervision and administration of the domain name services within their respective administrative jurisdictions.

Laws and Regulations Relating to Labor Protection

Pursuant to Labor Contract Law of the People's Republic of China (Revision 2012)《中華人民共和國勞動合同法(2012修正)》, an employer shall be deemed to have established a labor relationship with a worker with effect from the date of commencement of work. Employers shall establish and improve upon labor rules and system pursuant to the law to ensure workers' entitlement to labor rights and performance of labor obligations. A secondment employer shall provide the corresponding working conditions and labor protection, and promptly pay labor remuneration in full amount.

Pursuant to Social Security Law of the People's Republic of China (Revision 2018) (《中華人民共和國社會保險法(2018修正)》), the State shall establish social security systems such as basic pension insurance, basic medical insurance, work injury insurance, unemployment insurance, family planning insurance, among others, and the employer shall complete social security registration with the social security agency for its employee within 30 days from the date of recruitment; where an employer failed to promptly contribute social security premiums in full amount, the social security premiums collection agency shall order the employer to make or supplement contributions within a stipulated period.

Pursuant to Regulations on the Housing Provident Fund (Revision 2019) (《住房公積金管理條例(2019修訂)》), when employing a new employee, the employer shall make registration of contribution with the housing provident fund management center within 30 days from the date of the employment and shall go through the formalities of opening or transferring housing provident fund accounts on behalf of the employee. Where an employer is overdue in contributing to, or underpays, the housing provident fund, the housing provident fund management center shall order it to make the contribution within a prescribed time limit; where the contribution has not been made after the expiration of the time limit, an application may be made to a people's court for compulsory enforcement.

Laws and Regulations Relating to Taxation

Enterprise Income Tax ("EIT")

In accordance with the PRC Enterprise Income Tax Law (《中華人民共和國企業所得税法》) promulgated on March 16, 2007 and most recently amended on December 29, 2018, and the Regulation on the Implementation of Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法實施條例》) promulgated on December 6, 2007 and most recently amended on November 22, 2024, enterprises are classified as either "resident enterprises" or "non-resident enterprises". The "resident enterprises" are defined as enterprises set up in the PRC under the PRC laws or set up according to the foreign country/region's law whereas whose actual or de facto control is administered from within the PRC. Enterprises established under the foreign country/region's law with "de facto management bodies" outside the PRC, but have set up institutions or establishments in the PRC or, without institutions or establishments set up in the PRC, have income originating from the PRC, shall be considered as "non-resident enterprises". A resident enterprise shall pay EIT on its income originating from both inside and outside the PRC at an EIT rate of 25%. A non-resident enterprise that has establishments or places of business in the PRC shall pay EIT on its income originating from the PRC obtained by such establishments or places of business, and on its income which is derived outside PRC but has an actual connection with such establishments or places of business, at the EIT rate of 25%. A non-resident enterprise that does not have an establishment or place of business in the PRC, or it has an establishment or place of business in the PRC but the income has no actual connection with such establishment or place of business, shall pay EIT on its passive income derived from the PRC at a reduced EIT rate of 10%.

Value-added Tax ("VAT")

Pursuant t to Provisional Regulations on Value-added Tax of the PRC (《中華人民共和國增值税暫行條例》) promulgated by the State Council on December 13, 1993, most recently amended on November 19, 2017, and the Detailed Rules for the Implementation of the Provisional Regulations of the People's Republic of China on Value-added Tax (《中華人民共和國增值税暫行條例實施細則》) promulgated on December 18, 2008 and revised on October 28, 2011, organizations and individuals engaging in the sale of goods, or the provision of processing, repair and assembly services; the sale of services, intangible assets, immovable properties; and the importation of goods in the PRC shall be taxpayers of VAT, and shall pay

VAT pursuant to these Regulations. The amount of VAT payable is calculated as "output VAT" minus "input VAT". Pursuant to the VAT Regulations, the rate of VAT is 17% for those engaging in the sale of goods or labor services or tangible personal property leasing services or importation of goods except as otherwise provided by the VAT Regulations. The tax rate of VAT is 11% for the sales of the service of transportation, posting, basic telecommunications, construction and leasing real estate, the sale of real estate and the transfer of land use right, or sell or import the goods listed in the VAT Regulations.

Pursuant to the Notice of the Ministry of Finance and the State Administration of Taxation on the Adjustment of the VAT Rates (《財政部、國家税務總局關於調整增值税税率的通知》), which was promulgated on April 4, 2018 and became effective on May 1, 2018, the tax rates for taxpayers who have engaged in the act of VAT-taxable sales or who have imported goods to which the tax rates of 17% and 11% were originally applicable have been adjusted to 16% and 10%, respectively.

On March 20, 2019, Ministry of Finance, SAT and General Administration of Customs jointly issued the Announcement on Policies for Deepening the VAT Reform (《關於深化增值税改革有關政策的公告》) (effective on April 1, 2019.), or Circular 39, according to which for general VAT payers' sales activities or imports that are subject to VAT at a current applicable rate of 16% or 10%, the applicable VAT rate is adjusted to 13% or 9%, respectively.

Laws and Regulations Relating to Foreign Exchange

The Regulations on Foreign Exchange Control of the PRC (《中華人民共和國外匯管理條例》) promulgated by the State Council on January 29, 1996 and revised on January 14, 1997 and August 5, 2008, is the key foreign exchange control regulation in force, applicable to the foreign exchange income and payment and foreign exchange operation activities of the domestic institutions and domestic individuals in China and the foreign exchange payment and collection and foreign exchange operation activities of the overseas institutions and overseas individuals in China.

According to the Notice of SAFE on Relevant Issue Concerning the Administration of Foreign Exchange for Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) issued by the SAFE on December 26, 2014, the domestic companies shall register the overseas listing with the foreign exchange control bureau located at their registered address in 15 working days after the completion of the overseas listing and issuance. The funds raised by the domestic companies through overseas listing may be repatriated to China or deposited overseas, provided that the intended use of the fund shall be consistent with the contents of public disclosure documents.

According to the Notice of SAFE on Reforming and Standardizing Capital Account Foreign Exchange Settlement Administration Policies (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) issued by SAFE on June 9, 2016, it has been specified clearly in the relevant policies that, for the capital account foreign exchange income subject to voluntary foreign exchange settlement (including the repatriation of the proceeds from overseas listing),

the domestic institutions may conduct the foreign exchange settlement at the banks according to their operation needs. The proportion of the capital account foreign exchange income subject to voluntary foreign exchange settlement was tentatively set as 100%, provided that SAFE may adjust the aforesaid proportion according to the international payment balance status in good time.

Laws and Regulations Relating to Overseas Securities Offering and Listing

The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) was promulgated by the CSRC on February 17, 2023, and became effective on March 31, 2023. Pursuant to the Measures, domestic companies seek to offer or list securities overseas, both directly and indirectly, shall complete the filing procedures and report relevant information to the CSRC.

OVERVIEW

We are a China-based vaccine company dedicated to the research, development, manufacturing and commercialization of innovative vaccines and traditional vaccines adopting new technical methods.

Our history can be traced back to October 2015, when our Company was founded by Mr. An, our Controlling Shareholder, in Taizhou as a limited liability company under the laws of the PRC. For the background and the relevant industry experience of Mr. An, see "Directors, Supervisors and Senior Management" in this prospectus.

KEY MILESTONES

The following table sets forth the key milestones of our corporate and business development.

Year	Milestone events
2015	Our Company was established under the name of Ab&B Bio-Tech Co., Ltd. (江蘇中慧元通生物科技有限公司).
2017	We obtained IND approval from the NMPA for the quadrivalent subunit influenza vaccine in November 2017.
2018	The construction of our first manufacturing facility (for the manufacturing of our quadrivalent subunit influenza vaccine, rabies vaccine and pneumococcal vaccine) commenced in September 2018.
2019	We completed the Series A Financing and raised RMB130 million in April 2019.
	We initiated Phase I clinical trial of quadrivalent subunit influenza vaccine for individuals aged six months and above in August 2019.
	We obtained the Drug Manufacturing Certificate from Jiangsu Medical Products Administration (江蘇省藥品監督管理局) in November 2019.
2020	We initiated Phase III clinical trial of quadrivalent subunit influenza vaccine for individuals aged three and above in May 2020.
	We completed the Series A+ Financing and raised RMB174.5 million in August 2020.

Year	Milestone events
2021	We completed the Series B Financing and raised approximately RMB690 million in July 2021.
	We completed the Phase III clinical trial of quadrivalent subunit influenza vaccine for individuals aged three and above in December 2021.
2022	The NDA for quadrivalent subunit influenza vaccine for individuals aged three and above was accepted by the NMPA in March 2022.
	The construction of our second manufacturing facility commenced in June 2022.
	We obtained IND approval from the NMPA for our lyophilized human rabies vaccine (human diploid cell) for the Essen regimen (five doses) in November 2022.
2023	The supplemental IND application for lyophilized human rabies vaccine (human diploid cell) was approved by the NMPA for the Zagreb regimen (four doses) and a simplified four-dose regimen in April 2023.
	The NDA for quadrivalent subunit influenza vaccine for individuals aged three and above was approved by the NMPA in May 2023.
	We initiated Phase I clinical trial of lyophilized human rabies vaccine (human diploid cell) in November 2023.
2024	The quadrivalent subunit influenza vaccine for individuals aged three and above was registered and approved by the Drug Supervision and Administration Bureau of Macau in May 2024.
	The NDA for quadrivalent subunit influenza vaccine for individuals aged 6-35 months was accepted by the NMPA in June 2024.
	We obtained IND approval from the NMPA for our adjuvanted quadrivalent subunit influenza vaccine for individuals aged 65 and above in July 2024.
	The NDA for trivalent subunit influenza vaccine for individuals aged three and above was accepted by the NMPA in September 2024.

Year	Milestone events
	The NDA for trivalent subunit influenza vaccine for individuals aged 6-35 months was accepted by the NMPA in September 2024.
	We obtained IND approval from the NMPA for our adjuvanted trivalent subunit influenza vaccine in October 2024.
	We completed the Phase I clinical trial of lyophilized human rabies vaccine (human diploid cell) in October 2024.
2025	We initiated Phase I and Phase II clinical trials of recombinant zoster vaccine (CHO cell) in February and July 2025, respectively.

OUR SUBSIDIARY

As of the Latest Practicable Date, we had only one subsidiary, Yither Biotech, which was established in the PRC as a limited liability company on July 2, 2020. Since its establishment and up to the Latest Practicable Date, Yither Biotech had been wholly owned by our Company. Yither Biotech is principally engaged in research and development, production, commercialization and technology transfer of innovative vaccines and adjuvants.

ESTABLISHMENT AND MAJOR SHAREHOLDING CHANGES OF OUR COMPANY

1. Establishment of Our Company

On October 28, 2015, our Company was established as a limited liability company under the laws of the PRC, with an initial registered capital of RMB10,000,000. The shareholding structure of our Company upon establishment was as follows:

Shareholder	Registered capital subscribed for	Percentage of shareholding
	(RMB)	*(%)*
Mr. An[(1)]	5,240,000	52.40
Shanghai Yijiucheng Investment Co., Ltd. (上海憶久誠投資有限公司) ("**Shanghai Yijiucheng**")[(1)(2)]	1,500,000	15.00
Mr. He[(1)]	1,260,000	12.60
Mr. Wang Zhigang (王志剛) ("**Mr. Wang**")[(3)]	1,000,000	10.00
Mr. Fu Zuoshen (付作申) ("**Mr. Fu**")[(4)]	1,000,000	10.00
Total	**10,000,000**	**100.00**

Notes:

(1) Each of Mr. An and Mr. He entrusted Mr. Zhang Xinwei (張新偉) ("**Mr. Zhang**"), an acquaintance of Mr. An and Mr. He and an Independent Third Party, to hold their respective equity interest in our Company through nominee arrangements at the time of the establishment of our Company. Given that the development of the Company was still unclear at the time of its establishment, Shanghai Yijiucheng entrusted Mr. Zhang to hold its respective equity interest in our Company through nominee arrangements. As confirmed by Mr. An, Mr. An became acquainted with Mr. He through Mr. An's son, and Mr. An was introduced to Shanghai Yijiucheng by Taizhou Biomedical Industrial Park, who recommended Shanghai Yijiucheng as an investor in the Company. In December 2015, for the purpose of terminating the nominee shareholding arrangements between Mr. Zhang and each of Shanghai Yijiucheng and Mr. He, (i) Mr. Zhang entered into a share transfer agreement with Shanghai Yijiucheng, pursuant to which Mr. Zhang agreed to transfer the 15.00% equity interest in our Company held by him on behalf of Shanghai Yijiucheng to Shanghai Yijiucheng; and (ii) Mr. Zhang entered into a share transfer agreement with Ms. Liu Mei (劉梅) ("**Ms. Liu**"), Mr. He's mother, pursuant to which Mr. Zhang agreed to transfer the 12.60% equity interest in our Company held by him on behalf of Mr. He to Ms. Liu. No consideration was paid by Shanghai Yijiucheng, Ms. Liu or Mr. He to Mr. Zhang for such share transfers. The transfers were completed in January 2016. The remaining nominee arrangements were terminated in June 2017, see "—2. Capital Increase and Equity Transfers in 2016 and 2017" for details.

(2) Shanghai Yijiucheng was a limited liability company established in the PRC, which was owned as to 70.00%, 20.00% and 10.00% to Ms. Shi Fanhui (石凡會), Mr. Cheng Hao (程浩) and Mr. Cheng Qianwen (程千文) ("**Mr. Cheng**"), respectively. Mr. Cheng is our non-executive Director, Ms. Shi Fanhui is Mr. Cheng's spouse and Mr. Cheng Hao is Mr. Cheng's son. For the biographical details of Mr. Cheng, see "Directors, Supervisors and Senior Management" in this prospectus.

(3) Mr. Wang, an Independent Third Party, entrusted Ms. Mao Hongyan (毛洪豔), his spouse, to hold his entire equity interest in our Company through nominee arrangements at the time of the establishment of our Company. The nominee arrangement was terminated in March 2021, see "—8. Equity transfers in 2021" for details. As confirmed by Mr. An, Mr. An was introduced to Mr. Wang by Taizhou Biomedical Industrial Park while Mr. Wang was working at a biotechnology company.

(4) Mr. Fu, an Independent Third Party, entrusted Ms. Fu Liran (付立苒), his daughter, to hold his entire equity interest in our Company through nominee arrangements at the time of the establishment of our Company. The nominee arrangement was terminated in March 2021, see "—8. Equity transfers in 2021" for details. As confirmed by Mr. An, Mr. Fu was introduced to Mr. An through experts in the industry.

(5) The personal and professional connections between Mr. An and each of Shanghai Yijiucheng, Mr. He, Mr. Wang and Mr. Fu, along with their trust in Mr. An's vision in the Group's business, eventually led to the funding provided by these initial shareholders to establish the Company. At the time of the establishment of the Company, each of Mr. An, Mr. He, Mr. Wang and Mr. Fu did not have the time to deal with the administrative formalities required for completing the business registration process of the Company. As a result, to ensure the efficient incorporation of the Company and avoid potential delay in commencing operations, the relevant nominee arrangements were adopted.

(6) All nominee arrangements relating to the shareholding of Mr. An, Mr. He, Mr. Wang and Mr. Fu in the Company have been terminated since March 2021. Since the establishment of our Company and as of the Latest Practicable Date, there had not been any legal proceedings or disputes between the above nominee shareholders and any of the beneficial owners in respect of the nominee shareholding arrangements. Our PRC Legal Advisors have confirmed that the nominee shareholding arrangements do not violate the PRC Company Law and other applicable PRC laws and regulations.

2. Capital Increase and Equity Transfers in 2016 and 2017

In January 2016, Mr. An subscribed for additional registered capital of our Company in the amount of RMB115,000,000 through his nominee, Mr. Zhang. Upon completion of such subscription, the Company was owned by Mr. An as to approximately 96.19%.

In August 2016, Mr. Zhang transferred approximately 13.80% and 11.59% equity interest in our Company held by him on behalf of Mr. An to Shanghai Yijiucheng and Mr. He (through his nominee, Ms. Liu). Taking into account the fact that the transferred equity had not been paid up at the time, no consideration was paid to Mr. Zhang.

In May 2017, for the purpose of terminating the nominee shareholding arrangements, (i) Mr. Zhang entered into a share transfer agreement with Jiangsu Tiaoyu, a company controlled by Mr. An, pursuant to which Mr. Zhang agreed to transfer the remaining 70.80% equity interest in our Company held by him on behalf of Mr. An to Jiangsu Tiaoyu; and (ii) Ms. Liu entered into a share transfer agreement with Mr. He, pursuant to which Ms. Liu agreed to transfer 12.60% equity interest in our Company held by her on behalf of Mr. He to Mr. He. No consideration was paid to Mr. Zhang and Ms. Liu. The transfers were completed in June 2017.

3. Establishment of Taizhou Huirong and Taizhou Huilong

In August 2017, Taizhou Huirong and Taizhou Huilong were established under the laws of the PRC to serve as our Employee Ownership Platforms, with Jiangsu Tiaoyu acting as their respective general partner. See "—Employee Ownership Platforms" for further details of Taizhou Huirong and Taizhou Huilong.

4. Series A Financing

We completed the series A financing (the "**Series A Financing**") in April 2019, through capital increases as detailed below. See "—Pre-IPO Investments" for further details. Following the completion of the Series A Financing, the registered capital of our Company was increased from RMB125,000,000 to RMB151,379,900.

Subscriber	Registered capital subscribed for	Consideration	Date of full settlement of consideration in cash
	(RMB)	*(RMB)*	
Jiangsu Jiequan Gaotejia Medical Industry Investment Fund (Limited Partnership) (江蘇聿泉高特佳醫療產業投資基金(有限合夥)) ("**Jiequan Gaotejia**"). . .	18,263,000	90,000,000	December 5, 2019

Subscriber	Registered capital subscribed for	Consideration	Date of full settlement of consideration in cash
	(RMB)	*(RMB)*	
Shenzhen Gaotejia Ruibao Investment Partnership (Limited Partnership) (深圳市高特佳睿寶投資合夥企業(有限合夥)) ("**Gaotejia Ruibao**")	2,029,200	10,000,000	April 3, 2020
Taizhou Jintai Hongyi Entrepreneurship Investment Fund (Limited Partnership) (泰州市金泰弘毅創業投資基金(有限合夥)) ("**Jintai Hongyi**")	6,087,700	30,000,000	March 26, 2019
Total	**26,379,900**	**130,000,000**	

5. Equity Transfer in July 2019

In July 2019, Mr. He transferred 0.997% equity interest in our Company to Shanghai Yijiucheng at the consideration of RMB5,313,600. The consideration for the equity transfer was determined after arm's length negotiation between the relevant parties with reference to various factors, including the early capital contribution by Shanghai Yijiucheng in our Company at establishment and the subscription price under the Series A Financing.

6. Series A+ Financing

We completed the series A+ financing (the "**Series A+ Financing**") in August 2020, through capital increases as detailed below. See "—Pre-IPO Investments" for further details. Following the completion of the Series A+ Financing, the registered capital of our Company was increased from RMB151,379,900 to RMB173,393,200.

Subscriber	Registered capital subscribed for	Consideration	Date of full settlement of consideration in cash
	(RMB)	*(RMB)*	
Guangxi Sealand Yuchai Venture Capital Partnership (Limited Partnership) (廣西國海玉柴金投創業投資合夥企業(有限合夥)) ("**Sealand Yuchai**")	2,207,600	17,500,000	December 31, 2019
Xi'an Sealand Jingheng Venture Capital Co., Ltd. (西安國海景恒創業投資有限公司) ("**Sealand Jingheng**")	1,261,500	10,000,000	December 31, 2019

Subscriber	Registered capital subscribed for	Consideration	Date of full settlement of consideration in cash
	(RMB)	*(RMB)*	
Taizhou China Pharmaceutical City Class I New Drug R&D Investment Fund Partnership Enterprise (Limited Partnership) (泰州中國醫藥城一類新藥研發投資基金合夥企業(有限合夥)) ("**Pharmaceutical City R&D Investment Fund**")	3,784,500	30,000,000	May 19, 2020
Shangshan Ruoshui (Beijing) Fund Management Co., Ltd. (上善若水(北京)基金管理有限公司) ("**Shangshan Ruoshui**")	1,261,500	10,000,000	April 29, 2020
Shenzhen Dongqi Investment Development Enterprise (Limited Partnership) (深圳東淇投資發展企業(有限合夥)) ("**Dongqi Investment**")	1,261,500	10,000,000	April 16, 2020
Zhuzhou National Innovation Medicine Investment Partnership (Limited Partnership) (株洲市國創新藥投資合夥企業(有限合夥)) ("**Zhuzhou National Innovation**")	5,929,100	47,000,000	August 10, 2020
Yangzhou Litian New Drug Investment Partnership Enterprise (Limited Partnership) (揚州利田新藥投資合夥企業(有限合夥)) (formerly known as Zhuzhou Litian New Drug Enterprise Management Partnership (Limited Partnership) (株洲市利田新藥企業管理合夥企業(有限合夥)) ("**Litian New Drug**")	1,261,500	10,000,000	July 31, 2020
Jiangsu Province Modern Service Industry Development Venture Capital Fund (Limited Partnership) (江蘇省現代服務業發展創業投資基金(有限合夥)) ("**Jiangsu Modern Service Fund**")	1,892,300	15,000,000	July 31, 2020

Subscriber	Registered capital subscribed for	Consideration	Date of full settlement of consideration in cash
	(RMB)	*(RMB)*	
Taizhou Transition and Upgrading Industrial Investment Fund (Limited Partnership) (泰州市轉型升級產業投資基金(有限合夥)) ("**Taizhou Transition and Upgrading Fund**")	1,892,300	15,000,000	July 31, 2020
Nanjing Yihui Entrepreneurship Investment Partnership Enterprise (Limited Partnership) (南京益慧創業投資合夥企業(有限合夥)) ("**Yihui Chuangtou**")	1,261,500	10,000,000	July 28, 2020
Total	**22,013,300**	**174,500,000**	

7. Establishment of Taizhou Huida and Capital Increase in 2021

In December 2020, Taizhou Huida was established under the laws of the PRC to serve as our Employee Ownership Platform, with Jiangsu Tiaoyu acting as its general partner. See "—Employee Ownership Platforms" for further details of Taizhou Huida. In January 2021, Taizhou Huida subscribed for increased registered capital of our Company of RMB11,500,000. Following the subscription by Taizhou Huida, our Company's registered capital increased from RMB173,393,200 to RMB184,893,200.

8. Equity Transfers in 2021

In March 2021, (i) Ms. Mao transferred approximately 0.43% and 0.11% equity interest in our Company held by her on behalf of Mr. Wang to Jiangsu Tiaoyu and Yihui Chuangtou at the consideration of RMB9,600,000 and RMB2,400,000, respectively; and (ii) Ms. Fu transferred approximately 0.22% and 0.32% equity interest in our Company held by her on behalf of Mr. Fu to Jiangsu Tiaoyu and Dongqi Investment at the consideration of RMB4,800,000 and RMB7,200,000, respectively. The considerations for the equity transfers were determined after arm's length negotiation between the relevant parties with reference to the subscription price under the Series A+ Financing. Upon completion of such equity transfers, Mr. Wang and Mr. Fu ceased to be our Shareholders.

9. Series B Financing

We completed the series B financing (the "**Series B Financing**") in August 2021, through capital increases and equity transfers as detailed below. See "—Pre-IPO Investments" for further details.

Subscription of Increased Registered Capital in Series B Financing

Following the completion the capital increases in the Series B Financing in July 2021, the registered capital of our Company was increased from RMB184,893,200 to RMB221,303,500.

Subscriber	Registered capital subscribed for	Consideration	Date of full settlement of consideration in cash
	(RMB)	*(RMB)*	
Qingdao Yingke Value Venture Capital Partnership (Limited Partnership) (青島盈科價值創業投資合夥企業(有限合夥)) ("**Qingdao Yingke Value Venture**")	7,923,900	150,000,000	June 25, 2021
Zibo Yingke Growth No. 2 Venture Capital Partnership (Limited Partnership) (淄博盈科成長二號創業投資合夥企業(有限合夥)) ("**Zibo Yingke Growth No. 2**")	512,400	9,700,000	June 25, 2021
Pingtan Puxin Yingke Ruiyuan Venture Capital Partnership (Limited Partnership) (平潭浦信盈科睿遠創業投資合夥企業(有限合夥)) ("**Pingtan Puxin Yingke**")	1,056,500	20,000,000	June 30, 2021
Qingdao Yingke Dingxin No. 1 Venture Capital Partnership (Limited Partnership) (青島盈科鼎新一號創業投資合夥企業(有限合夥)) ("**Qingdao Yingke Dingxin No. 1**")	1,072,400	20,300,000	June 28, 2021
Zhuzhou Sealand Guochuang Qianjin Pharmaceutical Venture Capital Partnership (Limited Partnership) (株洲市國海國創千金醫藥創業投資合夥企業(有限合夥)) ("**Zhuzhou Sealand Guochuang**")	3,697,800	70,000,000	June 28, 2021

Subscriber	Registered capital subscribed for	Consideration	Date of full settlement of consideration in cash
	(RMB)	*(RMB)*	
Shenzhen Sealand No. 5 Innovative Pharmaceutical Investment Partnership (Limited Partnership) (深圳市國海伍號創新醫藥投資合夥企業(有限合夥)) ("**Shenzhen Sealand No. 5**")	2,601,700	49,250,000	June 28, 2021
Guangxi Guangtou Guohong Health Industry Fund Partnership Enterprise (Limited Partnership) (廣西廣投國宏健康產業基金合夥企業(有限合夥)) ("**Guangxi Guangtou Guohong**")	1,056,500	20,000,000	July 7, 2021
Hangzhou Fushi Investment Management Partnership (Limited Partnership) (杭州賦實投資管理合夥企業(有限合夥)) ("**Hangzhou Fushi**")	1,056,500	20,000,000	July 2, 2021
Pingtan Wenzhou Hangshi Ruihui Investment Partnership (Limited Partnership) (平潭文周杭實瑞慧投資合夥企業(有限合夥)) ("**Pingtan Wenzhou Hangshi**")	5,282,600	100,000,000	July 7, 2021
HLC Healthmedical HK Limited ("**HLC**")	7,395,700	140,630,200	July 29, 2021
Shenzhen Songhe Jiyou No. 3 Venture Capital Partnership (Limited Partnership) (深圳市松禾績優三號創業投資合夥企業(有限合夥)) ("**Songhe Jiyou No. 3**")	2,641,300	50,000,000	July 1, 2021
Gongqingcheng Chengshu Phase V Medical Industry Investment Partnership (Limited Partnership) (共青城承樹五期醫療產業投資合夥企業(有限合夥)) ("**Gongqingcheng Chengshu**")	2,113,000	40,000,000	June 28, 2021
Total	**36,410,300**	**689,880,200**	

Equity Transfer in Series B Financing

From January 2021 to August 2021, Jiangsu Tiaoyu, Mr. He and Shanghai Yijiucheng transferred the registered capital in our Company held by them respectively to certain Pre-IPO Investors as set forth as follows.

Transferee	Registered capital transferred	Consideration	Transferor	Date of full settlement of consideration in cash
	(RMB)	*(RMB)*		
Xinchang Yujun Shanghang Venture Capital Partnership (Limited Partnership) (新昌鈺俊尚行創業投資合夥企業(有限合夥)) (formerly known as Hangzhou Yujun Shanghang Venture Capital Partnership (Limited Partnership) (杭州鈺俊尚行創業投資合夥企業(有限合夥))) ("**Yujun Shanghang**")	656,500	12,427,545	Jiangsu Tiaoyu	April 30, 2021
	400,000	7,572,000	Mr. He	April 30, 2021
	264,000	4,994,880	Shanghai Yijiucheng	June 23, 2021
Hangzhou Sanhua Hongdao Venture Capital Partnership Enterprise (Limited Partnership) (杭州三花弘道創業投資合夥企業(有限合夥)) ("**Hangzhou Sanhua Hongdao**")	2,113,000	39,999,090	Jiangsu Tiaoyu	April 30, 2021
	1,936,000	36,629,120	Shanghai Yijiucheng	June 23, 2021
Shenzhen Co-win Yuanshui Investment Partnership (Limited Partnership) (深圳共贏源水投資合夥企業(有限合夥)) ("**Shenzhen Co-win Yuanshui**")	343,400	6,500,000	Jiangsu Tiaoyu	June 9, 2021
	2,200,000	41,624,000	Mr. He	March 17, 2021
Shenzhen Zhiyou Pengbo Management Consulting Partnership (Limited Partnership) (深圳市志友蓬勃管理諮詢合夥企業(有限合夥)) ("**Shenzhen Zhiyou**")	158,500	3,000,000	Jiangsu Tiaoyu	May 27, 2021
Litian New Drug	184,900	3,500,000	Jiangsu Tiaoyu	May 11, 2021
Qingdao Qiandao Yingyue Investment Management Center (Limited Partnership) (青島乾道盈悅投資管理中心(有限合夥)) ("**Qingdao Qiandao Yingyue**")	528,266	10,000,000	Jiangsu Tiaoyu	February 20, 2021

Transferee	Registered capital transferred	Consideration	Transferor	Date of full settlement of consideration in cash
	(RMB)	*(RMB)*		
Hangzhou Fushi	1,000,000	18,929,800	Jiangsu Tiaoyu	July 2, 2021
Nanjing Yidao Equity Investment Partnership (Limited Partnership) (南京益道股權投資合夥企業(有限合夥)) ("**Nanjing Yidao**")	528,266	10,000,000	Jiangsu Tiaoyu	February 8, 2021
Yangzhou Yingdan Equity Investment Partnership (Limited Partnership) (揚州盈丹股權投資合夥企業(有限合夥)) (formerly known as Guangdong Yingdan Equity Investment Partnership (Limited Partnership) (廣東盈丹股權投資合夥企業(有限合夥)) ("**Yangzhou Yingdan**")	2,530,000	47,880,000	Jiangsu Tiaoyu	January 25, 2021
Pingtan Wenzhou Ruixi Investment Partnership (Limited Partnership) (平潭文周瑞璽投資合夥企業(有限合夥)) ("**Pingtan Wenzhou Ruixi**")	1,057,000	20,009,010	Jiangsu Tiaoyu	April 20, 2021
Zhuzhou Wenzhou Junzhe Venture Capital Partnership (Limited Partnership) (株洲市文周君喆創業投資合夥企業(有限合夥)) ("**Zhuzhou Wenzhou Junzhe**")	653,000	12,361,290	Jiangsu Tiaoyu	April 27, 2021
	400,000	7,572,000	Mr. He	April 27, 2021
Yangzhou Xuantan Investment Co., Ltd. (揚州玄壇投資有限公司) (formerly known as Guangdong Xuantan Investment Co., Ltd. (廣東玄壇投資有限公司)) ("**Yangzhou Xuantan**")	1,000,000	18,930,000	Jiangsu Tiaoyu	July 21, 2021
Anji Aiweidi Enterprise Management Partnership (Limited Partnership) (安吉愛威笛企業管理合夥企業(有限合夥)) ("**Anji Aiweidi**")	2,500,000	47,325,000	Jiangsu Tiaoyu	August 3, 2021

10. Establishment of Taizhou Huining and Taizhou Huixin

In December 2021, Taizhou Huining and Taizhou Huixin were established under the laws of the PRC to serve as our Employee Ownership Platforms, with Jiangsu Tiaoyu acting as their respective general partner. See "—Employee Ownership Platforms" for further details of Taizhou Huining and Taizhou Huixin.

11. Conversion into a Joint Stock Company in March 2022

On March 10, 2022, our Company was converted from a limited liability company into a joint stock company with limited liability. Based on the audited net assets of the Group as of October 31, 2021, our Company converted all Shares of the limited liability company into the Shares of the joint stock company at a ratio of 1:0.37745. Upon completion of such conversion, the registered capital of our Company was RMB360,000,000 divided into 360,000,000 Shares with nominal value of RMB1.00 each, which was subscribed by all our then Shareholders in proportion to their respective interests in our Company before conversion.

12. Establishment of Taizhou Huijia

In June 2022, Taizhou Huijia was established under the laws of the PRC to serve as our Employee Ownership Platform, with Jiangsu Tiaoyu acting as its general partner. See "—Employee Ownership Platforms" for further details of Taizhou Huijia.

13. PRC Legal Advisors' Confirmation

As advised by our PRC Legal Advisors, our Company has made all necessary registrations or filings with the relevant local branch of SAMR in respect of the transfers, capital increases and issuances of Shares set out above in all material respects, and such transfers, capital increases and issuances of Shares were conducted in compliance with the applicable PRC laws and regulations in all material respects.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

We had not conducted any acquisitions, disposals or mergers that we consider to be material to us during the Track Record Period and up to the Latest Practicable Date.

PRE-IPO INVESTMENTS

Overview

Our Company obtained several rounds of investments, including Series A Financing, Series A+ Financing and Series B Financing, from the Pre-IPO Investors through subscriptions for increased registered capital of our Company and equity transfers. See "—Establishment and Major Shareholding Changes of Our Company" for details.

Principal Terms of the Pre-IPO Investments

The following table summarizes the key terms of the Pre-IPO Investments:

	Series A Financing	Series A+ Financing	Series B Financing
Date of agreements	December 3, 2018 March 15, 2019	December 30, 2019 May 8, 2020 June 20, 2020	June 21, 2021
Date of full settlement of consideration[(1)]	April 3, 2020	August 10, 2020	August 3, 2021
Amount of registered capital subscribed for	RMB26,379,900	RMB22,013,300	RMB36,410,300
Amount of registered capital transferred[(2)]	–	–	RMB18,452,832
Consideration	RMB130.00 million	RMB174.50 million	RMB689.88 million
Approximate post-money valuation of our Company[(3)]	RMB746.00 million	RMB1,375.00 million	RMB4,189.00 million
Cost per Share[(4)]	RMB3.03	RMB4.87[(5)]	RMB11.64[(6)]
Basis of consideration	The consideration for the Pre-IPO Investments which involved increase of our registered capital and in which the Company was a party was determined based on arm's length negotiation between our Company and the relevant Pre-IPO Investors, after taking into consideration the timing of the investments, the development of our pipeline products and our business prospects. To the best knowledge of our Company, for the Pre-IPO Investments which only involved the transfers of existing registered capital to the Pre-IPO Investors, the consideration was determined among the then Shareholders and the relevant Pre-IPO Investors upon their respective arm's length negotiation.		
Discount to the Offer Price[(7)]	76.58%	62.35%	10.01%
Lock-up period	All existing Shareholders (including the Pre-IPO Investors) are subject to a lock-up period of 12 months following the Listing Date according to the applicable PRC law.		

	Series A Financing	Series A+ Financing	Series B Financing
Use of proceeds	The gross proceeds from the Pre-IPO Investments involving increase of our registered capital amounted to approximately RMB994.38 million, which have been primarily utilized for the development and operation of the principal business of our Group, including but not limited to R&D and commercialization of our pipeline products, establishment and expansion of our manufacturing facilities, and our working capital. As of the Latest Practicable Date, the funds raised from the Pre-IPO Investments had been fully utilized. No proceeds were received by our Company from the Pre-IPO Investments that involved transfers of existing registered capital between our then Shareholders and the relevant Pre-IPO Investors.		
Strategic benefits	Our Directors were of the view that (i) our Group would benefit from the additional capital provided by the Pre-IPO Investors for our research and development and daily operations; (ii) our Group could benefit from the Pre-IPO Investors' knowledge and experience and take advantage of their industry resources and networks, while at the same time broaden our shareholder base; (iii) the Pre-IPO Investors' investment demonstrated their confidence in our Group and served as an endorsement of our performance, strengths and prospects.		

Notes:

(1) This refers to the timing of last payment made by the relevant Pre-IPO Investor(s) in the relevant series of Pre-IPO Investments.

(2) This involves transfers of equity interest between the then Shareholders and the relevant Pre-IPO Investors, which were determined upon arm's length negotiations among the parties at the time of transfer, and does not involve any increase of registered capital or issuance of new Shares by our Company. We did not receive any net proceeds from such transfers of equity interest by the then Shareholders.

(3) The post-money valuation refers to the cost per additional registered capital paid to our Company in the corresponding series of Pre-IPO Investment, multiplied by the amount of registered capital of our Company immediately after the completion of the corresponding series of Pre-IPO Investment.

(4) The cost per Share of each series of Pre-IPO Investment is calculated by dividing the total amount of consideration by the amount of increased registered capital subscribed by the relevant Pre-IPO Investors in the corresponding series of Pre-IPO Investment, and adjusted with reference to the share conversion rate under the Company's conversion from a limited liability company to a joint stock company in March 2022. See "—Establishment and Major Shareholding Changes of Our Company—11. Conversion into a Joint Stock Company in March 2022" for details.

(5) The increase in valuation from Series A Financing to Series A+ Financing was primarily due to the progress of research and development of our products, the milestones we achieved and our business prospects. For instance, we (i) initiated Phase I clinical trial of quadrivalent subunit influenza vaccine for individuals aged six months and above in August 2019; and (ii) initiated Phase III clinical trial of quadrivalent subunit influenza vaccine for individuals aged three and above in May 2020.

(6) The increase in valuation from Series A+ Financing to Series B Financing was primarily due to the progress of research and development of our products, the milestone we achieved and our business prospects. For instance, we made significant progress towards the completion of Phase III clinical trial of quadrivalent subunit influenza vaccine for individuals aged three and above in the first half of 2021.

(7) The discount to the Offer Price is calculated based on the foreign exchange rate as set out in this prospectus and assuming the Offer Price is HK$14.20 per Offer Share (being the mid-point of the indicative Offer Price range).

Our Company expects that the market capitalization of our Company upon Listing would further increase from that upon completion of Series B Financing, having taken into account: (i) the advancements in our business and pipeline products after Series B Financing, for instance, (a) we obtained IND approval from the NMPA for our lyophilized human rabies vaccine (human diploid cell) for the Essen regimen (five doses) in November 2022; (b) the supplemental IND application for lyophilized human rabies vaccine (human diploid cell) was approved by the NMPA for the Zagreb regimen (four doses) and a simplified four-dose regimen in April 2023; (c) the NDA for quadrivalent subunit influenza vaccine for individuals aged three and above was approved by the NMPA in May 2023; (d) the NDA for quadrivalent subunit influenza vaccine for individuals aged 6-35 months was accepted by the NMPA in June 2024; (e) we completed the Phase I clinical trial of lyophilized human rabies vaccine (human diploid cell) in October 2024; and (f) we initiated Phase I and Phase II clinical trials of recombinant zoster vaccine (CHO cell) in February and July 2025, respectively; (ii) the differences in risk and liquidity between investing in a private company at the pre-IPO stage and investing in a public company, as the H Shares of our Company, being freely tradeable upon Listing, will benefit from enhanced transparency, improved market liquidity, and established exit mechanisms; and (iii) the expected capital raised from the Global Offering. For details of the aforesaid advancements in our business and pipeline products, see the section headed "Business" in this prospectus.

Special Rights of the Pre-IPO Investors

Pursuant to the Company's capital increase agreement and its ancillary agreements (collectively, the "**Capital Increase Agreement**") entered into by, among others, the Company, Mr. An, Mr. He, Shanghai Yijiucheng and the Pre-IPO Investors, the Pre-IPO Investors had been granted by Mr. An, Mr. He and Shanghai Yijiucheng with customary special rights, including, among others, redemption right, transfer restrictions, tag-along right, drag-along right, anti-dilution right and priority at liquidation, while the Company did not have any repurchase obligation thereunder. The arrangement of special rights (including the redemption right) were agreed by and among the Pre-IPO investors and Mr. An, Mr. He and Shanghai Yijiucheng, while the Company was not obligated to such special rights. Considering that the Company has no obligation to repurchase the Shares, no liability was recognized for the investments from Pre-IPO Investors during the Track Record Period. On January 21, 2025, our Company, the Pre-IPO Investors and the other Shareholders entered into an agreement, pursuant to which, all special rights which were granted to the Pre-IPO Investors by Mr. An, Mr. He and Shanghai Yijiucheng under the Capital Increase Agreement and were valid as of the date of the agreement had been terminated from the day before the first submission of the application for the Listing to the Stock Exchange, provided that all such special rights shall be

automatically reinstated upon the occurrence of the following events (whichever is the earliest): (i) the Listing application is withdrawn voluntarily by the Company; (ii) the Listing application is rejected, denied or dismissed by the Stock Exchange, the SFC or other securities regulatory authorities; or (iii) the Listing is not completed within 18 months from the date of submission of the Listing application.

As confirmed by the Company, (i) there are no other side arrangements between the Company and the Pre-IPO Investors or between the Company and Mr. An, Mr. He and Shanghai Yijiucheng regarding redemption rights to which the Pre-IPO Investors are entitled; and (ii) the Company did not provide any guarantee on the redemption rights as granted by Mr. An, Mr. He and Shanghai Yijiucheng in case of default by any of Mr. An, Mr. He and Shanghai Yijiucheng. As confirmed by each of Mr. An, Mr. He and Shanghai Yijiucheng, there are no side arrangements between any of them and the Pre-IPO Investors regarding redemption rights to which the Pre-IPO Investors are entitled.

Joint Sponsors' Confirmation

On the basis that (i) the considerations for the Pre-IPO Investments were settled more than 28 clear days before the date of first submission of the Listing application to the Stock Exchange and no less than 120 clear days before the Listing Date; and (ii) the special rights granted to the Pre-IPO Investors had been terminated prior to the submission of Listing application to the Stock Exchange, the Joint Sponsors confirm that the Pre-IPO Investments are in compliance with chapter 4.2 of the Guide for New Listing Applicants issued by the Stock Exchange.

Information about our Pre-IPO Investors

Among our Pre-IPO Investors, each of Nanjing Gaotejia, Yingke Innovation and Sealand Innovation (each as defined below) is a Sophisticated Investor who has made meaningful investment in our Company in accordance with Chapter 2.3 of the Guide. We became acquainted with each of the Pre-IPO Investors through our network and reputation in the vaccine and biotech industry in the PRC.

The background information of our Pre-IPO Investors who remained as our Shareholders as of the Latest Practicable Date is set out below.

Jiequan Gaotejia

Jiequan Gaotejia is a limited partnership established under the laws of the PRC, which is principally engaged in investment in the medical and health industry (including in the areas of pharmaceuticals, medical devices and healthcare services) in and around Jiangsu Province in the PRC. Jiequan Gaotejia is managed by its general partner, Nanjing Gaotejia Medical Investment Enterprise (Limited Partnership) (南京高特佳醫療投資企業(有限合夥)) ("**Nanjing Gaotejia**"). Nanjing Gaotejia is held as to (i) 5% by Mr. Cai Dajian (蔡達建) ("**Mr Cai**") as its general partner and executive partner; (ii) 20% by Beijing Gaotejia Asset Management Co.,

Ltd. (北京高特佳資產管理有限公司) ("**Beijing Gaotejia**"), a wholly owned company of Gaotejia Group (as defined below), as its general partner; (iii) 55% by Nanjing Chengyi Entrepreneurship Investment Partnership (Limited Partnership) (南京呈益創業投資合夥企業(有限合夥)) ("**Nanjing Chengyi**") as its limited partner. According to the partnership agreement of Nanjing Gaotejia, the daily operation and management as well as the decision of Nanjing Gaotejia in exercising the voting rights of Jiequan Gaotejia in the Company is determined and controlled by Mr. Cai, while Beijing Gaotejia is only entitled to receive its portion of economic interest but cannot control the daily operation and management of Nanjing Gaotejia or exercise the voting rights of Jiequan Gaotejia in the Company. Therefore, Jiequan Gaotejia is ultimately controlled by Mr. Cai. Nanjing Chengyi is owned as to 20% by Nanjing Benyu Investment Management Co., Ltd. (南京本禹投資管理有限公司) ("**Nanjing Benyu**") (which is owned as to 80% by Mr. Mao Huipeng (毛慧鵬) and 20% by Ms. Guo Yan (郭雁)) as its general partner and 50% by Ms. Guo Yan (郭雁) as its limited partner; and (iv) 20% by another shareholder as its limited partner. Jiequan Gaotejia is owned as to approximately 1% by Nanjing Gaotejia as its general partner and has 16 limited partners, none of which holds more than 30% partnership interests therein.

Mr. Cai Dajian has rich investment experience in biopharmaceutical industry and was involved in the investment of several pharmaceutical and biotech companies, including, among others, Mindray Medical International Limited, a company listed on the New York Stock Exchange (symbol: MR), and China Resources Boya Bio-pharmaceutical Group Co., Ltd. (華潤博雅生物製藥集團股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300294). Nanjing Gaotejia is a registered fund manager under the relevant PRC law focusing on private equity and venture capital management, which had over RMB1 billion of assets under management as of the Latest Practicable Date. The investment portfolio of Nanjing Gaotejia includes, among others, Sichuan Huiyu Pharmaceutical Co., Ltd. (四川匯宇製藥股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688553), and ARSMO Medical Sciences Co., Ltd. (華韓醫療科學技術股份有限公司), a company listed on the National Equities Exchange and Quotations (stock code: 430335). Nanjing Gaotejia is therefore a Sophisticated Investor.

To the best knowledge of the Directors, each of Jiequan Gaotejia and its ultimate beneficial owners is an Independent Third Party and has no present or past shareholding relationship with the Company or its connected persons.

Wenzhou Investment

Each of Pingtan Wenzhou Ruixi and Pingtan Wenzhou Hangshi is a limited partnership established under the laws of the PRC, which is principally engaged in equity investment. Each of Pingtan Wenzhou Ruixi and Pingtan Wenzhou Hangshi is managed by its general partner, Shanghai Wenzhou Investment Management Co., Ltd. (上海文周投資管理有限公司) ("**Wenzhou Investment**"), which is ultimately controlled by Mr. Wang Shuguang (王曙光), our Supervisor. Pingtan Wenzhou Ruixi is owned as to approximately 0.0079% by Wenzhou Investment as its general partner and has ten limited partners, namely (i) Qingdao New Pharmaceutical Health Industry Investment Fund Partnership Enterprise (Limited Partnership)

(青島新藥能健康產業投資基金合夥企業(有限合夥)), holding approximately 39.53% partnership interests therein, which is ultimately controlled by State-owned Assets Supervision and Administration Commission of Qingdao Municipal People's Government (青島市人民政府國有資產監督管理委員會) ("**Qingdao SASAC**") and Qingdao Licang District State-owned Enterprise Service Center (青島市李滄區國有企業服務中心); and (ii) nine other limited partners, none of which holds more than 30% partnership interests therein. Pingtan Wenzhou Hangshi is owned as to approximately 0.90% by Wenzhou Investment as its general partner and the sole limited partner of Pingtan Wenzhou Hangshi is Hangzhou Fushi, holding approximately 99.10% partnership interests therein. For further details of Hangzhou Fushi, see "—Hangzhou Fushi."

Each of Zhuzhou National Innovation and Zhuzhou Wenzhou Junzhe is a limited partnership established under the laws of the PRC, which is principally engaged in equity investment. The general partners of each of Zhuzhou National Innovation and Zhuzhou Wenzhou Junzhe are Wenzhou Investment and Zhuzhou SAH Innovation & Entrepreneur Investment Co., Ltd. (株洲市國投創新創業投資有限公司) ("**Zhuzhou SAH Innovation**"). Zhuzhou SAH Innovation is ultimately controlled by the State-owned Assets Supervision and Administration Commission of the Zhuzhou Municipal Government (株洲市人民政府國有資產監督管理委員會) ("**Zhuzhou SASAC**"). Zhuzhou National Innovation is owned as to (i) 2% by Wenzhou Investment as its general partner, (ii) 60% by Zhuzhou SAH Innovation as its general partner, and (iii) 38% by other three limited partners, none of which holds more than 30% partnership interests therein. Zhuzhou Wenzhou Junzhe is owned as to (i) 0.33% by Wenzhou Investment as its general partner, (ii) approximately 26.01% by Zhuzhou SAH Innovation as its general partner, and (iii) approximately 73.60% by other ten limited partners, none of which holds more than 30% partnership interests therein.

To the best knowledge of the Directors, save as disclosed in this prospectus, each of Pingtan Wenzhou Ruixi, Zhuzhou National Innovation, Pingtan Wenzhou Hangshi, Zhuzhou Wenzhou Junzhe and their ultimate beneficial owners is an Independent Third Party and has no present or past shareholding relationship with the Company or its connected persons.

Yingke Innovation

Qingdao Yingke Dingxin No. 1 is a limited partnership established under the laws of the PRC, which is principally engaged in equity investment. Qingdao Yingke Dingxin No.1 is managed by its general partner, Yingke Innovation Asset Management Co., Ltd. (盈科創新資產管理有限公司) ("**Yingke Innovation**"). Yingke Innovation is a registered private fund manager under the relevant PRC law, and is controlled as to 41.74% by Mr. Qian Mingfei (錢明飛). None of the 13 other shareholders of Yingke Innovation holds more than 30% of its equity interest therein. Qingdao Yingke Dingxin No. 1 is owned as to approximately 2.14% by Yingke Innovation as its general partner and has 30 limited partners, none of which holds more than 30% partnership interests therein.

Zibo Yingke Growth No. 2 is a limited partnership established under the laws of the PRC, which is principally engaged in equity investment. Zibo Yingke Growth No. 2 is managed by its general partner, Guangxi Yingji Investment Holdings Co., Ltd. (廣西盈吉投資控股有限公司) ("**Guangxi Yingji**"), which is owned as to 51% by Yingke Innovation and 49% by Mr. Lai Zhendong (賴振東). Zibo Yingke Growth No. 2 is owned as to approximately 80.81% by Guangxi Yingji as its general partner and has one limited partner, which holds no more than 30% partnership interests therein.

Pingtan Puxin Yingke is a limited partnership established under the laws of the PRC, which is principally engaged in equity investment. The general partners of Pingtan Puxin Yingke are Shanghai Puyao Xinye Investment Management Co., Ltd. (上海浦耀信曄投資管理有限公司) ("**Shanghai Puyao**") and Yingke Innovation, which hold 0.5% and 5% partnership interests therein, respectively. The limited partners of Pingtan Puxin Yingke are (i) Shanghai International Trust Co., Ltd. (上海國際信託有限公司) ("**Shanghai International Trust**"), which invests on behalf of Shanghai Trust-Puxin Yingke Equity Investment Collective Fund Trust Plan (上海信託–浦信盈科股權投資集合資金信託計劃) and holds 84.50% partnership interests therein; and (ii) Shangxin Asset Management Co., Ltd. (上信資產管理有限公司) ("**Shangxin Asset**"), which holds 10% partnership interests therein. Shanghai Puyao and Shangxin Asset are controlled by Shanghai International Trust, which is controlled by Shanghai Pudong Development Bank Co., Ltd. (上海浦東發展銀行股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600000).

Qingdao Yingke Value Venture is a limited partnership established under the laws of the PRC, which is principally engaged in equity investment focusing on industries including healthcare, key & core technology and new energy. Qingdao Yingke Value Venture is owned as to 1% and managed by its general partner, Yingke Innovation. Qingdao Yingke has four limited partners, namely Qingdao City Investment Technology Development Co., Ltd. (青島城投創業投資有限公司), Yantai Chuangji Real Estate Co., Ltd. (煙台創吉置業有限公司), Qingdao (Jiaozhou) Urban and Rural Community Construction Investment Co., Ltd. (青島(膠州)城鄉社區建設投資有限公司) and Qingdao Huiquan Private Capital Management Co., Ltd. (青島匯泉民間資本管理有限公司), holding approximately 86.00%, 10.00%, 2.00% and 1.00% of the partnership interests in Qingdao Yingke Value Venture, respectively. All the aforesaid limited partners of Qingdao Yingke Value Venture are ultimately controlled by the Qingdao SASAC.

Mr. Qian Mingfei has over 20 years of capital market experience and investment management experience, and was involved in a number of leading investment projects in the biotech sector, including, among others, Chengdu Kanghua Biological Products Co., Ltd. (成都康華生物製品股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300841) and Shanghai Sanyou Medical Co., Ltd. (上海三友醫療器械股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688085). Yingke Innovation had over RMB10 billion under management as of the Latest Practicable Date and its investment portfolio includes, among others, Shanghai MicuRx Pharmaceutical Co., Ltd. (上海盟科藥業股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688373), Jiangsu Yahong Meditech Co., Ltd. (江蘇亞虹醫藥科技股份有限公司), a company listed on the

Shanghai Stock Exchange (stock code: 688176), Chengdu Kanghua Biological Products Co., Ltd., Beijing Health Guard Biotechnology Inc. (北京康樂衛士生物技術股份有限公司), a company listed on the Beijing Stock Exchange (stock code: 833575), and Shanghai Sanyou Medical Co., Ltd. Yingke Innovation is therefore a Sophisticated Investor.

To the best knowledge of the Directors, each of Qingdao Yingke Dingxin No. 1, Zibo Yingke Growth No. 2, Pingtan Puxin Yingke, Qingdao Yingke Value Venture and their ultimate beneficial owners is an Independent Third Party and has no present or past shareholding relationship with the Company or its connected persons.

Sealand Innovation

Each of Sealand Yuchai, Zhuzhou Sealand Guochuang and Shenzhen Sealand No. 5 is a limited partnership established under the laws of the PRC, which is principally engaged in equity investment. Each of Sealand Yuchai, Zhuzhou Sealand Guochuang and Shenzhen Sealand No. 5 is managed by its general partner, Sealand Innovation Capital Investment Management Co., Ltd. (國海創新資本投資管理有限公司) ("**Sealand Innovation**"). Sealand Jingheng is a limited liability company established under the laws of the PRC, which is principally engaged in equity investment. Sealand Jingheng is owned as to 80.00% by Sealand Innovation. Sealand Innovation is wholly owned by Sealand Securities Co., Ltd. (國海證券股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000750).

Sealand Yuchai is owned as to approximately 58.82% by Sealand Innovation as its general partner and has two limited partners, neither of which holds more than 30% partnership interests therein.

Zhuzhou Sealand Guochuang is owned as to approximately 19.95% by Sealand Innovation as its general partner and has two limited partners, namely (i) Zhuzhou State-owned Assets Investment Holding Group Co., Ltd. (株洲市國有資產投資控股集團有限公司), holding approximately 46.54% partnership interests therein, which is ultimately controlled by the Zhuzhou SASAC; and (ii) Zhuzhou Qianjin Pharmaceutical Co., Ltd. (株洲千金藥業股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600479), holding approximately 33.24% partnership interests therein.

Shenzhen Sealand No. 5 is owned as to 20% by Sealand Innovation as its general partner and has two limited partners, namely (i) Guangxi Guangtou Guohong Health Industry Fund Partnership Enterprise (Limited Partnership) (廣西廣投國宏健康產業基金合夥企業(有限合夥)), holding 60% partnership interests therein, which is ultimately controlled by People's Government of Guangxi Zhuang Autonomous Region (廣西壯族自治區人民政府); and (ii) Mr. Zuo Jie (左傑), holding 20% partnership interests therein.

Sealand Innovation focuses on national strategies and high-tech industry development fields including medical health and new materials. As of the Latest Practicable Date, Sealand Innovation had accumulatively managed assets of over RMB20.9 billion, invested in more than 90 high-quality companies and cultivated a number of industry-leading brands, including,

among others, Pharmaron Beijing Co., Ltd. (康龍化成(北京)新藥技術股份有限公司), a company listed on both the Stock Exchange (stock code: 03759) and Shenzhen Stock Exchange (stock code: 300759), TYK Medicines, Inc (浙江同源康醫藥股份有限公司), a company listed on the Stock Exchange (stock code: 02410) and Hinova Pharmaceuticals Inc. (海創藥業股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688302). Sealand Innovation is therefore a Sophisticated Investor.

To the best knowledge of the Directors, each of Sealand Yuchai, Zhuzhou Sealand Guochuang, Shenzhen Sealand No. 5 and Sealand Jingheng and their ultimate beneficial owners is an Independent Third Party and has no present or past shareholding relationship with the Company or its connected persons.

HLC

HLC is a limited liability company established under the laws of Hong Kong, which is principally engaged in medical and health industry investment. HLC is wholly owned by HLC Partners III L.P., a Cayman Islands incorporated exempted limited partnership, which is held as to 3% by its general partner HLC GP III Company Limited (which is wholly owned by its ultimate beneficial owner, Mr. Wang, Stephen Hui (王暉)) and owned as to 97% by its limited partners, none of which holds more than 30% partnership interests therein.

To the best knowledge of the Directors, each of HLC and its ultimate beneficial owners is an Independent Third Party and has no present or past shareholding relationship with the Company or its connected persons.

Jintai Hongyi

Jintai Hongyi is a limited partnership established under the laws of the PRC, which is principally engaged in equity investment. Jintai Hongyi is owned as to approximately 0.10% and managed by its general partner, Taizhou Shengshi Jintai Investment Fund Management Co., Ltd. (泰州盛世金泰投資基金管理有限公司) ("**Taizhou Shengshi**"), which is owned as to 65% by Jiangsu Shengshi Juxin Private Equity Fund Management Co., Ltd. (江蘇盛世聚鑫私募基金管理有限公司) ("**Jiangsu Shengshi**") and 35% by Taizhou High Tech Industry Investment Co., Ltd. (泰州市高新產業投資有限公司) ("**Taizhou High Tech**"). Jiangsu Shengshi is owned as to (i) 45% by Jiangsu Shengshi Qitong Consulting Management Co., Ltd. (江蘇盛世啟同諮詢管理有限公司) ("**Jiangsu Shengshi Qitong**"), which is ultimately controlled by Mr. Jiang Mingming (姜明明); (ii) 35% by Jiangsu Equity Investment Center Co., Ltd. (江蘇省股權投資中心有限公司), which is ultimately controlled by Department of Finance of Jiangsu Province (江蘇省財政廳); and (iii) 20% by Nanjing Shengshi Qizhi Consulting Center (Limited Partnership) (南京盛世啟智諮詢中心(有限合夥)), the general partner of which is Jiangsu Shengshi Qitong, holding 0.5% partnership interests therein. Taizhou High Tech is wholly owned by Taizhou Financial Holding Group Co., Ltd. (泰州市金融控股集團有限公司), which is controlled by State-owned Assets Supervision and Administration Commission of the Taizhou Municipal People's Government (泰州市人民政府國有資產監督管理委員會) ("**Taizhou SASAC**"). Jintai Hongyi is owned as to approximately 99.90% by its sole limited

partner, Taizhou Industrial Investment Fund (Limited Partnership) (泰州市產業投資基金(有限合夥)), which is held as to approximately 0.10% by its general manager, Taizhou Shengshi, and the limited partners of which are Taizhou High Tech, Taizhou Huatai Industrial Holding Co., Ltd. (泰州市華泰工業控股經營有限公司) and Taizhou Financial Holding Group Co., Ltd., each respectively holding approximately 71.36%, 14.27% and 14.27% partnership interests therein.

To the best knowledge of the Directors, each of Jintai Hongyi and its ultimate beneficial owners is an Independent Third Party and has no present or past shareholding relationship with the Company or its connected persons.

Hangzhou Sanhua Hongdao and Yujun Shanghang

Hangzhou Sanhua Hongdao, formerly known as Hangzhou Sanhua Hongdao Equity Investment Partnership (Limited Partnership) (杭州三花弘道股權投資合夥企業(有限合夥)), is a limited partnership established under the laws of the PRC. Hangzhou Sanhua Hongdao is owned as to approximately 12.23% and managed by its general partners, Mr. Zhang Shaobo (張少波) and Mr. Chen Jinyu (陳金玉). The sole limited partner of Hangzhou Sanhua Hongdao is Sanhua Holding Group Co., Ltd. (三花控股集團有限公司) ("**Sanhua Holding**"), holding approximately 87.77% partnership interests therein. Sanhua Holding is owned by more than 40 shareholders, none of which holds more than 30% of its equity interest. Hangzhou Sanhua Hongdao primarily engages in equity investment in the fields of healthcare, semiconductors and new materials. As of March 31, 2024, its investment portfolio included other pharmaceutical companies such as Wuhan YZY Biopharma Co., Ltd. (武漢友芝友生物製藥股份有限公司), a company listed on the Stock Exchange (stock code: 2496), NovoCodex Biopharmaceuticals Co., Ltd. (浙江新碼生物醫藥有限公司), Beijing Health Guard Biotechnology Inc. (北京康樂衛士生物技術股份有限公司) and Genhouse Biomedical (Suzhou) Corporation Limited (勤浩醫藥(蘇州)有限公司).

Yujun Shanghang is a limited partnership established under the laws of the PRC, which is principally engaged in equity investment. Yujun Shanghang is owned as to 50% and managed by its general partner, Mr. Chen Jinyu. Yujun Shanghang has two limited partners, namely (i) Mr. Xu Jun (徐俊), holding approximately 33.33% partnership interests therein; and (ii) Mr. Pan Zhen (潘朕), holding approximately 16.67% partnership interests therein.

To the best knowledge of the Directors, each of Hangzhou Sanhua Hongdao, Yujun Shanghang and their ultimate beneficial owners is an Independent Third Party and has no present or past shareholding relationship with the Company or its connected persons.

Taizhou Transition and Upgrading Fund and Jiangsu Modern Service Fund

Taizhou Transition and Upgrading Fund is a limited partnership established under the laws of the PRC, which is principally engaged in equity investment. It is managed by its general partner, Taizhou Yida Huitai Equity Investment Management Enterprise (Limited Partnership) (泰州毅達匯泰股權投資管理企業(有限合夥)) ("**Taizhou Yida**"). The general partner of Taizhou Yida is Nanjing Yida Equity Investment Management Enterprise (Limited

Partnership) (南京毅達股權投資管理企業(有限合夥)) ("**Nanjing Yida**"), holding 70% partnership interests therein. Nanjing Yida is directly and indirectly owned as to 65% by Nanjing Yida Capital Management Enterprise (Limited Partnership) (南京毅達資本管理企業(有限合夥)), which is owned by six Independent Third Parties, none of whom holds more than 30% equity interest. The sole limited partner of Taizhou Yida is Taizhou Rongduo Consulting Services Partnership (Limited Partnership) (泰州榮多諮詢服務合夥企業(有限合夥)), holding 30% partnership interests therein, which is ultimately controlled by Mr. Fan Liping (樊利平). Taizhou Transition and Upgrading Fund is owned as to approximately 0.95% by Taizhou Yida as its general partner and has ten limited partners, namely (i) Taixing Jinjiang Investment Co., Ltd. (泰興市襟江投資有限公司), holding 38.10% partnership interests therein, which is ultimately controlled by Taizhou SASAC; and (ii) nine other limited partners, which hold approximately 60.95% partnership interests, none of which holds more than 30% partnership interests therein.

Jiangsu Modern Service Fund is a limited partnership under the laws of the PRC, which is principally engaged in equity investment. It is owned as to approximately 0.95% and managed by its general partner, Nanjing Yida. Jiangsu Modern Service Fund has 45 limited partners, namely (i) Jiangsu Government Investment Fund (Limited Partnership) (江蘇省政府投資基金(有限合夥)), holding approximately 31.55% partnership interests therein, which is owned as to approximately 0.02% and managed by its general partner Jiangsu FISCAL Investment Co., Ltd. (江蘇金財投資有限公司) (which is wholly owned by Department of Finance of Jiangsu Province (江蘇省財政廳)) and owned as to approximately 99.98% by Department of Finance of Jiangsu Province as its only limited partner; (ii) Jiangsu High-tech Capital Group Co., Ltd. (江蘇高科技投資集團有限公司), holding approximately 15.77% partnership interests therein, which is ultimately controlled by Jiangsu Provincial People's Government (江蘇省人民政府); and (iii) 43 other limited partners, which hold approximately 51.73% partnership interests, none of which holds more than 30% partnership interests therein.

To the best knowledge of the Directors, each of Taizhou Transition and Upgrading Fund, Jiangsu Modern Service Fund and their ultimate beneficial owners is an Independent Third Party and has no present or past shareholding relationship with the Company or its connected persons.

Pharmaceutical City R&D Investment Fund

Pharmaceutical City R&D Investment Fund is a limited partnership established under the laws of the PRC, which is principally engaged in equity investment. It is managed by its general partner, Taizhou China Pharmaceutical City New Drug Fund Management Co., Ltd. (泰州中國醫藥城新藥基金管理有限公司) ("**Pharmaceutical City New Drug**"), which is wholly owned by Taizhou Pharmaceutical High Tech Zone Huayin Financial Investment Co., Ltd. (泰州醫藥高新區華銀金融投資有限公司) ("**Taizhou Huayin**"). Taizhou Huayin is ultimately controlled by Taizhou Pharmaceutical High-tech Industrial Development Zone (Taizhou Gaogang District) Finance Bureau (District Government State-owned Assets Supervision and Administration Office) (泰州醫藥高新技術產業開發區(泰州市高港區)財政局(區政府國有資產監督管理辦公室)). Pharmaceutical City R&D Investment Fund is owned as to 2% by

Pharmaceutical City New Drug as its general partner and has two limited partners, namely (i) Taizhou Huayin, holding approximately 64.67% partnership interests therein; and (ii) Taizhou High Tech, holding approximately 33.33% partnership interests therein, which is ultimately controlled by Taizhou SASAC.

To the best knowledge of the Directors, each of Pharmaceutical City R&D Investment Fund and its ultimate beneficial owners is an Independent Third Party and has no historical or current relationship with the Company or its connected persons.

Anji Aiweidi and Shangshan Ruoshui

Anji Aiweidi is a limited partnership established under the laws of the PRC, which is principally engaged in business management and information consulting. Anji Aiweidi is owned as to (i) 99% by its general partner, Mr. Lu Yingxu (盧迎旭); and (ii) 1% by its sole limited partner, Ms. Lu Yingli (盧迎莉), the sister of Mr. Lu Yingxu.

Shangshan Ruoshui is a company established under the laws of the PRC with limited liability, which is principally engaged in investment management and consulting for non-securities businesses. Shangshan Ruoshui is owned as to 60% by Mr. Lu Yubo (盧玉波), father of Mr. Lu Yingxu, and 40% by Mr. Lu Yingxu.

To the best knowledge of the Directors, each of Anji Aiweidi, Shangshan Ruoshui and their ultimate beneficial owners is an Independent Third Party and has no present or past shareholding relationship with the Company or its connected persons.

Songhe Jiyou No. 3

Songhe Jiyou No. 3 is a limited partnership established under the laws of the PRC, which is principally engaged in equity investment. Songhe Jiyou No.3 is owned as to (i) 0.02% by Shenzhen Songhe International Capital Management Partnership (Limited Partnership) (深圳市松禾國際資本管理合夥企業(有限合夥)) ("**Shenzhen Songhe**") as its general partner; and (ii) 99.98% by Guangzhou Songhe Growth Venture Capital Partnership (Limited Partnership) (廣州市松禾成長創業投資合夥企業(有限合夥)) ("**Guangzhou Songhe**") as its limited partner. Shenzhen Songhe is owned as to 55% and managed by its general partner, Mr. Luo Fei (羅飛). None of the three limited partners of Shenzhen Songhe holds more than 30% partnership interests therein. The general partner of Guangzhou Songhe is Shenzhe Songhe, which holds approximately 1.45% partnership interests, and none of its ten limited partners holds more than 30% partnership interests therein.

To the best knowledge of the Directors, each of Songhe Jiyou No.3 and its ultimate beneficial owners is an Independent Third Party and has no present or past shareholding relationship with the Company or its connected persons.

Shenzhen Co-win Yuanshui

Shenzhen Co-win Yuanshui is a limited partnership established under the laws of the PRC, which is principally engaged in equity investment. Shenzhen Co-win Yuanshui is managed by its general partner, BioSpiritus (Shenzhen) Private Equity Fund Management Partnership (Limited Partnership) (柏穗(深圳)私募股權基金管理合夥企業(有限合夥)) ("**BioSpiritus**"). BioSpiritus is owned as to (i) 51% by its general partner, BGI Co-win (Shenzhen) Private Equity Investment Fund Management Co., Ltd (華大共贏(深圳)股權投資基金管理有限公司) ("**BGI Co-win**"), which is in turn owned as to approximately 34.97% by Shenzhen Huada Technology Enterprise Management Co., Ltd. (深圳華大科技企業管理有限公司) and approximately 33.79% by Shenzhen Hua'ao Capital Management Co., Ltd. (深圳華澳資本管理有限公司) ("**Shenzhen Hua'ao**"); and (ii) 49% by its sole limited partner, Xinyu Co-win Hongyi Investment Partnership Enterprise (Limited Partnership) (新餘共贏弘益投資合夥企業(有限合夥)) ("**Xinyu Co-win Hongyi**"), the general partner of which is Shenzhen Hua'ao. Shenzhen Huada Technology Enterprise Management Co., Ltd. is owned as to 99% by Shenzhen Huada Technology Holding Group Co., Ltd. (深圳華大科技控股集團有限公司), which is in turn wholly owned by Mr. Wang Jian (汪建). The limited partners of Xinyu Co-win Hongyi holding more than 30% partnership interests therein are Mr. Li Lei (李雷) (holding 35% partnership interests) and Mr. Liu Yu (劉宇) (holding 34% partnership interests). Shenzhen Co-win Yuanshui is owned as to approximately 1.3% by BioSpiritus as its general partner and has 10 limited partners, which hold approximately 98.7% partnership interests, none of which holds more than 30% partnership interests therein.

To the best knowledge of the Directors, each of Shenzhen Co-win Yuanshui and its ultimate beneficial owners is an Independent Third Party and has no present or past shareholding relationship with the Company or its connected persons.

Yangzhou Yingdan

Yangzhou Yingdan is a limited partnership established under the laws of the PRC, which is principally engaged in equity investment. Yangzhou Yingdan is managed by its general partner, Nanjing Herun Zhicheng Private Equity Fund Management Co., Ltd. (南京和潤至成私募基金管理有限公司) ("**Herun Zhicheng PE Fund**"), which is in turn held as to (i) 40% by Nanjing Herun Zhicheng Technology Partnership (Limited Partnership) (南京和潤至成科技合夥企業(有限合夥)) ("**Herun Zhicheng**") as its largest shareholder and (ii) 32% by Mr. Hu Xuefeng (胡雪峰). None of the other shareholders of Herun Zhicheng PE Fund holds more than 30% equity interests therein. The general partner of Herun Zhicheng is Mr. Nie Tingzai (聶廷再). Yangzhou Yingdan is owned as to 2% by Herun Zhicheng PE Fund as its general partner and has nine limited partners, which hold 98% partnership interests, none of which holds more than 30% partnership interests therein.

To the best knowledge of the Directors, each of Yangzhou Yingdan and its ultimate beneficial owners is an Independent Third Party and has no present or past shareholding relationship with the Company or its connected persons.

Gongqingcheng Chengshu

Gongqingcheng Chengshu is a limited partnership established under the laws of the PRC, which is principally engaged in equity investment. Gongqingcheng Chengshu is managed by its general partner, Shanghai Chengshu Capital Co., Ltd. (上海承樹投資管理有限公司) ("**Shanghai Chengshu**"). Shanghai Chengshu is owned as to approximately 46.54% by Mr. Lou Min (樓民) and approximately 53.46% by other six shareholders, none of which holds more than 30% interest therein. Gongqingcheng Chengshu is owned as to approximately 0.02% by Shanghai Chengshu and has six limited partners, namely (i) Mr. Sun Weiyi (孫偉義), holding approximately 67.96% partnership interests therein; and (ii) five other limited partners, none of which holds more than 30% partnership interests therein.

To the best knowledge of the Directors, each of Gongqingcheng Chengshu and its ultimate beneficial owners is an Independent Third Party and has no present or past shareholding relationship with the Company or its connected persons.

Hangzhou Fushi

Hangzhou Fushi is a limited partnership established under the laws of the PRC, which is principally engaged in equity investment. The general partner of Hangzhou Fushi is Hangshi Qinglian Enterprise Management Consulting (Hangzhou) Co., Ltd. (杭實輕聯企業管理諮詢(杭州)有限公司), holding 0.01% partnership interests therein, which is owned as to 80% by Hangzhou Qinglian Investment Group Co., Ltd. (杭州輕聯投資集團有限公司), 10% by Hangshi Asset Management (Hangzhou) Co., Ltd. (杭實資產管理(杭州)有限公司) and 10% by Hangshi Equity Investment Fund Management (Hangzhou) Co., Ltd. (杭實股權投資基金管理(杭州)有限公司). Hangzhou Qinglian Investment Group Co., Ltd. is wholly owned by Hangzhou Handicraft Cooperative United Agency (杭州市手工業合作社聯合社) (an enterprise established under the PRC laws, collectively owned by all employees). The sole limited partner of Hangzhou Fushi is Hangzhou Industrial Investment Group Co., Ltd. (杭州市實業投資集團有限公司) (which is owned as to 90% by State-owned Assets Supervision and Administration Commission of Hangzhou Municipal People's Government (杭州市人民政府國有資產監督管理委員會), and 10% by Zhejiang Financial Development Co., Ltd. (浙江省財務開發有限責任公司)), holding 99.99% partnership interests therein.

To the best knowledge of the Directors, each of Hangzhou Fushi and its ultimate beneficial owners is an Independent Third Party and has no present or past shareholding relationship with the Company or its connected persons.

Gaotejia Ruibao

Gaotejia Ruibao is a limited partnership established under the laws of the PRC, which is principally engaged in equity investment. Gaotejia Ruibao is managed by its general partner, Shenzhen Gaotejia Hongrui Investment Co., Ltd. (深圳市高特佳弘瑞創業投資有限公司) ("**Gaotejia Hongrui**"), which is owned as to 95% by Shenzhen Gaotejia Investment Group Co., Ltd. (深圳市高特佳投資集團有限公司) ("**Gaotejia Group**") and ultimately controlled by

Mr. Bian Zhuang (卞莊). Founded in 2001, Gaotejia Group focuses on investments in the medical and health industry and has established operation centers in places such as Shenzhen, Shanghai, Beijing, Nanjing and Hong Kong. It has focused on investment in the medical and health field since 2012 and has invested in medical and health enterprises including, among others, VIVA Biotech (stock code: 1873), Akesobio (stock code: 9926), Henlius (stock code: 2696) and Harbour BioMed (stock code: 2142). Gaotejia Ruibao is owned as to approximately 0.74% by Gaotejia Hongrui as its general partner and has 17 limited partners, none of which holds more than 30% partnership interests therein.

To the best knowledge of the Directors, each of Gaotejia Ruibao and its ultimate beneficial owners is an Independent Third Party and has no present or past shareholding relationship with the Company or its connected persons.

Yihui Chuangtou and Nanjing Yidao

Yihui Chuangtou is a limited partnership established under the laws of the PRC, which is principally engaged in equity investment. Yihui Chuangtou is managed by its general partner, Nanjing Changchengit Equity Investment Fund Management Enterprise (Limited Partnership) (南京常呈益股權投資基金管理企業(有限合夥)) ("**Nanjing Changchengyi**"), which is owned as to 10% by Nanjing Benyu as its general partner and 35% by Ms. Guo Yan (郭雁) as its limited partner. Yihui Chuangtou is owned as to approximately 7.35% by Nanjing Changchengyi and 12.25% by Ms. Xu Wenjing (徐文箐) as its general partners and has six limited partners, namely (i) Ms. Guo Yan, holding approximately 31.37% partnership interests in Yihui Chuangtou; and (ii) five other limited partners, holding approximately 49.03% partnership interests, none of which holds more than 30% partnership interests therein.

Nanjing Yidao is a limited partnership established under the laws of the PRC, which is principally engaged in equity investment. Nanjing Yidao is owned as to approximately 2.04% and managed by its general partner, Nanjing Changchengyi. Nanjing Yidao has five limited partners, namely (i) Qingdao Hengshuo Investment Management Center (Limited Partnership) (青島恒爍投資管理中心(有限合夥)), holding approximately 33.33% partnership interests therein, which is ultimately controlled by Mr. Yan Zurong (鄢祖容); (ii) Hukou Dingsheng Pharmaceutical Investment Fund (Limited Partnership) (湖口鼎盛醫藥投資基金(有限合夥)), holding approximately 31.30% partnership interests therein, which is ultimately controlled by Mr. Guo Haobin (郭浩彬); and (iii) three other limited partners, holding approximately 33.33% partnership interests, none of which holds more than 30% partnership interests therein.

To the best knowledge of the Directors, each of Yihui Chuangtou, Nanjing Yidao and their ultimate beneficial owners is an Independent Third Party and has no present or past shareholding relationship with the Company or its connected persons.

Dongqi Investment

Dongqi Investment is a limited partnership established under the laws of the PRC, which is principally engaged in equity investment. Dongqi Investment is owned as to 60% by Ms. Li Yixian (李奕賢) as its general partner and 40% by Mr. Li Yizhuang (李奕莊) as its limited partner, each an Independent Third Party.

To the best knowledge of the Directors, each of Dongqi Investment and its ultimate beneficial owners is an Independent Third Party and has no present or past shareholding relationship with the Company or its connected persons.

Litian New Drug

Litian New Drug is a limited partnership established under the laws of the PRC, which is principally engaged in equity investment. Litian New Drug is owned as to (i) 17% by Mr. Liu Zihao (劉子豪) as its general partner, (ii) 45% by Mr. Wang Guangjun (王廣軍) as its largest limited partner, and (iii) 38% by three other limited partners, none of which holds more than 30% partnership interests therein.

To the best knowledge of the Directors, each of Litian New Drug and its ultimate beneficial owners is an Independent Third Party and has no present or past shareholding relationship with the Company or its connected persons.

Guangxi Guangtou Guohong

Guangxi Guangtou Guohong is a limited partnership established under the laws of the PRC, which is principally engaged in equity investment. Guangxi Guangtou Guohong is managed by its general partner, Guangxi Guofu Innovation Equity Investment Fund Management Co., Ltd. (廣西國富創新股權投資基金管理有限公司) ("**Guangxi Guofu Innovation**"). Guangxi Guofu Innovation is owned as to 40% by Guangtou Capital Management Group Co., Ltd. (廣投資本管理集團有限公司) ("**Guangtou Capital**") and 40% by Shenzhen Liding Fund Management Co., Ltd. (深圳市力鼎基金管理有限責任公司) which is ultimately controlled by Mr. Wu Chaoyang (伍朝陽). Guangtou Capital is owned as to 90% by Guangxi Financial Investment Group Co., Ltd. (廣西金融投資集團有限公司), which is controlled by People's Government of Guangxi Zhuang Autonomous Region (廣西壯族自治區人民政府). Guangxi Guangtou Guohong is owned as to 0.1% by Guangxi Guofu Innovation as its general partner and has two limited partners, namely Guangtou Capital and Guangxi Guangtou Pharmaceutical and Health Industry Group Co., Ltd. (廣西廣投醫藥健康產業集團有限公司) which is indirectly wholly owned by People's Government of Guangxi Zhuang Autonomous Region, each holding 49.95% partnership interests in Guangxi Guangtou Guohong, respectively.

To the best knowledge of the Directors, each of Guangxi Guangtou Guohong and its ultimate beneficial owners is an Independent Third Party and has no present or past shareholding relationship with the Company or its connected persons.

Yangzhou Xuantan

Yangzhou Xuantan is a limited liability company established under the laws of the PRC, which is principally engaged in investment activities with its own funds. It is owned as to 60% by Mr. Wu Tao (吳濤) and 40% by Mr. Chen Guangyuan (陳廣元).

To the best knowledge of the Directors, each of Yangzhou Xuantan and its ultimate beneficial owners is an Independent Third Party and has no present or past shareholding relationship with the Company or its connected persons.

Qingdao Qiandao Yingyue

Qingdao Qiandao Yingyue is a limited partnership established under the laws of the PRC, which is principally engaged in equity investment. Qingdao Qiandao Yingyue is managed by its general partner, Qiandao Investment Fund Management Co., Ltd. (乾道投資基金管理有限公司) ("**Qiandao Investment**"). Qiandao Investment is wholly owned by Qiandao Investment Holding Group Co., Ltd. (乾道投資控股集團有限公司), which is in turn owned as to approximately 60.78% by Mr. Yan Zurong (鄢祖容) and approximately 39.22% by two other shareholders, none of which holds more than 30% interest in Qiandao Investment. Qingdao Qiandao Yingyue is owned as to approximately 2.23% by Qiandao Investment as its general partner and has 49 limited partners, holding approximately 97.77% partnership interests, none of which holds more than 30% partnership interests therein.

To the best knowledge of the Directors, each of Qingdao Qiandao Yingyue and its ultimate beneficial owners is an Independent Third Party and has no present or past shareholding relationship with the Company or its connected persons.

Shenzhen Zhiyou

Shenzhen Zhiyou is a limited partnership established under the laws of the PRC, which is principally engaged in research and development of biotechnology, medical devices and drugs, and import and export of goods and technology. It is owned as to 75% by its general partner Mr. Hu Mingyi (胡明義), and 25% by its only limited partner Mr. Gan Haiming (乾海明).

To the best knowledge of the Directors, each of Shenzhen Zhiyou and its ultimate beneficial owners is an Independent Third Party and has no present or past shareholding relationship with the Company or its connected persons.

EMPLOYEE OWNERSHIP PLATFORMS

To fully incentivize our employees, maintain the stability of our management team and talent pool and attract high-quality new talent, we established Taizhou Huirong, Taizhou Huilong, Taizhou Huida, Taizhou Huining, Taizhou Huixin and Taizhou Huijia as our Employee Ownership Platforms. Among the Employee Ownership Platforms, (i) Taizhou

Huirong, Taizhou Huilong and Taizhou Huida directly held an aggregate of 34,974,593 Shares, representing approximately 9.72% of the issued share capital of our Company as of the Latest Practicable Date; (ii) each of Taizhou Huixin and Taizhou Huining is a limited partner in Taizhou Huida, holding approximately 58.26% and 15.22% partnership interest therein; and (iii) Taizhou Huijia is a limited partner in Taizhou Huixin, holding approximately 14.93% partnership interest therein. Save as disclosed below, each of the limited partners of the Employee Ownership Platforms is an Independent Third Party.

The Board or its designated personnel or institutions are responsible for managing the Employee Ownership Platforms and interpreting the Employee Incentive Schemes, including but not limited to determining and adjusting the eligible participants of the Employee Incentive Schemes, the date and quantity of grant and other specific matters such as whether to adopt lock-up restriction, the vesting period and the employment or service period.

Taizhou Huirong

Taizhou Huirong was established under the laws of the PRC on August 29, 2017, with Jiangsu Tiaoyu acting as its sole general partner. As of the Latest Practicable Date, Taizhou Huirong had 25 limited partners who are current employees of the Group, among whom Mr. He (our executive Director) held approximately 2.60% partnership interests as a limited partner therein. None of the limited partners of Taizhou Huirong holds more than one third of the partnership interests therein.

Taizhou Huilong

Taizhou Huilong was established under the laws of the PRC on August 29, 2017, with Jiangsu Tiaoyu acting as its sole general partner. As of the Latest Practicable Date, Taizhou Huilong had ten limited partners who are current employees of the Group, among whom Mr. An, Mr. He (our executive Directors) and Mr. Feng Hao (封浩) (our Supervisor) held approximately 20.40%, 4.00% and 2.80% partnership interests as limited partners therein, respectively. None of the limited partners of Taizhou Huilong holds more than one third of the partnership interests therein.

Taizhou Huida

Taizhou Huida was established under the laws of the PRC on December 21, 2020, with Jiangsu Tiaoyu acting as its sole general partner. As of the Latest Practicable Date, Taizhou Huida had 47 limited partners, including Taizhou Huixin, Taizhou Huining and 45 current employees of the Group, among whom, (i) Mr. An, Mr. He (our executive Directors), Mr. Feng Hao and Mr. Wang Wei (王威) (our Supervisors) held approximately 2.17%, 0.87%, 0.52%, and 0.35% partnership interests as limited partners therein, respectively; and (ii) each of Taizhou Huixin and Taizhou Huining held approximately 58.26% and 15.22% partnership interests as limited partners therein, respectively. Apart from Taizhou Huixin, none of the limited partners of Taizhou Huida holds more than one third of the partnership interests therein.

Taizhou Huining

Taizhou Huining was established under the laws of the PRC on September 22, 2021, with Jiangsu Tiaoyu acting as its sole general partner. As of the Latest Practicable Date, Taizhou Huining had 44 limited partners who are current employees of the Group, among whom, Mr. An (our executive Director) held approximately 20.57% partnership interests as a limited partner therein. None of the limited partners of Taizhou Huining holds more than one third of the partnership interests therein.

Taizhou Huixin

Taizhou Huixin was established under the laws of the PRC on September 22, 2021, with Jiangsu Tiaoyu acting as its sole general partner. As of the Latest Practicable Date, Taizhou Huixin had 44 limited partners, including Taizhou Huijia and 43 current employees of the Group, among whom, (i) Mr. An, Ms. Li Runxiang (李潤香) and Mr. He, each of whom is an executive Director, held approximately 12.39%, 5.97% and 2.99% partnership interests as limited partners therein, respectively; (ii) Mr. Feng Hao, our Supervisor, held approximately 2.54% partnership interests as a limited partner therein, respectively; and (iii) Taizhou Huijia held approximately 14.93% partnership interest as a limited partner therein. None of the limited partners of Taizhou Huixin holds more than one third of the partnership interests therein.

Taizhou Huijia

Taizhou Huijia was established under the laws of the PRC on June 24, 2022, with Jiangsu Tiaoyu acting as its sole general partner. As of the Latest Practicable Date, Taizhou Huijia had 41 limited partners who are current employees of the Group, among whom, Mr. An (our executive Director) held approximately 25.00% partnership interests as a limited partner therein. None of the limited partners of Taizhou Huijia holds more than one third of the partnership interests therein.

For further details of our Employee Incentive Schemes under the Employee Ownership Platforms, see "Appendix VI—Statutory and General Information—D. Employee Incentive Schemes" to this prospectus for details.

CONCERT PARTY ARRANGEMENT AND CONTROLLING SHAREHOLDER GROUP

On December 12, 2022, Mr. An, Jiangsu Tiaoyu and Mr. He entered into the Concert Party Agreement, pursuant to which Mr. He confirmed and agreed that he has acted and will continue to act in concert with Mr. An, Jiangsu Tiaoyu and the Directors nominated by each of them at the general meetings and Board meetings (as the case may be) in respect of the management and operations of the Company for a period from January 1, 2020 until 36 months after the signing date of the Concert Party Agreement (being December 12, 2022) or, in the event when our Shares are publicly offered and listed, 36 months after such offering and listing. In particular, Mr. He has agreed, among others, that (i) he shall reach consensus with Mr. An and Jiangsu Tiaoyu before voting unanimously at the general meetings or Board meetings (as the case may be); and (ii) in the event consensus cannot be reached among the parties, Mr. He shall

follow the instruction of Mr. An and Jiangsu Tiaoyu. The term of the Concert Party Agreement was determined at the relevant times, based on the mutual consent of Mr. An and Mr. He with reference to their commercial intentions and the then applicable regulations and prevailing practices.

Jiangsu Tiaoyu, as the general partner of each of the Employee Ownership Platforms, has the power to exercise the voting rights of each of the Employee Ownership Platforms in the Company. Mr. An, as the general partner of Jiangsu Tiaoyu, is able to exercise the final voting rights.

In light of the above, as of the Latest Practicable Date, Mr. An, Jiangsu Tiaoyu, Mr. He and the Employee Ownership Platforms were collectively entitled to exercise an aggregate of approximately 45.55% of the voting rights in our Company, and will constitute a group of Controlling Shareholders upon Listing. See "Relationship with our Controlling Shareholders" for details.

PREVIOUS A-SHARE LISTING ATTEMPT

In connection with the proposed listing of our Shares on the Shanghai Stock Exchange Science and Technology Innovation Board ("**SSE STAR Market**") (the "**Previous A-Share Listing Attempt**"), we entered into a tutoring engagement agreement with the tutoring agent in March 2022. In June 2023, our Company submitted an application to the CSRC in relation to the Previous A-Share Listing Attempt but did not receive a formal acceptance of the application from the CSRC or the Shanghai Stock Exchange due to, to the best of the knowledge and information of the Company, changes in the then applicable regulatory rules on listing applications by biotech issuers on the A-share markets in accordance with the Notice on Coordinating the Balance Between the Primary and Secondary Markets and Optimising the Regulatory Arrangements for IPOs and Refinancing issued by CSRC, which led to a more stringent review standard imposed on the review of A-share listing applications (including those for biotech issuers) at that time. In September 2023, we voluntarily withdrew the application made with the SSE STAR Market, having considered the active fundraising activities within the biotechnology sector on the Stock Exchange, our future strategies to grasp opportunities in the international market, and the uncertain listing timetable in SSE STAR Market. Prior to such voluntary withdrawal of the Previous A-Share Listing Attempt, we had not received any comments or issues from the relevant regulatory authorities in the PRC in relation to the Previous A-Share Listing Attempt.

To the best of our Directors' knowledge, information and belief, our Directors are not aware of any material matter relating to the Previous A-Share Listing Attempt, which may materially and adversely affect the suitability of our Company to list its H Shares on the Stock Exchange and should be brought to the attention of the Stock Exchange, its Shareholders or prospective investors.

Based on the independent due diligence work performed by the Joint Sponsors and the information and documents made available to the Joint Sponsors, nothing has come to the Joint Sponsors' attention that could reasonably cast doubt on the Directors' views set out above.

CAPITALIZATION OF OUR COMPANY

As of the Latest Practicable Date and upon completion of the Conversion of Unlisted Shares into H Shares and the Global Offering (assuming the Offer Size Adjustment Option is not exercised), the summary of the capitalization of our Company is set out as follows:

	As of the Latest Practicable Date		Upon completion of the Conversion of Unlisted Shares into H Shares and the Global Offering				
Shareholder	Number of Shares	Approximate percentage in the total issued Shares	Number of H Shares	Number of Unlisted Shares	Total number of Shares	Approximate percentage in the total issued Shares	Whether the H Shares count towards public float or not
Controlling Shareholder Group							
Jiangsu Tiaoyu	112,743,611	31.32%	78,920,528	33,823,083	112,743,611	28.66%	No
Mr. He	16,267,253	4.52%	11,387,077	4,880,176	16,267,253	4.13%	No
Taizhou Huida	18,707,341	5.20%	18,642,272	65,069	18,707,341	4.75%	No
Taizhou Huirong	8,133,626	2.26%	8,133,626	–	8,133,626	2.07%	No
Taizhou Huilong	8,133,626	2.26%	8,133,626	–	8,133,626	2.07%	No
Subtotal	163,985,457	45.55%	125,217,129	38,768,328	163,985,457	41.68%	
Other Shareholder							
Shanghai Yijiucheng	26,743,364	7.43%	26,743,364	–	26,743,364	6.80%	No
Pre-IPO Investors							
Jiequan Gaotejia	29,708,884	8.25%	14,854,442	14,854,442	29,708,884	7.55%	Yes
Wenzhou Investment							
Zhuzhou National Innovation	9,645,017	2.68%	2,893,505	6,751,512	9,645,017	2.45%	No
Pingtan Wenzhou Hangshi	8,593,339	2.39%	6,445,004	2,148,335	8,593,339	2.18%	No
Pingtan Wenzhou Ruixi	1,719,449	0.48%	1,289,587	429,862	1,719,449	0.44%	No
Zhuzhou Wenzhou Junzhe	1,712,942	0.48%	1,284,706	428,236	1,712,942	0.44%	No
Subtotal	21,670,747	6.02%	11,912,802	9,757,945	21,670,747	5.51%	
Yingke Innovation							
Qingdao Yingke Value Venture	12,890,009	3.58%	6,445,004	6,445,005	12,890,009	3.28%	Yes
Qingdao Yingke Dingxin No. 1	1,744,500	0.48%	872,250	872,250	1,744,500	0.44%	Yes
Pingtan Puxin Yingke	1,718,635	0.48%	1,718,635	–	1,718,635	0.44%	Yes
Zibo Yingke Growth No. 2	833,534	0.23%	416,767	416,767	833,534	0.21%	Yes
Subtotal	17,186,678	4.77%	9,452,656	7,734,022	17,186,678	4.37%	
Sealand Innovation							
Zhuzhou Sealand Guochuang	6,015,305	1.67%	–	6,015,305	6,015,305	1.53%	–
Shenzhen Sealand No. 5	4,232,251	1.18%	–	4,232,251	4,232,251	1.08%	–
Sealand Yuchai	3,591,159	1.00%	3,591,159	–	3,591,159	0.91%	Yes
Sealand Jingheng	2,052,114	0.57%	2,052,114	–	2,052,114	0.52%	Yes
Subtotal	15,890,829	4.41%	5,643,273	10,247,556	15,890,829	4.04%	
HLC	12,030,772	3.34%	12,030,772	–	12,030,772	3.06%	Yes
Jintai Hongyi	9,903,016	2.75%	9,903,016	–	9,903,016	2.52%	Yes

Shareholder	As of the Latest Practicable Date		Upon completion of the Conversion of Unlisted Shares into H Shares and the Global Offering				
	Number of Shares	Approximate percentage in the total issued Shares	Number of H Shares	Number of Unlisted Shares	Total number of Shares	Approximate percentage in the total issued Shares	Whether the H Shares count towards public float or not
Hangzhou Sanhua Hongdao and Yujun Shanghang							
Hangzhou Sanhua Hongdao	6,586,611	1.83%	6,586,611	–	6,586,611	1.67%	Yes
Yujun Shanghang	2,148,091	0.60%	2,148,091	–	2,148,091	0.55%	Yes
Subtotal	8,734,702	2.43%	8,734,702	–	8,734,702	2.22%	
Taizhou Transition and Upgrading Fund and Jiangsu Modern Service Fund							
Jiangsu Modern Service Fund	3,078,252	0.86%	3,078,252	–	3,078,252	0.78%	Yes
Taizhou Transition and Upgrading Fund	3,078,252	0.86%	3,078,252	–	3,078,252	0.78%	Yes
Subtotal	6,156,504	1.71%	6,156,504	–	6,156,504	1.56%	
Pharmaceutical City R&D Investment Fund	6,156,342	1.71%	3,078,171	3,078,171	6,156,342	1.56%	Yes
Anji Aiweidi and Shangshan Ruoshui							
Anji Aiweidi	4,066,813	1.13%	–	4,066,813	4,066,813	1.03%	–
Shangshan Ruoshui	2,052,114	0.57%	2,052,114	–	2,052,114	0.52%	Yes
Subtotal	6,118,927	1.70%	2,052,114	4,066,813	6,118,927	1.56%	
Songhe JiYou No. 3	4,296,670	1.19%	2,148,335	2,148,335	4,296,670	1.09%	Yes
Shenzhen Co-win Yuanshui	4,137,413	1.15%	4,137,413	–	4,137,413	1.05%	Yes
Yangzhou Yingdan	4,115,615	1.14%	2,057,807	2,057,808	4,115,615	1.05%	Yes
Gongqingcheng Chengshu	3,437,271	0.95%	3,437,271	–	3,437,271	0.87%	Yes
Hangzhou Fushi	3,345,361	0.93%	1,672,681	1,672,680	3,345,361	0.85%	Yes
Gaotejia Ruibao	3,300,951	0.92%	3,300,951	–	3,300,951	0.84%	Yes
Yihui Chuangtou and Nanjing Yidao							
Yihui Chuangtou	2,377,459	0.66%	2,377,459	–	2,377,459	0.60%	Yes
Nanjing Yidao	859,399	0.24%	859,399	–	859,399	0.22%	Yes
Subtotal	3,236,858	0.90%	3,236,858	–	3,236,858	0.82%	
Dongqi Investment	3,028,149	0.84%	3,028,149	–	3,028,149	0.77%	Yes
Litian New Drug	2,352,895	0.65%	2,352,895	–	2,352,895	0.60%	Yes
Guangxi Guangtou Guohong	1,718,635	0.48%	–	1,718,635	1,718,635	0.44%	–
Yangzhou Xuantan	1,626,725	0.45%	650,705	976,020	1,626,725	0.41%	Yes
Qingdao Qiandao Yingyue	859,399	0.24%	859,399	–	859,399	0.22%	Yes
Shenzhen Zhiyou	257,836	0.07%	257,836	–	257,836	0.07%	Yes
Public Shareholders	–	–	33,442,600	–	33,442,600	8.50%	Yes
Total	360,000,000	100%	296,361,845	97,080,755	393,442,600	100%	

Public Float

(1) Each of Jiangsu Tiaoyu, Mr. He, Taizhou Huirong, Taizhou Huilong and Taizhou Huida is a member of the Controlling Shareholder Group and is therefore a core connected person of our Company; (2) Shanghai Yijiucheng is owned as to 10.00% and 70.00% to Mr. Cheng, our non-executive Director, and Ms. Shi Fanhui, Mr. Cheng's spouse, respectively. Therefore, Shanghai Yijiucheng is a core connected person of our Company; and (3) Wenzhou Investment, which is ultimately controlled by Mr. Wang Shuguang, our Supervisor, is the general partner of Pingtan Wenzhou Ruixi, Pingtan Wenzhou Hangshi, Zhuzhou National Innovation and Zhuzhou Wenzhou Junzhe. Therefore, each of Pingtan Wenzhou Ruixi, Pingtan Wenzhou Hangshi, Zhuzhou National Innovation and Zhuzhou Wenzhou Junzhe is a core connected person of our Company. An aggregate of 163,873,295 H Shares converted from Unlisted Shares held by Jiangsu Tiaoyu, Mr. He, Taizhou Huirong, Taizhou Huilong, Taizhou Huida, Shanghai Yijiucheng, Pingtan Wenzhou Ruixi, Pingtan Wenzhou Hangshi, Zhuzhou National Innovation and Zhuzhou Wenzhou Junzhe, representing approximately 45.52% of our total issued Shares as of the Latest Practicable Date or approximately 41.65% of our total issued Shares upon Listing (assuming the Offer Size Adjustment Option is not exercised), will not be counted as part of the public float of our Company in accordance with Rule 8.08 of the Listing Rules.

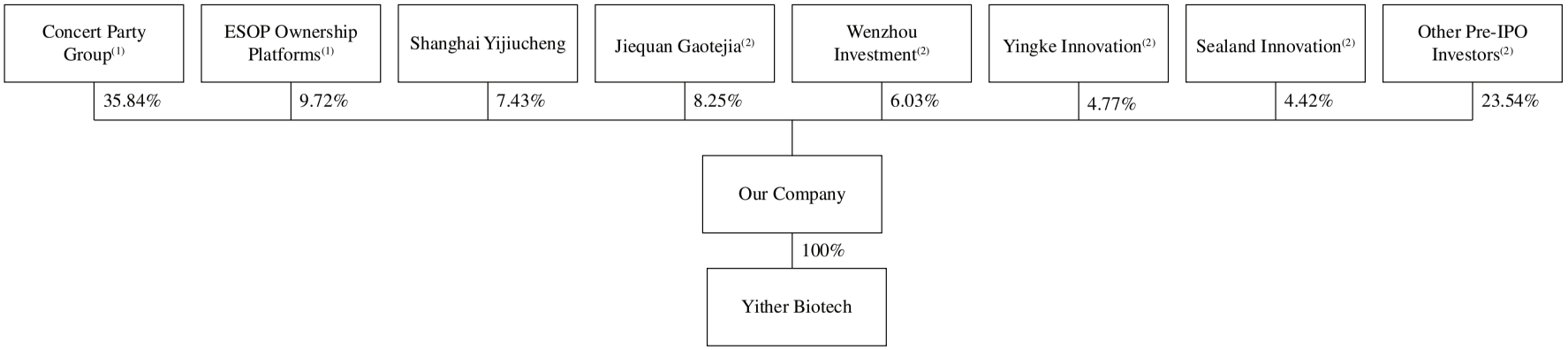
In addition, an aggregate of 97,080,755 Unlisted Shares that will not be converted into H Shares, representing approximately 26.97% of our total issued Shares as of the Latest Practicable Date or approximately 24.67% of our total issued Shares upon Listing (assuming the Offer Size Adjustment Option is not exercised), will not be counted as part of the public float of our Company.

To the best knowledge and information of our Directors, taking into account the conversion of Unlisted Shares into H Shares upon Listing, 132,488,550 H Shares will be counted towards the public float of our Company in accordance with Rule 8.08 of the Listing Rules, representing approximately 33.67% of our total issued Shares upon Listing (assuming the Offer Size Adjustment Option is not exercised). Over 25% of the total issued share capital of our Company with a market capitalization of substantially over HK$375 million will be held by the public upon completion of the Global Offering in accordance with Rule 8.08(1)(a) and Rule 18A.07, respectively, of the Listing Rules. See "Share Capital" for further details of the Conversion of Unlisted Shares into H Shares.

SHAREHOLDING AND CORPORATE STRUCTURE

Corporate Structure Immediately Before the Global Offering

The following chart sets forth our corporate and shareholding structure immediately before the completion of the Global Offering:



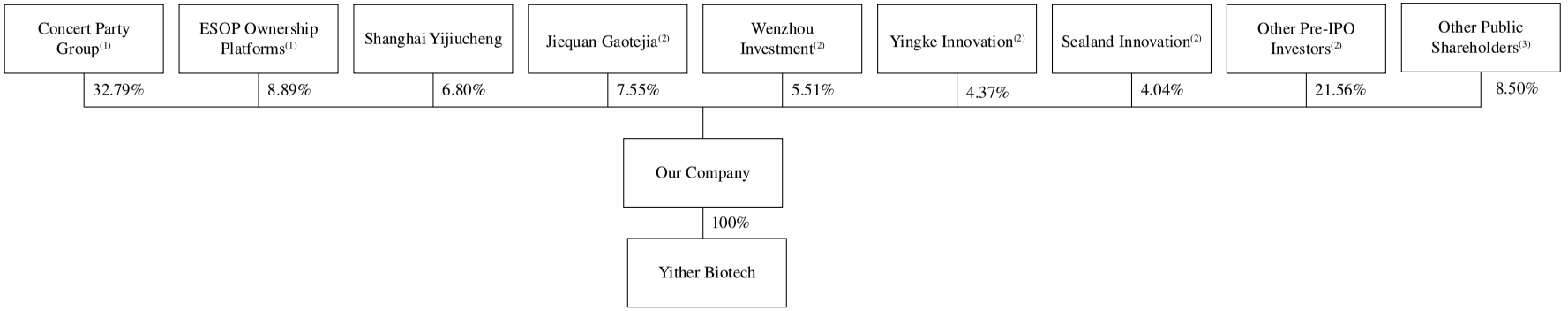
Notes:

(1) As of the Latest Practicable Date, the Concert Party Group consisted of Mr. An, Jiangsu Tiaoyu, and Mr. He collectively, and the ESOP Ownership Platforms consisted of Taizhou Huida, Taizhou Huijia, Taizhou Huilong, Taizhou Huining, Taizhou Huirong and Taizhou Huixin. See "—Concert Party Arrangement and Controlling Shareholder Group" for the details of Concert Party Group and "—Employee Ownership Platforms" for the details of ESOP Ownership Platforms. The Concert Party Group and ESOP Ownership Platforms form the Controlling Shareholder Group of our Company. See "Relationship with our Controlling Shareholders" for details.

(2) For the details of the background information of Jiequan Gaotejia, Wenzhou Investment, Yingke Innovation, Sealand Innovation and other Pre-IPO Investors, see "—Pre-IPO Investments" for details.

Corporate Structure Immediately After Completion of the Global Offering

The following chart sets forth our corporate and shareholding structure immediately after completion of the Global Offering (assuming the Offer Size Adjustment Option is not exercised):



Notes:

(1)-(2) Please refer to the notes in "—Shareholding and Corporate Structure—Corporate Structure Immediately Before the Global Offering" above.

(3) The Shares held by these other public Shareholders are H Shares, which will be counted towards the public float together with 99,045,950 H Shares to be converted from Unlisted Shares. See "Share Capital" for further details of the conversion of Unlisted Shares into H Shares.

OVERVIEW

We are a China-based vaccine company dedicated to the research, development, manufacturing and commercialization of innovative vaccines and traditional vaccines adopting new technical methods. In formulating our pipeline, we closely track global trends in infectious disease incidence and vaccine R&D, with a strategic focus on premium vaccines, aiming to replace traditional vaccines and imported vaccines in China and establish our presence in international markets. As of the Latest Practicable Date, our pipeline included two Core Products, the quadrivalent subunit influenza vaccine and lyophilized human rabies vaccine candidate, along with 11 other vaccine candidates.

China's human vaccine market holds great potential. According to Frost & Sullivan, the market (excluding COVID-19 vaccines) expanded significantly from RMB53.5 billion in 2019 to RMB96.1 billion in 2024, at a CAGR of 12.4%. It is expected to further grow to RMB331.9 billion in 2033, at a CAGR of 14.8% from 2024 to 2033. The projected rapid growth of the human vaccine market in China is driven by increasing availability of high-quality vaccines due to technological evolvement, growing public awareness of the need for vaccination, policy support of preventive healthcare and enhanced affordability of commercially available vaccines.

We are well positioned to capitalize on the expanding human vaccine market in China. Our pipeline encompasses both innovative vaccines that are capable of meeting domestic demand and global standards and traditional vaccines that already have established track records and wide market acceptance but adopting new technical methods, allowing us to pursue scientific innovation in vaccine R&D while setting a clear path to commercial success. In particular, our quadrivalent subunit influenza vaccine represents a notable technological advancement from the traditional split-virion vaccines, offering comprehensive protection with high antigen purity and low risks of adverse reactions. It was approved by the NMPA for individuals aged three and above under the brand name Huierkangxin (慧爾康欣) in May 2023 and remained the first and only approved quadrivalent subunit influenza vaccine in China as of the Latest Practicable Date. Employing our in-house manufacturing facilities and sales and marketing team, we commenced commercialization of this vaccine after receiving approval and generated revenue of RMB52.2 million, RMB259.6 million and RMB0.4 million in 2023, 2024 and the three months ended March 31, 2025, respectively. We also submitted an NDA for the use of the quadrivalent subunit influenza vaccine in children aged 6 to 35 months, which was accepted by the NMPA in June 2024. Our lyophilized human rabies vaccine candidate is developed from human diploid cells, which are recommended as one of the safest cell culture substrates for the production of viral vaccines by the WHO. As of the Latest Practicable Date, we had completed the Phase I clinical trial of our lyophilized human rabies vaccine candidate and expect to initiate a Phase III clinical trial in the third quarter of 2025. We are also developing 11 other vaccine candidates covering various disease areas with considerable needs for vaccination.

The following chart summarizes our pipeline as of the date of this prospectus. All of our vaccine product and product candidates are, or expected to be, classified as Class II vaccines in China.

Product	Indication	Route of Administration	R&D	Preclinical	IND Approval	Clinical			NDA Approval	Regulatory Agency	Expected Near-term Milestone
						Phase I	Phase II	Phase III			
Quadrivalent subunit influenza vaccine*△	Influenza (3 years and above)	Intramuscular injection	Self-developed							NMPA	Completion of post-approval safety study in Q4 2025
	Influenza (6 to 35 months)	Intramuscular injection	Self-developed							NMPA	NDA approval in Q3 2025
Adjuvanted quadrivalent subunit influenza vaccine	Influenza (65 years and above)	Intramuscular injection	Self-developed							NMPA	Commencement of Phase I clinical trial in Q4 2025
Trivalent subunit influenza vaccine	Influenza (3 years and above)	Intramuscular injection	Self-developed							NMPA	NDA approval in Q3 or Q4 2025
	Influenza (6 to 35 months)	Intramuscular injection	Self-developed							NMPA	NDA approval in Q3 or Q4 2025
Adjuvanted trivalent subunit influenza vaccine	Influenza (65 years and above)	Intramuscular injection	Self-developed							NMPA	Commencement of Phase I clinical trial in Q4 2025
Lyophilized human rabies vaccine (human diploid cell)*△	Rabies	Intramuscular injection	Self-developed							NMPA	Commencement of Phase III clinical trial in Q3 2025
PPSV23△	Invasive pneumococcal diseases	Intramuscular injection	Acquired†							NMPA	Commencement of Phase III clinical trial in Q4 2025 or Q1 2026
Recombinant zoster vaccine (CHO cell)◇	Herpes zoster	Intramuscular injection	Self-developed							NMPA	Completion of Phase I clinical trial in 1H 2026
Recombinant RSV vaccine (CHO cell)	RSV LRTI	Intramuscular injection	Self-developed‡							NMPA/FDA	IND approval expected in Q3 2025
mRNA RSV vaccine	RSV LRTI	Intramuscular injection	Self-developed‡							NMPA	Pre-IND application in Q3 or Q4 2025
mRNA mpox vaccine	Mpox	Intramuscular injection	Self-developed							NMPA	Pre-IND application in Q4 2025
PCV24	Invasive pneumococcal diseases	Intramuscular injection	Self-developed							NMPA	Pre-IND application in Q1 2026
Live attenuated varicella vaccine	Varicella	Intramuscular injection	Self-developed							NMPA	Pre-IND application in Q1 2026
Tetanus toxoid adsorbed vaccine	Tetanus	Intramuscular injection	Self-developed							NMPA	Pre-IND application in Q4 2025

* Core Product

† We contracted to acquire this asset before the clinical stage. We were and will continue to be responsible for clinical development. See "—Our Product and Product Candidates—Our Other Product Candidates—PPSV23" and "—Our Technology Transfer Arrangements—PPSV23 Technology Transfer Agreements."

‡ Self-developed with licensed antigen sequence

△ In line with established regulatory guidelines, our clinical development of such vaccines did not include Phase II clinical trials. See "—Our Product and Product Candidates."

◇ As of the date of this prospectus, we have completed participant enrollment and completed preliminary safety report for the Phase I clinical trial and have commenced participant enrollment for the Phase II clinical trial of our recombinant zoster vaccine. We expect to complete the Phase I clinical trial in the first half of 2026.

Note:

Clinical trial phases marked as ▨ are not required by the NMPA.

LRTI: lower respiratory tract infection; PPSV: pneumococcal polysaccharide vaccine; PCV: pneumococcal conjugate vaccine; RSV: respiratory syncytial virus

Our comprehensive pipeline is supported by sophisticated platform technologies and in-house GMP-compliant commercial-scale manufacturing facilities, enabling us to advance in vaccine innovation and production. Our vaccine development support platforms, alongside our proprietary technology platforms, facilitate discovery and development of vaccine candidates across various disease areas, while our manufacturing facilities provide robust support for the commercialization of our quadrivalent subunit influenza vaccine and future products. Our manufacturing infrastructure comprises one operational facility and two additional facilities nearing completion. Our first manufacturing facility in Taizhou, Jiangsu, has a GFA of over 48,000 square meters and the currently operational influenza vaccine production line has a designed capacity of 4.0 million doses annually. Since its launch in 2023, our quadrivalent subunit influenza vaccine had achieved a 100.0% product qualification and lot release approval rate as of the Latest Practicable Date. We believe that our self-owned manufacturing capability, coupled with our strong R&D capability, will allow us to procure a stable supply of vaccines for both clinical and commercial purposes.

We are led by an experienced management team with successful track records. Mr. An Youcai, our founder and general manager, has more than 35 years of managerial experience, and is an industry veteran with over 15 years of experience in the biotechnology and pharmaceutical industries. The broader management team is composed of individuals with extensive and diverse experience in the development, manufacturing and commercialization of biological products in leading biopharmaceutical companies worldwide. Since our establishment, we have attracted substantial support from shareholders, including notable biotech investors such as GTJA Investment Group, Yingke PE, Highlight Capital and Addor Capital, as well as backing from local governments. We believe that the strong leadership from our seasoned management team, coupled with persistent investor support, is instrumental to advancing our future development and ensuring sustained growth.

OUR STRENGTHS

Upgraded traditional vaccines as potential prominent core products to address unmet demand for quality vaccines

Quadrivalent subunit influenza vaccine, our first and approved Core Product

Our quadrivalent subunit influenza vaccine (for individuals aged three and above) was the first and only approved quadrivalent subunit influenza vaccine in China as of the Latest Practicable Date. This product is a significant upgrade from the traditional split-virion vaccines, offering comprehensive protection, high antigen purity and low risks of adverse reactions. Our NDA for its use in children aged 6 to 35 months was accepted by the NMPA in June 2024. We are also developing an adjuvanted version of the vaccine aimed at providing enhanced protection for the elderly with relatively weak immune systems.

China's influenza vaccine market is large but remains significantly underpenetrated. According to the China CDC, the overall influenza vaccination rate in China was 3.8% in the 2022-2023 flu season, which dwarfed in comparison to developed markets such as the U.S., where the vaccination rate was 49.3% in all people aged six months and older for the same flu season, according to the U.S. CDC. According to Frost & Sullivan, with the diminishing impact of the COVID-19 pandemic and the recurrence of influenza outbreaks, the demand for annual flu vaccination is poised to grow. This growing demand is further propelled by an aging population, which is expected to lead to higher vaccination uptake. As a newly introduced category in this market, subunit influenza vaccines, marked for their favorable safety and efficacy, are especially well positioned to capture more market share, particularly toward the high end.

We believe our quadrivalent subunit influenza vaccine has the following advantages.

- *Enhanced safety profile*. Subunit influenza vaccines are designed to offer a robust safety profile due to their precise manufacturing process, which removes internal viral proteins and retains only high-purity hemagglutinin (HA) and neuraminidase (NA) antigen components. This approach aims to reduce the risk of adverse reactions. In our Phase III clinical trial, the overall incidence of vaccination-related adverse events (AEs) induced by our quadrivalent subunit influenza vaccine in participants aged 18 to 64 years was lower than that caused by the control quadrivalent split-virion vaccine (6.29% and 10.86%, respectively) and the difference was statistically significant (P = 0.031). These findings underscore the enhanced safety of our vaccine for certain target groups, making it an ideal choice for vaccinees with heightened safety awareness.

- *Robust immune response*. Our quadrivalent subunit influenza vaccine is able to elicit strong immune responses. In our Phase III clinical trial, in the total population of participants aged three years and above, our vaccine achieved seroprotection rates (the proportions of participants with an antibody titer of ≥1:40 post-vaccination) of 96.56%, 97.98%, 89.41% and 95.88% for the H1N1, H3N2, BV and BY virus strains, respectively, all above the widely used European Union standard of 70.0%. In the same group of participants, our vaccine also elicited significantly higher geometric mean titers (GMTs) of neutralizing antibodies against all four virus strains compared to the control quadrivalent split-virion influenza vaccine. GMT refers to the average level of antibodies in participants after vaccination and is a commonly used endpoint for vaccination efficacy evaluation. Higher GMT values generally indicate stronger immune responses. These results highlight the vaccine's potential for more effective immunization, offering greater protection against influenza viruses.

- *Clear commercialization and market expansion strategy in China and globally*. We began commercialization of our quadrivalent subunit influenza vaccine in 2023 and successfully completed a full influenza season which honed the capabilities of our manufacturing and sales and marketing teams. Currently, the commercialization of our vaccine is also supported by a robust network of third-party marketing service providers. Our quadrivalent subunit influenza vaccine has completed the market entry process in 30 provinces and been chosen by over 1,100 district- and county-level CDCs in local selections. With respect to overseas markets, we have completed registration in Macau and initiated the process in the Philippines. We will continue expanding into jurisdictions that have large vaccine markets and flu seasons timed differently from China's, such as Uruguay. This strategic expansion is poised to contribute to sustained sales growth, reinforcing our market presence both domestically and abroad.

Lyophilized human rabies vaccine (human diploid cell), our second Core Product

According to Frost & Sullivan, the human rabies vaccine market in China increased significantly from RMB3.8 billion in 2019 to RMB9.5 billion in 2024 and is expected to further increase to RMB13.0 billion in 2033. Rabies vaccines produced from human diploid cells are poised to serve as a favorable alternative to traditional rabies vaccines currently available in the China market due to their strong safety profile. According to Frost & Sullivan, as of the Latest Practicable Date, there were 23 marketed human rabies vaccines in China, with only two cultured from human diploid cells, underscoring significant growth potential.

We believe our lyophilized human rabies vaccine candidate has the following advantages.

- *Strong safety profile*. Rabies vaccines developed based on human diploid cells stand as the "gold standard" recommended by the WHO, showcasing strong safety profiles. A meta-analysis of 27 clinical studies involving 18,630 participants revealed that rabies vaccines developed based on human diploid cells had a significantly lower overall adverse reaction incidence compared to primary chicken embryo cell rabies vaccines and lower rates of fatigue and local pain/fever compared to vaccines developed based on Vero cells, evidencing their safety potential. In addition, our vaccine candidate is developed from 8^{th} generation human diploid cells, which are less prone to genetic mutation compared to the commonly used 10^{th}-30^{th} generation cells, ensuring better cell vitality, higher virus production efficiency and enhanced safety. Furthermore, our advanced purification technologies could reduce residual bovine serum albumin (which may cause allergic reactions in certain population) well below the Chinese Pharmacopoeia standards, the regulatory benchmark for rabies vaccines in China.

- *Convenient administration with pre-filled diluent syringe*. Our rabies vaccine candidate leverages a combination of lyophilized formulation and pre-filled syringe diluents, providing a more convenient vaccination experience without compromising the efficacy of the active ingredients. Pre-filled syringe diluents simplify the vaccination process and lower contamination risks by eliminating the need for manual extraction and preparation, which is required for traditional vial-and-syringe methods.

- *Flexible vaccination schedules providing more options for vaccinees*. We are developing our rabies vaccine candidate under the Essen regimen (five doses), Zagreb regimen (four doses) and a simplified four-dose regimen, each offering distinct advantages. The four-dose regimens are particularly appreciated for their convenience and cost-effectiveness, potentially enhancing adherence to the vaccination schedule, while the five-dose regimen is widely adopted due to its established track record. All regimens are designed to ensure effective immunological protection, giving vaccinees and healthcare providers the flexibility to select the most suitable regimen based on individual needs or clinical circumstances. This adaptability strengthens our competitive standing in county-level tenders.

Market-driven strategy building a diverse vaccine pipeline

Driven by market demand, we have developed a comprehensive vaccine pipeline through years of research and development, focusing on innovative vaccines and traditional vaccines adopting new technical methods that align with global trends in infectious disease incidence and vaccine R&D. In addressing unmet public health needs, we are exploring indications with significant commercial potential. In addition to our Core Products, we are actively developing 11 additional vaccines to address substantial unmet market demand.

Pneumococcal Vaccines

China's pneumococcal vaccine market is poised for significant expansion, marked by a substantial market size and robust growth potential. According to Frost & Sullivan, China's pneumococcal vaccine market reached RMB7.5 billion in 2024 in terms of production value and is expected to increase to RMB19.7 billion in 2033, at a CAGR of 11.3% from 2024 to 2033. This expansion is mainly driven by the public's enhanced awareness of preventative healthcare measures and an increasing elderly population with heightened susceptibility to pneumococcal diseases. Additionally, the expected expansion of serotype coverage and increase in the number of domestically developed vaccines also heighten the demand for pneumococcal vaccines in China.

We are developing a 23-valent pneumococcal polysaccharide vaccine (PPSV23) candidate indicated for individuals aged two years and above. PPSV23 products are the primary type of pneumococcal vaccine for adults in China, recognized for their efficacy across diverse age groups and authorized for use in all adults aged 50 and above and anyone aged two years or above with certain medical conditions that can lead to an increased risk for pneumococcal disease. In addition, we are also developing a 24-valent pneumococcal conjugate vaccine (PCV24) candidate that could potentially offer protection for a wider demographic, especially for infants below the two-year age limit, the elderly and the immunocompromized population.

- *PPSV23*. Our PPSV23 candidate is designed to provide extensive protection against pneumococcal infections caused by 23 of the most prevalent and invasive serotypes. Our Phase I clinical trial demonstrated that the PPSV23 candidate generated robust immunogenic responses in participants aged two years and above. In the same trial, the incidence of vaccination-related AEs was lower in the PPSV23 group compared to the control group. In addition, we undertook significant process improvement, which includes the use of ion-exchange chromatography instead of ethanol precipitation, thereby eliminating harmful substances like ethanol and phenol and enhancing product safety. Our production process employs a closed-system design that facilitates automation and sterile operation, thereby minimizing contamination risks and ensuring product safety. This design also improves operational efficiencies by reducing the time and costs associated with cleaning and validating manufacturing facilities.

- *PCV24*. In preclinical studies conducted in animals, our PCV24 candidate demonstrated promising immunogenicity, generating good immune responses against all 24 serotypes. Specifically, the GMT levels of antibodies elicited by our PCV24 candidate were comparable to or, for certain serotypes, higher than those elicited by the marketed PCV20 vaccine in the same studies. We believe the PPSV23 and PCV24 candidates could form a synergetic product franchise for pneumococcal diseases, which underscores our commitment to capturing significant market opportunities while advancing vaccine technology. We plan to complete preclinical studies in 2025 and aim to submit a pre-IND application to the NMPA in the first quarter of 2026.

Trivalent Subunit Influenza Vaccine

In order to better adapt to the evolving virological landscape of influenza viruses and cater to diverse immunization needs of the broad market in China, we are also developing a trivalent subunit influenza vaccine in addition to our quadrivalent subunit influenza vaccine. Our trivalent subunit influenza vaccine candidate aims to provide protection against two influenza A viruses (H1N1 and H3N2 subtypes) and one influenza B virus (Victoria lineage), aligning with the coverage recommended by the WHO for the 2024-2025 northern hemisphere influenza season. In China, the influenza vaccine market includes trivalent and quadrivalent formulations, predominantly comprising split-virion vaccines. Introducing a trivalent subunit influenza vaccine will enhance our product portfolio by covering both approved valences and offer a cost-effective alternative, potentially broadening our market reach and increasing revenue by appealing to vaccinees that prioritize essential strain coverage.

Our trivalent influenza vaccine candidate leverages the established formulation of our approved quadrivalent subunit influenza vaccine, using the same bulk antigen with one influenza B virus subtype (Yamagata) omitted in the formulation. Leveraging the preclinical and clinical results of our quadrivalent subunit influenza vaccine, our NDAs for the trivalent subunit influenza vaccine candidate for individuals aged 3 years and above and for the 6 to 35 months age group were accepted by the NMPA in September 2024. As of the Latest Practicable Date, we were also developing an adjuvanted version of the vaccine candidate for individuals aged 65 years and above.

Recombinant Zoster Vaccine (CHO cell)

According to Frost & Sullivan, the zoster vaccine market in China has shown significant growth, reaching RMB2.6 billion in production value by 2020, following the approval of the first vaccine by the NMPA in 2019. The market is anticipated to further expand to RMB23.8 billion by 2033, primarily driven by an aging population more susceptible to herpes zoster infection, an increase in vaccination rate, as well as technological advancements leading to safer and more effective vaccine options. In particular, Shingrix, a recombinant zoster vaccine approved by both the NMPA and the FDA, has demonstrated significantly better protective efficacy than earlier live attenuated vaccines in clinical trials.

Our recombinant zoster vaccine candidate features a proprietary glycoprotein E protein sequence, preserving advantageous antigenic epitopes and incorporating a self-developed dual-adjuvant system. It demonstrated good safety and immunogenicity profile in our preclinical studies. In particular, our recombinant zoster vaccine candidate induced superior cell-mediated immune responses in animal models (detected by ELISpot and ICS assays) compared to a marketed recombinant herpes zoster vaccine developed by an international pharmaceutical company, indicating a potentially stronger immunogenicity profile. We obtained an IND approval of our recombinant zoster vaccine candidate in August 2024. We initiated a Phase I trial in February 2025 and a Phase II trial in July 2025.

Respiratory Syncytial Virus (RSV) Vaccines

RSV is a common virus causing respiratory tract infections, with the potential of developing into severe cases like bronchiolitis or pneumonia, particularly among vulnerable populations such as the elderly and individuals with chronic illness. According to Frost & Sullivan, approximately 2.0 million new cases of RSV-induced acute lower respiratory tract infections were reported in China in 2024, with adult infection rates rising with age. Despite the prevalence of RSV, as of the Latest Practicable Date, no RSV vaccine had been approved by the NMPA. Current management of RSV infection in China relies on broad-spectrum antivirals and symptomatic treatment. Consequently, there is an urgent need for the development of an effective RSV vaccine.

We are developing two vaccine candidates designed to provide protection against RSV infections for a broad demographic: a recombinant RSV vaccine indicated for adults, including pregnant women, and an mRNA RSV vaccine indicated for individuals aged 60 and above.

- *Recombinant RSV vaccine (CHO cell).* As of the Latest Practicable Date, recombinant RSV vaccine was the only type of vaccine approved by the FDA for use in women between 32 and 36 weeks of pregnancy. Our recombinant RSV vaccine candidate is developed using a stabilized pre-F trimeric protein as the immunogen. In our preclinical studies, it showed expression levels and stability surpassing those of approved international vaccines according to their previously published results. We submitted IND applications to the NMPA and the FDA in May and June 2025, respectively. As of the Latest Practicable Date, we had produced three pilot-scale batches of bulk drug substance and drug product under GMP conditions and completed stability and safety tests for the vaccine candidate.

- *mRNA RSV vaccine.* mRNA vaccines have demonstrated the capacity to trigger strong cellular immune responses and long-lasting humoral immunity in clinical studies, making them a promising option for protecting elderly and immunocompromised individuals against severe lower respiratory tract infections caused by RSV. The safety of mRNA vaccines in this demographic has been affirmed by their extensive use during the COVID-19 pandemic. Both mRNA and recombinant RSV vaccines exhibit the ability to elicit robust and durable immune responses. We believe that by targeting a differentiated demographic (individuals aged 60 years and above), our mRNA RSV vaccine candidate could be complementary to our recombinant RSV vaccine candidate, and thereby broaden the coverage of at-risk population segments.

Other vaccine candidates

We are also developing an mRNA mpox vaccine, a live attenuated varicella vaccine, and a tetanus toxoid adsorbed vaccine. Our commitment is to advance full-spectrum, comprehensive vaccine development and leverage our proprietary technology to advance the development of innovative vaccines and upgrade of traditional vaccines.

Advanced R&D technology platforms supporting vaccine candidate development

We have established comprehensive vaccine development support platforms, enabling the discovery and development of new vaccines across various categories. These are complemented by our distinctive proprietary technology platforms, which further enhance our research and development capabilities. Our advanced manufacturing process development expertise supports the swift commercialization of our pipeline, ensuring the efficient production of safe and effective vaccines. To date, we have secured 32 patents related to these platforms, underscoring our commitment to technology innovation and excellence in the vaccine industry.

Our vaccine development support platforms include:

- *Genetic engineering and protein expression and purification platform*. Our genetic engineering and protein expression and purification platform supports the process development and pilot-scale GMP production of a variety of protein-based vaccine candidates, including the pneumococcal conjugate vaccine (utilizing a prokaryotic expression system, which enables rapid, high-volume production of its carrier protein, CRM197) and the recombinant zoster vaccine (utilizing a eukaryotic expression system, which allows more complicated post-translational modifications). This comprehensive platform extends to creation and selection of cell lines with stable protein expression, establishment of cell banks and process development of upstream fermentation and downstream purification, enabling us to efficiently advance vaccine development from discovery to GMP-compliant manufacturing.

- *mRNA vaccine research platform.* Our mRNA vaccine research platform enables the sophisticated design, synthesis and purification of mRNA molecules, ensuring production of drug substance with high quality, stability and productivity. It also supports the development and optimization of the encapsulation process to achieve safe and efficient cellular delivery of mRNA vaccines. Additionally, it includes the development of lyophilized formulations. Through the refinement of lyophilization techniques, lyophilized mRNA products developed through the platform can be stably stored at 2°C-8°C, thus improving logistical and deployment efficiency. Currently, the platform supports the development of our mRNA RSV vaccine candidate and mRNA mpox vaccine candidate.

- *Adjuvant development and production platform*. Our adjuvant development and production platform focuses on development of sophisticated adjuvant adsorption processes and studies on adjuvant-antigen interaction, utilizing advanced technologies to ensure adjuvant quality to meet regulatory standards. Our platform can achieve GMP pilot-scale production of self-developed squalene-based emulsion adjuvant, while also supports the development of adjuvants such as nanoscale aluminum-containing adjuvants and liposome adjuvants. Enabling tailored adjuvant formulations for different vaccines, the platform supports the development of various vaccine candidates, such as our adjuvanted trivalent and quadrivalent subunit influenza vaccine candidates, recombinant zoster vaccine candidate, recombinant RSV vaccine candidate and tetanus toxoid adsorbed vaccine candidate.

Our proprietary vaccine technology platforms include:

- *Large-scale amplification platform*. Our large-scale amplification platform aims to enhance the yield of virus production while maintaining consistent quality. The platform can support high-throughput virus amplification in chicken embryo, managing 100,000 chicken embryos per batch. The platform also enables us to optimize cell factory process for rabies virus grown in human diploid cells, achieving optimal cell growth conditions and continuous passaging capability, with rabies virus titers reaching 10^8 CCID50/ml. Our large-scale amplification platform also includes a bioreactor scale-up system, designed with 26 parallel reactors, that could utilize either perfusion culture or fed-batch suspension culture to achieve sustained high-density cell growth.

- *Polysaccharide conjugation technology platform*. Our polysaccharide conjugation technology platform focuses on the conjugation and purification of polysaccharide-protein conjugates. Central to the conjugation process is the exploitation of polysaccharide-protein interactions to forge stable chemical bonds, thereby enhancing immunogenicity. Our research emphasizes the development of conjugation methodologies tailored to different pneumococcal serotypes to boost polysaccharide recovery and the quality of conjugate solutions. This platform supports the development of our PCV24 candidate.

- *Microbes and immunity research platform*. Our microbes and immunity research platform focuses on investigating the pathogenic mechanisms of microorganisms, including various bacteria and viruses, to develop corresponding vaccines. Building on traditional vaccine development principles, the platform introduces refined R&D strategies that advance vaccine antigen design. It facilitates comprehensive studies of immune responses elicited by vaccines to assess and enhance their immunogenicity and effectiveness. The platform enables extensive R&D activities, including animal sample collection, virus and host cell culturing and the development of animal infection models for pathogens such as influenza, RSV, rabies and tetanus, allowing for thorough vaccine efficacy and preliminary safety evaluations. The platform is capable of monitoring both humoral and cellular immunity, evaluating immune persistence and establishing immunization protocols for our vaccine candidates.

Expanding manufacturing capacity ensuring sustained future vaccine supply

Vaccine manufacturing demands rigorous safety protocols and comprehensive quality management, requiring extensive expertise and specialized knowledge. Since 2019, we have been building our in-house manufacturing capabilities, employing a team of 256 vaccine manufacturing and 104 quality management professionals as of the Latest Practicable Date. Our leadership teams responsible for vaccine manufacturing and quality control bring years of experience in the vaccine industry and possess outstanding technical and managerial skills crucial for ensuring seamless vaccine production and maintaining superior product quality,

safety and control. Following the launch of our quadrivalent subunit influenza vaccine in 2023 and up to the Latest Practicable Date, we had achieved 100% product qualification and lot release approval rate. Our operations consistently passed inspections by regulatory agencies in 2023 and 2024, upholding a stable quality management system without major defects.

Our first manufacturing facility in Taizhou, Jiangsu, has a GFA of over 48,000 square meters and features the manufacturing, quality control and fill-finish facilities. Within such facility, the first influenza vaccine production line, which is currently operational, includes both drug substance and drug product facilities. The drug substance facility has the capacity to process 100,000 chicken embryos per batch and 20 to 30 million embryos annually. The drug product facility is responsible for the filling and packaging of influenza vaccines, and has the capacity to process 80,000 doses per batch and 4.0 million doses annually. A second influenza production line, which mirrors the capacities of the first, was undergoing process validation as of the Latest Practicable Date. Our first manufacturing facility also includes one rabies vaccine production line and one pneumococcal vaccine production line. Furthermore, our second and third manufacturing facilities are currently under construction. The second manufacturing facility, with a planned GFA of approximately 82,000 square meters and a designed annual capacity of 10.0 million doses, is intended for the commercial manufacturing of future influenza vaccines (including the trivalent subunit influenza vaccine and the adjuvanted quadrivalent and trivalent subunit influenza vaccines). The third manufacturing facility, with a planned GFA of approximately 27,000 square meters and a designed annual capacity of 20.0 million doses, is intended for the manufacturing of recombinant protein vaccines. We expect these projects to provide robust support for our future commercialization endeavors.

Our state-of-the-art separation and purification systems, including centrifugation, ultrafiltration and chromatography, are sourced from leading industry equipment suppliers. These systems are installed in GMP-compliant facilities, ensuring product safety, integrity of clinical data and regulatory compliance.

Market outreach led by academic promotion and supported by established sales network

Our market outreach strategy is anchored in academic promotion, educating vaccination institutions and vaccinees of the differentiated technical approaches and advantages of our products. For example, in 2024, we participated in four major national academic conferences and over 30 regional meetings, engaging with a wide group of participants across the country. We also participate in national vaccine-related research projects and collaborate with provincial CDCs in relevant studies to further enhance our academic influence. This specialized academic promotion strategy underscores our differentiated competitive strengths, helping us gain recognition among professionals and the general public through academic channels.

Leveraging the strong safety profile of our vaccine and vaccine candidates, our promotion strategies also place an emphasis on special populations, such as pregnant women and people with chronic diseases. By conducting relevant academic research, we support the utilization of our vaccines among these groups and influence the vaccination willingness of a broader population.

We have established a comprehensive sales and marketing system, laying a solid foundation for commercialization. As of the Latest Practicable Date, our sales and marketing team consisted of 51 experienced staff covering sales (with support from regional sales managers), marketing, medical affairs and operations. To build a specialized sales and marketing team capable of executing our academic promotion strategy, we conduct regular training on our products for the central marketing department and regional teams.

In addition to our own in-house sales and marketing team, we have engaged third-party marketing service providers to carry out promotional activities based on the strategies formulated by our in-house sales and marketing team. In line with our academic-driven marketing strategy, we have strengthened our training programs, organizing more than 30 sessions of online and offline training for third-party marketing service providers, followed by assessments on product-related knowledge. Currently, the commercialization of our quadrivalent subunit influenza vaccine is supported by a robust network of third-party marketing service providers in addition to our in-house sales and marketing team. Our quadrivalent subunit influenza vaccine has completed the market entry process in 30 provinces and been chosen by over 1,100 district- and county-level CDCs in local selections.

Experienced R&D and management teams, supported by reputable shareholders in industry

Our management team boasts extensive experience in the R&D of vaccines and other biological products and management of pharmaceutical companies, with an average of 23 years in the industry. This wealth of experience provides profound insights and expertise essential for leading our operations. Key team members include An Youcai (Chairman, General Manager), Li Runxiang (Chief Financial Officer), Zhang Yangyang (Board Secretary), Chen Ze (Deputy General Manager and Chief Scientist), Yelin Xiong (Deputy General Manager) and Wang Kai (Deputy General Manager).

Our R&D team complements this leadership with extensive expertise in the development, manufacturing and commercialization of biological products, amassed from leading biopharmaceutical companies worldwide. Deputy General Manager and Chief Scientist Dr. Chen Ze, alongside Deputy General Manager Dr. Yelin Xiong, each brings approximately 30 years of research experience in the global biotech industry. Under their guidance, the R&D team excels in directing our vaccine development, effectively designing and identifying optimal candidates and executing development plans that address market needs and drive our growth.

Since our inception, we have also received substantial support from shareholders, including renowned biotech investors such as GTJA Investment Group, Yingke PE, Highlight Capital and Addor Capital, as well as backing from local governments. We believe these investments signify strong recognition of our core value and growth potential, assuring continued support for our ongoing sustainable growth.

OUR STRATEGIES

Efficiently advance post-approval studies and clinical trials for our Core Products

Quadrivalent subunit influenza vaccine

- For individuals aged three and above: our quadrivalent subunit influenza vaccine was approved for use in individuals aged three and above in May 2023 and began commercialization in the third quarter of that year. According to the NDA approval, we are required to conduct a series of post-approval studies to continue monitoring the safety and efficacy of our vaccine in real world. Such continued studies include (i) a safety study in 3,000 participants aged three years and above, for which we had completed participant enrollment as of the Latest Practicable Date; (ii) a study to further explore immunization protocol in children aged 3-8 years, which we expect to begin in the first half of 2026; and (iii) a large-scale study to continue monitoring the vaccine's protective efficacy in a suitable age group. We expect to enroll 10,000 participants for the last study, which is expected to commence after the vaccine is approved for the 6-35 months age group.

- For individuals aged 6-35 months: we completed the Phase III clinical trial in participants aged 6-35 months and submitted an NDA for use in this age group, which was accepted by the NMPA in June 2024. Upon approval, we expect the NMPA will require post-approval studies of the vaccine in the 6-35 months age group similar to those required for individuals aged three years and above.

- For overseas markets: we completed registration in Macau in May 2024 and initiated the process in the Philippines in November 2024. We plan to initiate product registration in Indonesia, Thailand and Uruguay in 2025 and Canada, Singapore, Mexico and Hong Kong in 2026.

- For studies in special populations and co-administration with a marketed PPSV23: we will continue to push forward projects in collaboration with the NMPA, local CDCs and hospitals, including a large-scale active safety monitoring in population aged over three years following administration of our quadrivalent subunit influenza vaccine and evaluations of our vaccine in pregnant women and children with nephrotic syndrome. We will also quickly advance the study to evaluate the safety and immunogenicity of our quadrivalent subunit influenza vaccine in combination with a marketed PPSV23, aiming to provide reference data for the development of a combined immunization strategy for the two vaccines. These studies aim to enhance product use in special populations and improve vaccination willingness in healthy individuals, supporting our brand building strategy.

Lyophilized human rabies vaccine (human diploid cell)

Our IND applications for the lyophilized human rabies vaccine candidate for the Essen (five doses) regimen and for the Zagreb (four doses) and simplified four-dose regimens were approved in November 2022 and April 2023, respectively. We completed the Phase I clinical trial in October 2024 and plan to initiate a Phase III clinical trial in the third quarter of 2025.

Accelerate the development of other vaccine candidates to address unmet clinical needs and enrich our vaccine pipeline

We will continue to advance the preclinical and clinical development of our strategically selected vaccine candidates to expand our portfolio coverage, including:

- pneumococcal vaccines: we completed a Phase I clinical trial for the PPSV23 candidate in April 2023 and conducted additional studies for process improvement. We plan to initiate a Phase III clinical trial of the vaccine candidate in the fourth quarter of 2025 or the first quarter of 2026. For our PCV24 candidate, which was in the preclinical stage as of the Latest Practicable Date, we plan to complete preclinical studies in 2025 and aim to submit a pre-IND application to the NMPA in the first quarter of 2026.

- adjuvanted quadrivalent subunit influenza vaccine: we obtained the IND approval for adjuvanted quadrivalent subunit influenza vaccine for individuals aged 65 and above in July 2024 and expect to initiate a Phase I trial in the fourth quarter of 2025. Upon approval of this vaccine, our quadrivalent subunit influenza vaccine will achieve full age-range coverage.

- trivalent subunit influenza vaccines: our NDAs for the trivalent influenza vaccine candidate for individuals aged three and above and for those aged 6-35 months were accepted by the NMPA in September 2024. We expect to obtain approval for both age groups in 2025 and swiftly initiate commercial sales in the flu season, further strengthening our influenza vaccine product portfolio. For our adjuvanted trivalent subunit influenza vaccine candidate, we obtained an IND approval in October 2024 and plan to initiate a Phase I clinical trial in the fourth quarter of 2025.

- recombinant zoster vaccine (CHO cell): we obtained an IND approval for recombinant zoster vaccine candidate in August 2024. We initiated a Phase I clinical trial in February 2025 and obtained a preliminary safety report for the trial in July 2025. We then initiated a Phase II clinical in July 2025.

- other vaccines: we will continue advancing the preclinical research of our RSV vaccine candidates, mRNA mpox vaccine candidate, live attenuated varicella vaccine candidate and tetanus toxoid adsorbed vaccine candidate, aiming to submit pre-IND applications in 2025 and 2026.

Continue to upgrade our technology platforms and enhance core technology competitiveness

Since the establishment of our Company, we have consistently focused on independent research and development activities to build our vaccine technology innovation capabilities. We will continue to develop and upgrade our technology platforms to support the research and development of existing vaccine candidates. Furthermore, the upgrading of our technology platforms, including our genetic engineering and protein expression and purification platform, mRNA vaccine research platform, adjuvant development and production platform, large-scale amplification platform, polysaccharide conjugation technology platform and microbes and immunity research platform, will enable us to discover and develop new vaccine candidates that meet market demand and synergize with our existing pipeline.

Further strengthen manufacturing capacity and commercialization capabilities

We are committed to strengthening our manufacturing facilities in accordance with the clinical advancements of our vaccine candidates, ensuring a seamless transition from promising candidates to market-ready products. Our ongoing investment plan includes the construction of a second and a third manufacturing facility. The second manufacturing facility has a planned GFA of approximately 82,000 square meters and a designed annual capacity of 10.0 million doses. This site is dedicated to the commercial manufacturing of future influenza vaccines. The third manufacturing facility, with a planned GFA of approximately 27,000 square meters and a designed annual capacity of 20.0 million doses, is set for the commercial production of recombinant protein vaccines. Both facilities currently focus on designing integrated manufacturing equipment for respective vaccines, and essential infrastructure for quality assurance, warehousing, fire safety and office operations.

We aim to leverage our academic-driven marketing strategies to enhance the promotion and market penetration of our approved vaccine product, as well as those vaccine candidates nearing commercialization. By continuing to participate in key academic conferences and collaborating with research institutions, we intend to maintain and expand our influence among professionals and the general public. For this purpose, we plan to expand our internal sales and marketing team, focusing on increasing the number of regional sales managers among other measures, to more effectively target distinct customer groups.

Venture into international markets to extend commercial value of vaccine candidates

While our principal focus will remain in China, we plan to strategically venture into international markets to maximally utilize our production capacity throughout the year and address unmet market needs. Flu seasons in South America and certain Southeast Asian countries occur at different times of the year than China's. This staggered seasonality allows us to leverage our manufacturing capacity more effectively to fulfill such international demand for our vaccine.

Our Core Product, the quadrivalent subunit influenza vaccine, obtained a registration certificate and market authorization in Macau in May 2024. Additionally, we initiated the registration process in the Philippines in November 2024. We plan to file product registration applications in various other jurisdictions, including Indonesia, Thailand and Uruguay in 2025 and Canada, Singapore, Mexico and Hong Kong in 2026.

Our overseas expansion plan will be tailored to align with the regulatory frameworks and market demands of each targeted jurisdiction, addressing specific requirements such as clinical trials, GMP standards and commercialization on a case-by-case basis. During this process, we may choose to involve local partners or agents, local legal and business advisors, and domestic pharmaceutical trading companies to facilitate registration, manufacturing, commercialization and compliance with local regulations. We believe that such collaborations could ensure efficient communication with regulatory bodies and address discrepancies with Chinese regulatory practices or additional local requirements as they arise. As of the Latest Practicable Date, during our overseas registration process, we had not encountered any material local regulations that were in conflict with domestic regulatory requirements. As of the same date, our overseas plan remained at a preparatory stage and was primarily centered around our quadrivalent subunit influenza vaccine, as it is our only commercialized product to date. As other vaccine candidates, such as the trivalent subunit influenza vaccine, receive approval, we will consider exploring opportunities in overseas markets for these products as well.

OUR PRODUCT AND PRODUCT CANDIDATES

Our Pipeline

As of the Latest Practicable Date, we had two Core Products, namely, our quadrivalent subunit influenza vaccine and lyophilized human rabies vaccine candidate, and 11 other product candidates, including (i) one product candidate in the NDA stage, namely our trivalent subunit influenza vaccine; and (ii) 10 product candidates in various stages of clinical and preclinical development.

The following chart summarizes our pipeline as of the date of this prospectus. All of our vaccine product and product candidates are, or expected to be, classified as Class II vaccines in China.

Product	Indication	Route of Administration	R&D	Preclinical	IND Approval	Clinical			NDA Approval	Regulatory Agency	Expected Near-term Milestone
						Phase I	Phase II	Phase III			
Quadrivalent subunit influenza vaccine*△	Influenza (3 years and above)	Intramuscular injection	Self-developed							NMPA	Completion of post-approval safety study in Q4 2025
	Influenza (6 to 35 months)	Intramuscular injection	Self-developed							NMPA	NDA approval in Q3 2025
Adjuvanted quadrivalent subunit influenza vaccine	Influenza (65 years and above)	Intramuscular injection	Self-developed							NMPA	Commencement of Phase I clinical trial in Q4 2025
Trivalent subunit influenza vaccine	Influenza (3 years and above)	Intramuscular injection	Self-developed							NMPA	NDA approval in Q3 or Q4 2025
	Influenza (6 to 35 months)	Intramuscular injection	Self-developed							NMPA	NDA approval in Q3 or Q4 2025
Adjuvanted trivalent subunit influenza vaccine	Influenza (65 years and above)	Intramuscular injection	Self-developed							NMPA	Commencement of Phase I clinical trial in Q4 2025
Lyophilized human rabies vaccine (human diploid cell)*△	Rabies	Intramuscular injection	Self-developed							NMPA	Commencement of Phase III clinical trial in Q3 2025
PPSV23△	Invasive pneumococcal diseases	Intramuscular injection	Acquired†							NMPA	Commencement of Phase III clinical trial in Q4 2025 or Q1 2026
Recombinant zoster vaccine (CHO cell)◇	Herpes zoster	Intramuscular injection	Self-developed							NMPA	Completion of Phase I clinical trial in 1H 2026
Recombinant RSV vaccine (CHO cell)	RSV LRTI	Intramuscular injection	Self-developed‡							NMPA/FDA	IND approval expected in Q3 2025
mRNA RSV vaccine	RSV LRTI	Intramuscular injection	Self-developed‡							NMPA	Pre-IND application in Q3 or Q4 2025
mRNA mpox vaccine	Mpox	Intramuscular injection	Self-developed							NMPA	Pre-IND application in Q4 2025
PCV24	Invasive pneumococcal diseases	Intramuscular injection	Self-developed							NMPA	Pre-IND application in Q1 2026
Live attenuated varicella vaccine	Varicella	Intramuscular injection	Self-developed							NMPA	Pre-IND application in Q1 2026
Tetanus toxoid adsorbed vaccine	Tetanus	Intramuscular injection	Self-developed							NMPA	Pre-IND application in Q4 2025

* Core Product

† We contracted to acquire this asset before the clinical stage. We were and will continue to be responsible for clinical development. See "—Our Other Product Candidates—PPSV23" and "—Our Technology Transfer Arrangements—PPSV23 Technology Transfer Agreements."

‡ Self-developed with licensed antigen sequence

△ In line with established regulatory guidelines, our clinical development of such vaccines did not include Phase II clinical trials.

◇ As of the date of this prospectus, we have completed participant enrollment and completed preliminary safety report for the Phase I clinical trial and have commenced participant enrollment for the Phase II clinical trial of our recombinant zoster vaccine. We expect to complete the Phase I clinical trial in the first half of 2026.

Note:

Clinical trial phases marked as ▨ are not required by the NMPA.

LRTI: lower respiratory tract infection; PPSV: pneumococcal polysaccharide vaccine; PCV: pneumococcal conjugate vaccine; RSV: respiratory syncytial virus

Our Core Products

Quadrivalent Subunit Influenza Vaccine

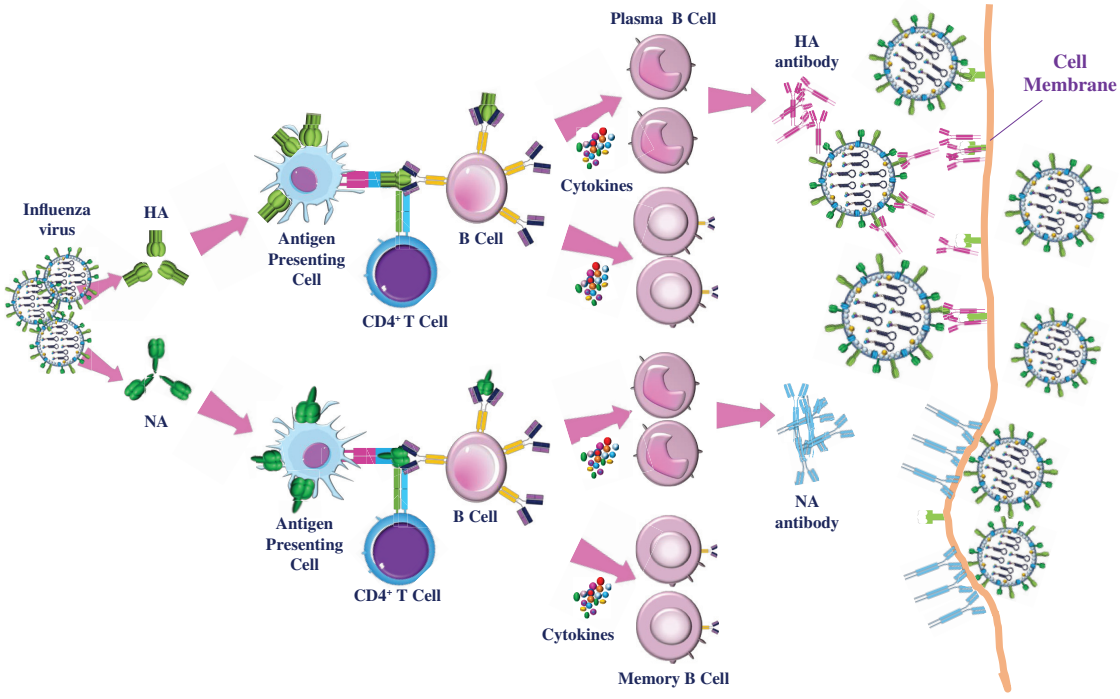
The quadrivalent subunit influenza vaccine, one of our Core Products, is designed to offer broad protection against two influenza A viruses (H1N1 and H3N2 subtypes) and two influenza B viruses (Yamagata and Victoria lineages). Among the four types of influenza viruses (namely, A, B, C and D), types A and B are responsible for seasonal flu epidemics. Although common symptoms of the flu are often mild, such as fever, headache and runny nose, influenza could lead to more serious conditions such as secondary bacterial infection of the lung (pneumonia), especially for the elderly over 65 years old, children under five years old and people with certain chronic medical conditions. Annual flu vaccination is considered the most effective way of prevention. China CDC has provided guidelines for influenza vaccination, emphasizing that vaccination should be provided to all people aged six months and above who are willing to be vaccinated and have no contraindications.

Compared to whole-pathogen or split-virion vaccines, subunit influenza vaccines contain only crucial components of the viruses and require further purification after virus split, thus facilitating precise antigen targeting and ensuring a better safety profile with lower risks of adverse reactions. In our Phase III clinical trials, the quadrivalent subunit influenza vaccine demonstrated a strong safety profile and robust immunogenic response.

Our quadrivalent subunit influenza vaccine received NDA approval from the NMPA in May 2023 for use in individuals aged three years and above (in the specification of 15μg/0.5ml in terms of viral hemagglutinin concentration) under the brand name Huierkangxin (慧爾康欣). It was the first and only quadrivalent subunit influenza vaccine approved in the PRC as of the Latest Practicable Date. Employing our in-house manufacturing facilities and sales and marketing team, we commenced commercialization of this vaccine after receiving approval and generated revenue of RMB52.2 million, RMB259.6 million and RMB0.4 million in 2023, 2024 and the three months ended March 31, 2025, respectively. Following the launch of our quadrivalent subunit influenza vaccine in 2023 and up to the Latest Practicable Date, we had achieved a 100.0% product qualification and lot release approval rate. As of the Latest Practicable Date, we were developing the quadrivalent subunit influenza vaccine for the 6-35 months age group and had submitted an NDA for this age group, which was accepted by the NMPA in June 2024. As of the same date, we were also developing an adjuvanted version of the vaccine for individuals aged 65 and above (see "—Our Other Product Candidates—Adjuvanted Quadrivalent Subunit Influenza Vaccine" for details).

Mechanism of Action

Subunit influenza vaccines are formulated with purified components of the virus, specifically, the surface glycoproteins hemagglutinin (HA) and neuraminidase (NA), which are the main antigenic substances and targets for protective antibodies. HA facilitates viral entry into host cells, while NA aids in the release of new viral particles after its replication. Upon vaccination, B cells recognize the HA protein and differentiate into plasma cells that produce neutralizing antibodies, preventing the virus from attaching to host cells. The NA component induces antibodies that inhibit its enzymatic activity, thereby limiting viral spread. The vaccine also activates $CD4^+$ T cells, or T-helper cells, which enhance responses from other immune cells and play central roles in the establishment of immunological memory. Although these antibodies provide extended protection, their levels can decline over time. Consequently, annual vaccinations are recommended to maintain effective immunity against evolving influenza virus strains. The following diagram illustrates the mechanism of action of our quadrivalent subunit influenza vaccine.



Market Opportunity and Competition

Influenza vaccines are classified into several major types based on their technical design: whole-virion inactivated vaccines, split-virion vaccines, inactivated subunit vaccines, live attenuated vaccines, recombinant vaccines and mRNA vaccines. See "Industry Overview—Influenza Vaccines—Overview of Influenza Vaccines" for details. Compared to whole-virion vaccines, which employ complete virus particles, and split-virion vaccines, which retain internal and surface viral proteins with a more complex antigenic composition, subunit vaccines focus on purified surface proteins, specifically HA and NA. This purification results in significantly improved safety and fewer side effects due to high antigen purity. Furthermore, subunit influenza vaccines can offer robust protective efficacy even for certain populations with weakened immune systems, provided that appropriate adjuvants are used when necessary. This contrasts with live attenuated vaccines, which mimic natural infections and are not suitable for individuals with compromised immune systems.

Influenza vaccines are also categorized by their valence, indicating their range of protection against various influenza virus strains. Currently marketed influenza vaccines include trivalent vaccines and quadrivalent vaccines. Trivalent vaccines protect against three influenza viruses: typically two influenza A viruses (H1N1 and H3N2) and one influenza B virus (Victoria lineage), targeting the most prevalent strains anticipated in each influenza season. However, they may not cover all circulating B strains. Quadrivalent vaccines extend trivalent formulations by including an additional B virus strain, Yamagata lineage. This inclusion addresses concerns about the co-circulation of dual lineages of influenza B viruses, enhancing the breadth of protection. While the WHO recommended trivalent influenza vaccines for the 2024-2025 northern hemisphere flu season, we do not believe this recommendation will negatively impact the business potential of our quadrivalent subunit influenza vaccine or its strategy, as our quadrivalent subunit influenza vaccine provides broader coverage and aligns with consumer demand for high-quality vaccines that could offer comprehensive protection. Additionally, our production infrastructure is fully adaptable for both quadrivalent and trivalent subunit influenza vaccines, ensuring seamless transition if regulatory shifts favour trivalent influenza vaccines. Furthermore, the possibility of new flu strains or a resurgence of B Yamagata could renew demand for quadrivalent influenza vaccines and lead to changes in WHO's recommendation. As such, our quadrivalent subunit influenza vaccine remains our strategic priority for its enhanced protection profile and we will balance maintaining broad-market readiness for quadrivalent subunit influenza vaccine while accommodating emerging demands for trivalent subunit influenza vaccine.

According to Frost & Sullivan, the influenza vaccine market in China grew significantly from RMB2.0 billion in 2019 to RMB7.0 billion in 2024, at a CAGR of 28.7%. The total number of lot release of influenza vaccines increased from 30.8 million in 2019 to 75.4 million in 2024. The influenza vaccine market in China is expected to further increase to RMB20.5 billion in 2033. As the first quadrivalent subunit influenza vaccine, developed by us, was approved by the NMPA in 2023, the subunit influenza vaccine market in China is estimated to grow rapidly from RMB0.7 billion in 2024 to RMB2.9 billion in 2033.

According to Frost & Sullivan, as of the Latest Practicable Date, there were 26 marketed influenza vaccines in China, primarily including 13 trivalent vaccines (including 11 split-virion vaccines, 1 subunit vaccine and 1 live attenuated vaccine) and 12 quadrivalent vaccines (including 11 split-virion vaccines and 1 subunit vaccine (developed by us)). The following table sets forth details of our quadrivalent subunit influenza vaccine and other marketed influenza vaccines in China as of the Latest Practicable Date.

Type	Brand Name (Generic Name)	Technical Route	Manufacturer	NMPA Approval Date[1]	Age Coverage	End User Price[2] *(RMB per dose)*	Market Share[3] %
Not disclosed	–	Whole Virion Inactivated	Lanzhou institute of biological products (蘭州生物製品研究所)	2000	NA	NA	–
Trivalent	英扶寧	Split Virion		2005/02	6 months of age and older	NA	–
	–	Split Virion	CuroVax (康潤生物)	2005/03	3 years of age and older	NA	–
	Anflu (安爾來福)	Split Virion	Sinovac (科興)	2007/01	6 months of age and older	52.5 (0.25ml) 80 (0.5ml)	10.0
	Influenza vaccine	Split Virion	Shanghai Institute of Biological Products (上海生物製品研究所)	2007/05	6 months of age and older	31 (0.25ml) 58 (0.5ml)	2.5
	YUGANNING (御感寧)	Split Virion	Toyouvax (天元生物)	2007/06	6 months of age and older	68 (0.25ml) 88 (0.5ml)	1.8
	適普利爾	Split Virion	Changchun Institute of Biological Products (長春生物製品研究所)	2007/07	6 months through 3 years of age	31 (0.25ml) 50 (0.5ml)	6.8
	Influenza vaccine	Split Virion	Hualan Biological Bacterin (華蘭生物)	2008/04	6 months of age and older	31 (0.25ml) 53 (0.5ml)	3.8
	Influenza vaccine	Split Virion	Fosun Apexvac (復星雅立峰)	2009/06	3 years of age and older	60.5 (0.25ml) 80.5 (0.5ml)	7.0
	FLU-K (孚洛克)	Subunit	Zhongyianke Biotech (中逸安科)	2010/04	3 years of age and older	168 (0.5 ml)	0.5
	–	Split Virion	AIM (艾美疫苗)	2012/11	3 years of age and older	NA	–
	VAXIGRIP (凡爾靈)	Split Virion	Sanofi Pasteur Biological Products	2013/06	3 years of age and older; 6-35 months of age	55 (0.25ml) 70 (0.5ml)	4.8
	Influenza vaccine	Split Virion	Adimmune (國光生物)	2015/10	3 years of age and older	135.5 (0.5 ml)	–
	感霧	Live Attenuated	BCHT (百克生物)	2020/02	3-17 years of age	298 (0.2 ml)	0.9
Quadrivalent	Influenza vaccine, quadrivalent	Split Virion	Hualan Biological Bacterin (華蘭生物)	2018/06	6 months of age and older	128 (0.25ml) 88 (0.5ml)	20.1
	迪福賽爾	Split Virion	GDK (金迪克生物)	2019/05	3 years of age and older	88 (0.5 ml)	3.5
	Influenza vaccine, quadrivalent	Split Virion	Changchun Institute of Biological Products (長春生物製品研究所)	2020/03	3 years of age and older	95 (0.5 ml)	2.9
	Influenza vaccine, quadrivalent	Split Virion	Wuhan Institute of Biological Products (武漢生物製品研究所)	2020/04	3 years of age and older	88 (0.5 ml)	4.8
	Influenza vaccine, quadrivalent	Split Virion	Sinovac (科興)	2020/06	3 years of age and older	88 (0.5 ml)	13.8
	Influenza vaccine, quadrivalent	Split Virion	Shanghai Institute of Biological Products (上海生物製品研究所)	2021/03	6 months of age and older	91.5 (0.5 ml)	9.5
	安定伏	Split Virion	Adimmune (國光生物)	2022/02	3 years of age and older	205.5 (0.5 ml)	0.5
	VaxigripTetra 凡爾佳	Split Virion	Sanofi Pasteur Biological Products	2023/02	6 months of age and older	128 (0.5 ml)	4.3
	Influenza vaccine, quadrivalent	Split Virion	ZFSW (智飛生物)	2025/03	3 years of age and older	NA	–
	Influenza vaccine, quadrivalent	Split Virion	Fosun Apexvac (復星雅立峰)	2025/06	3 years of age and older	NA	–
	Influenza vaccine, quadrivalent	Split Virion	TOYOUVAX (天元生物藥業)	2025/07	NA	NA	–
	慧爾康欣	Subunit	***the Company***	2023/05	3 years of age and older	319 (0.5 ml)	2.4

Note:

(1) The approval date is the time when the vaccine was first approved, without considering age-group expansion.

(2) The end-user price is calculated based on the median of the winning bid prices in 2024, as publicly disclosed in the provincial public tenders.

(3) The market share was calculated based on lot release volume in 2024.

Sources: NMPA, Frost & Sullivan

According to Frost & Sullivan, as of the Latest Practicable Date, there were 19 influenza vaccine candidates under clinical development in China, including 6 trivalent vaccines (including 4 split-virion vaccines, 1 live attenuated vaccine and 1 subunit vaccine (developed by us)) and 13 quadrivalent vaccines (including 11 split-virion vaccines and 2 subunit vaccines). The following table sets forth details of our trivalent subunit influenza vaccine candidate and other influenza vaccine candidates in China as of the Latest Practicable Date.

Type	Technical Route	Manufacturer	Clinical Stage	First Posted Date*	Age Coverage
Trivalent	Subunit	***our Company***	NDA	2024/09	3 years of age and older
			NDA	2024/10	6-35 months of age
	Live Attenuated	BCHT (百克生物)	NDA	2024/04	3-59 years of age
	Split Virion	ZFSW (智飛生物)	NDA	2024/10	3 years of age and older
			NDA	2024/11	6-35 months of age
	Split Virion	Chengda Biotechnology (成大生物)	NDA	2025/03	NA
	Split Virion	Olymvax (歐林生物)	I	2025/01	6 months of age and older
	Split Virion	Peisen Biotechnology (培森生物)	I (completed)	2022/03	3 years of age and older
Quadrivalent	Subunit	***our Company***	NDA	2024/06	6-35 months of age
	Subunit	Changchun Institute of Biological Products (長春生物製品研究所)	I	2024/04	3 years of age and older
	Split Virion	GDK biological technology (金迪克)	NDA	2025/07	6-35 months of age
	Split Virion	CuroVax (康潤生物)	NDA	2024/03	3 years of age and older
			I	2024/04	6-35 months of age
	Split Virion	Toyouvax (天元生物)	NDA	2023/12	3 years of age and older
			I	2024/03	6 months of age and older
	Split Virion	ZFSW (智飛生物)	NDA	2024/09	6-35 months of age
	Split Virion	Wuhan Institute of Biological Products (武漢生物製品研究所)	NDA	2024/11	3 years of age and older
	Split Virion	BioKangtai (康泰生物)	NDA	2024/11	3 years of age and older
	Split Virion	Chengda Biotechnology (成大生物)	NDA	2025/01	3 years of age and older
	Split Virion	Sinovac (科興)	III (Completed)	2023/09	6-35 months of age
	Split Virion	Fosun Apexvac (復星雅立峰)	III	2023/10	6-35 months of age
	Split Virion	Walvax (沃森生物)	III	2024/10	3 years of age and older
	Split Virion	ZFSW (智飛生物)	I/II	2025/01	18 years of age and older
	Split Virion	Olymvax (歐林生物)	I	2025/01	6 months of age and older
	Split Virion	Hygiea Biotech (海基亞生物)	I	2020/10	6-35 months of age; 3 years of age and older
			III	2025/04	3 years of age and older

Note: The dates for products in NDA stage are the dates handled by the CDE.

Sources: CDE, Frost & Sullivan

According to Frost & Sullivan, as of the Latest Practicable Date, we were one of the only two domestic entities engaging in the development of quadrivalent subunit influenza vaccines. As quadrivalent subunit influenza vaccines have been commercialized in China, and products in the domestic development pipeline are being developed exclusively by domestic pharmaceutical companies, the likelihood of market entry of overseas quadrivalent subunit influenza vaccines into China appears to be limited at present, according to Frost & Sullivan.

However, we cannot rule out the possibility that overseas competitors will enter the market of quadrivalent subunit influenza vaccines in China in the future. See "Risk Factors—Other Risks Relating to Our Business—If we are unable to compete effectively in the highly competitive vaccine industry, or fail to develop competitive vaccine candidates, our business, financial condition, results of operations and prospects could be materially and adversely affected."

Our Advantages

We believe our quadrivalent subunit influenza vaccine has the following advantages.

- *Enhanced safety profile*. Subunit influenza vaccines are designed to offer a robust safety profile due to their precise manufacturing process, which removes internal viral proteins and retains only high-purity HA and NA antigen components. This approach aims to reduce the risk of adverse reactions. In our Phase III clinical trial, the overall incidence of vaccination-related adverse events induced by our quadrivalent subunit influenza vaccine in participants aged 18 to 64 years was lower than that caused by the control quadrivalent split-virion vaccine (6.29% and 10.86%, respectively) and the difference was statistically significant (P = 0.031). These findings underscore the enhanced safety of our vaccine for certain target groups, making it an ideal choice for vaccinees with heightened safety awareness.

- *Robust immune response*. Our quadrivalent subunit influenza vaccine is able to elicit strong immune responses. In our Phase III clinical trial, in the total population of participants aged three years and above, our vaccine achieved seroprotection rates of 96.56%, 97.98%, 89.41% and 95.88% for the H1N1, H3N2, BV and BY virus strains, respectively, all above the widely used European Union standard of 70.0%. In the same group of participants, our vaccine also elicited significantly higher geometric mean titers (GMTs) of neutralizing antibodies against all four virus strains compared to the control quadrivalent split-virion influenza vaccine. These results highlight the vaccine's potential for more effective immunization, offering greater protection against influenza viruses.

- *Clear commercialization and market expansion strategy*. We began commercialization of our quadrivalent subunit influenza vaccine in 2023 and successfully completed a full influenza season which honed the capabilities of our manufacturing and sales and marketing teams. Currently, the commercialization of our vaccine is also supported by a robust network of third-party marketing service providers. Our quadrivalent subunit influenza vaccine has completed the market entry process in 30 provinces and been chosen by over 1,100 district- and county-level CDCs in local selections. With respect to overseas markets, we have completed registration in Macau and initiated the process in the Philippines. We will continue expanding into jurisdictions that have large vaccine markets and flu seasons timed differently from China's, such as Uruguay. This strategic expansion is poised to contribute to sustained sales growth, reinforcing our market presence both domestically and abroad.

Summary of Clinical Trials

We commenced discovery of our quadrivalent subunit influenza vaccine since 2016, after which we completed (i) a Phase I clinical trial of the vaccine in healthy participants aged 6 months or above in China in April 2020; (ii) a Phase III clinical trial in healthy participants aged 3 years or above in China in December 2021; and (iii) a separate Phase III clinical trial in healthy participants aged 6-35 months in China in April 2024. Below is a summary of such clinical trials in reverse chronological order.

Phase III Clinical Trial (6-35 months old)

- *Trial design*. This Phase III clinical trial was a randomized, blinded and positive-controlled trial in healthy participants aged between 6 and 35 months. The primary objectives were to evaluate the safety and immunogenicity of our quadrivalent subunit influenza vaccine in 15μg/0.5ml dose in this age group and the secondary objectives were to evaluate the safety and immunogenicity of our study vaccine in 7.5μg/0.25ml dose in this age group. The exploratory objectives were to (i) compare the differences in safety and immunogenicity between 0.5ml dose and 0.25ml dose in this age group and (ii) explore the immune persistence at 3 months and 6 months following the complete vaccination regimen of 0.5ml dose and 0.25ml dose in this age group.

  In the clinical trial, a total of 2,772 participants would be randomly assigned in a 1:1:1 ratio into three groups to receive either vaccine 1 (our study vaccine in 15μg/0.5ml), vaccine 2 (our study vaccine in 7.5μg/0.25ml) or a control vaccine (a marketed quadrivalent split-virion influenza vaccine). Each participant would receive two doses of the respective vaccine, with an interval of 28 days between doses.

  Following each inoculation, participants would undergo (i) immediate post-administration observation for 30 minutes and (ii) active systematic monitoring for safety for seven days. After seven days of the inoculation, the occurrence of adverse events would be assessed through a combination of weekly scheduled follow-ups and proactive reporting by the participants. Safety observations would be conducted from the day of each inoculation to 28 or 30 days thereafter. Serious adverse events (SAEs) occurred from the first dose administration through six months after completing the vaccination regimen would be documented. Blood samples of all participants would be collected before vaccination and 28 days after completion of the vaccination regimen for influenza virus haemagglutination inhibition (HI) antibody testing to evaluate immunogenicity. The main measurements for immunogenicity include post-vaccination seroconversion rate, seroprotection rate and GMT level, three commonly used endpoints for vaccine efficacy evaluation. Seroconversion rate refers to the proportion of participants with (i) an increase in antibody titer of more than 4 times compared to pre-vaccination level if the participant had a pre-vaccination antibody titer of no less than 1:10; or (ii) an absolute antibody titer of no less than 1:40 if the participant had a pre-vaccination antibody titer of less than 1:10. Seroprotection rate refers to the proportion of participants with an antibody titer of no less than 1:40. GMT refers to the average level of antibodies in participants.

- *Trial status*. The trial was initiated in February 2023 and completed in April 2024. A total of 2,772 participants were enrolled in the trial, among which 2,766 were included in the safety set total (SST, including all participants who receive at least one dose of the study vaccine or control vaccine with safety data collected and primarily used for safety analysis), 2,764 were included in the immunogenicity full analysis set (FAS, including all participants who receive at least one dose of the study vaccine or control vaccine, and have antibody test results either before immunization or 28 days after completing the entire immunization course) and 2,372 were included in the immunogenicity per protocol set (PPS, a subset of FAS, which includes all participants who complete the full vaccination regimen with all necessary antibody test results and no major deviation from the trial protocol).

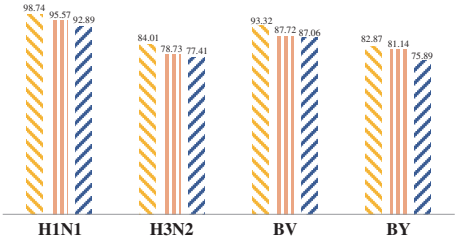
- *Safety.* There was no statistically significant difference in terms of the overall incidences of AE between any two of the vaccine 1, vaccine 2 and control groups. For the 30 days following the complete vaccination course, the overall incidences of vaccination-related AE for the vaccine 1, vaccine 2 and control groups were 29.64%, 33.33% and 29.64%, respectively. Most of the vaccination-related AEs were of grade 1 and grade 2, with 18, 8 and 6 instances of grade 3 vaccination-related AEs in the vaccine 1, vaccine 2 and control groups, respectively.

  Among the vaccination-related AEs in vaccine 1 group, fever had the highest occurrence rate of 15.64%. Other common AEs (with occurrence rate of 1.00%-10.00%), in decreasing order of incidence, were rhinorrhea (runny nose) at 7.82%, vomiting at 5.10%, cough at 4.45%, diarrhea at 3.91% and injection site redness at 2.28%. Vaccine 2 group also showed fever as a very common AE (with occurrence rate of ≥10.00%), at 14.94%, coupled with rhinorrhea at 10.39%. Vaccine 2 group's common AEs included, in decreasing order of incidence, vomiting at 5.41%, cough at 5.30%, diarrhea at 4.11% and injection site redness at 2.71%.

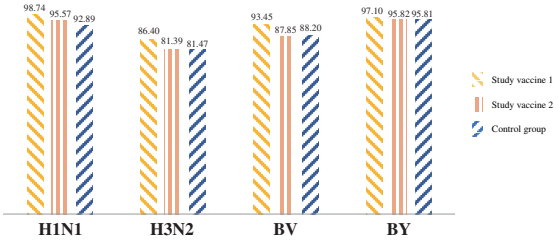
  There was no statistically significant difference between the incidences of SAEs of any two groups. All SAEs in the vaccine 2 group and the control group were unrelated to vaccination. Only 1 subject (aged 16 months) in vaccine 1 group experienced an SAE 11 days post-vaccination that was considered possibly related to the vaccination. The symptom was clinically diagnosed as diarrhea and the subject was hospitalized. The symptom developed relatively close to the vaccination date and is one of the more common adverse reactions to the vaccine. The subject was administered two antibiotics before hospitalization and the diarrhea occurred on the third day of antibiotic treatment, indicating a possible antibiotic-induced disruption of the normal microorganism communities. However, a connection to the vaccine cannot be completely ruled out, and this SAE was thus considered possibly related to the vaccination. One instance of death (car accident) was reported in the control group, and it was considered unrelated to the vaccination.

- *Immunogenicity*. In PPS, both vaccine 1 and vaccine 2 groups showed good immunogenicity as they achieved seroconversion rates* (28 days after the completion of the vaccination course) of 98.74% and 95.57%, 84.01% and 78.73%, 93.32% and 87.72% and 82.87% and 81.14% for the H1N1, H3N2, BV and BY virus strains, respectively, all above the 30.0% standard set by the European Union for this age group. The corresponding seroprotection rates** were 98.74% and 95.57%, 86.40% and 81.39%, 93.45% and 87.85%, 97.10% and 95.82%, respectively, all above the 60.0% standard set by the European Union for this age group. Both vaccine 1 and vaccine 2 groups demonstrated non-inferior seroconversion rates for all four virus strains compared to the control group. In particular, compared to the control group, the vaccine 1 group demonstrated a trend of higher seroconversion rates for all four virus strains, with differences in seroconversion rates of 5.85%, 6.59%, 6.27% and 6.98%, respectively. The charts below illustrate the post-vaccination seroconversion rates and seroprotection rates in vaccine 1 group, vaccine 2 group and control group.

Post-vaccination seroconversion rate (%)



Post-vaccination seroprotection rate (%)



In PPS, both vaccine 1 and vaccine 2 groups demonstrated non-inferior antibody geometric mean titer (GMT) levels for all four virus strains compared to the control group. In particular, vaccine 1 demonstrated higher antibody GMT levels for all four virus strains compared to the control group and the differences were statistically significant for the H1N1, H3N2 and BY strains. The conclusions based on FAS were consistent with those based on PPS.

* Between the vaccine 1 group and the control group, there were statistically significant differences in the seroconversion rates in all four virus stains. Between the vaccine 2 group and the control group, there were statistically significant differences in the seroconversion rates in the H1N1 and BY virus strains and no statistically significant difference in the H3N2 and BV virus strains.

** Between the vaccine 1 group and the control group, there were statistically significant differences in the seroprotection rates in the H1N1, H3N2 and BV virus stains and no statistically significant difference in the BY virus strain. Between the vaccine 2 group and the control group, there was statistically significant difference in the seroprotection rates in the H1N1 virus strain and no statistically significant difference in the H3N2, BV and BY virus strains.

- *Conclusion*. Both vaccine 1 (15μg/0.5ml) and vaccine 2 (7.5μg/0.25ml) demonstrated good safety and immunogenicity when administered in a 2-dose regimen to healthy individuals aged 6 to 35 months and vaccine 1 offered relatively better immunogenicity results.

Phase III Clinical Trial (3 years and above)

- *Trial design*. This trial was a randomized, blinded and positive-controlled trial in healthy participants aged three years and above. The primary objectives were to evaluate the safety and immunogenicity of our quadrivalent subunit influenza vaccine administered in a single-dose regimen in this age group and the secondary objectives were to evaluate the safety of the study vaccine administered in a two-dose regimen (with a 28-day interval) in the 3-8 years age group, and to explore its immunogenicity compared to the single-dose regimen.

  A total of 3,000 participants would be enrolled for this trial, with 800 participants in the 3 to 8 years age group, 700 participants in the 9 to 17 years age group, 700 participants in the 18 to 64 years age group and 800 participants in 65 years and above age group. Participants in each age group would be randomly assigned in a 1:1 ratio to receive either our study vaccine (15μg/0.5ml) or the control vaccine (a marketed quadrivalent split-virion influenza vaccine). Participants aged nine years and above would receive a single-dose regimen, while those aged three to eight years would receive a two-dose regimen (with a 28-day interval). Blood samples of all participants would be collected before vaccination and 28 days after completing the vaccination regimen for influenza virus HI antibody testing to evaluate immunogenicity. The main measurements for immunogenicity include post-vaccination seroconversion rate, seroprotection rate and GMT level. For the 3 to 8 years age group, additional blood samples would be collected 28 days after the first dose. Systematic safety observation would be conducted from the start of vaccination to 30 days post-completion of the immunization regimen, and long-term safety observation would be carried out from 31 days to 180 days post-completion of the vaccination regimen.

- *Trial status*. The trial was initiated in May 2020 and completed in December 2021. A total of 3,000 participants were enrolled in the trial, among which 2,997 were included in the SST and the immunogenicity FAS and 2,949 participants were included in the immunogenicity PPS.

- *Safety*. There was no statistically significant difference in terms of the overall incidences of AE between the study vaccine group and the control group. Within 30 days following vaccination according to the respective regimen, the overall incidences of vaccination-related AE in the study vaccine group and the control group were 10.67% and 11.21%, respectively. Vaccination-related AEs in both groups were predominantly of grade 1 and grade 2, with two instances of grade 3 AEs, one each in the study vaccine group and the control group, occurring in the ≥65 years age group, both being cases of fever. No grade 4 or higher vaccination-related AE occurred in either group. No vaccination-related SAE was reported in this trial.

In the 18-64 years age group, the overall incidence of vaccination-related AEs in the study vaccine group (6.29%) was lower than that in the control group (10.86%) and the difference was statistically significant. In participants aged 9-17 years and in those aged 65 years and above, there was no statistically significant difference between the overall incidence of vaccination-related AEs in the study vaccine group and that in control group. In the 3 to 8 years age group, (i) within 28 days following the administration of the first dose, the overall incidence of vaccination-related AE was 9.75% in the study vaccine group and 13.78% in the control group, with no statistically significant difference; and (ii) within 30 days following the administration of the second dose, the overall incidence of vaccination-related AE was 8.16% in the study vaccine group and 6.08% in the control group, with no statistically significant difference. Both the study vaccine group and the control group showed a decrease in vaccination-related AEs after the second dose compared to the first dose, indicating that the safety profile of the study vaccine remains favorable despite an increase in the number of doses administered.

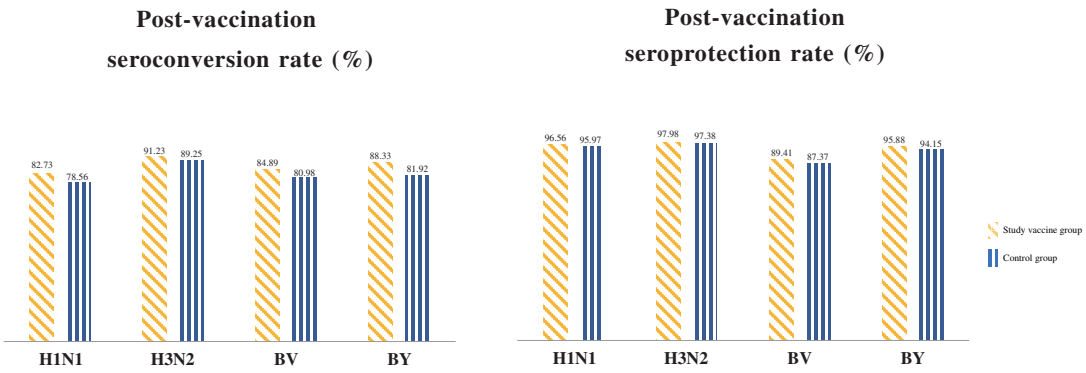
Among all participants aged three years or above, in the study vaccine group and the control group, the incidence of systemic vaccination-related AEs was 5.80% and 5.87%, respectively, primarily involving fever (2.13% and 2.74%), cough (1.60% and 1.27%), diarrhea (0.73% and 0.67%) and headache (0.87% and 0.73%). In the study vaccine group and the control group, local vaccination-related AEs occurred at the same rate of 5.87%. The reactions were mainly injection site pain (4.60% in the study vaccine group and 4.94% in the control group), followed by injection site swelling (1.00% and 0.53%) and injection site redness (0.73% and 0.53%). Other AEs were reported at 0.27% in the study vaccine group and 0.47% in the control group, with rhinorrhea being the most common, occurring at 0.20% in each group.

- *Immunogenicity*. In FAS, in the total cohort of participants aged 3 years and above, as well as in the participants aged ≥65 years and between 3-64 years, our study vaccine showed good immunogenicity after one dose as it demonstrated non-inferior seroconversion rates and antibody GMT levels for all four virus strains compared to the control group. In particular, in the total cohort of participants aged three years and above, our study vaccine elicited higher GMT levels for all four virus strains than the control vaccine, and the differences were statistically significant. In the same group, the seroconversion rates* for the H1N1, H3N2, BV and BY virus strains after one dose were 82.73%, 91.23%, 84.89% and 88.33%, respectively, all above the European Union standard of 40.0% for this age group. The corresponding seroprotection rates** were 96.56%, 97.98%, 89.41% and 95.88%, respectively, all above the European Union

* There were statistically significant differences between seroconversion rates for the H1N1, BV and BY virus strains in the study vaccine group and those in control group. There was no statistically significant difference between the seroconversion rate for the H3N2 virus strain in the study vaccine group and that in control group.

** There was statistically significant difference between the seroprotection rate for the BY virus strain in the study vaccine group and that in control group. There was no statistically significant difference between the seroprotection rates for the H1N1, H3N2 and BV virus strains in the study vaccine group and that in control group.

standard of 70.0% for this age group. The charts below illustrate the post-vaccination seroconversion rates and seroprotection rates of the total cohort of participants aged three years and above in the study vaccine group in comparison with the control group.



In FAS, in the 3 to 8 years age group, results from 28 days after the first dose and 28 days after the second dose in the study vaccine group showed that the antibody titer for BV strain was higher after two doses than after one, with a statistically significant difference. The seroconversion and seroprotection rates for all four strains were higher after two doses than after one, with statistically significant differences, indicating that in the 3 to 8 years age group, the two-dose regimen confers better immunogenicity compared to a single dose. The conclusions based on PPS were consistent with those based on FAS.

- *Conclusion*. In this trial in individuals aged 3 years and above, our quadrivalent subunit influenza vaccine demonstrated good immunogenicity and safety after one dose. In the 3 to 8 years age group, the two-dose regimen exhibit better immunogenicity, with good tolerability and safety.

Phase I Clinical Trial

- *Trial design*. This trial was a randomized, blinded and positive-controlled trial in healthy participants aged six months and above. The objectives of the trial were (i) to evaluate the safety of our quadrivalent subunit influenza vaccine administered in a single-dose regimen in healthy participants aged nine years and above and to conduct a preliminary observation of its immunogenicity; and (ii) to evaluate the safety of the study vaccine in a two-dose regimen (with a 28-day interval) in healthy participants aged 6-35 months and 3-8 years and to conduct a preliminary observation of its immunogenicity.

  320 participants would be separated into different age groups, in a sequential order progressing from the 18 years and above group (80 participants) to the 9-17 years group (80 participants), then to the 3-8 years group (80 participants), followed by the 6-35 months low dose group (40 participants), and finally the 6-35 months high dose group (40 participants). Participants in all age groups except the two 6-35 months groups would be randomly assigned in a 1:1 ratio to receive either our study vaccine (15μg/0.5ml) or the control vaccine (a marketed quadrivalent split-virion influenza vaccine). Participants in the 6-35 months low dose group would receive our study vaccine in the 7.5μg/0.25ml

dose, while those in the 6-35 months high dose group would receive the study vaccine in the 15μg/0.5ml dose. Participants in the 18 years and above and 9-17 years groups would receive a single-dose regimen, while those in the 3-8 years and 6-35 months groups would receive a two-dose regimen (with a 28-day interval). Safety observation would be conducted from the start of vaccination to 30 days post-completion of the vaccination regimen, with long-term safety observation from 31 days to 180 days post-completion. Blood samples from all participants would be collected before vaccination and 28 days after completing the vaccination regimen for HI antibody testing. For the 3 to 8 years age group, additional blood samples would also be collected 28 days after the first dose.

- *Trial status*. The trial was initiated in August 2019 and completed in April 2020. The clinical study report (CSR) was updated in January 2022, according to then newly published regulations with respect to statistical analyses of safety and immunogenicity data in clinical trials of influenza vaccines. A total of 320 participants were enrolled in the trial, all of whom were included in the SST and the immunogenicity FAS. 311 participants were included in the immunogenicity PPS.

- *Safety*. Among all participants aged three years or above, there was no statistically significant difference in terms of the overall incidences of AE between the study vaccine group and the control group. Within 30 days following vaccination according to the respective regimen, the overall incidences of vaccination-related AE in the study vaccine group and the control group were 20.83% and 28.33%, respectively, with all reactions occurring within 0-7 days (including within 30 minutes) post-vaccination. Vaccination-related AEs in both the study vaccine group and the control group were predominantly of grade 1 and grade 2, with 2 instances of grade 3 vaccination-related AEs, both occurring in the ≥18 years control group. No grade 4 or higher vaccination-related AE was reported in either group. In the 6-35 months age groups, within 28 days after the first dose, the overall incidences of vaccination-related AE for the low dose group and the high dose group were 17.50% and 22.50%, respectively. Within 30 days after the second dose, the overall incidences were 10.00% and 20.00%, respectively, with no statistically significant difference between the groups. The AE incidences decreased after the second dose in both the low dose group and the high dose group, compared to after the first dose, indicating good safety with increased doses. No vaccination-related SAE was reported in this trial.

  Among all participants aged three years or above, within 30 days following vaccination according to the respective regimen, systemic vaccination-related AEs were observed at 17.50% and 22.50% in the study vaccine group and control group, respectively, primarily involving fever (15.00% and 20.00%), cough (0.00% and 2.50%) and diarrhea (0.83% and 0.00%). Local vaccination-related AEs occurred at 3.33% and 7.50% in the study vaccine group and control group, respectively. These reactions were mainly pain (1.67% and 5.00%), swelling (2.50% and 5.00%) and skin redness (1.67% and 3.33%).

- *Conclusion*. Our quadrivalent subunit influenza vaccine demonstrated good safety and tolerability, achieving the safety targets set in the protocol, after administration in healthy participants aged 6-35 months, 3-8 years, 9-17 years and 18 years and above. Further Phase III clinical trials could be conducted to evaluate its immunogenicity and safety.

Our clinical development of the quadrivalent subunit influenza vaccine included only Phase I and Phase III clinical trials, which is in line with established regulatory guidelines because a Phase II clinical trial is not a mandatory stage of clinical development. Pursuant to the Administration of Drug Registration and related regulations, the NMPA will review proposed trial designs for each planned clinical trial phase in a vaccine candidate's IND application and may approve, deny or request modifications to the proposed trial designs or additional preclinical or clinical studies to be conducted. Once the relevant IND application is approved, the clinical development of the vaccine candidate can proceed according to the agreed trial design. For our quadrivalent subunit influenza vaccine, as there had been various approved intramuscularly administered chicken embryo-based influenza vaccines, such as the trivalent influenza vaccines manufactured by Sinovac and Shanghai Institute of Biological Products, we included proposed trial designs for only Phase I and Phase III clinical trials in our IND applications and the NMPA approved such applications without requiring an Phase II clinical trial to be conducted. According to Frost & Sullivan, it is not uncommon for influenza vaccines to be exempted from a Phase II clinical trial, as data from previously approved vaccines adopting similar technical approach and/or from preclinical studies and the Phase I clinical trial of the vaccine in question demonstrate sufficient safety and immunogenicity profile.

Summary of Preclinical Studies

We conducted a series of preclinical studies, including single- and repeat-dose toxicity test, active systemic anaphylaxis test and immunogenicity test, where our quadrivalent subunit influenza vaccine demonstrated good overall safety and immunogenicity profile.

Material Communications and Continuing R&D

We obtained an IND approval of our quadrivalent subunit influenza vaccine in individuals aged three years and above in November 2017 and an NDA approval in May 2023. Leveraging our own in-house manufacturing facilities and sales and marketing team, we commenced commercial manufacturing and sales of our quadrivalent subunit influenza vaccine in 2023.

According to the NDA approval, which is unconditional, we are required by the NMPA to conduct a series of post-approval studies to continue monitoring the safety and efficacy of our vaccine in real world. Such continued studies include (1) our ongoing safety study in 3,000 participants aged three years and above, for which we commenced in October 2023 and had completed participant enrollment as of the Latest Practicable Date and expect to complete the study in the fourth quarter of 2025. We plan to fund the study with our cash from operations; (2) a study to further explore immunization protocol in 1,000 children aged 3-8 years, which we expect to begin in the first half of 2026 and complete in the first half of 2027. We plan to fund the study with net proceeds from the Global Offering; and (3) a large-scale study to continue monitoring the vaccine's protective efficacy in 10,000 participants a suitable age group, which we expect to initiate in the second quarter of 2026, commence after the vaccine is approved for use in the 6-35 months age group and complete in the first half of 2028. We

plan to fund the study with net proceeds from the Global Offering. In addition, to further establish the safety and efficacy profile of the vaccine, we are (1) conducting a large-scale safety study in 47,000 participants aged three years and above, for which we commenced in October 2023 and expect to complete in the fourth quarter of 2025. We plan to fund the study with our cash from operations; (2) conducting studies in special populations, including studies on the safety and immunogenicity in children with nephrotic syndrome and pregnant women, which we commenced in March 2025 and expect to complete in the fourth quarter of 2026. We plan to fund the study with net proceeds from the Global Offering and our cash from operations; and (3) planning to conduct a study of the co-administration of our quadrivalent subunit influenza vaccine and a marketed PPSV23 in approximately 3,000 participants, which we plan to commence in the fourth quarter of 2025 and complete in 2027. We plan to fund the study with net proceeds from the Global Offering and our cash from operations.

The NMPA's requirement for post-approval studies functions to monitor an approved vaccine's effectiveness and safety in broader, more diverse populations beyond controlled clinical trial settings, ensuring continued efficacy and identifying any rare adverse effects that may not have been apparent during clinical trials. These studies provide vital data on actual vaccine performance and contribute to ongoing public health protection. According to Frost & Sullivan, these post-approval study requirements align with standard practices for influenza vaccines. To ensure robust oversight over the process, the NMPA requires that post-approval studies be conducted in accordance with the timelines and conditions set out in the NDA approval, with study details registered on CDE's public Drug Clinical Trial Registration and Information Platform (藥物臨床試驗登記與信息公示平台). Upon completion, the summary of the study results must be promptly uploaded to the same platform. Should the results of our post-approval studies prove unsatisfactory to the NMPA, it might take additional regulatory actions, such as requiring further studies. If this process becomes prolonged, it could affect the re-registration of our vaccine which is required when the current approval period of five years expires, which, in turn, could affect the commercialization of our vaccine. With respect to overseas markets, we have completed registration in Macau and initiated the process in the Philippines. We plan to apply for registration in Indonesia, Thailand and Uruguay in 2025 and in Canada, Singapore, Mexico and Hong Kong in 2026.

We filed a supplemental application for additional clinical studies of our quadrivalent subunit influenza vaccine (in the 0.5ml dosage) in the 6-35 months age group in June 2022 and received approval in September 2022. After completing a Phase III clinical trial for this age group, we submitted a supplemental NDA to expand the indicated population for our quadrivalent subunit influenza vaccine from individuals aged three years and above to those aged six months and above. The supplemental NDA was accepted by the NMPA in June 2024. Our quadrivalent subunit influenza vaccine for use in (i) individuals aged three years and above and (ii) the 6-35 months age group will be regulated by the NMPA as one product as it would be in the same form and dosage, adopt the same route of administration and share the same registration certificate and label. Upon approval, the label for our vaccine will be updated to reflect the expansion of the indicated population and the vaccine will continue to be marketed under the brand name Huierkangxin. In addition, we expect that the NMPA will require post-approval studies of the vaccine in the 6-35 months age group similar to those required for individuals aged three years and above. We plan to promptly initiate commercial manufacturing and sales of the product for use in such age group through our in-house manufacturing facilities and sales and marketing team.

In addition, in order to further establish the safety and efficacy profile of the vaccine, we initiated several other post-approval studies of the vaccine in collaboration with regulatory agencies and hospitals. For example, as an open project by the CDE, we are advancing a large-scale active safety monitoring in population aged over three years following administration of our quadrivalent subunit influenza vaccine. This multi-centered and open-label prospective study aims to include a total of 47,000 participants and is designed to establish a long-term mechanism for active post-marketing surveillance of the vaccine. We initiated the project in October 2023 and had enrolled over 40,000 participants as of the Latest Practicable Date. We expect to complete participant enrollment for the study by the end of 2025. As of the Latest Practicable Date, we were also advancing (i) a study in collaboration with the First Affiliated Hospital of Chongqing Medical University on the safety and immunogenicity of our vaccine in pregnant women, which aims to provide data support for the vaccination among pregnant women in China and had obtained ethical approval; (ii) a study in collaboration with a specialty hospital in Guangzhou on the immunogenicity and safety of the vaccine in children with nephrotic syndrome, aiming to evaluate the optimal timing and safety conditions for influenza vaccination in these children and to explore the differences in their immune response under various treatment regimens, which received ethical approval from the hospital in June 2024; and (iii) a study in collaboration with local CDCs to evaluate the safety and immunogenicity of our quadrivalent subunit influenza vaccine in combination with a marketed PPSV23, aiming to provide reference data for the development of a combined immunization strategy for the two vaccines, for which we had formulated a trial design and were in the process of selecting appropriate CDCs for collaboration.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET QUADRIVALENT SUBUNIT INFLUENZA VACCINE FOR ALL INTENDED AGE GROUPS SUCCESSFULLY.

Lyophilized Human Rabies Vaccine (Human Diploid Cell)

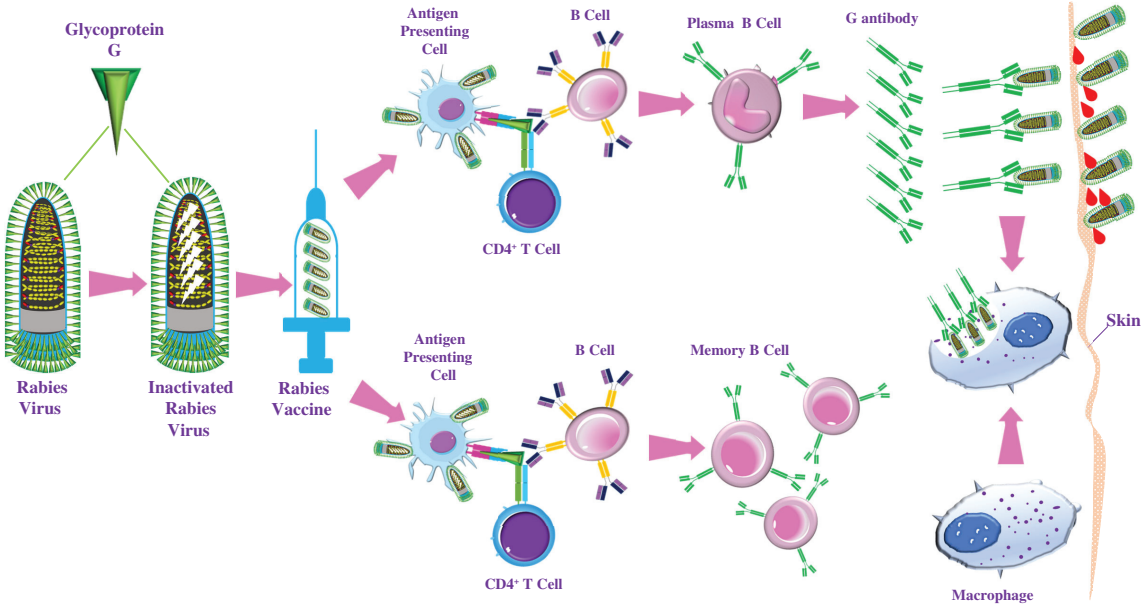
The lyophilized human rabies vaccine (human diploid cell) candidate is another of our Core Products. It is designed for prevention against rabies, a serious viral disease caused by the rabies virus, which could develop severe symptoms such as confusion and progressive paralysis. Rabies can be prevented with proper vaccination immediately after exposure to the virus but is almost always fatal once symptoms show. According to the UK Department of Public Health, regions across Asia, including China, are classified as high-risk regions for rabies exposure from land-based animals. In particular, developing countries in Asia and Africa account for over 95.0% of global human rabies deaths, according to Frost & Sullivan. The high mortality rates necessitate immediate post-exposure vaccination as a primary control measure.

Our rabies vaccine candidate is developed from human diploid cells, which are cells that contain two complete sets of chromosomes, the normal chromosome complement of most human cells. Human diploid cell vaccines can induce reliable immune response, generate high titers of neutralizing antibodies and have strong safety profile. The WHO recommends human diploid cells as one of the safest cell culture substrates for the production of viral vaccines. Our rabies vaccine candidate demonstrated a promising safety profile in its completed Phase I clinical trial.

We are developing the rabies vaccine candidate for three immunization regimens: Essen (five doses), Zagreb (four doses) and simplified four-dose. We obtained an IND approval for the Essen regimen in November 2022 and approval of our supplemental clinical trial application for the Zagreb and simplified four-dose regimens in April 2023. We completed a Phase I clinical trial of the candidate in October 2024 and plan to commence a Phase III clinical trial for the three regimens in the second or third quarter of 2025.

Mechanism of Action

Rabies vaccines produced using human diploid cells are developed through the inactivation of rabies virus grown in human embryonic lung fibroblast cell cultures. These vaccines retain the immunogenic properties of the virus, prompting B cells to recognize the viral antigens and produce rabies-specific neutralizing antibodies. These antibodies circulate in the bloodstream, binding to the rabies virus and preventing it from infecting host cells, while immune cells like macrophages clear the virus. Such vaccines also activate T-helper cells, enhancing the antibody response and promoting the formation of immunological memory. The following diagram illustrates the mechanism of action of our rabies vaccine candidate.



Market Opportunity and Competition

Currently marketed human rabies vaccines in China can be categorized into three types based on the cell lines used for cultivation: primary cell rabies vaccines, Vero cell rabies vaccines and human diploid cell rabies vaccines. Primary cells, such as chicken embryo and hamster kidney cells, have traditionally been employed for vaccine production due to their lower costs. However, they carry a higher risk of contamination and are less suited for large-scale production, diminishing their competitiveness against more advanced methods. Vero cells (a cell line derived from the kidney of African green monkeys) represent a significant advancement, leveraging bioreactor technology and suspension culture to enhance

cell contact area and culture efficiency. Compared to vaccines developed from primary chicken embryo cells, primary hamster kidney cells and Vero cells, human diploid cell vaccines do not carry the risk of potential tumor-causing DNA residues or foreign protein allergens. As a result, they may offer a superior safety profile. Rabies vaccines developed using human diploid cells are anticipated to partially replace vaccines developed using primary cells and Vero cells.

According to Frost & Sullivan, the human rabies vaccine market in China, in terms of production value, increased from RMB3.8 billion in 2019 to RMB9.5 billion in 2024, at a CAGR of 20.3%. The total number of lot release increased from 58.8 million in 2019 to 77.8 million in 2024. The human rabies vaccine market in China is estimated to further increase to RMB13.0 billion in 2033, at a CAGR of 3.5% from 2024 to 2033.

China's market for human rabies vaccines is highly competitive. According to Frost & Sullivan, as of the Latest Practicable Date, there were 23 marketed human rabies vaccines in China, including 15 vaccines developed from Vero cells, 6 vaccines developed from hamster kidney cells and 2 vaccines developed from human diploid cells, both of which are lyophilized vaccines like our candidate. The following table sets forth details of marketed human rabies vaccines in China as of the Latest Practicable Date.

Cell Line	Brand Name (Generic Name)	Manufacturer	NMPA Approval Date	Immunization Schedule[1]	End User Price[2] *(RMB per dose)*	Market Share[3] *(%)*
Human diploid cell (lyophilized)	–	Kanghua Biological Products (康華生物)	2012/01	Essen 5 doses	315	5.0
	–	Minhai (民海生物)	2023/09	Zagreb 4 doses & Essen 5 doses	298	4.3
Vero cell	武生旺寧	Wuhan Institute of Biological Products (武漢生物製品研究所)	2004/01	Essen 5 doses	/	–
	成大速達	Chengda Biotechnology (成大生物)	2004/01	Zagreb 4 doses & Essen 5 doses	89.5	–
	–	HK Biotech (惠康生物)	2006/11	Essen 5 doses	80	–
	–	Fosun Apexvac (復星雅立峰)	2016/09	Essen 5 doses	74	2.5[4]
Vero cell (lyophilized)	–	Yisheng Biopharma (依生生物)	2003/04	Essen 5 doses	95	18.8
	–	Chengda Biotechnology (成大生物)	2004/01	Zagreb 4 doses & Essen 5 doses	98	32.3
	武生欣寧	Wuhan Institute of Biological Products (武漢生物製品研究所)	2005/01	Essen 5 doses	/	–
	–	AIM (艾美疫苗)	2007/09	Essen 5 doses	99	6.1
	–	Promise Biological (諾誠生物)	2008/01	Essen 5 doses	/	–
	–	Zhuoyi Biological (卓誼生物)	2016/11	Essen 5 doses	118.5	6.7
	–	Changchun Institute of Biological Products (長春生物製品研究所)	2021/04	Zagreb 4 doses & Essen 5 doses	99	11.7
	–	Yidu Biotechnology (亦度生物)	2021/07	Zagreb 4 doses & Essen 5 doses	91	10.0
	–	Hualan Biological Bacterin (華蘭生物)	2023/04	Zagreb 4 doses & Essen 5 doses	129	1.2
	–	CuroVax (康潤生物)	2023/09	Zagreb 4 doses & Essen 5 doses	158	–
	–	Fosun Apexvac (復星雅立峰)	2024/03	Essen 5 doses	113	–
Hamster kidney cell	–	Yatai Biopharmaceuticals (亞泰生物)	1999/01	Essen 5 doses	/	–
	–	CGE Healthcare (遠大生物)	2000/01	Essen 5 doses	79	1.4
	–	Lanzhou Institute of Biological Products (蘭州生物製品研究所)	2000/01	Essen 5 doses	/	–
	–	Zhongke Biotic (中科生物)	2000/02	Essen 5 doses	95	–
	–	AIM (艾美疫苗)	2006/01	Essen 5 doses	/	–
Hamster kidney cell (lyophilized)	–	Lanzhou Institute of Biological Products (蘭州生物製品研究所)	2005/01	Essen 5 doses	/	–

Note:

(1) All approved products for the post-exposure vaccination program can also be used for the pre-exposure prophylaxis 3-dose immunization program.

(2) The end-user price is calculated based on the median of the winning bid prices in 2024, as publicly disclosed in the provincial public tenders.

(3) The market share was calculated based on lot release volume in 2024.

(4) Including the lyophilized and non-lyophilized type of the company's human rabies vaccines.

(5) Certain human rabies vaccines are available in two immunization schedules, as they have undergone clinical validation and are proven to achieve the desired effects under each schedule. The decision of which schedule to adopt is primarily determined by the vaccine itself, and its administration should follow the instructions provided in the user guide.

Sources: NMPA, Frost & Sullivan

According to Frost & Sullivan, as of the Latest Practicable Date, there were 20 human rabies vaccine candidates under clinical development in China, primarily including 12 vaccines developed from Vero cells and 6 vaccines developed from human diploid cells (including our rabies vaccine candidate). The following table sets forth details of our candidate and other human rabies vaccine candidates in China as of the Latest Practicable Date.

Cell Line	Manufacturer	Clinical Stage	First Posted Date[1]	Immunization Schedule
Human diploid cell	Chengda Biotechnology (成大生物)	NDA	2024/08	Zagreb 4 doses & Essen 5 doses & 1-1-1-1
	ZFSW (智飛生物)	NDA	2024/10	Zagreb 4 doses & Essen 5 doses
	Chengdu Institute of Biological Products (成都生物製品研究所)	III	2017/05	Zagreb 4 doses & Essen 5 doses
	Prokang Biotechnology (普康生物)	III	2024/07	Zagreb 4 doses & Essen 5 doses
	AIM (艾美疫苗)	III	2025/06	Zagreb 4 doses & Essen 5 doses & 1-1-1-1
		I	2025/05	Zagreb 4 doses & Essen 5 doses
	the Company	I (completed)	2023/11	Zagreb 4 doses & Essen 5 doses[3]
Vero cell	BYS Bio (白雲山生物)	NDA	2024/07	Zagreb 4 doses & Essen 5 doses
	Sinovac (科興)	NDA	2025/01	1-1-1-1 & Essen 5 doses
	Ronsen (榮盛生物)	NDA	2025/03	Essen 5 doses
	AIM (艾美疫苗)	NDA	2025/04	Essen 5 doses
	GDK (金迪克生物)	III (completed)	2017/12	Essen 5 doses
	Maokangyuan Biotechnology (茂康源生物)	III	2019/12	Essen 5 doses
	ZFSW (智飛生物)	III	2020/12	Zagreb 4 doses & Essen 5 doses
	Chengda Biotechnology (成大生物)	III (completed)	2021/07	1-1-1-1
		I	2025/02	Essen 5 doses
	RBSPH (銀河陽光生物製品)	III	2022/11	1-1-1-1 & Essen 5 doses
	Yisheng Biopharmaceutical (依生生物)	III	2024/11	1-1-1-1 & Zagreb 4 dose
	Yidu Biotechnology (亦度生物)	III	2025/06	1-1-1-1
	Yatai Biological Pharmaceutical (亞泰生物藥業)	I (completed)	2021/02	Essen 5 doses
Chicken embryo cell	King-cell Biotechnology (青賽生物)	NDA	2024/10	Zagreb 4 doses & Essen 5 doses
	Qingfeng/C-Fusion Biotechnology (青峰藥業/賽爾富森生物科技)	III	2022/01	Zagreb 4 doses & Essen 5 doses

Notes:

(1) The dates for products in NDA stage are the dates handled by the CDE.

(2) Certain human rabies vaccines are applicable to two immunization schedules, as they have undergone clinical validation and are proven to achieve the desired effects under each schedule. The decision of which schedule to adopt is primarily determined by the vaccine itself, and its administration should follow the instructions provided in the medication guide.

(3) While we are developing the rabies vaccine candidate for simplified four-dose, a separate assessment of simplified four-dose regimen was not necessary in the Phase I clinical trial. Therefore, such regimen is not included in the clinical trial information of our rabies vaccines as registered with the CDE. See "—Summary of Clinical Trials—Phase I Clinical Trial."

Sources: CDE, Frost & Sullivan

Our Advantages

We believe our lyophilized human rabies vaccine candidate has the following advantages.

- *Strong safety profile*. Rabies vaccines developed based on human diploid cells stand as the "gold standard" recommended by the WHO, showcasing strong safety profiles. A meta-analysis of 27 clinical studies involving 18,630 participants revealed that rabies vaccines developed based on human diploid cells had a significantly lower overall adverse reaction incidence compared to primary chicken embryo cell rabies vaccines and lower rates of fatigue and local pain/fever compared to vaccines developed based on Vero cells, evidencing their safety potential. In addition, our vaccine candidate is developed from 8^{th} generation human diploid cells, which are less prone to genetic mutation compared to the commonly used 10^{th}-30^{th} generation cells, ensuring better cell vitality, higher virus production efficiency and enhanced safety. Furthermore, our advanced purification technologies could reduce the residual bovine serum albumin (which may cause allergic reactions in certain population) well below the Chinese Pharmacopoeia standards, the regulatory benchmark for rabies vaccines in China.

- *Convenient administration with pre-filled diluent syringe*. Our rabies vaccine candidate leverages a combination of lyophilized formulation and pre-filled diluent syringe, providing a more convenient vaccination experience without compromising the efficacy of the active ingredients. Pre-filled syringe diluents simplify the vaccination process and lower contamination risks by eliminating the need for manual extraction and preparation, which is required for traditional vial-and-syringe methods.

- *Flexible vaccination schedules providing more options for vaccinees*. We are developing our rabies vaccine candidate under the Essen regimen (five doses), Zagreb regimen (four doses) and a simplified four-dose regimen, each offering distinct advantages. The four-dose regimens are particularly appreciated for their convenience and cost-effectiveness, potentially enhancing adherence to the

vaccination schedule, while the five-dose regimen is widely adopted due to its established track record. All regimens are designed to ensure effective immunological protection, giving vaccinees and healthcare providers the flexibility to select the most suitable regimen based on individual needs or clinical circumstances. This adaptability strengthens our competitive standing in county-level tenders.

Summary of Clinical Trials

We commenced discovery of our lyophilized human rabies vaccine candidate since 2018, after which we conducted a Phase I clinical trial of the vaccine candidate in healthy participants aged 10-60 years in China to evaluate the safety of the candidate. We completed such trial in October 2024 and plan to commence a Phase III clinical trial in the third quarter of 2025.

Phase I Clinical Trial

- *Trial design*. This trial was a randomized and single-arm trial with an age de-escalation design. The objective of the trial was to assess the safety of different immunization schedules for our rabies vaccine candidate (the study vaccine).

  Participants in the Essen group would receive 1 dose each (1.0ml per dose) on day 0, 3, 7, 14 and 28 (5 doses in total), while participants in the Zagreb group would receive 2 doses on day 0 and 1 dose each on day 7 and 21 (4 doses in total). The trial would begin with the enrollment of 40 participants aged 18-60 years, who would be randomized in a 1:1 ratio to the Essen or Zagreb group and receive the study vaccine. Following at least seven days of observation after the administration of the third dose, an initial safety assessment would be conducted. If the incidence of grade 3 or higher vaccination-related AEs did not exceed 15% and no vaccination-related deaths or life-threatening SAEs occurred, the study would proceed to enroll 40 participants aged 10-17 years. These participants would also be randomized in a 1:1 ratio to the Essen or Zagreb group to undergo safety evaluation. All participants were involved in safety assessments, with follow-up extending to 6 months after complete immunization. In the simplified four-dose regimen, participants are required to receive a dose on days 0, 3, and 7 (the same as the Essen regimen), with the final dose administered between days 14 and 28. We believe its safety can be evaluated using safety data from the Essen group. Therefore, a separate group for the simplified four-dose regimen was not necessary in this trial.

- *Trial status*. The trial was initiated in November 2023 and completed in October 2024. A total of 80 participants were enrolled in the trial, with 40 participants in the 18-60 years age group and 40 participants in the 10-17 years age group. Within each age group, 20 participants were allocated to the Essen group and 20 participants to the Zagreb group. The distribution of participants in each group was balanced and comparable with respect to baseline age and gender demographics. All participants were included in the SST.

- *Safety*. In this trial, 20 participants (50.0%) in the Essen group reported 49 instances of vaccination-related AEs, and 17 participants (42.5%) in the Zagreb group reported 42 instances of vaccination-related AEs. Vaccination-related AEs primarily occurred within the first seven days after the initial dose. There was no significant difference between the incidences of AE of the Essen and Zagreb groups within seven days following the initial dose. All AEs lasted approximately one to two days, with severity mainly of grade 1 and grade 2. Three participants reported three instances of grade 3 AEs (two in the Essen group and one in the Zagreb group), all of which were fever and likely vaccination-related. No AEs exceeding grade 3 were reported. No vaccination-related SAE was reported in this trial. All AEs were resolved with symptoms disappearing (no sequelae).

  In the Essen group, the most frequent vaccination-related AEs were injection site pain (20.00%), fever (15.00%) and fatigue (10.00%). Other common AEs mainly included headache, abnormal urinary white blood cells, dizziness, positive urinary occult blood, urinary sediment and rhinorrhea. In the Zagreb group, the most frequent vaccination-related AEs were injection site pain (17.50%), fatigue (15.00%) and fever (10.00%). Other common adverse reactions mainly included rhinorrhea, injection site itching, headache, vomiting and nausea, decreased platelet count and elevated blood glucose.

- *Conclusion*. Our rabies vaccine candidate demonstrated a favorable safety profile in participants aged 10-60 years under the Essen and Zagreb regimens.

Summary of Preclinical Study Results

We conducted a series of preclinical studies to characterize the safety and immunogenicity profile of our rabies vaccine candidate under different regimens.

- *Safety*. Our rabies vaccine candidate demonstrated a good safety profile in preclinical safety studies. In an active systemic anaphylaxis test of our rabies vaccine candidate conducted in guinea pigs, the minimum and maximum doses resulting in anaphylaxis (severe allergic reaction) were approximately 20 times and 200 times of the clinically intended dose of 1ml, respectively. In an acute toxicity test conducted in rats, the maximum tolerated dose was 2 doses (2ml per dose) per rat. In a muscle irritation test conducted in New Zealand rabbits, our rabies vaccine candidate was administered intramuscularly at a dose level of 1.0ml per rabbit with a total of 4 doses. Local irritation was observed approximately 72 hours and 14 days after the final administration, showing a trend toward recovery.

- *Immunogenicity*. Under the five-dose regimen, our rabies vaccine candidate elicited IgG antibody levels of greater than 0.5 IU/ml in mice 14 days after the first dose and average antibody levels higher than those elicited by the marketed rabies vaccine in the control group. Under the Zagreb and simplified four-dose regimens, our rabies vaccine candidate demonstrated non-inferior immunogenicity (as measured by neutralizing antibody titers and serum IgG antibody titers) in mice compared to the marketed five-dose regimen in the control group and achieved a 100% seroconversion rate 14 days after the first dose, indicating a favorable immunogenicity profile.

We also conducted stability tests of the finished lyophilized product of our rabies vaccine candidate, which exhibited good stability when stored at 37±2°C for 28 days, 25±2°C for 6 months and at 5±3°C for 24 months.

Material Communications and Next Steps

Pursuant to the NMPA's policy, which permits IND application based on a single regimen, we initially submitted an IND application for the Essen regimen of our lyophilized human rabies vaccine candidate. In November 2022, after reviewing our IND application, which included proposed trial designs for both Phase I and Phase III clinical trials, the NMPA granted an IND approval for Phase I and Phase III clinical trials of our lyophilized human rabies vaccine candidate (Essen regimen) in individuals aged 10-60 years. A Phase II trial may not be required for certain types of vaccines if prior data from similar vaccines demonstrate sufficient safety and immunogenicity, allowing regulatory agencies to expedite progression to Phase III trial review. In addition, the Technical Guidelines for Clinical Research on Human Rabies Vaccines (Trial Version) (人用狂犬病疫苗臨床研究技術指導原則(試行版)) (the "**Guidelines for Human Rabies Vaccines**") published by the NMPA explicitly states that for rabies vaccines falling within the scope of the guideline (preventive biologics classified as category 3.3, which is applicable to our human rabies vaccine candidate), it is typical to conduct only Phase I and Phase III clinical trials. According to Frost & Sullivan, it is not uncommon for the development of human rabies vaccines in China to proceed directly from a Phase I clinical trial to a Phase III trial, as data from previously approved vaccines adopting similar technical approach and/or from preclinical studies and the Phase I clinical trial of the vaccine in question demonstrate sufficient safety and immunogenicity profile. According to the Guidelines for Human Rabies Vaccines, it is recommended that a comparison be conducted between the Zagreb regimen, the simplified four-dose regimen and the Essen regimen for a better evaluation of each immunization regimen. As such, we submitted a supplemental IND for the Zagreb regimen and simplified four-dose regimen (also including relevant trial designs for both Phase I and Phase III clinical trials) incorporate the Zagreb and simplified four-dose regimens to our previously approved clinical trials. Our supplemental IND application was accepted by the NMPA in January 2023 and approved in April 2023. We completed the Phase I clinical trial in October 2024 and submitted a Development Safety Update Report ("**DSUR**") which included key safety results from the Phase I clinical trial to the NMPA in December 2024. We plan to initiate a Phase III clinical trial in the third quarter of 2025. The supplemental IND application had no material impact on the clinical trial timeline, efficiency or cost for our rabies vaccine candidate as it aligned with our commercialization timelines and required no additional CMC or non-clinical studies, thus avoiding incurring significant additional costs. We consulted an officer on duty in the Clinical Trial Management Department of the CDE in May 2025, which raised no material questions on the clinical development of our human rabies vaccine candidate to date and had no objection to our planned commencement of the Phase III trial, without requiring a pre-Phase III meeting. As of the Latest Practicable Date, we had not received any relevant regulatory agency's concerns or objections to our clinical development plans. Based on the above circumstances, our PRC Legal Advisors are of the view that as of the Latest Practicable Date the NMPA had no objection to the expected commencement of our Phase III clinical trial. No material adverse changes had occurred since the IND approval and up to the Latest Practicable Date.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET LYOPHILIZED HUMAN RABIES VACCINE (HUMAN DIPLOID CELL) SUCCESSFULLY.

Our Other Product Candidates

PPSV23

PPSV23 is a well-established and widely accepted vaccine aimed at offering extensive protection against 23 different serotypes of *Streptococcus pneumoniae* (pneumococcus), which can lead to various pneumococcal diseases. These can be divided into invasive pneumococcal diseases, such as bacteremia (the presence of bacteria in the blood, which can progress to sepsis when the immune system overreacts to the infection and attacks normal tissues and organs), and non-invasive ones, such as otitis media (infection of the middle ear) and bronchitis (inflammation of the bronchial tubes). Currently, antibiotic therapy is the first choice for treatment of pneumococcal disease. However, pneumococcus bacteria have shown significant resistance to many commonly used antibiotics, which remains a significant issue in many Asian countries due to extensive antibiotic use and low vaccine coverage, according to Frost & Sullivan. Hence, preventive measures, especially the use of vaccines, are increasingly necessary. According to Frost & Sullivan, PPSV23 is the primary pneumococcal vaccine for adults in China. It is recognized for its efficacy across diverse age groups and authorized for use in all adults aged 50 or above and anyone aged two years or above with certain medical conditions that can lead to an increased risk for pneumococcal disease.

We acquired our PPSV23 candidate from Beijing Hua'an Science and Technology Innovation Biotechnology Co. Ltd.* (北京華安科創生物技術有限公司) ("**Beijing Hua'an**") in May 2020. Certain technologies underlying the PPSV23 candidate had been licensed by Beijing Hua'an from Tianjin CanSino Biotechnology Inc. (天津康希諾生物技術有限公司). Through a series of agreements, we (i) obtained a license to use the relevant technologies; and (ii) will obtain the ownership of such technologies upon full payment of certain milestone-installed fees. See "—Our Technology Transfer Arrangements—PPSV23 Technology Transfer Agreements" for more details.

We conducted and successfully completed a Phase I clinical trial of the PPSV23 candidate in April 2023, which demonstrated a promising safety and preliminary immunogenicity profile. Following the completion of the Phase I clinical trial, we conducted additional studies for process improvement, such as isolation and purification technology improvement, to enhance the safety profile of the PPSV23 candidate. As of the Latest Practicable Date, we were undertaking relevant process validation. We plan to initiate a Phase III clinical trial in the fourth quarter of 2025 or the first quarter of 2026 to further investigate the candidate's safety and protective efficacy across a broader population.

Mechanism of Action

PPSV23 contains purified polysaccharides from the outer capsule of 23 serotypes of the *Streptococcus pneumoniae*. Upon administration, B cells recognize the polysaccharides as antigens and produce specific antibodies against them. Such antibodies circulate in the bloodstream and bind to the *Streptococcus pneumoniae* when encountered, facilitating their subsequent destruction by other immune cells, such as macrophages and neutrophils, and preventing them from causing infection. While the antibodies produced by PPSV23 provide prolonged protection, the levels of these antibodies may wane over time. To maintain sustained immunity, booster vaccinations might be necessary, particularly for those at higher risk of pneumococcal diseases.

Market Opportunity and Competition

Pneumococcal vaccines can be classified into several types, among which polysaccharide vaccines, such as PPSV23, and conjugate vaccines are most commonly used for different age groups. PPSV23 and 13-valent pneumococcal conjugate vaccines (PCV13) are the only two types of pneumococcal vaccines currently available in the PRC. We are also developing a PCV candidate. See "—24-valent Pneumococcal Conjugate Vaccine (PCV24)" below for details. A number of pneumococcal vaccines are available outside China, including 7-valent pneumococcal conjugate vaccines (PCV7), 10-valent pneumococcal conjugate vaccines (PCV10), PCV13, 15-valent pneumococcal conjugate vaccines (PCV15), 20-valent pneumococcal conjugate vaccines (PCV20) and PPSV23.

According to Frost & Sullivan, the pneumococcal vaccine market in China increased from RMB5.1 billion in 2019 to RMB7.5 billion in 2024 in terms of production value, at a CAGR of 8.0%. It is expected to further increase to RMB19.7 billion in 2033, at a CAGR of 11.3% from 2024 to 2033.

Specifically, according to Frost & Sullivan, the PPSV23 market in China reached RMB1.8 billion in 2019 in terms of production value and 9.5 million in terms of the total number of lot release. Driven by the increasing awareness of pneumonia after the COVID-19 outbreak in 2020, the PPSV23 market increased significantly, in line with the overall pneumococcal vaccine market, to RMB3.4 billion in terms of production value and 17.4 million in terms of the total number of lot release in 2020. After the marketing of COVID-19 vaccines in 2021, the market size and lot release of PPSV23 declined, remaining at approximately the same level as in 2019. However, with the increasing number of available products in China, the PPSV23 market is expected to grow in the next few years, reaching RMB5.0 billion in 2033.

According to Frost & Sullivan, as of the Latest Practicable Date, there were 10 marketed pneumococcal vaccines in China, including 6 PPSV23 and four PCV13. The following table sets forth details of marketed pneumococcal vaccines in China as of the Latest Practicable Date.

Type	Brand Name (Generic Name)	Technical Route	Manufacturer	NMPA Approval Date*	Age Coverage
23-valent	PNEUMOVAX (紐莫法)	Polysaccharide	MSD	2010/02	50 years of age and older; 2 years of age and older who are at increased risk
	沃朵菲		Walvax (沃森生物)	2017/03	2 years of age and older who are at increased risk
	維民菲樂		Minhai (民海生物)	2018/08	2 years of age and older who are at increased risk
	惠益康		Chengdu Institute of Biological Products (成都生物製品研究所)	2020/07	2 years of age and older who are at increased risk
	23-valent Pneumococcal Polysaccharide Vaccine		Sinovac (科興)	2020/12	2 years of age and older who are at increased risk
	優威克		ZFSW (智飛生物)	2023/08	2 years of age and older who are at increased risk
13-valent	Prevnar 13	Polysaccharide Conjugate	Pfizer	2016/10	6 weeks through 5 years of age
	維民菲寶		Minhai (民海生物)	2021/09	6 weeks through 5 years of age
	Weuphoria (沃安心13)		Walvax (沃森生物)	2019/12	6 weeks through 5 years of age
	優佩欣		Cansino (康希諾)	2025/06	6 weeks through 5 years of age

Note: The approval date is the time when the vaccine was first approved, without considering age-group expansion.

Sources: NMPA, Frost & Sullivan

According to Frost & Sullivan, as of the Latest Practicable Date, there were 22 pneumococcal vaccine candidates under clinical development in China, primarily including 8 PCV13, 4 PCV24 and 3 PPSV23 (including our PPSV23 candidate). The following table sets forth details of our PPSV23 candidate and other pneumococcal vaccine candidates in China as of the Latest Practicable Date.

Type	Technical Route	Manufacturer	Clinical Stage	First Posted Date*	Age Coverage
23-valent	Polysaccharide	Lanzhou Institute of biological products (蘭州生物製品研究所)	III (completed)	2015/12	2 years of age and older
		AIM (艾美疫苗)	III	2023/08	2 years of age and older
		our Company	I (completed)	2020/09	2 years of age and older
13-valent	Polysaccharide conjugate	Lanzhou Institute of Biological Products (蘭州生物製品研究所)	NDA	2023/03	2 months through 5 years of age (at least 6 weeks of age)
			I (completed)	2016/07	2 months through 59 years of age (at least 6 weeks of age)
		AIM (艾美疫苗)	NDA	2024/11	2 months through 5 years of age (at least 6 weeks of age)
		Fosun Adgenvax (復星安特金)	III	2022/05	2-3 months of age (at least 6 weeks of age)
			I	2020/04	2 months of age and older (at least 6 weeks of age)
		Sinovac (科興)	III	2023/10	2 months through 5 years of age (at least 6 weeks of age)
			I	2022/08	2 months of age and older (at least 6 weeks of age)
		Kunli Biopharmaceutical (坤力生物)	I	2021/07	2 months through 59 years of age (at least 6 weeks of age)
		Microvac Biotech (微超生物)	I	2022/03	2 months through 49 years of age (at least 6 weeks of age)
		BravoVax, Chengda (博沃生物，遼寧成大)	I	2022/10	2 months of age and older (at least 6 weeks of age)
		Chengdu Institute of Biological Products (成都生物製品研究所)	I	2023/03	2 months through 59 years of age (at least 6 weeks of age)
24-valent	Polysaccharide conjugate	Reinovax (瑞宙生物)	II	2024/04	18 years of age and older
			I	2024/04	2 months through 17 years of age (at least 6 weeks of age)
		Kunli Biopharmaceutical (坤力生物)	I/II (completed)	2022/02	18 years of age and older
		Sinovac (科興)	I	2025/01	2-23 months of age (at least 6 weeks of age)
			I	2024/08	2-17 years of age
			I	2024/06	18 years of age and older
			Ib/II	2025/06	18 years of age and older
		Fosun Adgenvax (復星安特金)	I	2025/05	2 months of age and older (at least 6 weeks of age)
20-valent	Polysaccharide Conjugate	MINHAI (民海生物)	II	2025/03	2 months through 5 years of age
			I	2024/11	2 months through 59 years of age
		Innovax Biotech (萬泰滄海生物)	I	2023/03	6 weeks of age and older
		Microvac Biotech/JUWEIBIO (微超生物/聚微生物)	I	2023/04	2 months through 55 years of age (at least 6 weeks of age)
		Pfizer (輝瑞)	I	2025/05	6 weeks through 49 years of age
			I	2025/06	50 years of age and older
15-valent	Polysaccharide Conjugate	ZFSW (智飛生物)	NDA	2025/06	3 months through 5 years of age
			I (completed)	2019/06	6 weeks of age and older
26-valent	Polysaccharide Conjugate	ZFSW (智飛生物)	I/II	2024/08	2 months of age and older (at least 6 weeks of age)
Not Applicable(1)	Protein-based pneumococcal vaccine	Cansino (康希諾)	I (completed)	2019/09	18-49 years of age
			I	2022/11	50 years of age and older

Note:

* The dates for products in NDA stage are the dates handled by the CDE.

(1) A protein-based pneumococcal vaccine candidate which is not serotype-dependent.

Sources: CDE, Frost & Sullivan

Our Advantages

We believe our PPSV23 candidate has the following advantages.

- *Comprehensive protection and promising efficacy*. Our PPSV23 candidate is designed to provide extensive protection against pneumococcal infections caused by 23 of the most prevalent and invasive serotypes. Our Phase I clinical trial demonstrated that the PPSV23 candidate generated robust immunogenic responses in participants aged two years and above.

- *Enhanced safety profile through advanced manufacturing technologies*. In our Phase I clinical trial, the incidence of vaccination-related AEs was lower in the PPSV23 group compared to the control group (25.00% vs. 37.50%). In addition, we undertook significant process improvement, which include the use of ion-exchange chromatography instead of ethanol precipitation, thereby eliminating harmful substances like ethanol and phenol and enhancing product safety. Moreover, our production process employs a closed-system design that facilitates automation and sterile operation, thereby minimizing contamination risks and ensuring product safety. This design also improves operational efficiency by reducing the time and costs associated with cleaning and validating manufacturing facilities.

Summary of Clinical Trials

Following the transfer of the PPSV23 candidate, we organized and conducted a Phase I clinical trial in healthy participants aged two years and above in China. We were responsible for initiating, managing and organizing the Phase I clinical trial, ensuring its precise execution. Our specific responsibilities included (i) formulating trial design and obtaining requisite approval from ethics committee; (ii) engaging third parties including CROs and site managers for their services during the trial and monitoring their performance; (iii) reviewing and finalizing the CSR; and (iv) providing funding for the trial. Subsequent to the completion of the Phase I clinical trial in April 2023, we conducted further process improvement through independent research and development.

Phase I Clinical Trial

- *Trial design*. This trial was a randomized, blinded, parallel-controlled clinical trial in healthy participants aged two years and above. The objectives of the trial were to evaluate the safety and preliminarily explore the immunogenicity of our PPSV23 candidate in this age group.

  In a sequential enrollment design starting with the 18-59 years group, followed by the ≥60 years group, and then the 2-17 years group, 48 participants would be enrolled in each age group and randomly assigned in a 1:1 ratio to receive one dose of either our PPSV23 candidate (0.5ml) or the control vaccine (0.5ml of a marketed PPSV23 manufactured by an international pharmaceutical company). Safety evaluation would be conducted on day

eight after the initial dose, and subsequent enrollment of the next age group would proceed only if preliminary safety assessment results could meet protocol requirements. The follow-up would include the monitoring of AEs from day 0 to day 28 post-vaccination and SAEs for six months. Blood samples would be collected before vaccination and 28 days post-vaccination for serum antibody testing.

- *Trial status*. The trial was initiated in September 2020 and completed in April 2023. A total of 144 participants (48 in each age group) were enrolled in this trial, all of whom were included in the SST and FAS and 143 were included in the PPS.

- *Safety*. In the entire participant population, the overall incidences of vaccination-related AE in the PPSV23 group and the control group were 25.00% and 37.50%, respectively. The vaccination-related AEs were mild, all being of grade 1 and grade 2. The most common vaccination-related AEs were injection site pain (19.44% in the PPSV23 group and 25.00% in the control group) and injection site redness (2.78% in the PPSV23 group and 5.56% in the control group). No vaccination-related SAE or AE of grade 3 or above was observed.

- *Immunogenicity*. In the overall participant population, the seroconversion rate of PN4 IgG neutralizing antibody was higher in the PPSV23 group compared to the control group and the seroconversion rate of PN20 antibody was lower in the PPSV23 group compared to the control group, with both differences being statistically significant. There were no statistically significant differences in seroconversion rates between the PPSV23 and control groups for the other 21 serotypes. The PPSV23 group showed lower geometric mean concentration (GMC) of PN20 IgG neutralizing antibody than the control group, with a statistically significant difference. This difference was primarily observed in the ≥60 years age group. For the other 22 serotypes, there were no statistically significant differences in antibody GMC levels between the PPSV23 group and the control group. Increases in the GMC of IgG neutralizing antibodies for all serotypes were observed post-vaccination in both the PPSV23 and control groups when compared to pre-vaccination levels.

- *Conclusion*. In this trial, our PPSV23 candidate demonstrated good safety in participants aged two years and above, while also preliminarily showing promising immunogenicity.

Post Phase I Clinical Trial Process Improvement

Our process improvement includes designing and constructing manufacturing facilities for process transfer, conducting process research and validation on a commercial scale and performing stability and container content compatibility studies on the final product.

We employed the ion-exchange column chromatography technique instead of ethanol precipitation, thereby eliminating harmful substances like ethanol and phenol and enhancing product safety. Additionally, we have undertaken multiple rounds of process optimization involving sample loading rates, loading volumes and buffer formulations, which have

significantly improved the polysaccharide yield and purity for certain serotypes. Our production process employs a closed-system design that facilitates full automation control of the fermentation system, seamlessly integrating with the media preparation system, buffer preparation system, and clean-in-place station system. This allows for completely enclosed and sterile operations, significantly reducing contamination risks and ensuring product safety.

Material Communications and Next Steps

The PPSV23 candidate was granted an IND approval by the NMPA in November 2017 and we acquired the PPSV23 candidate in May 2020. See "—Our Technology Transfer Arrangements—PPSV23 Technology Transfer Agreements." Subsequent to the completion of the Phase I clinical trial, we submitted DSURs, including one in December 2024, to the NMPA. As the NMPA approved the IND application of our PPSV23 candidate without requiring a Phase II clinical trial to be conducted and there had been some approved intramuscularly administered polysaccharidebased pneumococcal vaccines, such as the PPSV23s manufactured by Walvax and Minhai, we plan to directly initiate a Phase III clinical trial of the PPSV23 candidate in the fourth quarter of 2025 or the first quarter of 2026 to further investigate its safety and efficacy. According to Frost & Sullivan, it is not uncommon for PPSV23 to be exempted from a Phase II clinical trial, as data from previously approved vaccines adopting similar technical approach and/or from preclinical studies and the Phase I clinical trial of the vaccine in question demonstrate sufficient safety and immunogenicity profile. As of the Latest Practicable Date, we had not received any relevant regulatory agency's concerns or objections to our clinical development plans and no material adverse changes had occurred in the development of the product candidate up to the Latest Practicable Date.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET PPSV23 SUCCESSFULLY.

Trivalent Subunit Influenza Vaccine

In order to better adapt to the evolving virological landscape of influenza viruses and cater to diverse immunization needs of the broad market in China, we decided to develop a trivalent subunit influenza vaccine in addition to our quadrivalent subunit influenza vaccine. Our trivalent subunit influenza vaccine candidate aims to provide protection against two influenza A viruses (H1N1 and H3N2 subtypes) and one influenza B virus (Victoria lineage), aligning with the coverage recommended by the WHO for the 2024-2025 northern hemisphere influenza season. Both of our quadrivalent subunit influenza vaccine and trivalent subunit influenza vaccine provide protection against flu and target age groups of 6-35 months and 3 years and above. However, they offer distinct protective profiles: our quadrivalent subunit influenza vaccine provides comprehensive protection against four virus strains, while trivalent subunit influenza vaccine offers coverage for three virus strains, representing a more economical option for those seeking essential protection. The introduction of our trivalent subunit influenza vaccine is positioned to attract new vaccinees without encroaching on the

market share of our current quadrivalent subunit influenza vaccine product, as individuals prioritizing basic protection and cost-effectiveness would otherwise resort to alternative trivalent vaccines available in the market in absence of a trivalent subunit influenza vaccine product from us.

Our trivalent subunit influenza vaccine candidate leverages the established formulation of our approved quadrivalent subunit influenza vaccine, using the same bulk antigen with one influenza B virus subtype (Yamagata) omitted in the formulation. Given the substantial similarity in the production process, we were able to leverage the preclinical and clinical results of our quadrivalent subunit influenza vaccine and no additional clinical trials were required beyond those conducted for our quadrivalent vaccine. However, we were required to undertake immunogenicity studies to assess the protective efficacy of the trivalent formulation. In the immunogenicity studies conducted in mice, our trivalent subunit influenza vaccine candidate demonstrated significant protection, with markedly higher neutralizing antibody GMT levels in the vaccine group than the control group (with a marketed split-virion influenza vaccine). We also performed stability studies and compatibility assessments with internal packaging materials to ensure the integrity and efficacy of the trivalent vaccine.

Drawing on these findings, combined with preclinical and clinical results of our quadrivalent subunit influenza vaccine, we filed an NDA for the trivalent subunit influenza vaccine candidate for (i) individuals aged 3 years and above and (ii) the 6-35 months age group, which were accepted by the NMPA in September 2024. As of the Latest Practicable Date, we were also developing an adjuvanted version of the vaccine candidate for individuals aged 65 years and above. See "—Adjuvanted Trivalent Subunit Influenza Vaccine" for details.

Mechanism of Action

Our trivalent subunit influenza vaccine candidate has the same mechanism of action as our quadrivalent subunit influenza vaccine. See "—Our Core Products—Quadrivalent Subunit Influenza Vaccine—Mechanism of Action" for details.

Market Opportunity and Competition

According to Frost & Sullivan, as of the Latest Practicable Date, there were 26 marketed influenza vaccines in China, including 13 trivalent vaccines and 12 quadrivalent vaccines. As of the same date, there were 19 influenza vaccine candidates under clinical development in China, including 6 trivalent vaccines and 13 quadrivalent vaccines. See "—Our Core Products—Quadrivalent Subunit Influenza Vaccine—Market Opportunity and Competition" for details.

Our Advantages

See "—Our Core Products—Quadrivalent Subunit Influenza Vaccine—Mechanism of Action" for details.

Material Communications and Next Steps

We obtained the IND approval for our trivalent subunit influenza vaccine candidate in August 2024 and our NDAs for the trivalent subunit influenza vaccine candidate for individuals aged 3 years and above and aged 6-35 months were accepted by the NMPA in September 2024. Upon approval, we expect the NMPA will require post-approval studies of the vaccine similar to those required for our quadrivalent vaccine. We plan to promptly initiate commercial manufacturing and sales of the vaccine leveraging our established in-house manufacturing facilities and sales team. See "—Manufacturing" and "—Commercialization" for details. As of the Latest Practicable Date, we had not received any relevant regulatory agency's concerns or objections to our clinical development plans and no material adverse changes had occurred since the submission of the NDA and up to the Latest Practicable Date.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET TRIVALENT SUBUNIT INFLUENZA VACCINE SUCCESSFULLY.

Adjuvanted Quadrivalent Subunit Influenza Vaccine

We are developing an adjuvanted version of our quadrivalent subunit influenza vaccine indicated for individuals aged 65 years and above. The impact of influenza on the elderly, particularly those over the age of 65, is more severe due to the natural decline in immune function with age. This demographic is at heightened risk for severe illness and mortality from influenza infections, leading to significant health impacts and economic burdens. Recognizing the critical need for effective vaccination in this population, the FDA has approved adjuvanted and high-dose influenza vaccines indicated for individuals aged 65 years and above. We are the first company in China to obtain an IND approval for an adjuvanted quadrivalent subunit influenza vaccine, specifically formulated to enhance efficacy in this age group.

Our adjuvanted quadrivalent subunit influenza vaccine candidate employs the marketed MF59-like adjuvant, an oil-in-water adjuvant composed primarily of squalene, which activates bone marrow-derived cells such as macrophages and dendritic cells upon injection. These activated cells produce chemokines that recruit various immune cells to the injection site, amplifying the immune response and helping activate B and T cells in the lymph nodes, which enhances both the strength and duration of the immune response. We manufacture the vaccine candidate using WHO-recommended influenza A and B viral strains, cultivated in chicken embryos, followed by a series of purification processes similar to those of our quadrivalent subunit influenza vaccine, before blending with the MF59-like adjuvant to form the multi-strain formulation.

In various studies, MF59-like-adjuvanted influenza vaccines demonstrated significant advantages over non-adjuvanted versions, particularly in boosting antibody titers and efficacy among the elderly. In preclinical studies, our adjuvanted quadrivalent subunit influenza vaccine demonstrated strong immunogenic profile, with significantly higher neutralizing antibody titers post-immunization compared to (i) pre-immunization levels and (ii) those induced by non-adjuvanted vaccines. Our adjuvanted quadrivalent subunit influenza vaccine candidate

also showed a good safety profile in our toxicity tests and active anaphylaxis tests. The toxicity tests showed no significant adverse changes except for the expected adjuvant-related local inflammation, which was reversible after a brief hiatus. In the active anaphylaxis tests in guinea pigs, subjects receiving a low dose of 0.2 doses (0.1ml) per animal of our vaccine candidate showed negative results, while those administered a high dose of 1 dose (0.5ml) per animal exhibited positive results, indicating a dose-dependent hypersensitivity response. The low dose administered corresponded to 20 times the intended clinical dose, suggesting a substantial safety margin.

Our approved quadrivalent subunit influenza vaccine and our adjuvanted quadrivalent subunit influenza vaccine candidate target different demographic segments. The adjuvanted quadrivalent subunit influenza vaccine targets individuals aged 65 and above, offering an enhanced immune response due to its MF59-like adjuvant, which boosts antibody titers for better protection in this age group. This is especially beneficial for the elderly, who often have a weaker immune response and are keenly aware of the benefits of vaccines. In contrast, our approved quadrivalent subunit influenza vaccine serves a much wider age group, covering individuals aged three years and older. The adjuvanted quadrivalent subunit influenza vaccine specifically addresses the heightened immunization needs of older adults, providing enhanced protection while the approved quadrivalent subunit influenza vaccine enjoys broad applicability across various age groups. We obtained an IND approval for our adjuvanted quadrivalent subunit influenza vaccine candidate in July 2024 and expect to initiate a Phase I clinical trial in the fourth quarter of 2025.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET ADJUVANTED QUADRIVALENT SUBUNIT INFLUENZA VACCINE SUCCESSFULLY.

Adjuvanted Trivalent Subunit Influenza Vaccine

We are also developing an adjuvanted version of our trivalent subunit influenza vaccine candidate, which has similar mechanism of action, formulation process and manufacturing process as the adjuvanted quadrivalent subunit influenza vaccine candidate, with one influenza B virus subtype (Yamagata) omitted during formulation. We obtained an IND approval for our adjuvanted trivalent subunit influenza vaccine candidate in October 2024 and expect to initiate a Phase I clinical trial in the fourth quarter of 2025.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET ADJUVANTED TRIVALENT SUBUNIT INFLUENZA VACCINE SUCCESSFULLY.

Recombinant Zoster Vaccine (CHO cell)

We are developing a recombinant zoster (shingles) vaccine candidate with self-developed dual adjuvants indicated for individuals aged 40 years and above. Herpes zoster is caused by the reactivation of the varicella-zoster virus (VZV) after initial infection. The reactivation

typically occurs when an individual's immunity to VZV diminishes due to aging or immunosuppression. Therefore, herpes zoster's incidence rise significantly with advancing age and can lead to a general sense of malaise, fever, chills, muscle aches, headache, itching and intense pain for certain people.

In preclinical animal studies, our recombinant zoster vaccine candidate stimulated stronger cell-mediated immune responses crucial for fighting VZV infections compared to a marketed recombinant zoster vaccine developed by an international pharmaceutical company, which could potentially translate into stronger protective efficacy. We obtained an IND approval for Phase I and Phase II trials of our recombinant zoster vaccine candidate in August 2024. We initiated a Phase I trial in February 2025 and a Phase II trial in July 2025.

Mechanism of Action

The recombinant zoster vaccine utilizes DNA recombinant technology to integrate the truncated glycoprotein E (gE) coding sequence of the VZV into Chinese hamster ovary (CHO) cells. This process allows for the expression and subsequent purification of the gE protein antigen, which forms the core component of the vaccine. Following administration, the gE protein antigen, with the assistance of marketed MF59-like and CpG1018 adjuvants, activates the immune system to elicit a specific immune response. CpG1018 activates plasmacytoid dendritic cells (pDCs) and B cells, leading pDCs to secrete pro-inflammatory and antiviral cytokines and migrate to lymphoid tissues, thereby stimulating a T helper 1 (Th1) cell-mediated response. The activated B cells differentiate into antibody-secreting plasma cells. MF59-like adjuvant enhances antigen uptake, recruits immune cells to the injection site, and aids in the presentation and transport of antigen by monocytes and neutrophils to lymph nodes. When combined, MF59-like and CpG1018 adjuvants synergistically induce a more robust antibody production and Th1-type cellular immune response than either adjuvant alone, enabling a rapid immune reaction to prevent virus reactivation and thus effectively preventing herpes zoster.

Market Opportunity and Competition

Currently, marketed zoster vaccines include live attenuated vaccines and recombinant vaccines. The live attenuated zoster vaccine can enhance VZV-specific cell-mediated immunity in elderly individuals. However, its efficacy diminishes with increasing age and diminishes significantly after six to eight years post-vaccination. In contrast, the recombinant zoster vaccine demonstrates superior efficacy in elderly individuals and remains robust irrespective of the age of the vaccinee, with immune response persisting six to nine years after vaccination.

According to Frost & Sullivan, as of the Latest Practicable Date, there were two marketed zoster vaccines in China, including one recombinant vaccine and one live attenuated vaccine. As of the same date, there were 15 zoster vaccine candidates under clinical development in China, including 10 recombinant vaccines and 2 live attenuated vaccines.

According to Frost & Sullivan, China's zoster vaccine market has shown significant growth, reaching RMB2.6 billion in production value by 2020, following the approval of the first vaccine by the NMPA in 2019. However, the zoster vaccines in China still face considerable hurdles in achieving wider market acceptance. According to Frost & Sullivan, due to limited regulatory approval, low public awareness and relatively high pricing, the current penetration rate of zoster vaccines in China is markedly low, at approximately 1.0%. The market is anticipated to expand to RMB23.8 billion by 2033, primarily driven by an aging population more susceptible to herpes zoster infection, an increase in vaccination rate, as well as technological advancements leading to safer and more effective vaccine options. To capture the growth opportunity and achieve market acceptance, we plan to leverage (i) our academic oriented marketing outreach strategy, carrying out educational campaigns aimed at increasing awareness among healthcare professionals and the general public regarding the benefits of the zoster vaccines; and (ii) the efficacy and safety profile of our vaccine candidate with the support of results from clinical trials (once they become available) to further differentiate our vaccine candidate.

Our Advantages

Our recombinant zoster vaccine candidate utilizes a proprietary gE sequence, paired with a highly efficient cell culture system, allowing protein expression levels to exceed 2g/L with stable processes and low commercial scale production costs. It adopts a dual-adjuvant system that is expected to significantly enhance both cellular and humoral immune responses. Compared to a marketed recombinant zoster vaccine developed by an international pharmaceutical company, our vaccine candidate elicited superior cell-mediated immune responses in animal models (detected by ELISpot and ICS assays), indicating a potentially stronger immunogenicity profile. Specifically, our vaccine stimulated a higher frequency of IL-2 and IFN-γ secreting cells in ELISpot assays and a greater proportion of $CD4^+$ T cells expressing gE-specific cytokines such as IL-2, IFN-γ and TNF-α in ICS assays. Additionally, our investigational vaccine has demonstrated a good overall safety profile. See "—Summary of Preclinical Study Results" below for details.

Summary of Clinical Trials

Ongoing Phase II Clinical Trial

- *Trial design*. This trial is a randomized, blinded and controlled clinical trial in healthy participants aged 40 years and above. The objectives of the trial are to evaluate the immunogenicity of our zoster vaccine candidate (the study vaccine) in this population under a two-dose regimen.

  The Phase II clinical trial plans to enroll 720 participants, stratified into three age groups: 40-49, 50-59 and ≥60 years, with 200 participants in the 40-49 years group, and 260 participants in each of the 50-59 years and ≥60 years group. Within the 40-49 years group, participants are randomly divided into four cohorts: low-adjuvant study vaccine cohort of 60 participants, No. 1 high-adjuvant study vaccine cohort of 60 participants,

control vaccine A cohort of 60 participants and placebo cohort of 20 participants. Within each of the 50-59 years and ≥60 years group, participants are randomly divided into five cohorts: low-adjuvant study vaccine cohort of 60 participants, No. 1 high-adjuvant study vaccine cohort of 60 participants, No. 2 high-adjuvant study vaccine cohort 2 of 60 participants, control vaccine B cohort of 60 participants and placebo cohort of 20 participants.

Participants within the low-adjuvant study vaccine cohorts and No. 1 high-adjuvant study vaccine cohorts would receive two doses of study vaccine, each on day 0 and day 30. Participants within the No. 2 high-adjuvant study vaccine cohorts would receive two doses of study vaccine, each on day 0 and day 60. Participants within the control vaccine A cohort would receive a dose of control vaccine A on day 0 and a dose of placebo on day 30. Participants within the control vaccine B cohorts would receive two doses of control vaccines, each on day 0 and day 30. Participants within the placebo cohort would receive two doses of placebo, each on day 0 and day 30.

The low-adjuvant study vaccine is in the dosage of 0.5ml after reconstitution (containing 50μg gE protein), with dual-adjuvant of MF59-like adjuvant (0.25ml) and CpG1018 (50μg). The high-adjuvant study vaccine is in the dosage of 0.5ml after reconstitution (containing 50μg gE protein), with dual-adjuvant of MF59-like adjuvant (0.25ml) and CpG1018 (100μg). The control vaccine A is a marketed live attenuated zoster vaccine in the dosage of 0.5ml after reconstitution (containing no less than 4.3lgPFU varicella-zoster live virus). The control vaccine B is a marketed recombinant zoster vaccine (CHO cell) in the dosage of 0.5ml after reconstitution with adjuvants.

Blood samples would be collected from all participants before each dose and at 1, 6, 12, 24, and 36 months after full vaccination. To assess humoral immune responses, anti-gE antibody levels are measured using enzyme-linked immunosorbent assay, while anti-VZV antibodies are determined with the fluorescent antibody to membrane antigen assay. To assess cellular immune responses, the frequency of $CD4^+$ T cells expressing at least two activation markers (IFN-γ, IL-2, TNF-α, and CD40L) is analyzed using intracellular cytokine staining by flow cytometry.

- *Trial status*. We commenced the trial on July 22, 2025. We expect to complete participant enrollment in the third quarter of 2025.

Ongoing Phase I Clinical Trial

- *Trial design*. This trial is a randomized, blinded and controlled clinical trial in healthy participants aged 40 years and above. The objectives of the trial are to evaluate the safety and tolerability of our zoster vaccine candidate (the study vaccine) in this population under a two-dose regimen (with a 30-day interval between the two doses).

The Phase I clinical trial plans to enroll 240 participants, stratified into three age groups: 40-49, 50-59 and ≥60 years, with 80 participants in each group. Within each age group, participants are divided into two cohorts: low-adjuvant and high-adjuvant cohorts, each comprising 40 participants. Participants in each cohort would be randomly allocated to receive the study vaccine (low-adjuvant or high-adjuvant), adjuvant only and placebo at a 2:1:1 ratio. The low-adjuvant study vaccine is in the dosage of 0.5ml after reconstitution (containing 50μg gE protein), with dual-adjuvant of MF59-like adjuvant (0.25ml) and CpG1018 (50μg). The high-adjuvant study vaccine is in the dosage of 0.5ml after reconstitution (containing 50μg gE protein), with dual-adjuvant of MF59-like adjuvant (0.25ml) and CpG1018 (100μg). The adjuvant is in the dosage of 0.5ml after reconstitution, containing MF59-like adjuvant (0.25ml) and CpG1018 (100μg).

Blood and urine samples will be collected from all participants before each dose and three days afterward for complete blood count, blood chemistry and urinalysis. An electrocardiogram (ECG) will also be performed. Solicited AEs (usually common and expected AEs associated with this type of vaccine) will be documented within 30 minutes post-vaccination and during the 0-14 day period following each dose. Unsolicited AEs within 0-30 days post-vaccination and all SAEs and adverse events of special interest (AESI) from the first dose through 12 months after the second dose will also be recorded.

- *Trial status*. The trial was initiated in February 2025. As of the Latest Practicable Date, we had completed participant enrollment and completed preliminary safety report.

Summary of Preclinical Study Results

We conducted a series of preclinical studies to characterize the safety and immunogenicity profile of our recombinant zoster vaccine candidate.

- *Safety*.

  Toxicity studies: In a single-dose toxicity study in rats, no animals in any group exhibited impending death, mortality or other severe toxic reactions, with the maximum tolerated dose (MTD) of our vaccine candidate being greater than two doses (50μg/0.5ml each dose) per rat. In the repeat-dose toxicity study in rats, no animals experienced impending death, mortality or other severe toxic reactions. The no observed adverse effect level (NOAEL) of our vaccine candidate was determined to be one dose (50μg/0.5ml) per rat. In the repeat-dose toxicity study in cynomolgus monkeys, no animals in any group showed impending death, mortality or other significant toxic reactions. The NOAEL was 2 doses per monkey.

Active systemic anaphylaxis tests: In a multiple-dose active systemic anaphylaxis test in Hartley guinea pig, where three consecutive doses (once every other day) of our vaccine candidate were administered through intramuscular injections, the test animals showed extremely positive systemic anaphylaxis. However, there were no allergic symptoms in cynomolgus monkey studies and considering that the intended clinical dosing frequency of our vaccine candidate is low, and the administration route is non-intravenous, it is postulated that clinical administration may not induce allergic reactions or severe anaphylaxis in humans. In conclusion, our recombinant zoster vaccine candidate exhibits a good safety profile, supporting its advancement into clinical trials in humans.

- *Immunogenicity*. In both the ELISpot and ICS assays conducted in mice and rats, our recombinant zoster vaccine candidate stimulated stronger cell-mediated immune responses compared to a marketed recombinant zoster vaccine developed by an international pharmaceutical company in terms of frequency of IL-2, IFN-γ and TNF-α secreting cells, indicating a potentially stronger immunogenicity profile. The vaccine candidate also demonstrated a robust cell-mediated immune response profile in similar studies conducted in cynomolgus monkeys.

Material Communications and Next Steps

We obtained an IND approval for Phase I and Phase II trials of recombinant zoster vaccine candidate in August 2024. We initiated a Phase I clinical trial in February 2025 and completed the preliminary safety report of the Phase I clinical trial, which included key safety results from the Phase I clinical trial, in July 2025. In line with established regulatory guidelines, after we completed the preliminary safety report of the Phase I clinical trial, we leveraged the key safety results from the Phase I clinical trial and commenced the Phase II clinical trial on July 22, 2025 to evaluate the immunogenicity of our recombinant zoster vaccine. Meanwhile, we plan to continue the Phase I clinical trial and complete the Phase I clinical trial in the first half of 2026. As of the Latest Practicable Date, we had not received any relevant regulatory agency's concerns or objections to our clinical development plans and no material adverse changes had occurred in the development of the product candidate up to the Latest Practicable Date.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET RECOMBINANT ZOSTER VACCINE SUCCESSFULLY.

Recombinant RSV Vaccine (CHO Cell)

RSV is one of the significant pathogens responsible for respiratory tract infections in infants, the elderly and immunocompromized individuals. Clinically, it primarily manifests as symptoms of acute respiratory infection, with lower respiratory tract infection being the predominant form. Severe cases can be life-threatening. In China, RSV ranked second among pathogens causing acute respiratory infections in adults and first among those in children from 2009 to 2019, according to China CDC. According to Frost & Sullivan, there were

approximately 2.0 million new cases of acute lower respiratory tract infections caused by RSV in China in 2024 and the incidence of RSV infection in adults increases with age. We are developing (i) the recombinant RSV vaccine candidate to provide protection for adults, including pregnant women, against acute RSV infections and associated severe lower respiratory tract diseases and (ii) the mRNA RSV vaccine candidate indicated for individuals aged 60 years and above. See "—mRNA RSV Vaccine" below for details.

Existing RSV vaccines primarily utilize the F protein as the immunogen, which exits in two states: prefusion (pre-F) and postfusion (post-F). Pre-F is notably more immunogenic than post-F. However, instability during *in vitro* expression often causes pre-F to transition to the less effective post-F form. Our recombinant RSV vaccine candidate employs a stabilized pre-F protein sequence, licensed from the U.S. National Institute of Allergy and Infectious Diseases (NIAID, see "—Our Technology Transfer Arrangements—NIAID Technology Licensing Agreement" for details), derived and refined from the first-generation RSV pre-F protein for enhanced thermal stability and immunogenicity. In addition, our recombinant RSV vaccine candidate also incorporates marketed MF59-like and CpG1018 adjuvants that are designed to stimulate more robust antibody production and cellular immune response.

Our recombinant RSV vaccine candidate is developed based on CHO cells and expresses the modified pre-F protein. After extensive screening, we have obtained high-yield monoclonal cell lines capable of stably expressing the pre-F protein. In our preclinical studies, it demonstrated higher pre-F expression levels, better thermal stability and superior immunogenicity than the marketed recombinant RSV vaccines. According to their previously published results, the expression levels of the pre-F protein in marketed recombinant RSV vaccines range from 600mg/L to 800mg/L. In contrast, our high-yield cell line produces pre-F protein at approximately 1,000mg/L to 1,500mg/L. Preclinical studies showed that after storage at 40°C for 14 days, our pre-F protein retains over 95% activity, while marketed products decrease to around 50% activity. Due to its stability, our product is formulated as a liquid rather than a lyophilized form, unlike the approved products. In our preclinical immunogenicity study conducted in mice, our vaccine candidate achieved a much higher GMT of neutralizing antibodies than a similar marketed product. It also demonstrated a good safety profile in our toxicity studies and active systemic anaphylaxis test.

We submitted a pre-IND application to the NMPA for our recombinant RSV vaccine candidate in December 2024 and submitted an IND application to the NMPA in May 2025. We also submitted a pre-IND application to the FDA for our recombinant RSV vaccine candidate in March 2025 and submitted an IND application to the FDA in June 2025. As of the Latest Practicable Date, we had produced three pilot-scale batches of drug substance and drug product under GMP conditions, with protein purity exceeding 95.0%, and completed stability and safety tests for the vaccine candidate.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET RECOMBINANT RSV VACCINE SUCCESSFULLY.

mRNA RSV Vaccine

Our mRNA RSV vaccine candidate is indicated for individuals aged 60 years and above and aims to provide protection against acute RSV infections and associated severe lower respiratory tract diseases. Compared to our recombinant RSV vaccine (CHO cell) candidate, our mRNA RSV vaccine candidate is designed for a different demographic. The recombinant RSV vaccine candidate offers protection for adults, including pregnant women, to prevent RSV-associated lower respiratory tract infections. On the other hand, the mRNA RSV vaccine is intended for individuals aged 60 years and above, aiming to provide superior immunogenicity within this demographic. The delineation of these target groups allows each vaccine candidate to cater specifically to the immunization needs of distinct age categories while enhancing protective outcomes.

The mRNA RSV vaccine candidate utilizes synthetic mRNA, which is engineered to encode the RSV pre-F protein and encapsulated in lipid nanoparticles (LNPs) that protect the mRNA from degradation and facilitate its cellular uptake. Once inside the target cells, the host ribosomes translate the mRNA into the pre-F protein, which is subsequently displayed on the cell surface. This presentation triggers the immune system, promoting the production of neutralizing antibodies by B cells and activating T cell-mediated immunity. Our mRNA RSV vaccine candidate utilizes the same pre-F protein design as our recombinant RSV vaccine candidate, with superior structural stability and an absence of non-functional exogenous sequences.

Except from protective neutralizing antibodies, the vaccine candidate's designed capability to induce strong cellular immune responses represents a unique advantage for improving protection in the elderly and immunocompromised populations. In addition, compared to traditional vaccines, mRNA vaccines can be designed and manufactured much faster. Once the genetic sequence of a new variant is known, the mRNA sequence could be quickly modified to encode for the new antigen, allowing for rapid response to emerging strains and ensuring efficacy of the vaccine.

Our mRNA RSV vaccine demonstrated a good immunogenicity profile in preclinical animal studies, inducing high levels of pre-F-specific binding antibodies, neutralizing antibodies against RSV group A and B strains and antigen-specific $CD4^+$ T cell and $CD8^+$ T cell responses. Additionally, the T cell immune response exhibited a Th1 bias, indicating a lower risk of vaccine-enhanced disease (VED). As of the Latest Practicable Date, we were conducting preclinical studies of the vaccine candidate. We expect to submit a pre-IND application to the NMPA in the third or fourth quarter of 2025.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET MRNA RSV VACCINE SUCCESSFULLY.

mRNA Mpox Vaccine

Mpox is caused by the mpox virus, a member of the orthopoxvirus genus in the poxvirus family. This genus comprises a wide group of viruses, including vaccinia virus, variola virus and ectromelia virus, among others. Our mRNA mpox vaccine candidate is designed to be a new-generation prophylactic vaccine, formulated using a quadrivalent orthopoxvirus antigen and mRNA-LNP technology platform. Currently, we are developing it for the prevention of mpox for individuals aged 18 years and above.

The vaccine candidate utilizes a quadrivalent orthopoxvirus antigen validated in non-clinical studies as the encoded antigen for mRNA. In preclinical studies, our vaccine candidate elicited significantly higher neutralizing antibody levels against mpox compared to the live-attenuated variola virus vaccine (Tian Tan strain) used in China, and it exhibited broad-spectrum cross-reactivity against a variety of orthopoxvirus antigens. Compared to the approved replication-defective mpox vaccines abroad, the outstanding immunogenicity of our mRNA mpox vaccine candidate provides a more suitable option for immunocompromised individuals (such as those who are HIV-positive).

As of the Latest Practicable Date, we were conducting preclinical studies of the vaccine candidate and expect to submit a pre-IND application to the NMPA in the fourth quarter of 2025.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET MRNA MPOX VACCINE SUCCESSFULLY.

24-valent Pneumococcal Conjugate Vaccine (PCV24)

In addition to our PPSV23 candidate, which is indicated for individuals aged 2 year and above, we are also developing a PCV24 candidate that could potentially offer protection for a wider demographic, including infants below the two-year age limit. According to Frost & Sullivan, pneumococcal vaccines, particularly conjugate vaccines, have proven effective in preventing pneumococcal diseases, especially in children. Our PPSV23 and PCV24 candidates follow distinct technological pathways and target different populations. PPSV23 is indicated for individuals aged 50 and above or those over 2 years old who are at increased risk of infection. It employs a mature technology with a long-standing history in immunization, supporting broad preventive needs across various age groups. In contrast, PCV24 is primarily used for infants and children, particularly those under two years of age, a population for whom PPSV23 is not suitable. This technological and demographic distinction ensures that both vaccine candidates fulfil their respective targeted roles effectively without direct competition. Therefore, we believe the PPSV23 and PCV24 candidates could form a synergetic product franchise for pneumococcal diseases, which underscores our commitment to capturing significant market opportunities while advancing vaccine technology.

Our PCV24 candidate could provide broad protection against 24 pneumococcal serotypes, significantly reducing the risk of invasive diseases such as meningitis, pneumonia and sepsis. It is designed by chemically binding (conjugating) polysaccharide antigens of pathogenic microorganisms to the carrier protein CRM197. This conjugation could induce a robust and durable immune response, effective in pediatric populations as well as adults. By facilitating immunologic memory, our PCV24 candidate is designed to ensure rapid and effective antibody production upon subsequent exposures.

The vaccine candidate employs a single carrier protein, CRM197, to ensure consistent immune responses while simplifying manufacturing, enhancing scalability and maintaining cost-effectiveness. We implement different coupling techniques for different pneumococcal capsular polysaccharides to activate their hydroxyl groups and conjugate them directly with CRM197, forming robust polysaccharide-protein conjugates. This methodology aims to improve polysaccharide recovery and enhance the quality of the conjugate solution. Moreover, it utilizes an animal-free fermentation medium, mitigating the risk of animal-derived biological factors and eliminating toxic residues linked to traditional phenol purification methods. Our PCV24 incorporates an aluminum phosphate adjuvant that is designed to enhance antigen uptake and stimulate stronger immune responses.

In preclinical studies conducted in animals, our PCV24 candidate demonstrated robust immunogenicity, eliciting strong immune responses against all 24 serotypes. Specifically, the GMT levels of antibodies elicited by our PCV24 candidate were comparable to or, for certain serotypes, higher than those elicited by the marketed PCV20 vaccine in the same studies. As of the Latest Practicable Date, we had completed process development for carrier protein CRM197 and cell banking, and initiated GMP production of CRM197. In addition, we had finished process development, pilot scale-up and process optimization. We plan to complete preclinical studies in 2025 and aim to submit a pre-IND application to the NMPA in the first quarter of 2026.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET PCV24 SUCCESSFULLY.

Live Attenuated Varicella Vaccine

Varicella, commonly known as chickenpox, is an acute systemic infectious disease caused by the VZV. While typically self-limiting in immunocompetent children, the disease can be more severe in adults and certain high-risk populations, including infants, pregnant women and immunocompromised individuals. According to Frost & Sullivan, there were approximately 516.6 thousand reported cases of varicella in China in 2024. Vaccination remains the most effective preventive measure against varicella.

We are developing a live attenuated varicella vaccine candidate indicated for healthy, varicella-susceptible individuals aged 12 months and above. The vaccine candidate is developed utilizing the Oka strain of the VZV, which is propagated in human diploid cells (MRC-5) and subsequently lyophilized with stabilizing agents.

Upon administration, our live attenuated varicella vaccine candidate induces both humoral and cellular immunity. Once attenuated live viruses enter the human body, they are recognized by antigen receptors on B cells. Upon recognition and binding to the antigen, B cells are activated by cytokines secreted from Th cells. This activation prompts B cells to proliferate and differentiate into plasma cells and memory B cells. Plasma cells synthesize and release antibodies specific to VZV, which bind to the virus to block its adsorption to host cell surfaces, thereby inhibiting viral infection and spread. Additionally, $CD8^+$ T cells recognize the antigen peptide derived from the virus, activating and transforming into cytotoxic T lymphocytes (CTLs). CTLs specifically target and destroy VZV-infected host cells, thereby eliminating the source of the viral infection.

We have completed the establishment of cell bank and seed lot for the live attenuated varicella vaccine candidate. We plan to initiate preclinical studies to evaluate safety and immunogenicity in the second quarter of 2025 and submit a pre-IND application to the NMPA in the first quarter of 2026.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET LIVE ATTENUATED VARICELLA VACCINE SUCCESSFULLY.

Tetanus Toxoid Adsorbed Vaccine

Tetanus is an acute specific infection caused by the entry of bacterium *clostridium tetani* into the body through wounds. It can be very dangerous and cause death. In cases of contaminated wounds, a tetanus booster immunization may be necessary. The prevention of tetanus critically relies on both proper wound management and immunization. Primary prevention through active immunization involves the administration of vaccines containing tetanus toxoid to foster long-term immunity, while secondary prevention utilizes passive immunization techniques, introducing immediate immune effectors such as tetanus antitoxin (TAT) or immunoglobulin for acute cases.

We are developing a vaccine candidate containing tetanus toxoid, with *clostridium tetani* cultivated in a suitable medium to produce the toxin, which is then refined, detoxified with formaldehyde and purified before being combined with an aluminum hydroxide–based adjuvant. Our tetanus toxoid adsorbed vaccine candidate aims to induce the production of protective antitoxin antibodies upon immunization.

In our production process, we employ disposable bioreactors, replacing the older glass bottle method, to cultivate *clostridium tetani*. This enables real-time control over parameters such as temperature, pH and dissolved oxygen levels, increasing bacterial density and toxin production with greater batch consistency. Additionally, we have added a chromatographic step post-detoxification to remove large molecules and impurities. This process achieves an antigen purity of over 3,500Lf(limit of flocculation)/mg protein nitrogen, which is superior to the Chinese Pharmacopoeia standard of 1,500Lf/mg and the United States Pharmacopoeia standard of 3,000Lf/mg.

We have completed the process scale-up and production of three pilot batches of drug substance of the tetanus toxoid adsorbed vaccine candidate. We plan to initiate preclinical studies to evaluate its safety and immunogenicity in the second quarter of 2025 and submit a pre-IND application to the NMPA in the fourth quarter of 2025.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET TETANUS TOXOID ADSORBED VACCINE SUCCESSFULLY.

OUR TECHNOLOGY TRANSFER ARRANGEMENTS

PPSV23 Technology Transfer Agreements

On May 21, 2020, we entered into a technology transfer agreement (the "**PPSV23 Technology Transfer Agreement**") with Beijing Hua'an Science and Technology Innovation Biotechnology Co. Ltd.* (北京華安科創生物技術有限公司) ("**Beijing Hua'an**") to acquire a then IND-approved PPSV23 candidate. We became acquainted with Beijing Hua'an as it was reaching out to potential transferees for its then PPSV23 candidate and informed us that it did not plan to continue the development of the vaccine candidate. We were planning to expand our product portfolio to cover prevention of respiratory diseases and noted that PPSV23 was a solid vaccine candidate with considerable market potential. As such, we decided to procure the PPSV23 candidate and related rights from Beijing Hua'an. Pursuant to the PPSV23 Technology Transfer Agreement, we would be responsible for conducting clinical trials and registration work with technical support from Beijing Hua'an. We bear all costs associated with such clinical development work. After clinical trials of PPSV23 are successfully completed, we shall be the named applicant for the NDA application and the market authorization holder (MAH) upon its commercialization. The transfer fee for the intellectual property rights of PPSV23 is RMB48.0 million (the "**PPSV23 Transfer Fee**"), which shall be paid in six installments upon achievement of certain development and regulatory milestones. Specifically, the milestone payment include: (i) RMB5.0 million when Beijing Hua'an obtains the IND approval for PPSV23 from the CDE and a qualified Phase I clinical trial sample report from the NIFDC (the "**First Milestone**"), (ii) RMB5.0 million when Beijing Hua'an transfers all technical materials, including the seed bank, to us (the "**Second Milestone**"), (iii) RMB8.0 million when we complete the CSR for the Phase I clinical trial of PPSV23 and obtain a qualified report from the NIFDC (the "**Third Milestone**"), (iv) RMB10.0 million after we conduct the manufacturing process scaling-up study, complete construction of manufacturing facility and installation of manufacturing equipment, successfully manufacture PPSV23 samples for Phase III clinical trial and obtain a qualified report from the NIFDC (the "**Fourth Milestone**"), (v) RMB10.0 million when we complete the CSR for the Phase III clinical trial of PPSV23, and (vi) RMB10.0 million after we obtain a production approval certificate and pass the GMP inspection for manufacturing of PPSV23 (the "**Final Milestone**"). We made payment of the First Milestone of RMB5.0 million in August 2020 and the Second Milestone of RMB5.0 million in September 2020 pursuant to the PPSV23 Technology Transfer Agreement. Beijing Hua'an is also entitled to a royalty of 3% of the sales of PPSV23 each year for the first five years after the commercialization of PPSV23.

The PPSV23 candidate we acquired from Beijing Hua'an was developed based on certain underlying technologies, including certain methodologies as to strain library construction, fermentation, purification and quality control, (the "**Licensed Technology**") that Beijing Hua'an had licensed from Tianjin CanSino Biotechnology Inc. (天津康希諾生物技術有限公司) ("**CanSino**"), a predecessor of CanSino Biologics Inc., a biopharmaceutical vaccine company whose shares are listed on the Stock Exchange (stock code: 6185). Beijing Hua'an discovered and developed its PPSV23 based on the Licensed Technology and submitted an IND application for the PPSV23 in 2015 before it discontinued such development and transferred the then PPSV23 candidate to us in 2020. In light of our acquisition, CanSino and Beijing Hua'an entered into a supplemental agreement to their original transfer agreement and we entered into a tripartite technology transfer agreement with Beijing Hua'an and CanSino on September 18, 2021 (the "**PPSV23 Tripartite Agreement**").

Pursuant to the PPSV23 Tripartite Agreement, CanSino acknowledged and approved the sub-license of the Licensed Technology from Beijing Hua'an to us. Beijing Hua'an shall pay a new fixed fee (the "**New Fixed Fee**") to CanSino, which we shall pay directly to CanSino, deducting from our PPSV23 Transfer Fee payable to Beijing Hua'an. We shall pay such New Fixed Fee of RMB8.1 million to CanSino in three installments, upon achievement of the Third Milestone, the Fourth Milestone and the Final Milestone under the PPSV23 Technology Transfer Agreement. CanSino and Beijing Hua'an also agreed to share the royalties payable by us under the PPSV23 Technology Transfer Agreement on a 50:50 basis, and we shall pay such royalties directly to each of CanSino and Beijing Hua'an. Pursuant to the PPSV23 Tripartite Agreement, we made the payment of RMB8.0 million for the Third Milestone in July 2023, among which RMB5.3 million was paid to Beijing Hua'an and RMB2.7 million was paid to CanSino. Pursuant to the PPSV23 Tripartite Agreement and as advised by our PRC Legal Advisors, we currently have a license to develop PPSV23 and independently make decisions as to the development, manufacturing and commercialization of PPSV23. We will have ownership of the Licensed Technology of PPSV23, along with other intellectual property and know-how created during our development of PPSV23, after we make all payments of the PPSV23 Transfer Fee (including the New Fixed Fee payable to CanSino). During the Track Record Period and up to the Latest Practicable Date, we had not encountered any material dispute with Beijing Hua'an and CanSino.

NIAID Technology Licensing Agreement

We entered into a technology licensing agreement with the United States National Institute of Allergy and Infectious Diseases (NIAID) on April 10, 2023, under which we were granted a non-exclusive license in China, Latin America, Canada, Asia and Asia Pacific, United States, Africa and Europe to make, use and sell any of our products resulting from using NIAID technology and other technical information related to the sequence of RSV prefusion F (RSVpreF) antigen in the field of RSV vaccine for the prevention, cure, amelioration or treatment of RSV infection in humans. We entered into the agreement to expand our portfolio to cover RSV vaccines, as it was necessary to license the RSV antigen sequence from the NIAID. NIAID routinely licenses such patents and we procured such licensing from NIAID in accordance with the instructions on its website. We paid an upfront license fee to the NIAID

in 2023. We also agreed to pay the NIAID certain milestone payments as we advance the development of our RSV vaccines and royalties after commercialization. As of the Latest Practicable Date, we were utilizing the NIAID technology to develop our recombinant RSV vaccine candidate and mRNA RSV vaccine candidate, both of which were still in preclinical stage. Pursuant to our agreement with the NIAID, apart from the licensed NIAID technology, we have exclusive ownership of all material intellectual property and know-how of our recombinant RSV vaccine candidate and mRNA RSV vaccine candidate, and we are able to independently develop, manufacture and commercialize such product candidates. During the Track Record Period and up to the Latest Practicable Date, we had not encountered any material dispute with NIAID.

RESEARCH AND DEVELOPMENT

We are a China-based vaccine maker dedicated to the research, development, manufacturing and commercialization of innovative vaccines and traditional vaccines adopting new technical methods. We have established a vaccine portfolio consisting of our Core Products, quadrivalent subunit influenza vaccine and rabies vaccine (human diploid cell), and 11 other vaccine candidates. We believe research and development is critical to our ability to remain competitive in the industry and have built up strong research and development capabilities to identify and develop high-potential and high-quality vaccines. We conduct our R&D activities through an in-house team as well as engagement of external CROs, as is in line with industry practice.

In-House Research and Development Team

Our in-house research and development team is responsible in all stages of vaccine candidate development, from preclinical studies, laboratory research, to clinical trials, regulatory filings and manufacturing process development. Our research and development activities are led by a team of experienced scientists. Our in-house research and development team consists of a preclinical team, a clinical development team and a regulatory affairs team. Our preclinical teams are in charge of design and optimization of antigen molecule, process development and optimization, immunogenicity studies, method development and quality research, with the support of our vaccine development platforms. Our preclinical team is led by Dr. Chen Ze, who is our chief scientist and has nearly 28 years of experience in the fields of virology, pharmaceuticals and biotechnology, and Dr. Yelin Xiong, who has over 35 years in the fields of pharmaceuticals and biotechnology and currently oversees our mRNA vaccine research platform and polysaccharide conjugation technology platform. Our key preclinical development personnel also include Dr. Zhang Hongbo (director of our microbes and immunity research platform), Dr. Liu Zhihua (project director in our research and development team), Mr. Xu Qi (manager of our process development department) and Ms. Leng Wenna (manager of our quality research department), each of whom has around ten years of experience in the research and development of vaccines. Our clinical development team is led by Mr. Li Guangfu, who has over 20 years of experience in the pharmaceutical industry and served as clinical trial leader at various biotech companies before joining us. The team oversees the design and conduct of clinical trials, as well as the drafting and review of study reports for all

product candidates. Our regulatory affairs team oversees the application and ongoing management of regulatory filings for our products and product candidates. As of the Latest Practicable Date, our in-house research and development team consisted of 86 members, 45.3% of whom held doctoral or master's degrees, majoring in immunology, molecular biology, pathogen biology, clinical medicine or related fields.

Our core R&D team has been working on the development of our quadrivalent subunit influenza vaccine and rabies vaccine candidate since 2016 and 2018, respectively. Our core R&D team primarily consists of the following members.

- Ms. Zhang Yuhui: with over 30 years of experience in vaccine development, Ms. Zhang joined our Group in April 2016. She played a key role in the initial stages of our quadrivalent subunit influenza vaccine development, overseeing key aspects of the development, such as process development and optimization, Phase I clinical sample preparation and testing, clinical trial site selection, protocol review, ethics committee communication and obtaining necessary approvals. Ms. Zhang retired in 2018 but remained engaged as our senior technology expert during the Track Record Period and up to the Latest Practicable Date;

- Dr. Fu Zuoshen: with a doctor's degree in biochemistry and molecular biology and about 20 years' experience in the biopharmaceutical industry, Mr. Fu served at various institutions and companies, including as the postdoctoral researcher in basic medicine at China CDC, before he joined our Group in October 2016. Mr. Fu served as our R&D director and technology consultant and was later responsible for overseeing the development of our rabies vaccine candidate. He oversaw major aspects of the development, such as establishment of cell banks and seed banks, process parameter optimization for the production of vaccine drug substance and for formulation. Mr. Fu retired in April 2023;

- Mr. Xu Qi: holding a bachelor's degree in biotechnology and a master's degree in botany, Mr. Xu has about a decade of vaccine research and development experience. He joined our Group in May 2016 and participated actively in the preclinical development of our rabies vaccine candidate, overseeing the early stage of our rabies vaccine candidate development. His responsibilities included process development, optimization, pilot testing and stability and safety studies. Mr. Xu remained employed by our Group during the Track Record Period and up to the Latest Practicable Date;

- Ms. Leng Wenna: with a master's degree in aquatic biology and around ten years' experience in vaccine R&D, Ms. Leng joined our Group in May 2016, contributing to the preclinical development of our quadrivalent subunit influenza vaccine and rabies vaccine candidate. Her duties involved establishing and testing physicochemical methods and sample testing, Ms. Leng remained employed by our Group during the Track Record Period and up to the Latest Practicable Date;

- Mr. Jia Chunyu: an expert with a bachelor's degree in bioengineering and over ten years in biotech, Mr. Jia joined our Group in October 2018. He engaged in the development of our quadrivalent subunit influenza vaccine, focusing on the transition of research and development results to manufacturing, validating and modifying process parameters to ensure GMP-compliance in vaccine manufacturing. Mr. Jia remained employed by our Group during the Track Record Period and up to the Latest Practicable Date;

- Mr. Li Guangfu: bringing over 20 years in the pharmaceutical industry with a background in traditional Chinese medicine, Mr. Li joined our Group in April 2021 after serving as the clinical trial leader at various biotech firms. He oversees clinical development for multiple vaccine candidates, including our rabies vaccine candidate. Mr. Li remained employed by our Group during the Track Record Period and up to the Latest Practicable Date;

- Ms. You Yuanyuan: with a bachelor's degree in pharmaceutical engineering and more than a decade of experience in pharmaceutical development, Ms. You joined our Group in October 2018. She contributed to our rabies vaccine candidate development, focusing on tasks related to the manufacturing of drug substance. Ms. You remained employed by the Group during the Track Record Period and up to the Latest Practicable Date;

- Ms. An Rui: with a decade of experience in the biotech industry, Ms. An joined the Group in October 2018. She contributed to the development of our quadrivalent subunit influenza vaccine, focusing on quality control and manufacturing activities. Ms. An remained employed by our Group during the Track Record Period and up to the Latest Practicable Date;

- Ms. Jiang Hongyan: with more than a decade of experience in vaccine development, Ms. Jiang joined our Group in November 2018. She contributed to the development of our quadrivalent subunit influenza vaccine, focusing on process optimization. Ms. Jiang remained employed by our Group during the Track Record Period and up to the Latest Practicable Date; and

- Ms. Chen Xiaofen: with more than a decade of experience in the pharmaceutical industry, Ms. Chen joined our Group in July 2016. She contributed to the development of our rabies vaccine candidate, focusing on quality control related work. Ms. Chen remained employed by our Group during the Track Record Period and up to the Latest Practicable Date.

In-House Research and Development Process

During the Track Record Period, the research and development of our vaccine products and vaccine candidates was primarily conducted by our in-house R&D team. The following summarizes our in-house R&D process in vaccine candidate development.

- *Early-stage research*. We have a dedicated team mainly responsible for researching the product candidates to be developed. We usually conduct a detailed analysis before initiating the R&D activities, including a feasibility study based on technology barriers, competitive landscape and prevalence of the disease. Our management team will review the study and determine whether we shall proceed to further R&D activities.

- *Preclinical development*. For each vaccine candidate that passes the discovery stage study, we will establish a specific product development team who are directly responsible for preclinical R&D activities. The team will be supported by staff from our different vaccine development platforms and research and development functions, including process development and quality research.

- *Clinical development*. Our clinical management team closely follow up with investigators and regulatory bodies to ensure that our clinical trials are conducted in an efficient way and all the issues arising from clinical trials can be addressed in a timely manner. In addition, we also engaged reputable CROs to manage, conduct and support our clinical trials during the Track Record Period. See "—Collaboration with CROs" below for details.

- *Continuous CMC development*. We conduct continuous CMC development during the preclinical and clinical development process, including process development and quality research. The continuous CMC development aims to address the issues and risks we observed during the clinical trial and the scaling-up in manufacturing capacities, to assure process performance consistency and product quality, safety and efficacy, and fulfill the regulatory expectation of marketing approval.

Regulatory Affairs

Our regulatory affairs team is responsible for the regulatory approval process of our vaccine candidates from clinical research to the commercialization stage, including assembling application dossiers for IND applications and BLAs, addressing inquiries from relevant regulatory authorities and monitoring ongoing R&D projects to ensure compliance with relevant laws and regulations. Our regulatory affairs team members are deeply familiar with regulatory processes of relevant governmental agencies, such as the NMPA, and had successfully obtained nine IND approvals from NMPA for our vaccine candidates as of the Latest Practicable Date. We believe our team's extensive experience in navigating the regulatory process will be critical for our commercial success.

Our Vaccine Development Platforms

To support the development of our vaccine candidates, our research and development team has established, managed and operated various vaccine development platforms. These platforms provide the infrastructure necessary for comprehensive evaluation and production, ensuring that each vaccine is developed with precision and effectiveness. For example, with the development of quadrivalent subunit influenza vaccine, we progressively established the microbes and immunity research platform alongside the large-scale amplification platform, meeting the demand for large-scale viral cultivation, establishing infection models and conducting immunogenic evaluations. As our product pipeline expands, there is a need to establish additional platforms to cope with additional technological requirements, such as the genetic engineering and protein expression and purification platform and mRNA vaccine research platform for the development of recombinant and mRNA vaccines. As of the Latest Practicable Date, we had established three comprehensive vaccine development support platforms, namely our genetic engineering and protein expression and purification platform, mRNA vaccine research platform and adjuvant development and production platform, enabling the discovery and development of new vaccines across various categories. These are complemented by our distinctive proprietary technology platforms, including our large-scale amplification platform, polysaccharide conjugation technology platform and microbes and immunity research platform, to further enhance our research and development capabilities.

Genetic Engineering and Protein Expression and Purification Platform

Our genetic engineering and protein expression and purification platform is dedicated to the research and development of upstream fermentation and downstream purification process as well as the formulation screening process for both prokaryotic cells and eukaryotic cells, the two main protein expression systems. This platform is also responsible for the pilot-scale GMP production of a variety of protein-based vaccine candidates, including our PCV24 (utilizing a prokaryotic expression system) and recombinant zoster vaccines and recombinant RSV vaccines (utilizing a eukaryotic expression system). Prokaryotic cell systems provide a simpler mechanism for basic protein production, whereas eukaryotic systems, such as Chinese hamster ovary (CHO) cells, facilitate more complex protein modifications essential for therapeutic applications. For example, for CHO cell recombinant vaccines, we synthesize target genes and integrate such genes into recombinant expression vectors, which are then introduced into CHO cells. We then screen the CHO cells to select a monoclonal cell line that can robustly express the desired protein for our cell bank. This platform is also responsible for the preparation of pilot-scale samples. This comprehensive platform enables us to efficiently advance vaccine development from discovery to GMP-compliant manufacturing. This platform supports the development of our PCV candidate, recombinant zoster vaccine candidate and recombinant RSV vaccine candidate.

mRNA Vaccine Research Platform

Our mRNA vaccine research platform is dedicated to the development and optimization of mRNA molecular design, synthesis and purification process of mRNA, mRNA encapsulation and lyophilized formulations of mRNA vaccines. Our mRNA vaccines employ sophisticated design strategies to enhance the mRNA stability and translation efficiency. The platform optimizes the mRNA synthesis and purification process to safeguard the quality and boost production volume of mRNA vaccines. mRNA encapsulation is a key process in delivering mRNA into cells. The platform aims to optimize the encapsulation technology to ensure safe and efficient cellular delivery, which ensures effective targeting of mRNA to desired cells and thus efficacy of our mRNA vaccines. Recognizing the challenges of storage and transportation of mRNA vaccines, our platform includes the development of lyophilized formulations. This approach has successfully stabilized mRNA vaccines for storage at temperatures ranging from 2°C to 8°C, facilitating easier distribution and storage whilst maintaining product efficacy, which is essential to advance vaccine accessibility. This platform ensures our production of mRNA vaccines' drug substance with high quality, stability and productivity. Our mRNA vaccine research platform supports the development of our mRNA RSV vaccine candidate and mRNA mpox vaccine candidate.

Adjuvant Development and Production Platform

Adjuvants are substances used in conjunction with antigens to assist in antigen presentation and enhance immune responses. Our adjuvant development and production platform is dedicated to the development of the sophisticated adjuvant absorption process and research on the adjuvant-antigen interactions. The adjuvant absorption process is vital in vaccine preparation. For instance, the adsorption of aluminum-containing adjuvants involves critical process parameters such as antigen concentration, aluminum concentration, buffer system, ionic strength and pH, all of which significantly impact adsorption efficacy. Our adjuvant development and production platform also conducts comprehensive adjuvant-antigen interaction studies, as varying adjuvants affect immunogenicity differently. Accordingly, selection and optimization of adjuvants are crucial to maximizing vaccine efficacy. Our adjuvant development and production platform is responsible for pilot-scale GMP production of self-developed squalene-based emulsion adjuvant, while also supports the development of nanoscale aluminum-containing adjuvant and liposome adjuvant. This platform ensures our adjuvant quality to meet regulatory standards. Enabling tailored adjuvant formulations for different vaccines, the platform supports the development of our adjuvanted trivalent and quadrivalent subunit influenza vaccine candidate, the recombinant zoster vaccine candidate and the adsorbed tetanus vaccine candidate.

Large-Scale Amplification Platform

Our large-scale amplification platform is designed to optimize virus cultivation and amplification processes, which are critical for large-scale vaccine manufacturing. This platform focuses on enhancing both yield and quality of virus production, ensuring that vaccine manufacturing can meet demand efficiently and effectively. The primary focuses of our large-scale amplification platform include the refinement of cultivation processes for chicken embryo and human diploid cell and bioreactor virus amplification process. By refining the cultivation processes for chicken embryo, we aim to optimize the viral replication at harvest and thus increase our production capacity of influenza vaccines. The platform can support high-throughput chicken embryo virus amplification, managing 100,000 chicken embryos per batch. Although the human diploid cells offer good safety profile due to minimal DNA residue contamination, they are traditionally challenging to cultivate. The platform's efforts are concentrated on overcoming such challenges to achieve large-scale cultivation of the human diploid cells. This platform enables us to achieve optimal cell growth conditions and continuous passaging capability, with rabies virus titers reaching 10^8 CCID50/ml. The platform also includes a bioreactor scale-up system, designed with 26 parallel reactors, that could utilize either perfusion culture or fed-batch suspension culture to achieve sustained high-density cell growth. By refining the bioreactor virus amplification process, we also aim to reduce the production costs and enhance production efficiency of our viral vaccines.

Polysaccharide Conjugation Technology Platform

Our polysaccharide conjugation technology platform is responsible for the conjugation and purification of polysaccharide-protein conjugates. Central to the conjugation process is the exploitation of polysaccharide-protein interactions to forge stable chemical bonds, thereby enhancing immunogenicity. Our research emphasizes the development of conjugation methodologies tailored to different pneumococcal serotypes to boost polysaccharide recovery and the quality of conjugate solutions. In other words, our polysaccharide conjugation technology platform aims to improve the efficacy and cost-efficiency of our polysaccharide conjugation vaccine candidates. In addition, our polysaccharide conjugation technology platform focuses on the optimization of purification process of polysaccharide-protein conjugates, to enhance the efficacy and safety of our polysaccharide conjugation vaccine candidates. Our polysaccharide conjugate vaccine platform supports the development of our PCV24 candidate.

Microbes and Immunity Research Platform

Our microbes and immunity research platform is dedicated to investigating the pathogenic mechanisms of a wide range of microorganisms, including various pathogenic bacteria and viruses. Building on traditional vaccine development principles, the platform introduces refined research and development strategies covering the fields of vaccine antigen design and formulation. This platform aims to facilitate comprehensive investigations into immune responses (and their mechanisms) elicited by vaccines to thoroughly evaluate and improve the immunogenicity and effectiveness of vaccines. This platform conducts an extensive array of R&D activities such as collecting different samples from animals, culturing viruses and host cells, and constructing a wide range of animal infection models, including those for influenza, RSV, rabies and tetanus, which allow for comprehensive evaluation of vaccine efficacy and preliminary safety. It focuses on monitoring both humoral and cellular immunity, evaluating immune persistence and establishing immunization protocols of our vaccine candidates. To assess humoral immunity, we perform neutralizing antibody assays to determine the efficiency of antibodies in preventing viruses from infecting cells. Through these comprehensive evaluations, the platform plays a critical role in understanding the enhancement of the immunological properties of our vaccine candidates, as well as the mechanisms by which they provide strong and lasting immune protection. Furthermore, the platform is also capable of detecting and analyzing cellular immune responses through technologies such as ELISPOT and flow cytometry.

Collaboration with CROs

In line with industry norm, we engage CROs that are independent from our Group to support our preclinical and clinical studies from time to time. We select CROs based on various factors, including their past experience in vaccine-related preclinical and clinical studies, their reputation and influence in the industry, their qualifications, professional experience of their employees and pricing. The work scope of these organizations in the development of our vaccine candidates may vary, subject to our overall management and instructions. With respect to preclinical studies, CROs typically provide us with service related to preclinical safety and immunogenicity evaluations of our vaccine candidates in accordance with our study design under our supervision. We are required to engage GLP-certified CROs to conduct safety evaluations studies under relevant laws and regulations. We engaged CROs to conduct preclinical safety and immunogenicity studies for our Core Products. With respect to clinical studies, CROs typically provide us with a comprehensive suite of services required in complex clinical trials in accordance with our trial design and under our supervision. We engaged CROs for all completed and ongoing clinical trials of our Core Products.

We have set in place various procedures regarding the management and monitoring of the performance by CROs. Our clinical development department is responsible for managing the overall clinical trial process and overseeing CROs' work. We hold regular progress meetings with CROs and provide specific directions to ensure the quality and efficiency of the trial execution. We conduct regular and *ad hoc* on-site audits of CROs, including interviewing their employees, reviewing documentations and records, such as relevant trial data and reports. We would keep formal records of such audits and follow up regarding issues discovered in the process. For clinical CROs, we would also refer to the NMPA compliance record of their previous clinical trials. Our CROs are also required to fully cooperate with our monitoring and inspection activities and rectify any issue identified during such inspections.

After we select a CRO to support our preclinical and clinical studies, we will enter into an agreement with the organization. Key terms of our agreements with CROs are summarized as follows.

- *Services.* With respect to preclinical studies, the CROs mainly help us conduct safety and immunogenicity evaluation by conducting tests on animals. With respect to clinical trials, the CROs are responsible for assisting in preparing clinical trial protocols and trial plans, clinical monitoring and inspection, clinical research coordination, data management, and medical monitoring.

- *Term.* For preclinical studies, contract term ranges from six months to five years, depending on the estimated duration of such studies. The agreements for clinical trials typically do not have a fixed term, and agreements generally expire after the completion of the relevant clinical trials and passing of NMPA inspection.

- *Payments.* We are typically required to make payments to CROs by installments according to milestones of respective services during the trials and clinical studies.

- *Intellectual Property and Confidentiality.* We own all intellectual property and trial results and the CROs must maintain strict confidentiality with respect to the information they acquire during the trials.

In 2023, 2024 and the three months ended March 31, 2025, we engaged 24, 16 and 14 CROs and incurred related expenses of RMB87.3 million, RMB34.0 million and RMB3.8 million, respectively. To the best of our knowledge, all of the CROs we engaged during the Track Record Period were Independent Third Parties.

Our Research and Development Expenses

Over the long development process of a vaccine candidate, the amount of our R&D expenses fluctuates, depending on the development stage. Our R&D expenses of a specific vaccine typically rise during active phases of preclinical and clinical trials and decrease once trials are completed or enter backend stages such as CSR compilation. The level of our R&D expense of a vaccine could be low when, for example, an NDA has been submitted to the

NMPA and we await the result following a normal regulatory approval timeline, which lasts, on average, approximately 18 months for vaccines, according to Frost & Sullivan. Our R&D expenses of such vaccine may rise again when further studies, for example the post-approval studies of our quadrivalent subunit influenza vaccines, commence.

In 2023, 2024 and the three months ended March 31, 2025, we incurred research and development expenses of RMB283.2 million, RMB205.6 million and RMB46.5 million, respectively. Among which, the R&D expenses attributable to our Core Products, the quadrivalent subunit influenza vaccine and lyophilized human rabies vaccine candidate, amounted to (i) RMB38.8 million and RMB23.0 million in 2023, accounting for 13.7% and 8.1% of our total R&D expenses and 9.4% and 5.6% of our total operating expenses* in the same year, respectively; (ii) RMB8.1 million and RMB35.2 million in 2024, accounting for 4.0% and 17.1% of our total R&D expenses and 2.0% and 8.5% of our total operating expenses in the same year, respectively; and (iii) RMB0.6 million and RMB9.7 million in the three months ended March 31, 2025, accounting for 1.2% and 20.9% of our total R&D expenses and 0.7% and 11.7% of our total operating expenses in the same period, respectively.

We have maintained a robust focus on R&D centered primarily on advancing our Core Products toward commercialization. We have been investing heavily in the R&D of our Core Products prior to the Track Record Period, with the R&D expenses for our Core Products accounting for over 50% in each of 2021 and 2022. Even though the R&D expenses directly attributable to our Core Products in percentage terms during the Track Record Period experienced fluctuations, they have remained the front and center of our R&D efforts. Our research and development expenses for quadrivalent subunit influenza vaccines decreased from RMB38.8 million in 2023 to RMB8.1 million in 2024, primarily due to (i) the commercialization of the vaccine for individuals aged three years and above in September 2023, and (ii) the completion of clinical studies as we received the acceptance of our NDA by the NMPA in June 2024 for the 6-35 months age group. Our research and development expenses for rabies vaccine increased from RMB23.0 million in 2023 to RMB35.2 million in 2024, as we were awaiting IND approval of our rabies vaccine and preparing for Phase I clinical trial in 2023, only entering the clinical stage in November 2023.

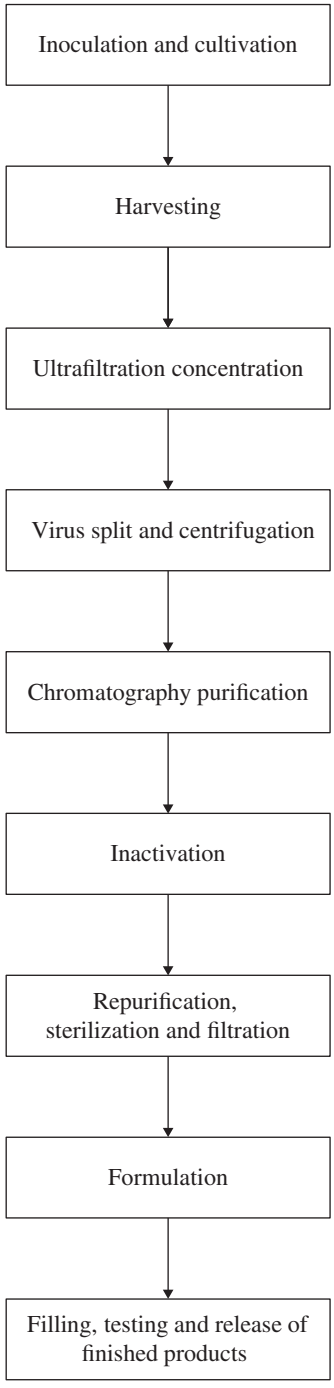
As we are conducting the post-approval safety study of our quadrivalent subunit influenza vaccines in 2025 and plan to commence the Phase III clinical trial of our lyophilized human rabies vaccine in the third quarter of 2025, we expect the R&D expenses of our Core Products to increase from 2024 to 2025 as a proportion of our total R&D expense. Furthermore, as we plan to continue the Phase III clinical trial of our lyophilized human rabies vaccine in 2026, commence the post-approval immunization protocol study among individuals aged 3-8 years and the post-approval large-scale study of our quadrivalent subunit influenza vaccine's protective efficacy in 2026, we expect the R&D expenses of our Core Products to further increase in 2026. accounting for a majority of our total R&D expenses.

* For the purpose of this paragraph, includes research and development expenses, administrative expenses, selling expenses, listing expenses and other expenses

MANUFACTURING

Manufacturing Process

The following diagram summarizes the key steps in our manufacturing process of quadrivalent subunit influenza vaccines.



The following is a brief description of the key steps in our manufacturing process.

- *Inoculation and cultivation.* We cultivate our influenza vaccines in chicken embryos. We carefully inspect chicken embryos before inoculating the viral seed into the allantoic, or the primitive bladder, of chicken embryos, which is a sack-like hollow. We use automated inoculation machines to control the inoculation concentration and volume of viral seed solution. The temperature, humidity and cultivation duration are crucial for the cultivation process. As such, we exercise strict and precise control over these parameters for our cultivation process.

- *Harvesting.* After cultivation, we inspect and cool the embryos before harvesting the allantoic fluid into containers. The harvested fluid is then centrifuged and clarified where the liquid and solid are separated.

- *Ultrafiltration concentration.* The clarified liquid is then subject to ultrafiltration using membrane cassettes. We carefully select the membrane cassettes with appropriate pore size and control the operating pressure of ultrafiltration to achieve the desired concentration rate.

- *Virus split and centrifugation.* We use chemical agents to disrupt the viral envelope to extract the HA and NA antigen components and separate such components from protein impurities though centrifugation. We perform virus split and centrifugation simultaneously to produce the centrifugated solution.

- *Chromatography purification.* The solution then undergoes chromatography purification and elution to become the chromatographic solution.

- *Inactivation*. We conduct a test of the protein content of the chromatographic solution sample and add formaldehyde to inactivate the virus. We then conduct a safety test of the inactivated solution to confirm complete inactivation of the virus.

- *Repurification, sterilization and filtration*. We then perform a repurification using ultrafiltration membranes to wash and filter the inactivated solution, followed by sterilization and filtration to obtain the monovalent drug substance.

- *Formulation.* After we produce the monovalent drug substance for each of the four valent for our quadrivalent subunit influenza vaccines, we formulate the drug substance based on the approved formula. The formulated drug substance then undergo another sterilization and filtration process before they become semi-finished products.

- *Filling, testing and release of finished products.* We fill the products in vials. We then inspect each finished product according to the production process and pursuant to national and international Pharmacopoeias, including identification, physical appearance, fill volume, chemical verification, sterility and toxicity. If the testing and inspection results satisfy the quality requirement, we will release the finished products.

Manufacturing Facilities and Production Capacity

Manufacturing Facilities and Equipment

During the Track Record Period and up to the Latest Practicable Date, all of our commercialized vaccine products (quadrivalent subunit influenza vaccine products) and our vaccine candidates used in our clinical trials were manufactured in-house. As of the Latest Practicable Date, our manufacturing team had 256 employees. The team is led by Mr. Jia Chunyu, who has over 16 years of experience in vaccine manufacturing.

Our current manufacturing facility is located at our headquarters in Taizhou, Jiangsu and has a GFA of over 48,000 sq.m. (the "**No. 1 Manufacturing Facility**"). We own the parcels of land housing our No. 1 Manufacturing Facility. Our No. 1 Manufacturing Facility is in compliance with the manufacturing, quality assurance and quality control standards as required under the relevant laws and regulations in China, and is designed to be in compliance with such required standards in our targeted overseas markets. During the Track Record Period and up to the Latest Practicable Date, we passed all GMP inspections conducted by the NMPA or its local counterparts on our No. 1 Manufacturing Facility. We have equipped our No. 1 Manufacturing Facility with advanced equipment and machinery procured from leading international and domestic brands, such as bioreactors, large-scale centrifuges, ultra-filtration system and large-scale purification system and product filling and packaging lines. As of the Latest Practicable Date, we owned all the equipment and machinery used in our production process. We regularly inspect and maintain our equipment and machinery to ensure that they remain in good condition for operation. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material or prolonged interruptions to our production process due to equipment or machinery failure.

As of the Latest Practicable Date, our No. 1 Manufacturing Facility had one influenza production line (the "**First Influenza Vaccine Production Line**"), one rabies vaccine production line and one pneumococcal vaccine production line. As advised by our PRC Legal Advisors, while our No. 1 Manufacturing Facility houses production lines for different vaccines, as each of such production line is independent, it is in compliance with applicable laws and regulations to manufacture different vaccines in the same manufacturing facility. Our First Influenza Vaccine Production Line is equipped with drug substance facilities processing 100,000 chicken embryos per batch and 20 to 30 million embryos annually. The First Influenza Vaccine Production Line is also equipped with vaccine product facilities, which fill and package the influenza vaccines. The drug product facilities has a designed production capacity of 80,000 doses per batch, or 4.0 million doses of quadrivalent and trivalent subunit influenza vaccines annually. Our rabies vaccine production line currently has a designed annual production capacity of 5.0 million doses of rabies vaccines and our pneumococcal vaccine production line currently has a designed annual production capacity of 15.0 million doses of PPSV23 and PCV24. We plan to use our pneumococcal vaccine production line to manufacture PPSV23 and PCV24 for their Phase III clinical trials and once they are commercialized. In 2023, 2024 and the three months ended March 31, 2025, we manufactured 1.2 million, 1.8 million and nil doses of quadrivalent subunit influenza vaccine, representing a utilization rate

of 30.2%, 45.8% and nil, respectively. As our influenza vaccines are seasonal-type vaccine against major circulating viruses during each influenza season, our manufacturing activities peaked between March and August 2024, during which time our utilization rate reached 91.5%. As our First Influenza Vaccine Production Line is about to reach full capacity during such peak season*, and we plan to commercialize our trivalent subunit influenza vaccines and quadrivalent subunit influenza vaccines for use in people aged 6-35 months once they obtain NDA approval, we had another influenza vaccine production line undergoing process validation (the "**Second Influenza Vaccine Production Line**") as of the Latest Practicable Date. The Second Influenza Vaccine Production Line has the same designed annual production capacity as our existing production line. We expect our trivalent subunit influenza vaccines and quadrivalent subunit influenza vaccines for use in people aged 6-35 months to obtain NDA approval by the end of 2025. Accordingly, we plan to complete GMP compliance inspection and commence production by the end of 2026 for the Second Influenza Vaccine Production Line. Once our Second Influenza Vaccine Production Line commences production by the end of 2026, we expect to increase our total designed production capacity of influenza vaccines during the peak season of March to August to 4.0 million doses. We also manufactured a small amount of PPSV23 and rabies vaccines for our clinical trials. The utilization rate of our rabies vaccine production line and pneumococcal vaccine production line was less than 0.1% during each year/period of the Track Record Period, primarily because our rabies vaccine candidate, PPSV23 candidate and PCV24 candidate have not been commercialized and we have not commenced large-scale production of such candidates. We expect to have a low utilization rate of our pneumococcal vaccine production line over the next three years, until we commercialize our PPSV23.

New Manufacturing Facilities

In anticipation of the market demand of our clinical-stage vaccine candidates, we are constructing a second manufacturing facility (the "**No. 2 Manufacturing Facility**") and a third manufacturing facility (the "**No. 3 Manufacturing Facility**") in our headquarters in Taizhou. We own the parcels of land housing our No. 2 Manufacturing Facility and No. 3 Manufacturing Facility. Our No. 2 Manufacturing Facility and No. 3 Manufacturing Facility are designed in compliance with the manufacturing, quality assurance and quality control standards as required under the relevant laws and regulations in China and our targeted overseas markets.

No. 2 Manufacturing Facility

Our No. 2 Manufacturing Facility is designed to manufacture influenza vaccines. It is expected to expand our manufacturing capacity of influenza vaccines, especially in anticipation of commercialization of our trivalent subunit influenza vaccines and quadrivalent

* According to Frost & Sullivan, lot release of influenza vaccines in China is expected to reach 110.0 million doses in 2027. Based on the current expectations, we aim to achieve a market share of approximately 3.5% (equivalent of lot release of 3.9 million doses) in 2027. Therefore, we expect our First Influenza Vaccine Production Line to reach full capacity during the peak season in 2027, necessitating the use of our Second Influenza Vaccine Production Line.

subunit influenza vaccines for use in people aged 6-35 months and 65 years and above. It has a planned GFA of approximately 82,000 sq.m. As of the Latest Practicable Date, the No. 2 Manufacturing Facility were in the process of road and landscape construction. We plan to complete construction of our No. 2 Manufacturing Facility when both of our First Influenza Vaccine Production Line and Second Influenza Vaccine Production Line are about to reach full capacity. Our No. 2 Manufacturing Facility is expected to have a designed annual production capacity of 10.0 million doses of influenza vaccines. We plan to fund the construction of such manufacturing facility with our unutilized credit facilities and cash from operations.

No. 3 Manufacturing Facility

Our No. 3 Manufacturing Facility is responsible of manufacturing recombinant protein vaccines (recombinant RSV vaccine and recombinant zoster vaccine). It has a planned GFA of nearly 27,000 sq.m. As of the Latest Practicable Date, we had completed construction of the main structure of the No. 3 Manufacturing Facility. We expect to complete construction of No. 3 Manufacturing Facility in the first half of 2026 and commence production of recombinant protein vaccines for Phase III clinical trials by the end of 2026. Our No. 3 Manufacturing Facility was initially designed to have an annual production capacity of 10.0 million doses of recombinant zoster vaccines or an annual production capacity of 10.0 million doses of recombinant RSV vaccines. However, by having different production cycles for such two vaccines, we would be able to have manufacture up to 10.0 million doses of recombinant RSV vaccines on top of 10.0 million doses of recombinant zoster vaccines. We expect to have a low utilization rate of our No. 3 Manufacturing Facility over the next three years, until we commercialize our recombinant vaccines. As advised by our PRC Legal Advisors, our plan to manufacture both types of recombinant vaccines in such manufacturing facility is in compliance with relevant laws and regulations in China. We plan to fund the construction of such manufacturing facility with our unutilized credit facilities and cash from operations.

Quality Management

The quality and safety of our vaccine products are crucial. We endeavor to ensure the quality of our products through a comprehensive quality management system. Our quality management system was formulated in accordance with applicable national standards, including the GMP standards, covering substantially every aspect of our operations including product design, raw materials and manufacturing, among others.

Quality Control System

We have an experienced quality management team, consisting of 102 employees as of the Latest Practicable Date with an average of eight years' experience in quality assurance, quality control and validation, all of whom have received professional trainings in regulations, GMP standards and quality control analysis methods.

We have implemented quality management systems that conform to international standards, national regulations and industry guidelines and adopted standard operating procedures. All of our manufacturing facilities are designed in conformity with GMP standards adopted by NMPA in the PRC. GMP is the basic principles of pharmaceutical manufacturing and quality management for ensuring that products are consistently produced while achieving the required quality. The current operating production line of our No. 1 Manufacturing Facility is GMP certified in the PRC.

Quality Control of Raw Materials

We have established detailed internal rules governing the selection of raw material suppliers and raw material quality control. We purchase raw materials only from suppliers of which we have verified business qualifications and product quality. After initial screening by our procurement department, we typically request product samples from a supplier, which is examined by our quality management team. The examination result provides an important basis for our supplier selection decisions. In addition, we would conduct on-site quality audit at the supplier's production facilities, and we require the supplier to execute a quality guarantee agreement with us. Our quality control team, together with our raw material management team, inspection team and procurement team, conducts initial inspection of our raw material suppliers upon engagement and periodic follow up inspections. We also conduct for-cause inspections of suppliers upon notice of certain red-flags. For supplies that do not pass our inspection, they will be transferred to our warehouse, categorized as unqualified supplies, pursuant to our protocols regarding non-conforming products. We stringently implement and follow our return and exchange policies, based upon which we would return any nonconforming raw material supplies that do not satisfy our quality control standards.

Quality Control of Manufacturing

Our quality management team is responsible for ensuring that our manufacturing processes consistently conform to applicable standards through regular on-site inspections. After completing each step of the manufacturing process, we perform cleaning and maintenance procedures to prevent contamination or cross-contamination before we proceed to the next step. Each batch of our product is subject to strict internal inspection before lot release inspections. Once lot release is approved, the detailed information of approved batch, including the series number, is published on the NIFDC website. We conduct sample testing on certain work in progress at certain stages of manufacturing. Our quality assurance department also inspects the documentation relating to product quality, including the laboratory control records and production process records. Products that do not meet our quality standards are destroyed or otherwise disposed of in accordance with the relevant disposal requirements. To better monitor the quality of our products and detect any risk or error in the quality control process, we have implemented an information management system. We have also completed the connection with a national vaccine electronic traceability collaboration platform to enable tracing of vaccines. Each dose of our vaccine products is packaged in a box with a unique barcode, which contains the detailed information of such dose of vaccine, including its circulation route.

During the Track Record Period and up to the Latest Practicable Date, we passed all GMP inspections conducted by the NMPA or its local agencies with no material issues identified in any of the inspections. During the Track Record Period and up to the Latest Practicable Date, all of our finished products sold had approved lot releases, the batch number of which can be found on the NIFDC websites, and there had not been any material product quality or safety issues.

COMMERCIALIZATION

We sell our quadrivalent subunit influenza vaccines, which are Class II vaccines, directly to CDCs at the district or county level. According to the Vaccine Administration Law, the CDCs purchase vaccine products from vaccine suppliers such as us. We are responsible for delivering vaccines to the CDCs, which then supply vaccine products to points of vaccination (POVs), which are regulated by CDCs. Our quadrivalent subunit influenza vaccines, as Class II vaccines, are supplied to such POVs without any price mark-up. CDCs may entrust qualified logistics service providers to deliver vaccines to the POVs, which provide ancillary delivery services only and do not own any vaccine products delivered by them. As advised by our PRC Legal Advisor, this is only a vaccine circulation process without any sales relationship between CDCs and points of vaccination.

Sales Network

As of the Latest Practicable Date, we had an in-house sales and marketing team with 54 experienced staff covering sales, marketing, medical affairs and operations. Our sales team is responsible for the sale of our quadrivalent subunit influenza vaccines and to prepare for the commercialization of our vaccine candidates. Our marketing team is responsible for formulating overall marketing and promotion strategies, attending academic conferences and communications with CDCs on medical and scientific information of our vaccine products. Our medical affairs team is responsible for post-approval studies of the vaccine in different geographic areas. Our sales operations team is responsible for management of third-party marketing service providers, order management and shipment. We engage third-party marketing service providers to conduct promotional activities based on the promotional plans and strategies formulated by our in-house marketing team. By engaging third-party marketing service providers, we can leverage local resources and the experience of third-party marketing service providers to assist our marketing and promotion activities, which we believe is the most cost-effective manner to increase our market outreach and penetration. Supported by the third-party marketing service providers, our sales and marketing team has completed the market entry process in 30 provinces for our quadrivalent subunit influenza vaccine, which has been chosen by over 1,100 district- and county-level CDCs in local selections.

Our third-party marketing service providers are professional marketing service providers, which primarily provide regional marketing services to vaccines companies in the biopharmaceutical industry. Third-party marketing service providers are not required to obtain licenses to sell vaccines as they only provide marketing services and do not sell any medical products. We select third-party marketing service providers based on their industry experience

and expertise, local resources such as CDC and POV coverage, compliance and credit history, financial condition and management capabilities. Third-party marketing service providers promote our products primarily by conducting market research, organizing academic conferences, reporting to us on the latest market trends and demands of our products, educating the general public to raise awareness of the benefits of vaccination, promoting the advantages of our products, assisting in public tender document preparations and site-visiting CDCs and POVs to deliver and fetch documents, cross-check invoices and collect receivables. Each of our third-party marketing service providers conduct promotional activities in a designated region and we engage no more than one third-party marketing service providers in a district or county, so that each of our CDC customer is covered by no more than one third-party marketing service provider. As of December 31, 2023 and 2024 and March 31, 2025, we had 37, 58 and 57 third-party marketing service providers, covering 26, 30 and 30 provinces in China, respectively.

We typically enter into one-year agreements, which may be renewed upon mutual agreement. Under our agreements with the third-party marketing service providers, they are required to comply with applicable regulatory requirements on marketing activities and our sales policies. Our agreements with third-party marketing service providers may be terminated by mutual consent, and we may unilaterally terminate the contract under a range of circumstances, which usually include (i) if the third-party marketing service provider fails to effectively promote our vaccine product; (ii) if the third-party marketing service provider violates our policies on the management of third-party marketing service providers; (iii) if the third-party marketing service provider breaches any laws and regulations applicable to the provision of marketing services; and (iv) if the third-party marketing service provider breaches any anti-bribery law.

We typically settle service fees with third-party marketing service providers quarterly or annually, which is capped by a pre-approved budget. The service fees are calculated by multiplying the number of promotional activities conducted by the third-party marketing service provider by the fees for each type of promotion activities, capped by the pre-approved budget. In 2023 and 2024, we incurred RMB19.2 million and RMB103.0 million third-party marketing service fees, accounting for 36.8% and 39.7% of our revenue in the same year, respectively. According to Frost & Sullivan, our fee arrangements with the third-party marketing service providers are reasonable and in line with industry practice.

Marketing Strategies

Our sales and marketing efforts put a strong emphasis on academic promotion where we provide professional knowledge of the safety and efficacy of our products and information of targeted disease to our target customers. We keep frequent communications with CDCs, local POVs and related healthcare professionals through academic events, regular visits, on-site trainings and post-administration follow-ups on the safety and effectiveness of our product. Our third-party marketing service providers promote our products to CDCs by organizing promotional activities such as academic conferences and regular visits to CDCs. They also help us collect feedback on our vaccine product.

We have also developed the following marketing strategies to explore, penetrate and develop the markets for our vaccine candidates.

- *Focus on premium vaccines to replace traditional products and imported products in China.* We closely track global trends in infectious disease incidence and vaccine R&D, focusing on premium vaccines to replace traditional products and imported products in China and extend our competitive edge into international markets. We aim to provide more and better vaccination options to the public. All of our product and product candidates are, or expected to be, classified as Class II vaccines in China. The Class II vaccine market has less sales volume in terms of doses but higher value than the Class I vaccine market, and therefore has greater growth potential. See "Industry Overview—Overview of the Human Vaccine Market—The Chinese Human Vaccine Market." We believe that our product candidates will compete effectively for their quality and innovation, and will be able to meet the increasing needs of the Class II vaccine market.

- *Promotion of market and brand recognition.* We engage in academic promotional activities and attend academic conferences, during which our scientists and commercialization team engage in information exchange and academic discussions with healthcare professionals including CDCs, physicians and KOLs in the vaccine or disease prevention industry, on the latest industry trends, research progress and advantages of our product candidates.

- *Pre-launch market research and analysis*. We plan to increase public awareness of the benefits of vaccination for different populations by targeting high-risk populations, such as pregnant women and people with chronic diseases. We also plan to conduct comprehensive research and analysis to better understand our targeted markets and populations to formulate more effective sales and marketing strategies.

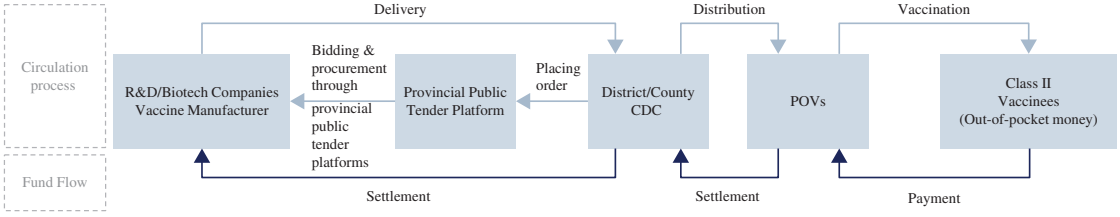
Specifically, with respect to our quadrivalent subunit influenza vaccine, we rely on our in-house sales and marketing team to carry out our overall academic-oriented market outreach strategy. We plan to further increase market penetration and outreach of our quadrivalent subunit influenza vaccines by increasing public awareness of influenza vaccines. Our public education efforts focus on communicating the scientific rigor underlying vaccine development, stringent quality control measures and innovations within the industry, aiming to build public trust and encourage higher vaccination uptake among key demographic groups. We also plan to increase our product awareness and accessibility through a combination of offline activities such as academic conferences and professional visits. In line with market practice, we will also engage third-party marketing service providers to support our daily marketing activities.

Though influenza vaccines are not included in China's national immunization program, several regions have initiated free vaccination schemes for certain demographics where the influenza vaccines are paid by the local government or the vaccination clinics. For example, in Beijing, from September to late November 2024, free vaccinations were provided to seniors aged 60 and above, students in primary and secondary schools as well as vocational and

technical institutions, frontline workers in critical sectors such as healthcare, disease control and eldercare institutions and emergency personnel for major events. In Zhejiang Province, free vaccinations are provided to residents aged 60 and above, starting from September each year. Similar schemes have also been implemented in many other regions, such as Guangdong province, Shandong province and Liaoning province. In most of the regions that have initiated free influenza vaccination scheme, trivalent live attenuated influenza vaccines and trivalent split-virion influenza vaccines are selected for free vaccination, which are generally less expensive than other types of influenza vaccines. In regions that have initiated free influenza vaccination schemes, we will steadfastly execute our overall marketing strategy with an emphasis on academic promotion and we believe that such free influenza vaccination schemes would not cause a material impact to the market standing of our quadrivalent subunit influenza vaccine, because (i) according to Frost & Sullivan, current free influenza vaccination schemes primarily target the elderly population aged 60 years and above, while our vaccine appeals to a much broader demographic—all individuals aged three and above; (ii) our vaccine is differentiated from the mainstream split-virion influenza vaccines available in the market in terms of technological approach and the resulting safety profile; and (iii) our quadrivalent subunit influenza vaccine is differentiated from trivalent influenza vaccines, which constitute majority of the influenza vaccines offered under the free vaccination scheme, in terms of protection spectrum. To enhance our reach in regions with free influenza vaccination schemes, we plan to increase product awareness and accessibility through a combination of offline activities such as academic conferences and professional visits. By emphasizing professional academic promotion and collaborating closely with local marketing service providers, we aim to establish a distinct high-end subunit influenza vaccine brand image, ensuring broader introduction at the POVs.

Selling Process

The following flowchart summarizes the selling process of Class II vaccines in China.



Source: Frost & Sullivan analysis

To sell our vaccine products to district- and county-level CDCs, we participate in public tenders at provincial levels and then local selection process held by district- and county-level CDCs. After the local selection process, district- and county-level CDCs negotiate supply volume with us based on the vaccine demand collected from POVs, which will be documented in our sales agreement. We then engage logistic companies to arrange cold-chain transportation of our vaccine products to each district- and county-level CDCs. After completion of procurement from us, CDCs supply vaccine products to POVs, which are regulated by CDCs.

As advised by our PRC Legal Advisor, this is only a vaccine circulation process without any sales relationship between CDCs and points of vaccination. Pursuant to our agreements with CDCs, the circulation of products from the CDCs to POVs is managed by the CDC, and the associated distribution fees and the transportation risks are borne by the CDCs. Accordingly, we are not liable for any transportation costs of the circulation process from CDCs to the POVs or product liability arising from mishandling of the vaccines during such circulation process. Vaccination of Class II vaccines are not mandatory for the general public in China and vaccinees have the freedom to choose the vaccine products and receive vaccination at POVs. As Class II vaccines are not covered by national reimbursement practice, vaccinees, or their insurance companies, are responsible for the costs of vaccines and administration fees, if any.

Public Tenders

We are required to participate in the public tender and re-tender process held by provincial-level CDCs to sell our products, which are, or are expected to be, Class II vaccines, in China. For Class II vaccines, public tenders and re-tenders serve as an admission for entry to market of the relevant province. The public tenders are typically held once or twice each year. Once we win a public tender, we are eligible to sell the vaccines (subject to local selection process) to CDCs in a province, typically for one year. Public re-tenders are also held occasionally and, once awarded, are typically valid until the next public tender is held in that province. Following the public tenders, we are required to participate in the local selection process held by district- or county-level CDCs to sell our products to specific districts or counties. The local selection process, depending on the specific district or county, are typically held quarterly or semiannually. Once selected by a district- or county-level CDC, we can enter into a sales agreement with the CDC, which will specify the supply volume. The district- or county-level CDC can continue to procure from us until the next public tender is held for the province. The public tenders and local selections do not specify any quota or the volume to be admitted and each CDC will negotiate with us on the actual supply volume based on demand of POVs. We generally compete with competitors on the technical designs, registration classification, bid price, clinical effectiveness and quality of product, as well as reputation. Our quadrivalent subunit influenza vaccines are sold to district- and county-level CDCs. As of the Latest Practicable Date, we had participated in public tenders in 30 provinces and completed the market entry process in all 30 provinces, with a tender success rate of 100.0%. Through successful bids at public tenders, our quadrivalent subunit influenza vaccine has been selected by over 1,100 district- and county-level CDCs.

Pricing

Under the Vaccine Administration Law, Class II vaccine companies are required to follow reasonable pricing principles, which is generally understood by the market players as setting prices with reference to market factors and purchase demand of CDCs. For our quadrivalent subunit influenza vaccine, we participate in provincial-level centralized bidding processes, prior to which we also set bidding prices in a reasonable and independent manner. If we win the bids, our bidding prices become the selling price of such product in the respective province. Therefore, we and our competitors will consider and submit pricing information to the relevant

CDCs. The bidding price of our products is one of the factors considered by provincial CDCs. As Class II vaccines are paid by vaccinees, our pricing for such vaccines is primarily market driven. We take into consideration factors such as our costs of production, price quotations of competing products in the bidding process, our technological advantages, product quality and market trends, vaccinees' purchasing power, as well as changes in the levels of supply and demand. For our quadrivalent subunit influenza vaccine, we set a uniform bidding price of RMB319 per dose across different provinces in China. We set the price for our quadrivalent subunit influenza vaccine primarily considering existing influenza vaccine prices both domestically and internationally, along with an evaluation of our manufacturing costs. Our quadrivalent subunit influenza vaccine represents a notable technological advancement from previously marketed quadrivalent split-virion influenza vaccines. It includes an extra purification step that removes internal viral proteins, maintaining only high-purity HA and NA antigens, resulting in an improved safety profile, as well as increased production costs, compared to split-virion influenza vaccines. Correspondingly, the set price of RMB319 per dose is higher than those of split-virion influenza vaccines, and comparable to the quadrivalent subunit influenza vaccines marketed abroad, which are generally priced between approximately RMB300-RMB500 per dose.

Vaccine Transportation and Storage

Temperature, hygiene and physical containment of vaccine products are among the key aspects of our storage and transportation processes. The Vaccine Administration Law requires cold-chain transportation and storage in the entire delivery process of vaccines in order to ensure constant monitoring and control of temperature. We are also required to implement a tracking system to keep proper records of the temperature of vaccines during transportation and storage under relevant laws and regulations. See "Regulatory Overview." To fully comply with these requirements, we have engaged logistic companies with cold-chain capabilities to transport our products. We select logistic companies by considering their qualifications, compliance with relevant regulations and industry standards, quality, prices, business scale, market share and reputation. We only entrust transportation service to logistic companies with cold-chain transportation qualifications. As of the Latest Practicable Date, we had 25 logistic service providers, all of which are Independent Third Parties.

We typically enter into one- to two-year agreements with logistic companies. To ensure our logistic service providers comply with relevant laws and regulations, our agreements with logistic companies require them to provide cold-chain transportation services with tracking systems that are suitable for vaccines or medical products. Upon delivery, the logistic companies are required to provide the temperature monitor records for the entire delivery process, and we are entitled to inspect their compliance with all applicable requirements. The logistic companies are also obligated to deliver our products on time and are responsible for losses and damages in transportation. While CDCs would generally require logistics companies to provide relevant licenses to show their eligibility to transport vaccine products, we also audit the logistic companies periodically to ensure the quality of their service. We may unilaterally terminate the agreement with logistic companies under a range of circumstances, which usually include (i) if the logistic company fails to comply with the agreement terms; (ii) if the logistic

company fails to pass the inspection by regulatory agencies or our periodic audit; (iii) if the logistic company engages in fraud, falsification of documents or conceals any material errors; or (iv) we suffer material losses due to the logistic company's actions/inactions. During the Track Record Period, we actively terminated business relationship with four logistic companies, primarily because we switched to more cost-effective logistic companies. Our payments to the logistic companies are generally settled on a monthly basis. The transportation fees are determined based on the number of vaccines delivered. In case of product return, the logistic companies offer free room-temperature transportation services or cold-chain transportation service at a discounted price. In addition to engaging cold chain logistic companies, as of the Latest Practicable Date, we used 24 qualified storage centers located in 24 provinces. In 2023, 2024 and the three months ended March 31, 2025, we incurred RMB0.9 million, RMB6.1 million and RMB70,768.0 vaccine transportation and storage fees, respectively.

After-Sale Services

Our sales and marketing team is responsible for maintaining contact with CDCs after sales to gather timely feedback. If we receive a complaint about our products, our responsible point of contact will forward it to our relevant departments, which will then follow up on such complaint. Our pharmacovigilance team and quality control department handle complaints involving adverse effects. Our quality control department conducts internal investigations and report to the sales and marketing department, who then respond to the complaining customer. They also make investigations as necessary and coordinate with other departments internally, including our pharmacovigilance team, to respond until the complaint is resolved. We also have self-checking and recall protocol in place, which will be activated when we consider a recall is necessary. We are required to make a report to the NMPA if we initiate a product recall. During the Track Record Period and up to the Latest Practicable Date, we had not received any material complaints on the quality of our vaccine product or been involved in any significant litigation or disputes arising from customer complaints, nor have we initiated a product recall.

As advised by our PRC Legal Advisors, MAHs of vaccines are primarily responsible for product liability arising from adverse reaction to vaccinations due to defects in the vaccines. We maintain product liability insurance policies for adverse reactions to vaccination, which provide coverage for medical expenses, legal defense costs and compensation payments arising from any adverse reaction to vaccination of our vaccine products. According to Frost & Sullivan, our existing insurance coverage is generally in line with the industry practice in China. However, the insurances we maintain are subject to payment limits and coverage exceptions. See "Risk Factors—We have limited insurance coverage, which could expose us to significant costs and business disruption." During the Track Record Period and up to the Latest Practicable Date, we did not provide any compensation due to undesirable side effects or damage related to the immunization with our vaccine products.

Return and Exchange

In line with industry practice, we accept returns of (i) unused products that are expired or about to expire; (ii) products that are defective or are substandard; (iii) products with damaged packaging; and (iv) products that are otherwise unmarketable due to any fault on our part. As our influenza vaccines are seasonal-type vaccines against specific circulating viruses during each season, we also voluntarily accept unused influenza vaccines after the end of each influenza season, usually starting from April. Vaccinees or CDCs that return products are required to provide a written statement clarifying the reasons of the return while we typically bear the cost of the return from the CDCs to our warehouse. Such returns were primarily due to return of unsold and unused products that expired after the end of an influenza season. We dispose of any returned vaccine products in accordance with relevant laws and regulations. During the Track Record Period and up to the Latest Practicable Date, there were no product returns due to product quality issues, adverse events or improper handling in transportation.

We recognize a refund liability if we expect that we would not be entitled to consideration of all goods delivered arising from the rights granted by us to the customers to return some or all the goods purchased. Our refund liabilities were RMB13.3 million, RMB84.7 million and RMB81.0 million as of December 31, 2023 and 2024 and March 31, 2025, respectively.

During the Track Record Period, we used the current market situation as well as historical insights into vaccine marketability from the 2023 flu season in 2024 to estimate the refund liabilities in relation to our quadrivalent subunit influenza vaccines. While the basis for estimating sales returns have remained consistent during the Track Record Period, we have further adjusted the estimation for product returns in 2024 taking into account the difference between the estimated and actual return rates from 2023.

The estimated sales return rate for the years ended December 31, 2023 and 2024, calculated as dividing refund liabilities by the sum of the revenue of the same year and refund liabilities as at the end of the year, was 20.3% and 24.6%, respectively. According to Frost & Sullivan, based on interviews conducted with industry experts, the estimated sales return rates are in line with those of our peers. The actual product return recorded in 2024 in relation to the sales of influenza vaccines in 2023 were RMB21.3 million, which were higher than our initial estimation of RMB13.3 million as of December 31, 2023, representing an actual sales return rate of 32.5%. This was due to (i) the lack of historical data to accurately predict the marketability of our quadrivalent subunit influenza vaccines, given our commercial sales only began in 2023; and (ii) the timing of our vaccine distribution, with sales commencing in late September 2023, which was already late for the flu season. The difference between the estimated product return and the actual product return in 2023 was trued up in 2024. Given that such difference has already been reflected in our results of operations in 2024 and only accounted for 3.1% of our revenue in the year, the difference had no significant impact on our operations or financial condition. Taking into account the difference between the estimated and actual return rates from 2023, we estimated sales return rate of 24.6% for the year ended December 31, 2024. As of May 31, 2025, the actual product returns recorded in 2025 in relation to the sales of influenza vaccines in 2024 were RMB43.3 million. Based on the actual product

returns recorded as of May 31, 2025 and our assessment of the current market situation, we expect that the actual product return will not exceed the refund liabilities as of December 31, 2024. As such, any discrepancy will also have no significant impact on our operations or financial condition.

SEASONALITY

As our influenza vaccines are seasonal-type vaccines against major circulating viruses during each flu season, our sales and return of influenza vaccines are affected by seasonal fluctuations in demand of vaccines in season, as affected by the seasonal outbreak of flus and seasonal circulating virus. According to relevant rules and regulations, influenza vaccines must be manufactured in compliance with the influenza strains recommended by the WHO for the northern hemisphere to be granted lot release approval, and therefore to be allowed to participate in public tenders. We typically start preparation for manufacturing for the next flu season in the fourth quarter of the previous year. After the WHO announces the recommended influenza strains for the northern hemisphere (typically in late February each year), we would submit applications to procure these recommended strains from the National Institute for Biological Standards and Control (NIBSC) or other WHO-designated international standard material supply centers. In addition, we actively monitor WHO publications, global updates and related research in influenza to stay informed of influenza epidemiological trends. We expect to receive the newly recommended strains by the end of April at the latest, in which case, the manufacturing department could complete the establishment of master seed lot and cell bank by the middle of May, allowing the commencement of mass manufacturing. After the manufacturing of each batch of drug product, we would promptly apply for lot release of the batch, the approval of which normally takes one to two months at peak season. According to Frost and Sullivan, while influenza viruses spread year-round, flu activity peaks between October and March of the following year and administration of influenza vaccines peaks between September and January of the following year. Accordingly, our manufacturing activities tend to peak between March and August and our sales of influenza vaccines tend to be more concentrated between July and September. See "Financial Information—Major Factors Affecting Our Results of Operations and Financial Condition—Seasonality."

INTELLECTUAL PROPERTY

As a company focusing on the research, development and commercialization of vaccine products, we believe that intellectual property is crucial to our business. We actively seek patent protection for our vaccine product and candidates and file additional patent applications, when appropriate, to cover certain proteins, formulations and production processes. We have developed a significant portfolio of intellectual property rights to protect our technologies and products. As of the Latest Practicable Date, we had 190 patents in China, including 37 invention patents and 153 utility models. As of the same date, we had nine patent applications in China and two patent applications overseas. All of our patents and patent applications as of the Latest Practicable Date were self-owned. As advised by our PRC Legal Advisors, our Directors are of the view that we have maintained sufficient patent protection for our Core Products and product candidates. Additionally, we have engaged our IP Counsel to perform a

due diligence search on our patents and carry out a freedom-to-operate (FTO) analysis with respect to our Core Products, which concluded that there were no material legal risks concerning our patents. We plan to apply for patents and secure other intellectual property rights in each overseas jurisdiction we expand into and expect to have sufficient patent protection for our products in all such jurisdictions.

As of the Latest Practicable Date, we had registered 38 trademarks in China and two trademarks in Hong Kong. As of the same date, we were also the registered owner of four domain names in China. See "Appendix VI—Statutory and General Information" to this prospectus for further information.

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any material proceeding in respect of, and we had not received notice of any material claim of infringement of, any intellectual property rights that may be threatened or pending, in which we may be a claimant or a respondent that may have a material adverse impact on us.

The table below lists the material patents and patent applications of our Core Products, quadrivalent subunit influenza vaccine and lyophilized human rabies vaccine, as of the Latest Practicable Date.

Product/Candidate	Patent/ Application Number	Type of Patent	Patent/ Application	Jurisdiction	Status	Application Date	Expiration Date	Patent Owner/ Applicant[(1)]
Subunit influenza vaccines (quadrivalent and trivalent)	202010901382.0	Invention	a storage device for preventive subunit influenza vaccines	PRC	Granted	September 1, 2020	August 31, 2040	Our Company
	202210303948.9	Invention	a negative pressure exhaust sterilization system for influenza vaccines research and development	PRC	Granted	March 25, 2022	March 24, 2042	Our Company
	202210321531.5	Invention	a system for research and development of universal influenza vaccines based on ferritin	PRC	Granted	March 25, 2022	March 24, 2042	Our Company

Product/Candidate	Patent/ Application Number	Type of Patent	Patent/ Application	Jurisdiction	Status	Application Date	Expiration Date	Patent Owner/ Applicant[1]
	202310322102.4	Invention	an automatic embryo egg inoculation machine	PRC	Granted	March 29, 2023	March 28, 2043	Our Company, Yither Biotech
	202310426763.1	Invention	a concentration and purification device for manufacturing of influenza vaccines	PRC	Granted	April 20, 2023	April 19, 2043	Our Company, Yither Biotech
	202310623540.4	Invention	a disinfection device for inoculation machine needles	PRC	Granted	May 30, 2023	May 29, 2043	Our Company, Yither Biotech
	202211338331.7	Invention	A sterile culture device for manufacturing influenza vaccines	PRC	Granted	October 28, 2022	October 27, 2044	Our Company
Subunit influenza vaccines (adjuvanted); recombinant zoster vaccine (adjuvanted) . . .	202310388310.4	Invention	a nano-emulsion adjuvant	PRC	Granted	April 12, 2023	April 11, 2043	Our Company, Yither Biotech
Quadrivalent subunit influenza vaccine .	202210517954.4	Invention	a safety workbench for the research and development of quadrivalent subunit influenza vaccines	PRC	Granted	May 12, 2022	May 11, 2042	Our Company
	202210303949.3	Invention	a demulsification and separation system for processing quadrivalent subunit influenza vaccines	PRC	Granted	March 25, 2022	March 24, 2042	Our Company
	202210453638.5	Invention	an anti-vibration transport box for quadrivalent subunit influenza vaccines	PRC	Granted	April 24, 2022	April 23, 2042	Our Company
	202210714823.5	Invention	a shaking and mixing system for preparing quadrivalent subunit influenza vaccines	PRC	Granted	June 23, 2022	June 22, 2042	Our Company

Product/Candidate	Patent/ Application Number	Type of Patent	Patent/ Application	Jurisdiction	Status	Application Date	Expiration Date	Patent Owner/ Applicant[1]
Rabies vaccine (human diploid cell)	202011404241.4	Invention	a cultivation device for research and development of rabies vaccines	PRC	Granted	December 3, 2020	December 2, 2040	Our Company
	202211034799.7	Invention	a stirring device for processing of rabies vaccines	PRC	Granted	August 26, 2022	August 25, 2042	Our Company
	202211112152.1	Invention	a heating and separation device for manufacturing of rabies vaccines	PRC	Granted	September 13, 2022	September 12, 2042	Our Company
	202211083453.6	Invention	a cross-method for screening rabies vaccine viruses based on *in vivo* and *in vitro* and its application	PRC	Granted	September 6, 2022	September 5, 2042	Our Company
	202411919292.9	Invention	a lyophilized human rabies vaccine and its manufacturing method	PRC	Granted	December 25, 2024	December 24, 2044	Our Company

Note:

1. Inventors of the listed patents related to our subunit influenza vaccines include Mr. An Youcai, Ms. Zhang Yuhui, Mr. Jia Chunyu, Ms. Leng Wenna and 13 other key members of our R&D team, among which 11 remained with our Group as of the Latest Practicable Date, including Ms. Zhang Yuhui, who retired in 2018 but still served as a senior technology expert for our Group as of the same date. Inventors of the listed patents related to our rabies vaccine candidate include Mr. An Youcai, Mr. Jia Chunyu, Mr. Xu Qi, Ms. Leng Wenna and eight other key members of our R&D team, among which six remained employees of our Group as of the Latest Practicable Date.

DATA PRIVACY AND PROTECTION

We receive, collect and store de-identified codes of subjects enrolled in our clinical studies and the corresponding clinical data, but we do not receive, collect and store information of general public vaccinees, except for any product complaint. We had not transferred the state secrets or human genetic resources information, or materials to foreign parties. We have implemented measures and procedures to safeguard the security and confidentiality of data we access in the operations. We collect and retain data only as permitted by law and as necessary for our clinical studies. Personal data of participants enrolled in our clinical studies and the corresponding clinical data are collected and processed in accordance with the informed consent agreed upon by the participants. We require employees involved in clinical studies to

comply with confidentiality requirements and we provide related training to employees. In addition, together with our R&D partners, we have implemented controls to govern the transfer or processing of all personal and clinical data to ensure that the applicable filings for the transfer of personal data are made with the competent government authorities in accordance with applicable laws and regulations. During the Track Record Period and up to the Latest Practicable Date, we had not encountered any material data breaches or personal information leaks and were not subject to any material claims, lawsuits, penalties or administrative actions relating to non-compliance with applicable laws and regulations for data privacy and protection. As advised by our PRC Legal Advisors, we are in compliance with applicable rules and regulation in relation to data transfer in all material respects.

OUR CUSTOMERS

During the Track Record Period, our customers were district- or county-level CDCs, to which we typically grant a credit period of six to nine months. We usually enter into sales agreements with CDCs from time to time based on their purchase orders, instead of long-term agreements, and such sales agreements are typically not subject to renewal. Typically, pursuant to the relevant sales agreements, we are required to deliver products to CDCs at our cost in the quantity and at the time stipulated in the agreements. CDCs are obliged to inspect the vaccines upon receipt. Pursuant to the sales agreements, we shall indemnify any losses of CDCs due to any hidden quality issues. The purchase price must be the price determined in the public tender process according to the provisions in the public tender agreements and the sales agreements typically require payment of the purchase price by wire. Although not specified in our sales agreements with CDCs, as our influenza vaccines are seasonal-type vaccines against specific circulating viruses during each season, we voluntarily accept unused influenza vaccines after the end of each influenza season. Our sales to the five largest customers in 2023 and 2024 were no more than 30% of our total sales for the same periods. For the three months ended March 31, 2025, the revenue from our five largest customers in aggregate accounted for 45.3% of our total revenue, and our largest customer contributed 23.5% of our total revenue. Our five largest customers during the Track Record period are CDCs in first and second-tier cities in China. The following tables set forth details of our five largest customers during the three months ended March 31, 2025.

Customer	Revenue	% of Total Revenue	Years of Business Relationship
	(RMB'000)		
A	97	23.5	3
B	28	6.9	3
C	27	6.5	3
D	19	4.6	3
E	16	3.8	3
Total	187	45.3	

Our trade receivables turnover days for the year ended December 31, 2024 were 252.1 days. Since CDCs have complex internal processes for settling payments to suppliers, their settlement periods may sometimes exceed our typical credit period. However, payments are made to the CDCs by vaccinees when they receive the vaccination and CDCs generally have good credit standing since they are organs of the state. We closely monitor the outstanding trade receivables and maintain active communications with CDCs regarding receivables to improve our collection. Our historical receivables recovery rates from CDCs were generally high. During the Track Record Period and up to the Latest Practicable Date, we did not have any material issue in recovering our trade receivables. For more details on our trade receivables, see "Financial Information—Description of Certain Consolidated Statements of Financial Positions Items—Trade Receivables."

RAW MATERIALS AND SUPPLIERS

Our Raw Materials

Raw materials for our vaccine products mainly include chicken embryo cells, human albumin, fetal bovine serum, peptone and syringes. A majority of the raw materials are widely available, and we are able to purchase them from numerous suppliers across China. Certain critical raw materials, such as peptone and fetal bovine serum, are available from a limited number of suppliers in China and overseas. We have maintained stable business relationships with a number of suppliers that can provide such raw materials with consistently high quality and in sufficient volumes. During the Track Record Period, we purchased raw materials based on the estimated clinical progress of our vaccine candidates and production volume of our vaccine product and we did not experience any shortage of supply. Our suppliers of raw materials are responsible for quality defects in our products that are directly caused by the bad quality of the raw materials supplied. Under our standard supplier contract, we have the right to return or exchange products if quality issues are discovered during inspection of the products. During the Track Record Period, we did not encounter any material dispute with our suppliers or any material breach of our purchase agreements, nor did we experience any material shortage, delay or price fluctuation in the supply of our major raw materials.

Our Suppliers

During the Track Record Period, our major suppliers primarily included (i) suppliers of raw materials and consumables for our vaccine products and candidates; (ii) suppliers of equipment for our R&D and manufacturing process and (iii) service providers such as cold-chain storage and transport services, construction services and CROs. We maintain a list of qualified suppliers and we will conduct qualification review and on-site audit for key materials suppliers. We only procure raw materials from qualified suppliers. We conduct regular review on qualified suppliers and suppliers that failed 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.

During the Track Record Period, we did not encounter any material dispute with our suppliers or any material breach of our purchase agreements, nor did we experience any material shortage, delay or price fluctuation in the supply of our raw materials. For risks related to supply of our raw materials, see "Risk Factors—Risks Relating to the Manufacturing and Supply of Our Vaccine Products—If we are not able to source sufficient quantity of raw materials of required quality at commercially acceptable cost, our business could be harmed."

Our purchases from our five largest suppliers in each year/period during the Track Record Period were RMB170.8 million, RMB199.0 million and RMB19.8 million in each year/period during the Track Record Period, respectively, accounting for approximately 28.0%, 44.5% and 22.1%, respectively, of our total purchases for the respective periods. Purchases from our largest supplier in each year/period during the Track Record Period were RMB67.3 million, RMB94.5 million and RMB5.2 million in each year/period during the Track Record Period, respectively, accounting for approximately 11.0%, 21.1% and 5.8%, respectively, of our total purchases for the respective periods.

The following tables set forth details of our five largest suppliers during the Track Record Period.

Supplier	Principal Business	Products/ service purchased	Purchase Amount	% of Total Purchase	Number of Years of Cooperation	Credit Terms
			(RMB'000)			
Three months ended March 31, 2025						
A[(1)]	Construction engineering, municipal public works, and power engineering	Construction project	5,209	5.8%	6	Settle in accordance with the payment schedule in the contract
B[(1)]	Chicken breeding	Raw material – Chicken embryo	4,051	4.5%	7	30 days
C[(1)]	Biochemical product technology research and development	Raw material – Syringes	3,815	4.3%	3	30 days
D[(1)]	Constructs and operates power grids	Electricity	3,559	4.0%	7	30 days
E[(1)]	Chicken breading	Raw material – Chicken embryo	3,157	3.5%	6	30 days
Total			19,791	22.1		

Supplier	Principal Business	Products/ service purchased	Purchase Amount	% of Total Purchase	Number of Years of Cooperation	Credit Terms
			(RMB'000)			
Year ended December 31, 2024						
A.	Construction engineering, municipal public works, and power engineering	Construction services	94,450	21.1	5	Settle in accordance with the payment schedule in the contract
F[6]. . . .	Construction and electrical installation services	Construction services	47,782	10.7	2	one week/ ten days/ prepayment
G[7] . . .	Biopharmaceutical R&D and contract manufacturing services	Pre-clinical technology development	24,154	5.4	2	Settle in accordance with the payment schedule in the contract
D.	Constructs and operates power grids	Electricity	18,224	4.1	6	30 days
B.	Chicken breeding	Raw material – chicken embryo	14,421	3.2	6	30 days
Total . . .			199,031	44.5		
Year ended December 31, 2023						
A.	Construction engineering, municipal public works and power engineering	Construction services	67,253	11.0	4	three days
G.	Biopharmaceutical R&D and contract manufacturing services	Pre-clinical technology development	29,221	4.8	1	Settle in accordance with the payment schedule in the contract
H[8] . . .	Development and manufacturing of bioreactors and laboratory products	Bioreactor	27,917	4.6	1	30 days
I[9]	Import and export of goods and technology	Import equipment agency services	23,877	3.9	2	15 working days or prepayment
J[10] . . .	Import and export of goods and technology	Import equipment agency services	22,530	3.7	3	ten days or prepayment
Total . . .			170,798	28.0		

Notes:

(1) Supplier A is a construction engineering company based in Taizhou, Jiangsu, with a registered capital of RMB68.8 million. We engaged Supplier A to construct our No. 2 Manufacturing Facility and No. 3 Manufacturing Facility during the Track Record Period.

(2) Supplier B is a chicken breeding company based in Shangqiu, Henan, with a registered capital of RMB20.0 million. We procured chicken embryos from Supplier B for the manufacturing of our quadrivalent subunit influenza vaccines during the Track Record Period.

(3) Supplier C is a biochemical product technology research and development company based in Suzhou, Jiangsu, with a registered capital of RMB5.0 million. We procured syringes for our quadrivalent subunit influenza vaccines from Supplier C during the Track Record Period.

(4) Supplier D is the Taizhou branch of a state-owned power grid company, which provided electricity to our Company during the Track Record Period.

(5) Supplier E is a chicken breeding company based in Cixi, Zhejiang, with a registered capital of RMB4.7 million. We procured egg embryos from Supplier E for the manufacturing of our quadrivalent subunit influenza vaccines and trivalent subunit influenza vaccines during the Track Record Period.

(6) Supplier F is a construction engineering company based in Shanghai, with a registered capital of RMB349.3 million. We engaged Supplier F to construct our Second Influenza Vaccine Production Line in the No. 1 Manufacturing Facility in 2024.

(7) Supplier G is a vaccine contract development and manufacturing company based in Shanghai, with a registered capital of RMB500.0 million. It is a joint venture of a company listed on the Shanghai Stock Exchange and a company listed on the Stock Exchange. We engaged Supplier G to conduct preclinical studies for our mRNA RSV vaccine candidate and mRNA mpox vaccine candidate during the Track Record Period.

(8) Supplier H is a bioprocessing solution provider based in Shanghai, with a registered capital of RMB350.7 million. We procured bioreactors for the rabies vaccine production lines in our No. 1 Manufacturing Facility from Supplier H in 2023.

(9) Supplier I is an international trading company based in Nanjing, Jiangsu, with a registered capital of RMB358.0 million. We engaged Supplier I to import manufacturing equipment for the influenza vaccine production lines in our No. 1 Manufacturing Facility in 2023.

(10) Supplier J is an international trading company based in Shanghai, with a registered capital of RMB15.9 million. We engaged Supplier J to import manufacturing equipment for the influenza vaccine production lines in our No. 1 Manufacturing Facility in 2023.

None of our five largest suppliers was our customers during the Track Record Period. To the best of our knowledge, all of our five largest suppliers during each year/period of the Track Record Period are Independent Third Parties. As of the Latest Practicable Date, none of our Directors, their close associates or any Shareholders which, to the knowledge of our Directors, owned more than 5% of the issued share capital of our Company as of the Latest Practicable Date, had any interest in any of our five largest suppliers during the Track Record Period.

Inventory Management

Our inventory primarily consists of raw materials and consumables used for manufacturing of our vaccine products and research and development of our vaccine candidates, work-in-progress and finished products. As of December 31, 2023 and 2024 and March 31, 2025, we had inventories of RMB41.8 million, RMB57.8 million and RMB87.4 million, respectively. We have established an inventory management system to monitor each

stage of the warehousing process. Some of our inventories have strict storage temperature requirements. Warehouse personnel are responsible for the inspection, storage and distribution of raw materials. Raw materials are separately stored in different areas of the warehouse according to their storage condition requirement, usage and batch number. The shelf-life of the raw materials of our vaccine products primarily ranges from two to five years.

Since our influenza vaccines are seasonal-type vaccines and have a shelf-life of one year, we manufacture such vaccines and manage our finished products inventory in accordance with pre-approved annual manufacturing plan, which is formulated based on seasonal demand and regulatory requirements. We also maintain regular contact with the CDCs with which we have orders to better estimate the local needs and adjust our manufacturing plans and subsequently our inventory levels as needed. According to Frost & Sullivan, our basis for inventory allowance falls within the industry norm for influenza vaccine makers.

COMPETITION

Vaccine markets in China and globally are intensely competitive and rapidly evolving. We face potential competition from many difference entities, including large multi-national and domestic pharmaceutical and biotechnology companies that have commercialized or are commercializing or pursuing the development of vaccines that target specific diseases as we do. We compete primarily based on our vaccine pipeline, technology platforms and manufacturing facilities and process. Our key competitors vary by vaccine types. Treatment options of the targeted indication of our vaccine products may also limit the market potential of our vaccine products. For further details of market opportunities and competition in respect of our vaccine pipeline, see "Industry Overview" and "—Our Product and Product Candidates."

LICENSE, PERMITS AND APPROVALS

As a company based in China engaged in the developing, manufacturing and commercialization of vaccine products, we are required to maintain or renew the necessary permits, licenses and certifications for our business. We are also subject to regular inspections, examinations and audits by relevant authorities. During the Track Record Period and up to the Latest Practicable Date, we had obtained all requisite licenses, approvals and permits from relevant authorities that are material to our operations. The table below sets forth the relevant details of the material license we hold for our operations in China.

License/Permit	Holder	Issuing Authority	Issue Date	Expiration Date
Drug Manufacturing Certificate (藥品生產許可證)	our Company	Jiangsu Medical Products Administration	November 11, 2019 (last renewed on July 16, 2025)	September 19, 2030
Experimental Animal Use Permit (實驗動物使用許可證). .	our Company	Jiangsu Science & Technology Committee	January 29, 2024	January 28, 2029
Biosafety Laboratory Registration (生物安全實驗室備案). .	our Company	Taizhou Health Committee	November 1, 2024	October 31, 2026

AWARDS AND RECOGNITIONS

The following table sets out a summary of the major awards and recognition we have received as of the Latest Practicable Date.

Year	Awards or Recognition	Issuing Authority
2025 . . .	Jiangsu Advanced Smart Factory (江蘇省先進級智能工廠)	Jiangsu Industry and Information Technology Department (江蘇省工業和信息化廳)
2024 . . .	Potential Unicorn in Jiangsu High-tech Industrial Development Zone (江蘇省高新技術產業開發區潛在獨角獸)	Productivity Center of Jiangsu Province (江蘇省生產力促進中心)
2024 . . .	Jiangsu Smart Manufacturing Demonstration Workshop (江蘇省智能製造示範車間)	Jiangsu Industry and Information Technology Department (江蘇省工業和信息化廳)
2024 . . .	Jiangsu Private Technology Enterprise (江蘇省民營科技企業)	Jiangsu Association of Private Technology Enterprises (江蘇省民營科技企業協會)
2024 . . .	Taizhou Engineering Research Center (泰州市工程研究中心)	Taizhou Development and Reform Commission (泰州市發展和改革委員會)
2024 . . .	Jiangsu "Specialized, Refined, Distinctive, and Innovative" Small and Medium-sized Enterprises (江蘇省專精特新中小企業)	Jiangsu Industry and Information Technology Department (江蘇省工業和信息化廳)
2024 . . .	Taizhou Engineering Technologies Research Center (泰州市工程技術研究中心)	Science and Technologies Bureau of Taizhou Municipal (泰州市科技技術局)
2024 . . .	Jiangsu Postdoctoral Innovation Practice Base (江蘇省博士後創新實踐基地)	Jiangsu Human Resources and Social Security Department (江蘇省人力資源和社會保障廳)
2023 . . .	Gazelle Enterprise in Jiangsu High-tech Industrial Development Zone (江蘇省高新技術產業開發區瞪羚企業)	Productivity Center of Jiangsu Province (江蘇省生產力促進中心)
2023 . . .	Intellectual Property Management System Certification (知識產權管理體系認證)	Qizhi (Beijing) Certification Co., Ltd. (企知(北京)認證有限公司)

INSURANCE

We maintain insurance policies that are required under PRC laws and regulations as well as based on our assessment of our operational needs and industry practice. In line with industry practice in China, we maintain different types of insurance policies, such as product liability insurance policies (specifically, insurance policies for adverse reactions to vaccination), clinical trials liability insurance and key personnel insurance. Our Directors consider that our existing insurance coverage is generally in line with the industry practice in China. See "Risk Factors—Other Risks Relating to Our Business—We have limited insurance coverage, which could expose us to significant costs and business disruption."

EMPLOYEES

As of the Latest Practicable Date, we had a total of 580 employees, substantially all of whom were located in the PRC. The following table sets forth the details of our employees by function.

Function	Number of Employees	Percentage
Research and development	86	14.8%
Manufacturing	256	44.1%
Sales and marketing team	54	9.3%
Quality assurance	102	17.6%
Management and administrative	82	14.1%
Total	580	100.0%

We recruit our employees primarily through recruiting websites, job fairs, third-party recruiters and internal referral. In compliance with the applicable labor laws, we enter into individual employment contracts with our employees covering matters such as wages, employee benefits, workplace safety and grounds for termination. Our standard employment contract also contains a confidentiality clause and an assignment clause, under which we own all the rights to all inventions, technologies, know-how and trade secrets derived during the course of our employee's work. We also enter into standard non-compete agreements with all employees.

To maintain a stable workforce and retain key personnel in our Company, we offer our employee competitive remuneration packages. Our employees' remuneration comprises salary and bonus, which are generally based on their qualifications, position and performance. We offer remuneration packages based on individuals' qualifications and experiences and generally match the market rate for salary to stay competitive in the labor market. We also take into consideration the long-term growth and advancement of our employees and offer opportunities for both job promotion and technical development. During the Track Record Period, we made contributions to social insurance and housing provident funds in compliance with applicable PRC laws and regulations in all material respects. We conduct new employee training, as well as professional and safety training programs for all employees in accordance with our internal procedures. We also established an Employee Incentive Scheme to better retain and motivate our employees, with eligible participants comprising Directors, management members and other key employees of our Group. Some of our employees are currently represented by labor unions, and we consider our relations with our employees to be good. During the Track Record Period and up to the Latest Practicable Date, we did not experience any strikes or labor disputes which had a material effect on our business.

PROPERTIES

Owned Properties

We are headquartered in Taizhou, Jiangsu province. As of the Latest Practicable Date, we owned the buildings of our headquarters and No. 1 Manufacturing Facility of 48,694 sq.m. in gross floor area and three parcels of land housing our headquarters and our existing and two planned manufacturing facilities of 115,095 sq.m.

As advised by our PRC Legal Advisors, during the Track Record Period and up to the Latest Practicable Date, save for certain buildings and facilities as described below, we had obtained the real estate title certificate for such land parcels and our No. 1 Manufacturing Facility.

As of the Latest Practicable Date, we had not obtained the building ownership certificates for certain self-constructed ancillary buildings and facilities used as fire water tank, boiler and pump room, sewage treatment, guard room and reagent warehouse, with a total GFA of 1,354 sq.m. As advised by our PRC Legal Advisors, according to the relevant PRC laws and regulations, the relevant government authorities may require us to dismantle the related properties and impose fines up to 10% of the construction costs if we fail to obtain the requisite building ownership certificates and fail to rectify in the time periods stipulated by the relevant authorities.

During the Track Record Period and up to the Latest Practicable Date, no material administrative action, fine or penalty had been imposed by the relevant regulatory authorities with respect to such title defects. In addition, we had not had any dispute in relation to the ownership of such properties as of the Latest Practicable Date. Our Directors are of the view that even if we were ordered to demolish all of the relevant buildings and facilities, our business operations would not experience any material disruption as (i) the aggregate GFA of these properties are used for ancillary purposes and accounted for only approximately 2.7% of the total GFA of our owned properties, and (ii) we have obtained an indemnity from our Controlling Shareholders to indemnify our Group against any claims, fines and other liabilities arising from such property title defects, our PRC Legal Advisors are of the view that, based on the above circumstances, the risk of the relevant government authorities requiring us to dismantle the relevant ancillary buildings and facilities or imposing any other administrative penalties for failing to obtain the requisite building ownership certificates is low, and our Company will not be ordered to suspend operations as a result of the non-possession of the relevant certificates.

During the Track Record Period, we did not submit an environmental assessment document to the relevant government authorities for approval before we commenced construction of our No. 3 Manufacturing Facility. As advised by our PRC Legal Advisors, according to the relevant PRC laws and regulations, local authorities may issue orders to stop construction and impose a fine of between 1% to 5% of the total investment of the construction project, and may also issue orders to restore the original conditions before the construction, and the persons directly in charge and other directly responsible persons of us shall be subject to administrative action under the law. As advised by our PRC Legal Advisors, given that our total investment in the construction of the No. 3 Manufacturing Facility amounts to RMB600 million, we could be subject to fines up to a theoretical maximum of RMB30 million.

During the Track Record Period and up to the Latest Practicable Date, no material administrative action, fine or penalty had been imposed by the relevant regulatory authorities with respect to such incident, nor had we received any order or been informed to stop construction or demolish such properties or pay related penalty fines. We have submitted the environmental assessment document to the relevant government authorities for approval in March 2025 and obtained such approval in April 2025. We have also obtained an indemnity from our Controlling Shareholders to indemnify our Group against any claims, fines and other liabilities arising from such incident. Therefore, our Directors are of the view that even if we were ordered to stop construction of such property, our business operations would not experience any material disruption. Accordingly, our PRC Legal Advisors are of the view that the risk of the relevant government authorities requiring us to stop construction or restore the original condition or imposing any other administrative penalties for failing to submit the environmental assessment document is low.

We will continue to strengthen our internal control systems to prevent future occurrence of such incidents. We conduct trainings for our administrative and legal staff on the relevant license and permit requirements on building construction and operation.

As of the Latest Practicable Date, no single property interest forming part of our Group's property activities had a carrying amount of 1% or more of our total assets and no single property interest forming part of our Group's non-property activities had a carrying amount of 15% or more of our total assets. According to section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document 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.

Leased Properties

As of the Latest Practicable Date, we leased 21 properties with an aggregate gross floor area of 6,130 sq.m. in Taizhou, Shanghai and Beijing for our daily business operations, R&D functions and staff dormitory. As of the Latest Practicable Date, we had not completed lease registrations for 16 of our leases, with an aggregate gross floor area of 843 sq.m., with the relevant regulatory authorities due to the inaction of the landlords to cooperate with the registration procedure. As advised by our PRC Legal Advisors, the non-registration of lease agreements will not affect the validity of such lease agreements, 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 between RMB1,000 and RMB10,000 per lease for any delay in making these registrations, which we do not believe would have a material adverse impact on our operation. However, we will consult with our legal advisors and aim to address the issue appropriately during the lease negotiation process in the future. As of the Latest Practicable Date, we were not subject to any penalties arising from the non-registration of the lease agreements.

SOCIAL, HEALTH, WORK SAFETY AND ENVIRONMENTAL MATTERS

We are subject to various social, health, safety and environmental laws and regulations and our operations are regularly inspected by local government authorities. We believe we have adequate policies ensuring compliance with all social, health, safety and environmental protection regulations. Particularly, we believe our continued growth rests on integrating social values into our business. We intend to create a lasting positive environmental, social and governance ("**ESG**") impact on our customers, suppliers and the broader community whom our operation may impact. We acknowledge our responsibilities on environmental protection, social responsibilities and are aware of the climate-related issues that may have impact on our business. We are committed to complying with ESG reporting requirements upon Listing.

Our core management team is responsible for adopting and adjusting our overall ESG vision and principle and we plan to establish an ESG committee within one year of Listing, which will be responsible for assessing and managing our ESG-related risks and monitoring the compliance of our operations with environment, health and safety laws and regulations. We have adopted company-wide environmental, health and safety (EHS) manuals and standard operating procedures that include management systems and procedures relating to emissions of air, water and other waste, handling, use, storage, treatment and disposal of hazardous substances, third party safety management, product stewardship, waste treatment, process safety management, worker health and safety requirements and emergency planning and response.

As a biotech company, we face a variety of environmental, health or safety-related risks associated with our operations over the short-, medium- and long-term. For example, our operations involve the use of hazardous materials, including chemicals, and may produce hazardous waste products to the environment. If we fail to process the hazardous materials in compliance with relevant laws and regulation, cause injury to persons involved or contaminate the environment, we could incur significant costs associated with administrative, civil or criminal fines and penalties, lose our permit/certificate or be ordered to make substantial alternation to our business operations. See "Risk Factors—Risks Relating to the Manufacturing and Supply of Our Vaccine Products—We deal with potentially harmful biological materials and other hazardous materials that may cause environmental contamination or injury to others" and "Risk Factors—Risks Relating to the Jurisdictions in Which Our Business Operates—We are subject to environmental protection, health and safety laws and regulations, and if we fail to comply with these 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" for more details on the potential impact of such risks.

To better identify, assess and manage ESG-related risks, we have established risk management policies including "Three Wastes Management Policy," "Safety Production Policy" and "Anti-Fraud Policy." In the medium- and long-term, as a company that is committed to sustainability and responsible business practices, we will keep abreast of the regulatory standards and advancements in scientific and technical solutions to environmental issues and update our related policies, procedures and resources accordingly.

Environmental Matters

We rely on various metrics to measure the impact of our business on the environment, which are broadly aligned with industry standards. Such metrics include the amount of resource consumption, amount of waste (including wastewater and solid waste) generated and greenhouse gas emissions. We fully recognize the significance of ESG for our green, compliant, and sustainable development. Therefore, we have set various goals to reduce our environmental impact, and we continue to take significant steps toward these targets. The following table sets forth our resource use and emission-related indicators during the Track Record Period.

	Year ended December 31,		Three months ended March 31,
	2023	2024	2025
Resource consumption			
Electricity (MWh)	11,944	22,232	4,560
Water (tons)	526,280	238,212	57,635
Emission			
Wastewater (tons)	166,629	155,359	44,056
Hazardous solid waste (tons)	41	54	10
Greenhouse gas emissions (tons of CO2 equivalent)	9,645	15,829	3,253
– Scope 1 (direct emissions)	1,242	189	45
– Scope 2 (indirect emissions)	8,403	15,640	3,208
Greenhouse gas emission intensity (tCO2e/RMB million Revenue)	185	60	1,049[(1)]

Note:

(1) Our greenhouse gas emission intensity was relatively high in the three months ended March 31, 2025 primarily because our revenue from such period was relatively low due to the seasonality of our business. See "—Seasonality."

Resource Consumption

We incorporate the concept of resource conservation into our corporate culture and the daily operation of our laboratories and offices, monitor our resource consumption and established internal resource consumption management systems for laboratories and offices. We actively implement energy-saving measures in our daily operation, such as installing energy-efficient devices and optimize system control to increase our manufacturing efficiency. We focus on water resources issue and actively shoulder the social responsibility of protecting water resources. We recycle water resources from production, and collect rainwater to partially substitute the water used in production. We also strive to reduce the consumption of residential water by inspecting and eliminating leaks in the underground water supply network.

Emissions

The waste we produce is divided into hazardous waste (such as chemical waste and liquid) and non-hazardous waste (such as waste from general office operations). The hazardous waste generated are processed by qualified third-party waste treatment companies. We have set up an online monitoring system to monitor real-time wastewater discharge and a water treatment system to pre-treat concentrated wastewater for collection. We use single-use bioreactors in our manufacturing facilities, which can significantly reduce the need for sterilization. With respect to exhaust gas emission, we utilize natural gas boilers with low-nitrogen combustion technology to reduce greenhouse gas emissions. Additionally, we installed various gas collection devices such as ventilation hoods and range hoods to collect exhaust gas, which would be treated with activated carbon adsorbents before being discharged.

Our greenhouse gas emissions primarily consist of Scope 1 and Scope 2 emissions. Scope 1 direct emissions include the direct greenhouse gas emissions from our own manufacturing facilities. Scope 2 energy indirect emissions primarily include the greenhouse gas emissions from our usage of purchased electricity. In response to the national target of carbon neutrality, we actively focus on reducing the greenhouse gas emissions generated during our operations. Other indirect emissions that occur outside of our operation but are related to our activities and ESG goals are categorized as Scope 3 indirect emissions. Such emissions include both upstream and downstream emissions, such as emissions by our suppliers in their production of raw materials or disposables and in product transport, emissions from business travels by our employees and emissions due to electricity used for sewage processing by the relevant government agency. While we have limited control over the activities that directly contribute to Scope 3 emissions, we firmly believe in the positive impact by fostering an environmentally conscious operational culture in our own operation. This includes opting for qualified domestic suppliers to minimize energy consumption and greenhouse gas emissions during product transport, prioritizing virtual meetings over unnecessary business trips, as well as upgrading our manufacturing facilities/methods as appropriate to reduce waste production and thereby reduce downstream emissions.

With the expansion of our business, we endeavor to curb the increase in our resource consumption and emissions and aim to keep them relatively stable. We will continue to adopt a wide range of environment conservation measures to limit resource consumption and emissions. With respect to resource consumption, we will (i) install energy efficient facilities for our daily office operation and manufacturing process; (ii) limit business air travels and replace long-journey in-person meetings with virtual conferences where possible; and (iii) cultivate a corporate culture of environmental protection through employee training and office policies, such as switching off certain equipment or setting up automatic power shutdown for certain systems and devices when not in use. With respect to waste generation and greenhouse gas emissions, we will (i) regularly monitor and assess sources of hazardous waste generation and update to more environment-friendly manufacturing processes and facilities when appropriate; and (ii) continue to work with qualified professional waste processors and enhance our on-site waste treatment capacities.

In 2025, we aim to control our (i) total amount and intensity of resource consumption (primarily electricity and water), (ii) total amount and intensity of wastewater and solid waste generation, and (iii) greenhouse gas emission at 95% to 105% of that recorded in 2024.

Our Board will set targets for each material KPIs at the beginning of each financial year in accordance with the disclosure requirements of the Listing Rules and other relevant rules and regulations upon listing. The relevant targets on material KPIs will be reviewed on an annual basis to ensure that they remain appropriate to the needs of our Group. In setting targets for the ESG-related KPIs, we will take into account our respective historical consumption or discharge levels during the Track Record Period, and our future business expansion in a thorough and prudent manner with a view of balancing business growth and environmental protection to achieve sustainable development.

In 2023, 2024 and the three months ended March 31, 2025, our expenses in relation to environmental compliance matters were RMB0.7 million, RMB0.8 million and RMB0.1 million, respectively. During the Track Record Period and up to the Latest Practicable Date, we complied with the relevant environmental laws and regulations in all material aspects.

Occupational Health and Work Safety

We strive to provide a safe working environment that guards the health and safety of our employees and communities. We are subject to occupational health and safety laws and regulations in the PRC. We have implemented work safety guidelines setting out safety practices, accident prevention and accident reporting. In particular, we have established and implemented guidelines in accordance with relevant PRC laws and regulations on the storage, management, handling and use of viruses and bacteria. These guidelines include those related to the recording and inspection of batches of viruses and bacteria, a multi-department approval process to obtain viruses and bacteria from our inventory, as well as the safe disposal of viruses and bacteria. Our employees with specified responsibilities, including handling certain equipment and conducting animal research, are required to hold relevant qualifications, as well as wearing proper safety gear when working. We regularly conduct safety inspections of our manufacturing facilities and hold work safety training sessions for our employees.

During the Track Record Period and as of the Latest Practicable Date, we complied with the relevant occupational health and safety laws and regulations in the PRC and we did not have any incidents or complaints which had a material and adverse effect on our business, financial condition or results of operations during the same period.

Social Responsibilities

In respect of social responsibilities, we are committed to offering a fair and caring working environment to our employees. We have transparent policies on recruitment, compensation, dismissal, equal opportunities, diversity and anti-discrimination. We hire employees based on their merits and it is our corporate vision to offer equal opportunities to our employees. We encourage our employees who encounter any discrimination to seek immediate assistance, which also allows us to conduct timely investigation and follow up as needed. In addition, we provide training programs on industry and regulatory developments to our employees.

RISK MANAGEMENT AND INTERNAL CONTROL

We are subject to various risks during our operations. See "Risk Factors." We have established a consolidated risk management system and relevant policies and procedures which we consider suitable for our business operations. Our policies and procedures are aimed at managing and monitoring our business performance.

To monitor the continuous implementation of risk management policies and corporate governance measures after the Listing, we have adopted or will continue to adopt, among other things, the following risk management measures:

- establish an audit committee to review and supervise our financial reporting process and internal control system. Our audit committee consists of three members: Ms. Li Xiaoqing, chairman of the committee, Mr. Li Xiangming and Mr. Cheng Qianwen. For the qualifications and experiences of these members, see "Directors, Supervisors and Senior Management";

- adopt various policies to ensure the compliance with the Listing Rules, including but not limited to policies in respect of risk management, connected transactions and information disclosure;

- provide regular anti-corruption and anti-bribery compliance training for senior management and employees in order to enhance their knowledge of and compliance of applicable laws and regulations; and

- arrange our Directors and senior management to attend training seminars on Listing Rules requirements and the responsibilities as directors of a Hong Kong-listed company.

We have appointed an internal control consultant to review the effectiveness of our internal control measures related to our major business processes in October 2024, to identify the deficiencies for improvement, advise on the rectification measures and review the implementation of such measures. The scope of such review was agreed among our Group, the Sole Sponsor and the internal control consultant. During the review process of our internal

control consultant, certain internal control matters were identified, and we have adopted corresponding internal control measures to improve on these matters. Major internal control issues identified during such review primarily include (i) our corporate governance documents not in compliance with the Listing Rules and the Companies Ordinance; (ii) our policies of connected transactions management not drafted in line with the Listing Rules; and (iii) lack of information disclosure management policies in accordance with the Listing Rules. We have adopted the recommendations made by the internal control consultant and our internal control consultant has completed the follow-up procedures in January 2025 on our internal control system and have not identified any further material deficiencies in our internal control system.

LEGAL PROCEEDINGS AND COMPLIANCE

We may be involved in legal proceedings in the ordinary course of business from time to time. During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any litigation, arbitration or administrative proceedings which could have a material adverse impact on our business, financial condition or results of operations. As of the Latest Practicable Date, we were not aware of any pending or threatened litigation, arbitration or administrative proceedings against us which may have a material and adverse impact on our business, financial condition or results of operations.

During the Track Record Period and as of the Latest Practicable Date, we had not had any non-compliance incidents which our Directors believe would, individually or in the aggregate, have a material operational or financial impact on our company as a whole.

BOARD OF DIRECTORS

Our Board of Directors comprises nine Directors, including three executive Directors, three non-executive Directors and three independent non-executive Directors. The powers and duties of our Board include determining our business and investment plans, preparing our annual financial budgets and final reports, and exercising other powers, functions and duties as conferred by the Articles. The table below sets out the key information of our Directors:

Name	Age	Date of joining our Group	Date of appointment as Director	Existing position(s) in our Group	Roles and responsibilities	Relationship with other Directors, Supervisors and senior management
Executive Directors						
Mr. An Youcai (安有才) . . .	58	October 28, 2015	May 8, 2017	Executive Director, chairman of our Board and general manager	Responsible for the strategic planning, business direction and daily operations and management of our Group	Party acting in concert with Mr. He
Ms. Li Runxiang (李潤香) . . .	50	January 1, 2021	July 12, 2021	Executive Director and chief financial officer	Responsible for the daily operations and management, and financial management of our Group	None
Mr. He Yiming (何一鳴) . . .	34	November 1, 2015	April 1, 2019	Executive Director and assistant to the chairman of our Board	Responsible for assisting the chairman of our Board in marketing management related matters of our Company	Party acting in concert with Mr. An

Name	Age	Date of joining our Group	Date of appointment as Director	Existing position(s) in our Group	Roles and responsibilities	Relationship with other Directors, Supervisors and senior management
Non-executive Directors						
Mr. Cheng Qianwen (程千文) . . .	56	January 8, 2019	January 8, 2019	Non-executive Director	Responsible for providing guidance for the strategy and business development of our Group	None
Mr. Yu Jianlin (于建林) . . .	46	July 12, 2021	July 12, 2021	Non-executive Director	Responsible for providing guidance for the strategy and business development of our Group	None
Mr. Du Mu (杜沐)	39	January 8, 2025	January 8, 2025	Non-executive Director	Responsible for providing guidance for the strategy and business development of our Group	None
Independent non-executive Directors						
Mr. Li Xiangming (李向明) . . .	69	February 22, 2022	February 22, 2022	Independent non-executive Director	Responsible for providing independent advice to our Board	None
Ms. Li Xiaoqing (李曉青) . . .	49	February 22, 2022	February 22, 2022	Independent non-executive Director	Responsible for providing independent advice to our Board	None
Mr. Chen Chengbei (陳乘貝) . . .	48	February 22, 2022	February 22, 2022	Independent non-executive Director	Responsible for providing independent advice to our Board	None

Executive Directors

Mr. An Youcai (安有才), aged 58, is an executive Director, chairman of the Board, our general manager and a member of the Controlling Shareholder Group. Mr. An founded our Group in October 2015, and has been serving as the executive director and general manager of our Company since May 2017, and the chairman of our Board since April 2019. He is primarily responsible for the strategic planning, business direction and daily operations and management of our Group.

Mr. An has been an executive director and the general manager of Yither Biotech, our wholly owned subsidiary, since July 2020. He had also been a director of Jiangsu Tiaoyu, a Controlling Shareholder, since April 2017 where he also served as the general manager from April 2017 to April 2023.

Mr. An has more than 35 years of managerial experience, and is an industry veteran with over 15 years of experience in the biotechnology and pharmaceutical industries. From July 1987 to May 1992, he worked at the Qinhuangdao City Mirror Factory (秦皇島市製鏡廠), holding positions including the director of factory office. From May 1992 to December 1994, he worked at Qinhuangdao Shanhaiguan Binyang Group (秦皇島市山海關斌揚集團). Mr. An worked at the foundation branch of Qinhuangdao No. 2 Construction Engineering Company (秦皇島市第二建築工程公司基礎分公司) from December 1994 to September 1997, and in the foundation branch of Qinhuangdao No. 2 Construction Installation Engineering Co., Ltd. (秦皇島市第二建築工程有限公司基礎分公司) from October 1997 to April 2005. Prior to joining our Group, Mr. An took up various directorship and management positions that were mostly in the biotechnology industry. He served as an executive director and manager at Beijing Hekangyuan Biotechnology Co., Ltd. (北京合康源生物科技有限公司) from February 2010 to July 2015, a supervisor at Qinhuangdao Port Garden Investment Co., Ltd. (秦皇島港苑投資股份有限公司) from October 2015 to January 2019, a director at Zhongyianke Biotech Co., Ltd. (中逸安科生物技術股份有限公司) (formerly known as Tasly Jinna Biotechnology (Tianjin) Co., Ltd. (天士力金納生物技術(天津)有限公司)) from September 2015 to July 2017.

Mr. An graduated from Tangshan Engineering and Technical College (唐山工程技術學院) (currently known as North China University of Science and Technology (華北理工大學)) in the PRC in July 1987, majoring in industrial engineering. Mr. An also obtained master's degrees in business administration from the City University of Macau (澳門城市大學) in the Macau Special Administrative Region in November 2012, and from the China Europe International Business School (中歐國際工商學院) in the PRC in November 2022. He was also qualified as a Senior Engineer by the Jiangsu Taizhou Advanced Professional Technical Qualification Evaluation Committee for Pharmaceutical and Petrochemical Engineering (江蘇省泰州市醫藥石化工程高級專業技術資格評審委員會) in December 2024.

Ms. Li Runxiang (李潤香), aged 50, is an executive Director and our chief financial officer. Ms. Li was appointed as our executive Director in July 2021. Ms. Li joined our Group and has been serving as the chief financial officer of both our Company and Yither Biotech since January 2021. She is primarily responsible for the daily operations and management, and financial management of our Group.

Ms. Li has over 25 years of experience in auditing and corporate financial management. She served at various companies, including (i) Xinyi Property (Shanghai) Co., Ltd. (信義房產諮詢管理(上海)有限公司) from May 2000 to April 2001; and (ii) Brunswick Sports Equipment (Shanghai) Co., Ltd. (賓士域體育設備(上海)有限公司) from April 2001 to August 2005. From February 2006 to April 2015, Ms. Li served as the finance director at the Spain Jinwu Pharmaceutical Company Shanghai Office (西班牙金武製藥公司上海代表處). From April 2015 to October 2016, she served as the director of business and legal affairs at Giesecke+Devrient Pacific Equipment (Shanghai) Co., Ltd (捷德太平洋設備(上海)有限公司). Prior to joining our Group, she served as the finance director at Shanghai Tenry Pharmaceutical Group Co., Ltd. (上海騰瑞製藥股份有限公司) from January 2018 to December 2020.

Ms. Li received a bachelor's degree in accounting from Shanghai Ocean University (上海海洋大學) in the PRC in July 1999 and a master's degree in business administration from the China Europe International Business School (中歐國際工商學院) in the PRC in November 2022. She was qualified as an Intermediate Accountant (中級會計師) by the Ministry of Finance of the PRC in May 2006.

Mr. He Yiming (何一鳴), aged 34, is an executive Director and a member of the Controlling Shareholder Group. Mr. He was appointed as our executive Director in April 2019. Mr. He joined our Company in November 2015 and has been serving as the assistant to the chairman of our Board since February 2022. He is primarily responsible for assisting the chairman of our Board in marketing management related matters of our Company.

Mr. He has over 15 years of experience in the biotechnology and pharmaceutical industries. Before joining our Group, he served as a pharmaceutical sales representative at Anhui Huayuan Pharmaceutical Group Co., Ltd. (安徽華源醫藥集團股份有限公司) from November 2009 to September 2015. He then joined our Company and served as an executive assistant and the assistant to the general manager from November 2015 to February 2022.

Mr. He graduated from the Cyber Educational College of Xi'an Jiaotong University (西安交通大學網絡教育學院) in the PRC after completion of the long distance course majoring in pharmaceutical management in July 2019.

Non-executive Directors

Mr. Cheng Qianwen (程千文), aged 56, was appointed as our non-executive Director in January 2019. He is primarily responsible for providing guidance for the strategy and business development of our Group.

Mr. Cheng has over 25 years of managerial experience across various sectors and industries. Since May 1999, he successively worked at Shandong Sennics Chemical Co., Ltd. (山東聖奧化工股份有限公司), Shanghai Sennics Industrial (Group) Co., Ltd. (上海聖奧實業(集團)有限公司) and Shanghai Shengbo Chemical Branch Company of Sennics Co., Ltd. (聖奧化學科技有限公司上海聖博化工分公司). Since November 2019, he has served as the general manager and director at Shanghai Biointron Co., Ltd. (上海百英生物科技股份有限公司).

Mr. Cheng also currently holds various directorships and managerial positions, including as (i) a director at Tai'an Sennics Chemical Technology Co., Ltd. (泰安聖奧化工科技有限公司); (ii) a director at Shanghai Yijiucheng Investment Co., Ltd. (上海憶久誠投資有限公司) since December 2013; (iii) a director at Shanghai Dinglikang Food Co., Ltd. (上海鼎力康食品有限公司) since March 2015; (iv) a supervisor at Taizhou Huajun Biotechnology Co., Ltd. (泰州華鈞生物科技有限責任公司) since January 2016; (v) a director at Nanjing Zhitai Biopharmaceutical Technology Co., Ltd. (南京至泰生物醫藥科技有限公司) since February 2018; and (vi) a director at Shanghai Kaipai Brewing Co., Ltd. (上海開排酒業股份有限公司) since October 2021.

Mr. Cheng graduated from the Cyber Educational College of Beijing Language and Culture University (北京語言大學網絡教育學院) in the PRC after completion of the long distance course majoring in business administration in January 2013.

Mr. Cheng was a director of Shandong Shengao Chemical Co., Ltd. (山東聖奧化工股份有限公司) and a supervisor of Tai'an Hengsheng Chemical Co., Ltd. (泰安恒盛化工有限公司), the business licenses of which were revoked in November 25, 2009 and December 30, 2006, respectively, due to reasons such as the company's failure to conduct annual inspections. As confirmed by Mr. Cheng, the revocation of the business licenses of these companies was not caused by him, and he did not bear any personal responsibility and was not subject to any claim by third party for such revocation or for serving as a director or supervisor of these companies.

Mr. Yu Jianlin (于建林), aged 46, was appointed as our non-executive Director in July 2021. He is primarily responsible for providing guidance for the strategy and business development of our Group.

Mr. Yu has over 15 years of managerial experience across various sectors and industries. After graduation, he once worked at ZTE Corporation (中興通訊股份有限公司) (a company listed on the Main Board of the Stock Exchange (stock code: 763) and the Shenzhen Stock Exchange (stock code: 000063)), holding positions including an assistant to the executive vice president. From August 2013 to April 2021, he served as a director and the general manager of Zhuangyimei Health Investment Management Co., Ltd. (壯依美健康投資管理有限公司). He served as the general manager at Shenzhen Caihonghui Commercial Management Co., Ltd. (深圳彩虹匯商業管理有限公司) from November 2012 to August 2023, and a manager at Guangxi Nanning Liusha Football Training Co., Ltd. (廣西南寧柳沙足球訓練有限責任公司) from December 2013 to August 2023. Mr. Yu also served as a director at Meibeier Medical Beauty

Group Co. Ltd. (美貝爾醫療美容集團股份有限公司) from July 2012 to November 2020 and a director at Shenzhen Jiang & Associates Creative Design Co., Ltd. (深圳市傑恩創意設計股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300668), from June 2018 to June 2021.

Mr. Yu has been a director and general manager at Guangxi Sanwang Investment Co., Ltd. (廣西三旺投資有限公司) since January 2015, and a director at Guangxi Sanmenjiang Forest Tourism and Cultural Development Co., Ltd. (廣西三門江森林旅遊文化開發有限公司) since February 2015. He has worked at Shenzhen Gaotejia Investment Group Co., Ltd. (深圳市高特佳投資集團有限公司) and its subsidiaries since February 2016, holding positions including vice president and executive managing partner, and has been a director at Shenzhen Putiyang Jiankangmeihuo Co., Ltd (深圳市普提揚健康美活有限公司) since January 2017. He has also been serving as the chairman of the board of directors at JiangXi GIG Investment Management Co., Ltd. (江西高特佳投資管理有限公司) since July 2017, a director at Shenzhen Lachesis Mhealth Co., Ltd. (深圳市聯新移動醫療科技有限公司) since March 2020, a supervisor at Shenzhen Gaotejia Hongrui Entrepreneurship Investment Co., Ltd. (深圳市高特佳弘瑞創業投資有限公司) since July 2020, and a director at TenNor Therapeutics Suzhou Co., Ltd. (丹諾醫藥(蘇州)有限公司) since February 2022.

Mr. Yu received a bachelor's degree in aircraft power engineering from Northwestern Polytechnical University (西北工業大學) in the PRC in July 1999 and a master's degree in control theory and control engineering from the South China University of Technology (華南理工大學) in the PRC in July 2002.

Mr. Du Mu (杜沐), aged 39, was appointed as our non-executive Director in January 2025. He is primarily responsible for providing guidance for the strategy and business development of our Group.

Mr. Du has over 10 years of financial and managerial experience within the investment industry. From February 2012 to March 2017, he worked at China Fortune Securities Co., Ltd. (華鑫證券有限責任公司). From April 2017 to December 2017, he worked at Shanghai Fosun Chuangfu Investment Management Co., Ltd. (上海復星創富投資管理股份有限公司). Subsequently, he worked at several subsidiaries of Shanghai Tianyi Industrial Holding Group Co., Ltd. (上海天億實業控股集團有限公司), including as the fund director of the health industry fund. From February 2023 to July 2023, he worked at Shanghai Hetu Private Equity Fund Management Co., Ltd. (上海和途私募基金管理有限公司). Since December 2023, he has been working at Yingke Innovation Asset Management Co., Ltd. (盈科創新資產管理有限公司).

Mr. Du received a bachelor's degree in preventive medicine from Fudan University (復旦大學) in the PRC in July 2008.

Independent non-executive Directors

Mr. Li Xiangming (李向明), aged 69, was appointed as our independent non-executive Director in February 2022. He is primarily responsible for providing independent advice to our Board.

Mr. Li is an industry veteran with over 30 years of experience in the biotechnology and pharmaceutical industries. After graduation, he once served successively as a quality manager, the director of the research office and production management office, a department supervisor, and the assistant to the institute director at the Wuhan Institute of Biological Products (武漢生物製品研究所) and worked there until 2000. From 2002 to 2009, he worked at China National Biological Products Corporation (中國生物製品總公司) (subsequently renamed as China National Biotec Group (中國生物技術集團公司) ("**China Biotec**")), holding positions including manager. China Biotec merged into China National Pharmaceutical Group Corporation (中國醫藥集團總公司) ("**China Pharmaceutical Group**") in 2009, and served in the technology R&D Department at China Pharmaceutical Group since then until January 2016. From January 2015 to December 2021, he served as an independent director at Shenzhen Kangtai Biological Products (深圳康泰生物製品股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300601).

Since March 2015, Mr. Li has been serving as an expert at the Beijing Protein and Antibody Research and Preparation Engineering Technology Research Center Academic Committee (北京市蛋白和抗體研發及製備工程技術研究中心學術委員會). Mr. Li also served as the secretary general at the China Association for Vaccines (中國疫苗行業協會) (formerly known as the China Pharmaceutical Enterprises Development Promote Association (中國醫藥企業發展促進會)) from 2012 to 2017 and as the vice president therein since 2017. He has also been serving as a director at Jianda Biotechnology (Jiaxing) Co., Ltd. (簡達生物科技(嘉興)有限公司) (formerly known as Jianda Biomedical (Jiaxing) Co., Ltd. (簡達生物醫藥(嘉興)有限公司)) since December 2021 and the senior vice president of the Fourth Council of the China Association for Vaccines since May 2025.

Mr. Li graduated from Zhongshan School of Medicine of Sun Yat-sen University (中山醫學院) in the PRC with a bachelor's degree in medicine in December 1978. He further obtained a master's degree in medical microbiology and immunology from Sun Yat-sen University of Medical Sciences (中山醫科大學) in the PRC in December 1986. Mr. Li was also qualified as a researcher by the Ministry of Health of the PRC (國家衛生部) (currently known as the National Health Commission (國家衛生健康委員會)).

Ms. Li Xiaoqing (李曉青), aged 49, was appointed as our independent non-executive Director in February 2022. She is primarily responsible for providing independent advice to our Board.

Ms. Li has over 10 years of experience in accounting and financial management. She successively worked at Zhongshenzhonghuan Certified Public Accountants (中審眾環會計師事務所) and Zhonghui Certified Public Accountants (中匯會計師事務所) from October 2011 to September 2012. From September 2012 to February 2018, she worked at Lingyi Technology (Shenzhen) Co., Ltd. (領益科技(深圳)有限公司) ("**Lingyi Technology**"). From March 2018 to April 2021, she served as the chief financial officer at Guangdong Lingyi iTECH Manufacturing Co., Ltd. (廣東領益智造股份有限公司) ("**Lingyi iTECH**"), a company listed on the Shenzhen Stock Exchange (stock code: 002600). Since May 2021, Ms. Li has been serving as a senior vice president at Shenzhen Lingsheng Investment Co., Ltd. (深圳領勝投資有限公司), the parent company of Lingyi iTECH.

Ms. Li obtained her bachelor's degree in business administration from Xiamen University (廈門大學) in the PRC in July 1998. Ms. Li graduated from the China Europe International Business School (中歐國際工商學院) in the PRC in July 2023 with a master's degree in business administration. Ms. Li was qualified as a Certified Public Accountant by the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) in November 2013.

During her tenure at Lingyi iTECH, Ms. Li received a notice of criticism from the Shenzhen Stock Exchange in June 2019 and a warning letter from the Guangdong Regulatory Bureau of the China Securities Regulatory Commission in August 2019 for failing to diligently fulfill her obligations as the chief financial officer of Lingyi iTECH, in relation to Lingyi iTECH's failure to amend its performance forecast and performance briefing within the specified period (the "**Incident**"). Our Directors are of the view that Ms. Li is suitable to act as a Director under Rules 3.08 and 3.09 of the Listing Rules having considered the following reasons: (i) as advised by our PRC Legal Advisors, neither the notice of criticism nor the warning letter constitutes an administrative penalty under the applicable PRC laws and regulations; (ii) as advised by our PRC Legal Advisors, such regulatory measures would not disqualify Ms. Li from acting as a director of any PRC company under the PRC Company Law; (iii) according to the notice of criticism and warning letter against Ms. Li, there is no evidence that the Incident involved any dishonesty or fraudulence on the part of Ms. Li which would affect her suitability to act as an independent non-executive Director; (iv) Ms. Li had not been subject to any other investigation or proceedings by the CSRC, its local counterparts, the Shenzhen Stock Exchange or any other regulatory authorities; (v) the Directors were of the view that Ms. Li had fully discharged her duties as a Director of the Company since she took office as the Company's independent non-executive Director; and (vi) Ms. Li joined training sessions on directors' duties and corporate governance of Hong Kong listed companies, so as to keep abreast of the laws and regulations applicable to Hong Kong listed companies and their directors.

Mr. Chen Chengbei (陳乘貝), aged 48, was appointed as our independent non-executive Director in February 2022. He is primarily responsible for providing independent advice to our Board.

Mr. Chen has nearly 20 years of experience in the legal industry. He worked as a paralegal and then as a lawyer at Fujian Xiamen Zili Law Firm (福建廈門自立律師事務所) from July 2005 to May 2007. He then worked as a lawyer at Zhong Lun Law Firm (Shenzhen) (北京市中倫(深圳)律師事務所) from May 2007 to July 2013, and at China Commercial Law Firm (廣東華商律師事務所) from July 2013 to December 2014. From January 2015 to February 2019, he was a partner at Zhong Yin Law Firm (Shenzhen) (北京中銀(深圳)律師事務所). He was also a partner at Hylands Law Firm (Shenzhen) (北京浩天(深圳)律師事務所) from February 2019 to May 2024. From October 2016 to December 2022, he served as an independent director at Shenzhen Sunline Tech Co., Ltd. (深圳市長亮科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300348). From May 2021 to January 2025, he served as an independent director at Shenzhen Reolink Technology Co., Ltd. (深圳市睿聯技術股份有限公司).

Mr. Chen has been serving as an independent director at Dongguan Huayue Semiconductor Technology Co., Ltd. (東莞市華越半導體技術股份有限公司) since January 2022. Since May 2024, he has been a partner at Global Law Office, Shenzhen Office (北京市環球(深圳)律師事務所).

Mr. Chen obtained his bachelor's degree in marketing from Sichuan University (四川大學) in the PRC in July 1999. He then received a master's degree in law from Xiamen University (廈門大學) in the PRC in June 2005.

Save as disclosed above and in this prospectus, each of our Directors has confirmed that he/she has no other relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of our Company and none of our Directors has held any other directorships in listed companies during the three years immediately preceding the date of this prospectus.

Save as disclosed above, each of our Directors has confirmed that there are no other matters relating to his/her appointment as a Director that need to be brought to the attention of our Shareholders and there is no other information in relation to his/her appointment which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Each of our Directors has confirmed that he/she obtained the legal advice on January 6, 2025 with regard to the requirements under the Listing Rules that are applicable to him/her as a director of a listed issuer and the possible consequences of making a false declaration or giving false information to the Stock Exchange as set out in Rule 3.09D of the Listing Rules and he/she understood his/her obligations as a director of a listed issuer.

Each of our independent non-executive Directors has confirmed his/her independence with regards to each of the factors as set out in Rule 3.13(1) to (8) of the Listing Rules and that there are no other factors that may affect his/her independence at the time of his/her appointment.

SUPERVISORS

Our Supervisory Committee consists of three Supervisors. The table below sets out the key information of our Supervisors:

Name	Age	Date of joining our Group	Date of appointment as Supervisor	Existing position(s) in our Group	Roles and responsibilities	Relationship with other Directors, Supervisors and senior management
Mr. Feng Hao (封浩)	29	May 22, 2017	February 22, 2022	Supervisor and chairman of the Supervisory Committee	Responsible for presiding the work of the Supervisory Committee, supervising and providing independent advice to our Board	None
Mr. Wang Shuguang (王曙光) . . .	51	February 22, 2022	February 22, 2022	Supervisor	Responsible for supervising and providing independent advice to our Board	None
Mr. Wang Wei (王威)	38	August 29, 2019	January 2, 2025	Employee representative Supervisor	Responsible for supervising and providing independent advice to our Board	None

Mr. Feng Hao (封浩), aged 29, was appointed as our Supervisor in February 2022 and the chairman of the Supervisory Committee in January 2025. He is primarily responsible for presiding the work of the Supervisory Committee, supervising and providing independent advice to our Board.

Mr. Feng has a career in human resources and administrative management of more than 8 years, which has been built solely at our Group. He joined our Group in May 2017 as an employee of our general management department till August 2018. From September 2018 to March 2019, he served as an assistant at our human resources administration department, where he was promoted to deputy manager from March 2019 to February 2021 and further to manager from March 2021 to November 2021 in the same department. From November 2021 to September 2022, he served as a manager at our administrative management department. Mr. Feng has been serving as the assistant to our general manager since February 2022. He has also been serving as a supervisor at Yither Biotech since July 2020.

Mr. Feng graduated from Nanjing Audit University (南京審計大學) in the PRC with a bachelor's degree in administrative management in June 2017.

Mr. Wang Shuguang (王曙光), aged 51, was appointed as our Supervisor in February 2022. He is primarily responsible for supervising and providing independent advice to our Board.

Mr. Wang has over 30 years of experience in the biotechnology and pharmaceutical industries. From September 1994 to August 1998, he worked at the chemistry room of Henan Province Shangqiu City Drug Inspection Center (河南省商丘市藥品檢驗所). He was a visiting scholar at Hong Kong University of Science and Technology (香港科技大學) from August 2004 to August 2006. From September 2006 to December 2009, he served as an associate researcher at the Shanghai Institute of Pharmaceutical Industry (上海醫藥工業研究院). From January 2010 to March 2015, he worked at Shanghai Shyndec Pharmaceutical Co., Ltd. (上海現代製藥股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600420). He was also a managing partner at Shenzhen Gaotejia Investment Group Co., Ltd. (深圳市高特佳投資集團有限公司) from January 2016 to October 2020.

Apart from serving as our Supervisor, Mr. Wang has also been serving as the chairman of the board of directors at Shanghai Wenzhou Capital Co., Ltd. (上海文周投資管理股份有限公司) since August 2020, and as a supervisor at Sichuan Huiyu Pharmaceutical Co., Ltd. (四川匯宇製藥股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688553), since March 2020.

Mr. Wang graduated from Kaifeng Medical College (開封醫學高等專科學校) (currently known as Henan Medical College (河南醫藥高等專科學校)) in the PRC in September 1994, majoring in pharmacy. He further obtained a master's degree in science from the Institute of Botany, Jiangsu Province and Chinese Academy of Sciences (江蘇省中國科學院植物研究所) in the PRC in September 2001, and a doctoral degree in medicinal chemistry from the School of Pharmacy of Fudan University (復旦大學) in the PRC in June 2004.

Mr. Wang Wei (王威), aged 38, was appointed as our employee representative Supervisor in January 2025. He joined our Group in August 2019 and has been serving as the deputy manager of our IT department since November 2021. He is primarily responsible for supervising and providing independent advice to our Board.

Mr. Wang has nearly 15 years of experience in managing information technology teams and projects. From 2010 to June 2012, he worked at Shanghai TianYou Project Management and Consulting Co., Ltd. (上海天佑工程諮詢有限公司). He then worked as a project supervisor at Suzhou Pengxin Construction Co., Ltd. (蘇州鵬欣建設有限公司) from June 2012 to April 2014. From May 2014 to May 2016, he worked as the director of the administrative and human resources office (行政人事部辦公室副主任) at Runtai Chemical Co., Ltd. (潤泰化學股份有限公司) (currently known as Runtai New Materials Co., Ltd. (潤泰新材料股份有限公司)). From August 2016 to July 2019, he served as the human resources and administrative manager and IT at NT Pharma (Jiangsu) Co., Ltd. (泰凌醫藥(江蘇)有限公司). He then joined our Group in August 2019 and served as an IT of our human resources and administration department till March 2021, and then as a supervisor of the department's IT management team from March 2021 to November 2021.

Mr. Wang graduated from Changshu Institute of Technology (常熟理工學院) in the PRC in June 2009, majoring in network engineering. He was qualified as an Assistant Engineer (助理工程師) by Kunshan Municipal Human Resources and Social Security Bureau of the PRC in July 2010.

Save as disclosed above and in this prospectus, each of our Supervisors has confirmed that he has no other relationship with any Directors, senior management, substantial shareholders or controlling shareholders of our Company and none of our Supervisors has held any other directorships in listed companies during the three years immediately preceding the date of this prospectus.

Save as disclosed above, each of our Supervisors has confirmed that there are no other matters relating to his appointment as a Supervisor that need to be brought to the attention of our Shareholders and there is no other information in relation to his/her appointment which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

SENIOR MANAGEMENT

Our senior management is responsible for the day-to-day management of our business. The table below sets out the key information of our senior management:

Name	Age	Date of joining our Group	Date of appointment as senior management	Existing position(s) in our Group	Roles and responsibilities	Relationship with other Directors, Supervisors and senior management
Mr. An Youcai (安有才) . . .	58	October 28, 2015	May 8, 2017	Executive Director, chairman of our Board, general manager	Responsible for the strategic planning, business direction and daily operations and management of our Group	Party acting in concert with Mr. He
Ms. Li Runxiang (李潤香) . . .	50	January 1, 2021	January 1, 2021	Executive Director and chief financial officer	Responsible for the daily operations and management, and financial management of our Group	None
Ms. Zhang Yangyang (張陽陽) . . .	43	June 15, 2021	June 15, 2021	Board secretary and joint company secretary	Responsible for the business development, corporate governance, company secretarial matters, and financing and capital market matters of our Group	None
Dr. Chen Ze (陳則)	60	May 30, 2022	September 16, 2022	Deputy general manager and chief scientist	Responsible for product research and development of our Group	None

Name	Age	Date of joining our Group	Date of appointment as senior management	Existing position(s) in our Group	Roles and responsibilities	Relationship with other Directors, Supervisors and senior management
Dr. Yelin Xiong (熊野林) . . .	59	March 7, 2022	September 16, 2022	Deputy general manager	Responsible for product research and development of our Group	None
Mr. Wang Kai (王凱)	42	February 22, 2022	February 22, 2022	Deputy general manager	Responsible for product quality management of our Group	None

Mr. An Youcai (安有才), aged 58, our executive Director, chairman of our Board and general manager. For his biography, see "—Board of Directors—Executive Directors—Mr. An Youcai" in this section.

Ms. Li Runxiang (李潤香), aged 50, our executive Director and chief financial officer. For her biography, see "—Board of Directors—Executive Directors—Ms. Li Runxiang" in this section.

Ms. Zhang Yangyang (張陽陽), aged 43, joined our Group as our board secretary in June 2021 and was appointed as our joint company secretary in January 2025. She is primarily responsible for the business development, corporate governance, company secretarial matters, and financing and capital market matters of our Group.

Ms. Zhang has nearly 18 years of experience in legal and investment management. From September 2007 to April 2010, she worked as a commercial legal engineer at Harbin Electric Co., Ltd. (哈爾濱電氣集團有限公司). From May 2010 to December 2016, she worked at the Taizhou Pharmaceutical High Tech Zone (Gaogang District) Pharmaceutical Industrial Zone Office (泰州醫藥高新區(高港區)醫藥產業園管理辦公室). From December 2016 to July 2019, she served as the general manager at Taizhou China Medical City New Drug Fund Management Co., Ltd. (泰州中國醫藥城新藥基金管理有限公司), holding positions including the legal supervisor. From July 2019 to March 2020, she returned to the Taizhou Pharmaceutical High Tech Zone (Gaogang District) Pharmaceutical Industrial Zone Office and worked as a finance specialist. She then served as the deputy general manager at Taizhou Pharmaceutical High Tech Zone Huayin Financial Investment Co., Ltd. (泰州醫藥高新區華銀金融投資有限公司) from March 2020 to September 2020. From October 2020 to June 2021, she served as the board secretary at Jiangsu Recbio Technology Co., Ltd. (江蘇瑞科生物技術股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 2179). Ms. Zhang has also been serving as an external arbiter at the Taizhou Arbitration Association since 2022 for a term until 2027.

Ms. Zhang graduated from Mudanjiang Normal University (牡丹江師範學院) in the PRC with a bachelor's degree in ideological and political education in July 2004. In July 2007, she received a juris master degree from Peking University (北京大學) in the PRC. In February 2007, she obtained her Legal Professional Qualification Certificate issued by the Ministry of Justice of the PRC.

Dr. Chen Ze (陳則), aged 60, joined our Group as our chief scientist in May 2022 and has been serving as our deputy general manager since September 2022. He is primarily responsible for product research and development of our Company.

Dr. Chen has nearly 28 years of experience in the fields of virology, pharmaceuticals and biotechnology. From April 1997 to March 2000, he worked as an assistant researcher at the National Institute of Infectious Diseases (國立感染症研究所) in Japan. He then served as a distinguished professor at Hunan Normal University (湖南師範大學) from December 1999 to December 2010, simultaneously working as a Hundred Talents Program researcher at the Wuhan Institute of Virology (中國科學院武漢病毒研究所) from February 2002. From May 2007 to April 2018, he successively served as a researcher, a laboratory director, and then the chief scientist at Shanghai Institute of Biological Products Co., Ltd. (上海生物製品研究所有限責任公司). From April 2018 to November 2021, he served as a deputy general manager at Shanghai Serum Bio-Technology Co., Ltd. (上海賽倫生物技術股份有限公司). From August 2021 to April 2022, he served as the chief scientist at Hong Kong Biologicals Co., Ltd. (香港生物製品有限公司).

Dr. Chen graduated from Shanghai Second Medical University (上海第二醫科大學) in the PRC with a bachelor's degree in medicine in July 1988. He further obtained a doctoral (Ph.D.) degree in pathology, immunology and microbiology from the University of Tokyo (東京大學) in March 1997.

Dr. Chen received a number of honours throughout his career. From 2005 to 2010, while he served as a distinguished professor under the Lotus Scholars Program (湖南省芙蓉學者計劃), he was given the title of Lotus Scholar by the Ministry of Hunan Province of the PRC. He was appointed as a researcher at the Wuhan Institute of Virology under the inaugural Hundred Talents Program of the Chinese Academy of Sciences in 2002. In 2022, he was shortlisted under the National Major Talent Project (國家重大人才工程), receiving project funding from the Taizhou 113 Pharmaceutical Talent Team (泰州市113醫藥人才團隊).

Dr. Yelin Xiong (熊野林), aged 59, joined our Group in March 2022 and has since been serving as the vice president of research and development at Yither Biotech. She has also been serving as our deputy general manager since September 2022. She is primarily responsible for product research and development of our Company.

Dr. Xiong has over 20 years in the fields of pharmaceuticals and biotechnology. She once worked at the Shanghai Animal and Plant Quarantine Bureau (上海動植物檢疫局) after graduation, and later became a postdoctoral researcher at the University of Toronto in 2001. From March 2002 to February 2021, she worked at Sanofi Pasteur Ltd., a company listed on Nasdaq (ticket symbol: SNY), with her last position as the deputy director chief scientist. From April 2021 to August 2021, she worked at Zhejiang Innoforce Pharmaceuticals Co., Ltd. (浙江健新原力製藥有限公司), with her last position as an executive officer for product development. From September 2021 to March 2022, she served as an executive director (執行主任) at Hangzhou Mingde Biomedical Technology Co., Ltd. (杭州明德生物醫藥技術有限公司).

Dr. Xiong graduated from Shenyang Agricultural University (瀋陽農業大學) in the PRC with a bachelor's degree in plant protection in July 1987, where she further obtained a master's degree in plant protection in March 1990. She received a doctoral (Ph.D.) degree in cell biology and immunology from the Australian National University (澳大利亞國立大學) in August 1999.

Mr. Wang Kai (王凱), aged 41, joined our Group as our deputy general manager in February 2022. He is primarily responsible for product quality management of our Company.

Mr. Wang has over 17 years of experience in overseeing quality management. From October 2008 to March 2018, he worked at Liaoning Yisheng Biological Pharmaceutical Co., Ltd. (遼寧依生生物製藥有限公司) with his last position as the quality control director. From December 2017 to December 2021, he served as the deputy general manager with a primary responsibility on quality at Shandong Yidu Biotechnology Co., Ltd. (山東亦度生物技術有限公司).

Mr. Wang graduated from Shenyang Pharmaceutical University (瀋陽藥科大學) in the PRC with a bachelor's degree in pharmaceutical bioengineering in July 2008. He was also qualified as an Engineer by the Ministry of Human Resources and Social Security of the PRC in November 2014.

JOINT COMPANY SECRETARIES

Ms. Zhang Yangyang (張陽陽), aged 43, our board secretary and joint company secretary. For her biography, see "—Senior Management—Ms. Zhang Yangyang" in this section.

Ms. Lin Sio Ngo (練少娥), was appointed as our joint company secretary in January 2025.

Ms. Lin is a manager of SWCS Corporate Services Group (Hong Kong) Limited, a professional services provider specializing in corporate services. Ms. Lin has over 20 years of experience in the corporate secretarial and administration management fields. She has been providing professional corporate services to Hong Kong listed companies as well as private companies.

Ms. Lin is currently serving as the company secretary or joint company secretary of several companies listed on the Main Board of the Stock Exchange.

Ms. Lin obtained a bachelor's degree in business administration and a master's degree in corporate governance from Hong Kong Metropolitan University in June 2000 and June 2004 respectively. Ms. Lin is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute.

BOARD COMMITTEES

Our Board has established the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Strategy Committee and delegated various responsibilities to these committees, which assist our Board in discharging its duties and overseeing particular aspects of our Group's activities.

Audit Committee

We have established the Audit Committee pursuant to Rule 3.21 of the Listing Rules with written terms of reference in compliance with paragraph D.3 of Part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules (the "**CG Code**"). The Audit Committee consists of Ms. Li Xiaoqing, Mr. Li Xiangming and Mr. Cheng Qianwen. Ms. Li Xiaoqing is the chairperson of the Audit Committee. Ms. Li Xiaoqing has the appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules.

The primary duties of the Audit Committee are (i) reviewing and monitoring the external auditors' audit process; (ii) giving guidance to our internal audit work; (iii) overseeing the effectiveness of our financial reporting system, risk management and internal control systems; (iv) reviewing and providing advice and comments on our financial reports; (v) performing our corporate governance functions; (vi) coordinating among our management team, internal audit department and related departments and external auditors; and (vii) performing other duties and responsibilities as assigned by our Board and/or required by applicable laws and regulations (including the Listing Rules) from time to time.

Remuneration and Appraisal Committee

We have established the Remuneration and Appraisal Committee pursuant to Rule 3.25 of the Listing Rules with written terms of reference in compliance with paragraph E.1 of Part 2 of the CG Code. The Remuneration and Appraisal Committee consists of Mr. Chen Chengbei, Ms. Li Xiaoqing and Ms. Li Runxiang. Mr. Chen Chengbei is the chairperson of the Remuneration and Appraisal Committee.

The primary duties of the Remuneration and Appraisal Committee are (i) making recommendations to our Board on our policy and structure for remuneration of our Directors, Supervisors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policies; (ii) reviewing and approving the management team's remuneration proposals with reference to corporate goals and objectives; (iii) making recommendations to our Board on the remuneration of executive Directors and senior management (which includes non-monetary benefit, pension and compensation (including compensation for loss or termination of office or appointment)); (iv) making recommendations to our Board on the remuneration of non-executive Directors and Supervisors; (v) considering the salaries paid by, and the time commitment, responsibilities and employment terms offered by, comparable companies for other positions within the Group; (vi) reviewing and approving the compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive; (vii) reviewing and approving compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; (viii) ensuring that no Director or any of his/her associates is involved in deciding that Director's own remuneration; (ix) evaluating the performance of executive Directors and including in the annual work summary; (x) reviewing the terms of service agreements or appointment letters for Directors and Supervisors; (xi) reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules (if necessary); and (xii) performing other duties and responsibilities as assigned by our Board and/or required by applicable laws and regulations (including the Listing Rules) from time to time.

Nomination Committee

We have established the Nomination Committee pursuant to Rule 3.27A of the Listing Rules with written terms of reference in compliance with paragraph B.3 of Part 2 of the CG Code. The Nomination Committee consists of Mr. Li Xiangming, Ms. Li Xiaoqing and Mr. Yu Jianlin. Mr. Li Xiangming is the chairperson of the Nomination Committee.

The primary duties of the Nomination Committee are (i) reviewing the structure, size and composition (including the skills, knowledge, experience and diversity) of our Board at least annually and making recommendations on any proposed changes to our Board to complement our corporate strategy; (ii) identifying individuals suitably qualified to become Directors and selecting or making recommendations to our Board on the selection of individuals nominated for directorships; (iii) assessing the independence of independent non-executive Directors;

(iv) making recommendations to our Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the chief executive; (v) reviewing our board diversity policy, any measurable objectives for implementing such board diversity policy as may be adopted by our Board from time to time, the progress on achieving the objectives and disclose the board diversity policy or its summary in the corporate governance report; (vi) where the Board proposes a resolution at a general meeting to appoint a candidate as an independent non-executive director of the Company, ensuring the circular to shareholders and/or explanatory statement accompanying the notice of the general meeting will contain the details in respect of the decision-making process and reasons for the appointment as required under the Listing Rules; (vii) reviewing the implementation and effectiveness of our mechanism(s) to ensure independent views and opinions are available to our Board; (viii) reporting to our Board on decisions or recommendations, except where legal or regulatory restrictions prevent such reporting; and (ix) performing other duties and responsibilities as assigned by our Board and/or required by applicable laws and regulations (including the Listing Rules) from time to time.

Strategy Committee

We have established the Strategy Committee, which consists of Mr. An, Mr. Cheng Qianwen and Mr. Li Xiangming. Mr. An is the chairperson of the Strategy Committee. The primary duties of the Strategy Committee are to review and advise on the long-term strategy and major development and financing plans of our Group.

BOARD DIVERSITY POLICY

Our Board has adopted a board diversity policy ("**Board Diversity Policy**"), which sets out the approach to achieve diversity on our Board. Our Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in supporting the attainment of our Company's strategic objectives and sustainable development. Our Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to talent, skills, gender, age, cultural and educational background, ethnicity, professional experience, independence, knowledge and length of service. We will select potential Board candidates based on merit and his/her potential contribution to our Board while taking into consideration our own business model and specific needs from time to time. All Board appointments will be based on meritocracy and candidates will be considered against objective criteria, having due regard to the benefits of diversity on our Board.

Our Board has a balanced mix of knowledge, skills and experience, including but without limitation to biotechnology and pharmaceutical R&D and production, medicine and healthcare, auditing, consulting, commercial operation management, corporate financial management, investment and asset management, sales and marketing and law. Members of our Board have obtained degrees in various majors including medicine, health toxicology, medical microbiology, immunology, pharmaceutical management, industrial engineering, control theory, control engineering, aircraft power engineering, management, accountancy, business administration, marketing and law. We have three independent non-executive Directors from different backgrounds, including accounting, biotechnology, pharmaceutical and legal industries. Furthermore, our Directors are of a wide range of age, from 34 years old to 69 years old.

With regards to gender diversity on the Board, we recognize the particular importance of gender diversity. Our Board currently comprises two female Directors and seven male Directors and expects to continue to maintain an appropriate gender mix in the Board upon Listing. We have taken and will continue to take steps to promote and enhance gender diversity at all levels of our Company, including but without limitation at our Board and senior management levels. Our Board Diversity Policy provides that our Board should aim to increase the proportion of female members over time after Listing where possible when selecting and making recommendations on suitable candidates for Board appointments. We will also ensure that there is gender diversity when recruiting staff at mid to senior level so that we will have a pipeline of female senior management and potential successors to our Board going forward. It is our objective to maintain an appropriate balance of gender diversity with reference to the expectations of stakeholders and international and local recommended best practices.

Our Nomination Committee is responsible for ensuring the diversity of our Board members. After Listing, our Nomination Committee will review our Board Diversity Policy and its implementation from time to time to monitor its continued effectiveness and we will disclose the implementation of our Board Diversity Policy, including any measurable objectives set for implementing the Board Diversity Policy and the progress on achieving these objectives, in our corporate governance report on an annual basis.

CORPORATE GOVERNANCE

Our Company aims to achieve high standards of corporate governance which are crucial to the development and safeguard the interests of our Shareholders. To accomplish this, our Company expects to comply with the CG Code and the associated Listing Rules after the Listing save for the deviation as mentioned below. Any deviation from the code provisions shall be carefully considered, and the reasons for any deviation and explanation of how good corporate governance was achieved by means other than strict compliance with the code provisions shall be given in the interim report and the annual report in respect of relevant period.

According to code provision C.2.1 of Part 2 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The roles of chairman of the Board and general manager are currently performed by Mr. An. In view of Mr. An's substantial contribution to our Group since our establishment and his extensive experience, our Board believes that it is in the best interest of our Group to have Mr. An taking up both roles for effective management and operations. Therefore, our Directors consider that the deviation from such code provision is appropriate. Notwithstanding such deviation, our Directors are of the view that our Board is able to work efficiently and perform its responsibilities with all key and appropriate issues discussed in a timely manner. In addition, as all major decisions will be made in consultation with members of our Board and the relevant Board committees, and there are three independent non-executive Directors on our Board offering independent perspective, our Board is therefore of the view that there are adequate safeguards in place to ensure sufficient balance of powers within our Board. Our Board shall nevertheless review the structure and composition of our Board and senior management from time to time in light of prevailing circumstances to maintain a high standard of corporate governance practices of our Company.

COMPENSATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Our Directors, Supervisors and members of our senior management receive compensation from our Group in the form of fees, salaries and other benefits and contribution to pension scheme.

The aggregate remuneration (including salaries, allowances, benefits in kind, discretionary bonuses, retirement scheme contributions and share-based payments) paid or payable to our Directors and Supervisors for the two years ended December 31, 2023 and 2024 and the three months ended March 31, 2025 was approximately RMB19.5 million, RMB16.3 million and RMB2.2 million, respectively. Save as disclosed above, no amounts have been paid or are payable by any member of our Group to our Directors or Supervisors for the two years ended December 31, 2023 and 2024 and the three months ended March 31, 2025.

The aggregate amount of salaries, allowances, benefits in kind, discretionary bonuses, retirement scheme contributions and share-based payments paid or payable to our five highest paid individuals in respect of the two years ended December 31, 2023 and 2024 and the three months ended March 31, 2025 was approximately RMB28.1 million, RMB25.0 million and RMB5.0 million, respectively.

No remuneration was paid by us to our Directors, Supervisors or the five highest paid individuals as an inducement to join or upon joining us or as a compensation for loss of office in respect of the two years ended December 31, 2023 and 2024 and the three months ended March 31, 2025. Further, none of our Directors or Supervisors had waived or agreed to waive any remuneration during the same periods.

Under the arrangement currently in force, the aggregate remuneration (including salaries, allowances, benefits in kind, discretionary bonuses, retirement scheme contributions and share-based payments) of our Directors and Supervisors for the year ending December 31, 2025 is estimated to be no more than approximately RMB10.0 million.

Our Board will review and determine the remuneration and compensation packages of our Directors, Supervisors and senior management and will, following the Listing, receive recommendation from the remuneration and appraisal committee which will take into account salaries paid by comparable companies, time commitment and responsibilities of our Directors and performance of our Group.

EMPLOYEE INCENTIVE SCHEMES

For further details of our employees' incentive schemes, See "Appendix VI—Statutory and General Information—D. Employee Incentive Schemes" for details.

COMPETITION

Each of our Directors confirms that, as of the Latest Practicable Date, he/she did not have any interest in any business which competes, or is likely to compete, directly or indirectly, with our business, and requires disclosure under Rule 8.10 of the Listing Rules.

COMPLIANCE ADVISOR

We have appointed Octal Capital Limited as our Compliance Advisor pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, our Compliance Advisor will advise our Company in the following circumstances:

- before the publication of any regulatory announcement, circular and financial report;
- where a transaction, which might be notifiable or connected transaction under the Listing Rules, is contemplated including shares issues and share repurchases;
- where our Company proposes to use the proceeds from 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
- where the Stock Exchange makes an inquiry of our Company under Rule 13.10 of the Listing Rules.

The term of the appointment shall commence on the Listing Date and end on the date on which our Company distribute our annual report in respect of our financial results for the first full financial year commencing after the Listing Date.

OVERVIEW

As of the Latest Practicable Date, (i) the Concert Party Group, consisting of Mr. An, Jiangsu Tiaoyu (a company owned by Mr. An and his spouse as to 70% and 30%, respectively) and Mr. He, were collectively interested in approximately 35.84% of the Shares, and pursuant to the Concert Party Agreement, Mr. He shall reach consensus with Mr. An and Jiangsu Tiaoyu before voting unanimously at the general meetings or Board meetings, and in the event consensus cannot be reached among the parties, Mr. He shall follow the instruction of Mr. An and Jiangsu Tiaoyu; and (ii) Jiangsu Tiaoyu, by virtue of its role as the general partner of each of the Employee Ownership Platforms, was deemed to be interested in approximately 9.72% of the Shares held by the Employee Ownership Platforms. Accordingly, the Concert Party Group and the Employee Ownership Platforms constituted our Controlling Shareholder Group, holding in aggregate approximately 45.55% of the Shares as of the Latest Practicable Date.

Immediately following the completion the Global Offering, the Controlling Shareholder Group will in aggregate hold approximately 41.68% of the Shares (assuming the Offer Size Adjustment Option is not exercised). Therefore, upon Listing, members of the Controlling Shareholder Group will collectively remain our Controlling Shareholders.

For details of the Concert Party Group, the Employee Ownership Platforms and their shareholding in our Company, see "History, Development and Corporate Structure."

COMPETITION

As of the Latest Practicable Date, each of our Controlling Shareholders confirmed that none of them and their respective close associates had any interest in any business, other than our 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 AND THEIR RESPECTIVE CLOSE ASSOCIATES

We believe that we are capable of carrying on our business from our Controlling Shareholders and their respective close associates (other than the Group) after the Listing for the following reasons:

Management Independence

Our Board comprises three executive Directors, three non-executive Directors and three independent non-executive Directors. Mr. An is one of our executive Directors, chairman of our Board and general manager of our Company, responsible for the strategic planning, business direction, daily operations and management of our Group. Mr. He is an executive Director, responsible for assisting the chairman of our Board in our marketing management related matters. With the support of our experienced management team, each of Mr. An and Mr. He is expected to continuously devote a sufficient portion of his time to the day-to-day

operations of our Group upon Listing. Mr. An is serving as an executive director of Jiangsu Tiaoyu, and Mr. He does not have any position in Jiangsu Tiaoyu. As of the Latest Practicable Date, save for Mr. An, none of our Directors or members of our senior management held any position at our Controlling Shareholders or their close associates.

Despite the overlapping role assumed by Mr. An in Jiangsu Tiaoyu and the Board as disclosed above, when performing his duties in our Group, Mr. An has been and will continue to be supported by the separate and independent Board which comprises eight other Board members and senior management of our Group. On such basis, Mr. An confirmed that his involvement in Jiangsu Tiaoyu (which is the general partner of our Employee Ownership Platforms) will not affect the discharge of his duties in our Group.

Each of our Directors is 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 does not allow any conflict between his/her duties as a Director and his/her personal interests. In the event that there is an actual or potential conflict of interest arising out of any transaction to be entered into between our Group and any of the Directors or their respective close associates, the interested Director(s) shall abstain from voting at the relevant Board meetings of our Company in respect of such transactions and shall not be counted in the quorum.

Our Board comprises nine Directors, including three independent non-executive Directors, which represent one-third of the members of our Board. Our independent non-executive Directors have extensive experience in corporate management and governance, and they are appointed to ensure that our Board will only make decisions after due consideration of independent and impartial opinions. Certain matters of our Company must always be referred to the independent non-executive Directors for review.

We have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling Shareholders that would support our independent management. For details, see "—Corporate Governance Measures" below.

Based on the reasons above, our Directors are of the view that our Group is capable of managing our business independently from our Controlling Shareholders and their respective close associates and their respective close associates after the Listing.

Operational Independence

We have full rights to make all decisions on, and carry out, our own business operations independently from our Controlling Shareholders and their respective close associates and will continue to do so after the Listing. Our Group is able to operate without reliance on our Controlling Shareholders and their respective close associates.

Research and development

We have our own R&D function, personnel and production facilities, which are independent from our Controlling Shareholders and their respective close associates. As of the Latest Practicable Date, our R&D team had 86 members, who were all full-time employees of our Group and did not hold any position in our Controlling Shareholders or their respective close associates. We, through our subsidiary, Yither Biotech, have established our in-house facilities, which seamlessly support our R&D activities from laboratory-scale trial, clinical trial to commercial scale production. In addition, our Group owns over 190 registered patents in the PRC and other countries which are necessary for our R&D and operations. With such independent R&D functions, an experienced and independent R&D team, independent supporting manufacturing capabilities and self-owned patents, our Directors believe that we have all the requisite resources to carry on our R&D and commercialization of our pipeline products independently.

Access to suppliers and business partners

We have independent access to our suppliers as well as our business partners. Our suppliers and business partners bases are diversified and unrelated to our Controlling Shareholders and their respective close associates.

Operational facilities and administration

We have full-time management team and staff to carry out our own administration and operation independently from our Controlling Shareholders and their respective close associates. All key administrative functions (including administration, finance, internal audit, human resources, legal and compliance and company secretarial functions) have been and will be carried out by our own without reliance or the support of our Controlling Shareholders and their respective close associates.

Employees

As of the Latest Practicable Date, all of our full-time employees were independent from our Controlling Shareholders and their respective close associates and were primarily recruited through both internal referrals and external sources such as campus recruitment, recruitment websites and third-party recruiters.

Based on the reasons above, our Directors are of the view that we have full rights to make all decisions on, and to carry out, our own business operations independently from our Controlling Shareholders and their respective close associates and will continue to do so after the Listing.

Financial Independence

We have an independent financial system and make financial decisions according to our own business needs. We also have our own internal control and accounting systems, accounting and finance department for discharging the treasury function, which all are independent from our Controlling Shareholders and their respective close associates.

During the Track Record Period, Mr. An provided personal guarantee to secure certain of our Group's bank borrowings and credit facilities (the "**Guaranteed Indebtedness**"). As of the date of this prospectus, our Group did not have any outstanding loans, advances or balances due to or from our Controlling Shareholders or their respective close associates which were not arising out of the ordinary course of business. All guarantee provided by our Controlling Shareholders or their respective close associates on the Guaranteed Indebtedness of our Group has been released as of the date of this prospectus. We independently completed the Pre-IPO Investments and raised funds from Pre-IPO Investors which are Independent Third Parties. For details of the Pre-IPO Investments, see "History, Development and Corporate Structure—Pre-IPO Investments" in this prospectus. We expect we will be capable of obtaining financing from Independent Third Parties without relying on any guarantee or security provided by our Controlling Shareholders or their respective close associates upon Listing.

Based on the above, our Directors believe that we are able to maintain financial independence and would not place undue reliance on our Controlling Shareholders or their respective close associates.

CORPORATE GOVERNANCE MEASURES

Each of our Controlling Shareholders has confirmed that it/he has fully comprehended its/his obligations to act in our Shareholders' best interests as a whole. Our Directors recognize the importance of good corporate governance in protecting our Shareholders' interests. We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and our Controlling Shareholders:

(a) as part of our preparation for the Global Offering, we have amended our Articles of Association to comply with the Listing Rules which will take effect upon Listing. In particular, our Articles of Association provide that, unless otherwise provided, a Director shall not vote on any resolution approving any contract or arrangement or any other proposal in which such Director or any of his/her associates have a material interest nor shall such Director be counted in the quorum present at the meeting;

(b) a Director with himself/herself or his/her close associates having material interests shall make full disclosure in respect of matters that may have conflict or potentially conflict with any of our interest at the meeting of our Board, shall abstain from voting on such matters and not be counted in the quorum, unless the attendance or participation of such Director at such meeting of the Board is permitted under the Listing Rules;

(c) we are committed that our Board should include a balanced composition 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. We have appointed three independent non-executive Directors and we believe our independent non-executive Directors possess sufficient experience and they are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment and will be able to provide an impartial, external opinion to protect the interests of our public Shareholders. For details of our independent non-executive Directors, see "Directors, Supervisors and Senior Management—Board of Directors—Independent non-executive Directors" in this prospectus;

(d) we have appointed Octal Capital Limited as our Compliance Advisor pursuant to Rule 3A.19 of the Listing Rules, which 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;

(e) our Company has established internal control mechanisms to identify connected transactions. Upon and after the Listing, if our Company enters into connected transactions with our Controlling Shareholders or any of their associates, our Company will comply with the applicable Listing Rules; and

(f) as required by the Listing Rules, our independent non-executive Directors shall review any continuing connected transaction annually and confirm in our annual report that such transactions have been entered into in our ordinary and usual course of business, are either on normal commercial terms or on terms no less favorable to us than those available to or from independent third parties and on terms that are fair and reasonable and in the interests of our Shareholders as a whole.

Based on the above, our Directors believe that there are sufficient and adequate corporate governance measures in place to manage existing and potential conflicts of interest that may arise between our Group and our Controlling Shareholders, and to protect minority shareholders' interests after the Listing.

So far as our Directors are aware, upon completion of the Conversion of Unlisted Shares into H Shares and the Global Offering and assuming the Offer Size Adjustment 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:

			As of the Latest Practicable Date		Upon completion of the Conversion of Unlisted Shares into H Shares and the Global Offering (assuming the Offer Size Adjustment Option is not exercised)		
Name of Shareholder	Type of Shares to be held upon Listing	Nature of Interest	Number of Shares[1]	Approximate percentage in the total issued Shares	Number of Shares[1]	Approximate percentage in the total issued Shares	Approximate percentage of shareholding in the relevant type of Shares
Mr. An	Unlisted Shares	Interest in controlled corporations[2][3]	147,718,204	41.03%	33,888,152	8.61%	34.91%
	Unlisted Shares	Interests held jointly with another person[4]	16,267,253	4.52%	4,880,176	1.24%	5.03%
	H Shares	Interest in controlled corporations[2][3]	–	–	113,830,052	28.93%	38.41%
	H Shares	Interests held jointly with another person[4]	–	–	11,387,077	2.89%	3.84%
Jiangsu Tiaoyu	Unlisted Shares	Beneficial interest[2]	112,743,611	31.32%	33,823,083	8.60%	34.84%
	Unlisted Shares	Interest in controlled corporations[3]	34,974,593	9.72%	65,069	0.02%	0.07%
	Unlisted Shares	Interests held jointly with another person[4]	16,267,253	4.52%	4,880,176	1.24%	5.03%
	H Shares	Beneficial interest[2]	–	–	78,920,528	20.06%	26.63%
	H Shares	Interest in controlled corporations[3]	–	–	34,909,524	8.87%	11.78%
	H Shares	Interests held jointly with another person[4]	–	–	11,387,077	2.89%	3.84%
Mr. He	Unlisted Shares	Beneficial interest	16,267,253	4.52%	4,880,176	1.24%	5.03%
	Unlisted Shares	Interests held jointly with another person[3]	147,718,204	41.03%	33,888,152	8.61%	34.91%
	H Shares	Beneficial interest	–	–	11,387,077	2.89%	3.84%
	H Shares	Interests held jointly with another person[3]	–	–	113,830,052	28.93%	38.41%

Name of Shareholder	Type of Shares to be held upon Listing	Nature of Interest	As of the Latest Practicable Date		Upon completion of the Conversion of Unlisted Shares into H Shares and the Global Offering (assuming the Offer Size Adjustment Option is not exercised)		
			Number of Shares[1]	Approximate percentage in the total issued Shares	Number of Shares[1]	Approximate percentage in the total issued Shares	Approximate percentage of shareholding in the relevant type of Shares
Taizhou Huida	Unlisted Shares	Beneficial interest[4][5]	18,707,341	5.20%	65,069	0.02%	0.07%
	H Shares	Beneficial interest[4][5]	–	–	18,642,272	4.74%	6.29%
Taizhou Huixin	Unlisted Shares	Interest in controlled corporations[5]	18,707,341	5.20%	65,069	0.02%	0.07%
	H Shares	Interest in controlled corporations[5]	–	–	18,642,272	4.74%	6.29%
Mr. Cai Dajian (蔡達建) ("**Mr. Cai**")	Unlisted Shares	Interest in controlled corporations[6]	29,708,884	8.25%	14,854,442	3.78%	15.30%
	H Shares	Interest in controlled corporations[6]	–	–	14,854,442	3.78%	5.01%
Ms. Guo Yan (郭雁) ("**Ms. Guo**")	Unlisted Shares	Interest in controlled corporations[6][7]	32,945,742	9.15%	14,854,442	3.78%	15.30%
	H Shares	Interest in controlled corporations[6][7]	–	–	18,091,300	4.60%	6.10%
Mr. Mao Huipeng (毛慧鵬) ("**Mr. Mao**")	Unlisted Shares	Interest in controlled corporations[6][7]	32,945,742	9.15%	14,854,442	3.78%	15.30%
	H Shares	Interest in controlled corporations[6][7]	–	–	18,091,300	4.60%	6.10%
Nanjing Chengyi Entrepreneurship Investment Partnership (Limited Partnership) (南京呈益創業投資合夥企業(有限合夥)) ("**Nanjing Chengyi**")	Unlisted Shares	Interest in controlled corporations[6]	29,708,884	8.25%	14,854,442	3.78%	15.30%
	H Shares	Interest in controlled corporations[6]	–	–	14,854,442	3.78%	5.01%
Nanjing Gaotejia Medical Investment Enterprise (Limited Partnership) (南京高特佳醫療投資企業(有限合夥)) ("**Nanjing Gaotejia**")	Unlisted Shares	Interest in controlled corporations[6]	29,708,884	8.25%	14,854,442	3.78%	15.30%
	H Shares	Interest in controlled corporations[6]	–	–	14,854,442	3.78%	5.01%
Jiequan Gaotejia	Unlisted Shares	Beneficial interest[6]	29,708,884	8.25%	14,854,442	3.78%	15.30%
	H Shares	Beneficial interest	–	–	14,854,442	3.78%	5.01%
Mr. Cheng	Unlisted Shares	Interest of spouse[8]	26,743,364	7.43%	–	–	–
	H Shares	Interest of spouse[8]	–	–	26,743,364	6.80%	9.02%
Ms. Shi Fanhui (石凡會) ("**Ms. Shi**")	Unlisted Shares	Interest in controlled corporations[8]	26,743,364	7.43%	–	–	–
	H Shares	Interest in controlled corporations[8]	–	–	26,743,364	6.80%	9.02%

Name of Shareholder	Type of Shares to be held upon Listing	Nature of Interest	As of the Latest Practicable Date		Upon completion of the Conversion of Unlisted Shares into H Shares and the Global Offering (assuming the Offer Size Adjustment Option is not exercised)		
			Number of Shares[1]	Approximate percentage in the total issued Shares	Number of Shares[1]	Approximate percentage in the total issued Shares	Approximate percentage of shareholding in the relevant type of Shares
Shanghai Yijiucheng	Unlisted Shares	Beneficial interest[8]	26,743,364	7.43%	–	–	–
	H Shares	Beneficial interest[8]	–	–	26,743,364	6.80%	9.02%
Mr. Wang Shuguang (王曙光) ("**Mr. Wang**")	Unlisted Shares	Interest in controlled corporations[9]	21,670,747	6.02%	9,757,945	2.48%	10.05%
	H Shares	Interest in controlled corporations[9]	–	–	11,912,802	3.03%	4.02%
Wenzhou Investment	Unlisted Shares	Interest in controlled corporations[9]	21,670,747	6.02%	9,757,945	2.48%	10.05%
	H Shares	Interest in controlled corporations[9]	–	–	11,912,802	3.03%	4.02%
Zhuzhou SAH Innovation & Entrepreneur Investment Co., Ltd. (株洲市國投創新創業投資有限公司) ("**Zhuzhou SAH Innovation**")	Unlisted Shares	Interest in controlled corporations[9]	11,357,959	3.16%	7,179,748	1.82%	7.40%
	H Shares	Interest in controlled corporations[9]	–	–	4,178,211	1.06%	1.41%
Zhuzhou National Innovation Medicine Investment Partnership (Limited Partnership) (株洲市國創新藥投資合夥企業(有限合夥)) ("**Zhuzhou National Innovation**")	Unlisted Shares	Beneficial interest[9]	9,645,017	2.68%	6,751,512	1.72%	6.95%
	H Shares	Beneficial interest[9]	–	–	2,893,505	0.74%	0.98%
Qian Mingfei (錢明飛) ("**Mr. Qian**")	Unlisted Shares	Interest in controlled corporations[10]	17,186,678	4.77%	7,734,022	1.97%	7.97%
	H Shares	Interest in controlled corporations[10]	–	–	9,452,656	2.40%	3.19%
Yingke Innovation	Unlisted Shares	Interest in controlled corporations[10]	17,186,678	4.77%	7,734,022	1.97%	7.97%
	H Shares	Interest in controlled corporations[10]	–	–	9,452,656	2.40%	3.19%
Qingdao City Investment Technology Development Co., Ltd. (青島城投創業投資有限公司) ("**Qingdao City Investment**")	Unlisted Shares	Interest in controlled corporations[10]	12,890,009	3.58%	6,445,005	1.64%	6.64%
	H Shares	Interest in controlled corporations[10]	–	–	6,445,004	1.64%	2.17%

Name of Shareholder	Type of Shares to be held upon Listing	Nature of Interest	As of the Latest Practicable Date		Upon completion of the Conversion of Unlisted Shares into H Shares and the Global Offering (assuming the Offer Size Adjustment Option is not exercised)		
			Number of Shares[1]	Approximate percentage in the total issued Shares	Number of Shares[1]	Approximate percentage in the total issued Shares	Approximate percentage of shareholding in the relevant type of Shares
Qingdao Yingke Value Venture Capital Partnership (Limited Partnership) (青島盈科價值創業投資合夥企業(有限合夥)) ("**Qingdao Yingke Value Venture**")	Unlisted Shares	Beneficial interest[10]	12,890,009	3.58%	6,445,005	1.64%	6.64%
	H Shares	Beneficial interest[10]	–	–	6,445,004	1.64%	2.17%

Notes:

(1) All interests stated are long positions.

(2) Jiangsu Tiaoyu is owned as to 70% by Mr. An and 30% by Ms. Cao Hong (曹紅), Mr. An's spouse. Therefore, under the SFO, Mr. An is deemed to be interested in the Shares held by Jiangsu Tiaoyu.

(3) Jiangsu Tiaoyu is the general partner of each of Taizhou Huida, Taizhou Huirong, Taizhou Huilong, Taizhou Huixin, Taizhou Huining and Taizhou Huijia, the Employee Ownership Platforms. Therefore, under the SFO, each of Mr. An and Jiangsu Tiaoyu is deemed to be interested in Shares held by Taizhou Huida, Taizhou Huirong, Taizhou Huilong, Taizhou Huixin, Taizhou Huining and Taizhou Huijia. For details of the Employee Ownership Platforms, see "History, Development and Corporate Structure—Employee Ownership Platforms."

(4) Pursuant to the Concert Party Agreement, Mr. He confirmed and agreed that he has acted and will continue to act in concert with Mr. An, Jiangsu Tiaoyu and the Directors nominated by each of them at the general meetings and Board meetings (as the case may be) in respect of the management and operations of the Company for a period from January 1, 2020 until 36 months after the signing date of the Concert Party Agreement (being December 12, 2022) or, in the event when our Shares are publicly offered and listed, 36 months after such offering and listing of our Company on the Stock Exchange. Therefore, under the SFO, each of Mr. An, Jiangsu Tiaoyu and Mr. He is deemed to be interested in the Shares held by each other.

(5) Taizhou Huixin is the limited partner of Taizhou Huida, holding approximately 58.26% partnership interests therein. Therefore, under the SFO, Taizhou Huixin is deemed to be interested in Shares held by Taizhou Huida.

(6) Jiequan Gaotejia is managed by its general partner, Nanjing Gaotejia, which is owned as to 5% by Mr. Cai as its general partner, 20% by Beijing Gaotejia Asset Management Co., Ltd (北京高特佳資產管理有限公司) as its general partner and 55% by Nanjing Chengyi as its limited partner. Nanjing Chengyi is owned as to 20% by Nanjing Benyu (which is owned as to 80% by Mr. Mao and 20% by Ms. Guo) as its general partner and 50% by Ms. Guo as its limited partner. Therefore, under the SFO, each of Mr. Cai, Ms. Guo, Mr. Mao, Nanjing Chengyi and Nanjing Gaotejia is deemed to be interested in the Shares held by Jiequan Gaotejia. For details of Jiequan Gaotejia, see "History, Development and Corporate Structure—Pre-IPO Investments."

(7) Each of Nanjing Yihui Entrepreneurship Investment Partnership Enterprise (Limited Partnership) (南京益慧創業投資合夥企業(有限合夥)) ("**Yihui Chuangtou**") and Nanjing Yidao Equity Investment Partnership (Limited Partnership) (南京益道股權投資合夥企業(有限合夥)) ("**Nanjing Yidao**") is managed by its general partner, Nanjing Changchengit Equity Investment Fund Management Enterprise (Limited Partnership) (南京常呈益股權投資基金管理企業(有限合夥)) ("**Nanjing Changchengyi**"). Nanjing Changchengyi is owned as to 10% by Nanjing Benyu as its general partner and 35% by Ms. Guo as its limited partner. Therefore, under the SFO, each of Ms. Guo and Mr. Mao is deemed to be interested in the Shares held by Yihui Chuangtou and Nanjing Yidao. For details of Yihui Chuangtou and Nanjing Yidao, see "History, Development and Corporate Structure—Pre-IPO Investments."

(8) Shanghai Yijiucheng is owned as to 70.00%, 20.00% and 10.00% to Ms. Shi, Mr. Cheng Hao (程浩) and Mr. Cheng, respectively. Mr. Cheng is our non-executive Director, Ms. Shi is Mr. Cheng's spouse and Mr. Cheng Hao is Mr. Cheng's son. Therefore, under the SFO, each of Mr. Cheng and Ms. Shi is deemed to be interested in the Shares held by Shanghai Yijiucheng.

(9) Each of Pingtan Wenzhou Ruixi Investment Partnership (Limited Partnership) (平潭文周瑞璽投資合夥企業(有限合夥)) ("**Pingtan Wenzhou Ruixi**") and Pingtan Wenzhou Hangshi Ruihui Investment Partnership (Limited Partnership) (平潭文周杭實瑞慧投資合夥企業(有限合夥)) ("**Pingtan Wenzhou Hangshi**") is managed by its general partner, Shanghai Wenzhou Investment Management Co., Ltd. (上海文周投資管理有限公司) ("**Wenzhou Investment**"), which is ultimately controlled by Mr. Wang Shuguang (王曙光), our Supervisor. Each of Zhuzhou National Innovation and Zhuzhou Wenzhou Junzhe Venture Capital Partnership (Limited Partnership) (株洲市文周君喆創業投資合夥企業(有限合夥)) ("**Zhuzhou Wenzhou Junzhe**") is managed by its general partners, Wenzhou Investment and Zhuzhou SAH Innovation. Zhuzhou SAH Innovation is ultimately controlled by the State-owned Assets Supervision and Administration Commission of the Zhuzhou Municipal Government (株洲市人民政府國有資產監督管理委員會). None of the limited partners of Zhuzhou National Innovation holds more than one third partnership interests therein. Therefore, under the SFO, (i) each of Mr. Wang and Wenzhou Investment is deemed to be interested in the Shares held by Pingtan Wenzhou Ruixi, Pingtan Wenzhou Hangshi, Zhuzhou National Innovation and Zhuzhou Wenzhou Junzhe, and (ii) Zhuzhou SAH Innovation is deemed to be interested in Shares held by Zhuzhou National Innovation and Zhuzhou Wenzhou Junzhe. For details, see "History, Development and Corporate Structure—Pre-IPO Investments."

(10) Qingdao Yingke Value Venture is owned as to 1% by Yingke Innovation Asset Management Co., Ltd. (盈科創新資產管理有限公司) ("**Yingke Innovation**") as its general partner and 86.00% by Qingdao City Investment as its limited partner. Yingke Innovation is a registered private fund manager under the relevant PRC law, and is controlled as to 41.74% by Mr. Qian Mingfei (錢明飛). Qingdao City Investment is ultimately controlled by State-owned Assets Supervision and Administration Commission of Qingdao Municipal People's Government (青島市人民政府國有資產監督管理委員會).

In addition, Yingke Innovation is the general partner of Qingdao Yingke Dingxin No. 1 Venture Capital Partnership (Limited Partnership) (青島盈科鼎新一號創業投資合夥企業(有限合夥)) ("**Qingdao Yingke Dingxin No. 1**") and Pingtan Puxin Yingke Ruiyuan Venture Capital Partnership (Limited Partnership) (平潭浦信盈科睿遠創業投資合夥企業(有限合夥)) ("**Pingtan Puxin Yingke**"), and Zibo Yingke Growth No. 2 Venture Capital Partnership (Limited Partnership) (淄博盈科成長二號創業投資合夥企業(有限合夥)) ("**Zibo Yingke Growth No. 2**") is managed by its general partner, Guangxi Yingji Investment Holdings Co., Ltd. (廣西盈吉投資控股有限公司), which is owned as to 51% by Yingke Innovation. Therefore, under the SFO, (i) each of Mr. Qian and Yingke Innovation is deemed to be interested in the Shares held by Qingdao Yingke Value Venture, Qingdao Yingke Dingxin No. 1, Pingtan Puxin Yingke and Zibo Yingke Growth No. 2, and (ii) Qingdao City Investment is deemed to be interested in Shares held by Qingdao Yingke Value Venture. For details, see "History, Development and Corporate Structure—Pre-IPO Investments."

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 Offer Size Adjustment 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.

As of the Latest Practicable Date, the registered share capital of our Company was RMB360,000,000 divided into 360,000,000 Unlisted Shares, with a nominal value of RMB1.00 each.

Immediately after the completion of the Conversion of Unlisted Shares into H Shares and the Global Offering (assuming the Offer Size Adjustment Option is not exercised), the share capital of our Company will be as follows:

Number of Shares	Description of Shares	Approximate percentage of total issued share capital
97,080,755	Unlisted Shares	24.67%
262,919,245	H Shares to be converted from Unlisted Shares	66.83%
33,442,600	H Shares to be issued under the Global Offering	8.50%
393,442,600		100.00%

Immediately after the completion of the Conversion of Unlisted Shares into H Shares and the Global Offering (assuming the Offer Size Adjustment Option is exercised in full), the share capital of our Company will be as follows:

Number of Shares	Description of Shares	Approximate percentage of total issued share capital
97,080,755	Unlisted Shares	24.36%
262,919,245	H Shares to be converted from Unlisted Shares	65.98%
38,458,800	H Shares to be issued under the Global Offering	9.65%
398,458,800		100.00%

SHARE CLASSES AND RANKING

Upon the completion of the Conversion of Unlisted Shares into H Shares and the Global Offering, our Shares will consist of Unlisted Shares and H Shares. Unlisted Shares and H Shares are all ordinary Shares in the share capital of our Company and are regarded as the same class of Shares under the Articles of Association.

Apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shanghai-Hong Kong Stock Connect and 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 into H Shares according to the filing with the CSRC), H Shares generally cannot be subscribed by or traded between legal or natural PRC persons. Unlisted Shares can only be subscribed for by and traded between legal or natural persons of the PRC, qualified foreign institutional investors and 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 dividend 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 or a combination of cash and shares.

CIRCUMSTANCES UNDER WHICH GENERAL MEETING AND CLASS MEETING 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. For details of circumstances under which our Shareholders' general meetings are required, see "Appendix V—Summary of Articles of Association" in this prospectus.

CONVERSION OF UNLISTED SHARES INTO H SHARES

Pursuant to the regulations prescribed by the securities regulatory authorities of the State Council, the Unlisted Shares may be converted into H 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 and all the filling procedures with the relevant regulatory authorities, including CSRC which requires administrative filing procedures for the conversion and trading of such converted Shares, have been obtained. 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 Stock Exchange, such conversion, listing and trading will need to be filed with the relevant PRC regulatory authorities, including the CSRC, and the approval of the Stock Exchange.

Filing with the CSRC and Full Circulation Application

In accordance with 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》) and the Overseas Listing Trial Measures announced by the CSRC, H-share listed companies which apply for the conversion of domestic shares and unlisted foreign shares into H shares for listing and circulation on the Stock Exchange shall file the application with the CSRC according to the administrative filing procedures necessary for the Overseas Listing Trial Measures. An H-share listed company may apply for a "Full Circulation" separately or when applying for refinancing overseas. An unlisted domestic joint stock company may apply for "Full Circulation" when applying for an overseas initial public offering.

We have filed with the CSRC for, and received the filing notice from the CSRC dated June 25, 2025 in relation to the Global Offering and the conversion of 262,919,245 Unlisted Shares into H Shares on a one-for-one basis upon Listing.

Listing Approval by the Stock Exchange

We have applied to the Stock Exchange for the approval for the granting of 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 Offer Size Adjustment Option) and the H Shares to be converted from 262,919,245 Unlisted Shares on the Stock Exchange, which is subject to the approval by the Stock Exchange.

We will perform the following procedures for the Conversion of Unlisted Shares into H Shares after receiving the approval of the Stock Exchange: (a) giving instructions to our H Share Registrar regarding relevant share certificates of the converted H Shares; and (b) enabling the converted H Shares to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in the CCASS.

The Conversion of Unlisted Shares into H Shares will involve an aggregate of 262,919,245 Unlisted Shares held by 38 existing Shareholders, representing approximately 73.03% of total issued Shares of the Company as of the Latest Practicable Date and approximately 66.83% of total issued Shares of the Company upon completion of the Conversion of Unlisted Shares into H Shares and the Global Offering (assuming the Offer Size Adjustment Option is not exercised).

TRANSFER OF SHARES ISSUED PRIOR TO GLOBAL OFFERING

The PRC Company Law provides that in relation to the public offering of a company, the shares issued prior to the public offering shall not be transferred within a period of one year from the date on which the publicly offered shares are listed on any stock exchange. Accordingly, Shares issued by our Company prior to the Global Offering shall be subject to such statutory restriction and not be transferred within a period of one year from the Listing Date. See "History, Development and Corporate Structure—Pre-IPO Investments."

For details of the lock-up undertaking given by our Controlling Shareholders to the Stock Exchange, see "Underwriting—Underwriting Arrangements and Expenses—Undertakings to the Stock Exchange pursuant to the Listing Rules—Undertakings by Our Controlling Shareholders" in this prospectus.

REGISTRATION OF SHARES NOT LISTED ON THE OVERSEAS STOCK EXCHANGE

According to the Guidelines for the "Full Circulation" Program for Domestic Unlisted Shares of H-share Listed Companies, the domestic shareholders of unlisted shares shall handle share transfer registration in accordance with the relevant rules of China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司) (the "**CSDC**"), and H-share companies should submit relevant status reports to the CSRC within 15 days after the shares involved in the application completing the transfer registration in the CSDC.

You should read the following discussion and analysis in conjunction with our audited consolidated financial statements included in "Appendix I—Accountants' Report" to this prospectus, together with the accompanying notes. Our consolidated financial information has been prepared in accordance with IFRS, which may differ in material aspects from generally accepted accounting principles in other jurisdictions. You should read the entire Accountants' Report and not merely rely on the information contained in this section.

The following discussion and analysis contain forward-looking statements that reflect the current views with respect to future events and financial performance. These statements are based on assumptions and analyses made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate under the circumstances. However, whether the actual outcome and developments will meet our expectations and predictions depends on a number of risks and uncertainties over which we do not have control. For details, see "Forward-looking Statements" and "Risk Factors."

OVERVIEW

Founded in 2015, we are a China-based vaccine company dedicated to the research, development, manufacturing and commercialization of innovative vaccines and traditional vaccines adopting new technical methods. In formulating our pipeline, we closely track global trends in infectious disease incidence and vaccine R&D, with a strategic focus on premium vaccines, aiming to replace vaccines based on older technologies and imported vaccines in China and establish our presence in international markets. We have two Core Products, the quadrivalent subunit influenza vaccine and lyophilized human rabies vaccine candidate. As of the Latest Practicable Date, in addition to the two Core Products, our pipeline included 11 other vaccine candidates covering various disease areas with considerable needs for vaccination.

We are a biotech company predominantly engaged in the R&D of new vaccine products and only began commercial sales of our first commercial product, the quadrivalent subunit influenza vaccine, in September 2023. We had revenue of RMB52.2 million and RMB259.6 million in 2023 and 2024, respectively, and RMB0.3 million and RMB0.4 million in the three months ended March 31, 2024 and 2025, respectively, all from the sales of this product. We remained loss-making during the Track Record Period, and had loss and total comprehensive expenses of RMB424.7 million and RMB258.7 million for the years ended December 31, 2023 and 2024, respectively and RMB63.3 million and RMB87.3 million in the three months ended March 31, 2024 and 2025, respectively.

BASIS OF PRESENTATION

The historical financial information has been prepared in accordance with International Financial Reporting Standards ("**IFRS**") and is presented in Renminbi unless otherwise stated. We applied IFRS and revised IFRS consistently throughout the Track Record Period. The preparation of historical financial information in conformity with IFRS requires the use of certain accounting estimates, as well as our management's judgment, estimates and assumptions in applying our accounting policies. See note 2 to the Accountants' Report in Appendix I to this Prospectus for the areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the historical financial information.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Our results of operations and financial conditions have been and will continue to be affected by a number of factors, including those key factors set out below.

Growth of China's Vaccine Market

Our financial performance and future growth depend on the overall growth of China's vaccine market. Driven by favorable government policies, technical development and availability of new vaccines and increasing affordability and awareness of vaccines, the vaccine market of China has grown and is expected to continue expanding rapidly. According to Frost & Sullivan, China's vaccine market (excluding the COVID-19 vaccines) increased from RMB53.5 billion in 2019 to RMB96.1 billion in 2024 at a CAGR of 12.4% in terms of production value, and is expected to reach RMB331.9 billion in 2033 at a CAGR of 14.8% from 2024 to 2033. In the field of influenza vaccines, the subunit influenza vaccine market in China is estimated to grow rapidly from RMB0.7 billion in 2024 to RMB2.9 billion in 2033, at a CAGR of 18.0%.

We believe we are well positioned to capitalize on the expanding vaccine market. Our pipeline encompasses both innovative vaccines that are capable of meeting domestic demand and global standards and traditional vaccines that already have established track records and wide market acceptance but adopting new technical methods, allowing us to pursue scientific innovation in vaccine R&D while setting a clear path to commercial success. In particular, our quadrivalent subunit influenza vaccine represents a notable technological advancement from the traditional split virion vaccines, offering comprehensive protection with high antigen purity and low risks of adverse reactions. It was approved by the NMPA for individuals aged three and above in May 2023 and remained the first and only approved quadrivalent subunit influenza vaccine in China as of the Latest Practicable Date. See "Industry Overview" for details of the size of China's vaccine market in general and the markets of our vaccine candidates.

Governmental Regulations and Policies on Vaccine Industry in the PRC

Our business is subject to extensive government regulation and supervision. Government policies, regulations and their implementation and enforcement have historically had, and are expected to continue to have, a significant impact on the vaccine industry, the supply and demand of vaccine products and the competitive landscape of different sub-markets in the PRC. Our vaccine product, quadrivalent subunit influenza vaccine, and all of our current vaccine candidates are Class II vaccines. Unlike Class I vaccines, the costs associated with Class II vaccines are generally borne by vaccinees. We believe this classification allows our vaccines to generally enjoy greater pricing flexibility and have higher profit margins. Furthermore, in recent years, the PRC government implemented a number of policies to stimulate the vaccine market. As a result, domestic vaccine manufacturers are expected to gain significant market share in the Class II vaccine market. See "Industry Overview—Overview of the Human Vaccine Market—The Chinese Human Vaccine Market." Governmental policies in relation to Class II vaccines will continue to influence our pricing, sales volume and profits.

Our Ability to Successfully Develop and Commercialize Our Vaccine Candidates

With only one commercialized vaccine product, one vaccine candidate in the NDA stage and eleven vaccine candidates in various stages of clinical and preclinical development, we are still predominantly an R&D-stage company. The continued advancement of our vaccine candidates through clinical trials and the regulatory approval process toward commercialization is crucial to our sustained business growth. Factors, including the clinical trial results of our vaccine candidates, the efficacy and safety profiles of our vaccine candidates and our ability to obtain the requisite regulatory approvals for our vaccine candidates in time, are crucial for our business and results of operations. These vaccine candidates may require substantial investment in R&D and marketing efforts before we generate any revenue from their sales, if at all. We may not be able to ultimately develop and market any of our vaccine candidates. Our results of operations will be affected by the timing of clinical trials, regulatory approval and commercial launch of these products. See "Business—Our Product and Product Candidates" for more information on the development status of our various vaccines.

Our Ability to Maintain Adequate Funding for Our Operations

During the Track Record Period, we funded our operations primarily through equity financing, bank borrowings and cash generated from our operations. Going forward, in the event of the successful commercialization of one or more of our vaccine candidates, we expect to fund our operations primarily from the sales of our vaccine products. However, with the continuing expansion of our business and vaccine portfolio, we may require further funding through public or private offerings, debt financing, collaborations and licensing arrangements or other sources. Any fluctuation in our ability to fund our operations will impact our cash flow and our results of operations.

Our Cost Structure

Our business and results of operations are significantly affected by our cost structure, particularly our research and development expenses, selling expenses and administrative expenses. We expect our cost structure to evolve as we continue to develop and expand our business. As the clinical trials of our vaccine candidates progress, we expect to incur additional costs in relation to trial and testing expenses, labor costs as we expand the headcount for our research and development team and material costs, among other things. We expect to incur more marketing expenses for our quadrivalent subunit influenza vaccines and other vaccine candidates once they receive regulatory approval. Additionally, we anticipate increasing legal, compliance, accounting, insurance and investor and public relations expenses associated with being a public company in Hong Kong.

Product Mix

During the Track Record Period, we generated all of our revenue from the sales of our quadrivalent subunit influenza vaccines. As of the Latest Practicable Date, in addition to one commercialized product, we had one vaccine candidate in the NDA stage, namely, our trivalent subunit influenza vaccine, and eleven vaccine candidates in various stages of clinical and preclinical development. See "Business—Our Product and Product Candidates." The selling prices and gross profit margins of different vaccines vary depending on the vaccine categories, packaging and vaccination procedures applicable to each product. As a result, our product mix may gradually change in the future as we launch new vaccine products with different margin profiles, and this is expected to affect our revenue and overall gross profit margin in the future.

Seasonality

During the Track Record Period, we generated all of our revenue from the sales of our quadrivalent subunit influenza vaccines. As our influenza vaccines are seasonal-type vaccines against major circulating viruses during each flu season, our sales and return of the vaccines are subject to seasonal fluctuations. For each influenza season, our sales of influenza vaccines tend to be more concentrated between July and September. We may voluntarily accept unused influenza vaccines after the end of each influenza season, usually starting from April of the following year. This seasonal pattern has resulted in, and is expected to continue to result in, fluctuations in our operating results.

MATERIAL ACCOUNTING POLICIES AND CRITICAL JUDGMENTS AND ESTIMATES

We have identified certain accounting policies that are material to the preparation of our consolidated financial statements. 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 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.

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. Our material accounting policies, estimates, assumptions and judgments, which are important for understanding our financial condition and results of operations, are set forth in notes 4 and 5 to the Accountants' Report in Appendix I to this prospectus.

Material Accounting Policies

Revenue from contracts with customers

Revenue from the sales of vaccine products is recognized when control of the vaccine products has transferred, being when the goods have been shipped to the specific location and accepted by customers.

At the point of sale, a refund liability and a corresponding adjustment to revenue are made for those products expected to be returned. We estimate the future sales return of the products sold based on various factors, including but not limited to market data and impact of seasonal effect of the products. Our right to recover the product when customers exercise their right is recognized as a right to returned goods asset and a corresponding adjustment to cost of sale.

Leases

We assess whether a contract is or contains a lease based on the definition under IFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

Our Group as leasee

Short-term leases

We apply the short-term lease recognition exemption to leases of equipment and staff quarters 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 expense on a straight-line basis over the lease term.

Right-of-use assets

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liability; and
- any lease payments made at or before the commencement date, less any lease incentives received.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimate useful life and the lease term.

We present right-of-use assets as a separate line item on the consolidated statements of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, we recognize and measure the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, we use the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments are fixed payments (including in-substance fixed payments) less any lease incentives receivable.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

We present lease liabilities as a separate line item on the consolidated statements of financial position.

Borrowings costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remains outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalization rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognized until there is reasonable assurance that we will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which we recognize as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that we should purchase, construct or otherwise acquire non-current assets are recognized as deferred income in the consolidated statements of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to us with no future related costs are recognized in profit or loss in the period in which they become receivable. Such grants are presented under "other income."

Share-based payments

Equity-settled share-based payment transactions

Restricted shares granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on our estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, we revise our estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognized in the profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve. For shares that vest immediately at the date of grant, the fair value of the shares granted is expensed immediately to profit or loss.

When shares granted are vested, the amount previously recognized in share-based payments reserve will be transferred to share premium.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress as described below). Property, plant and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Properties and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets are functioning properly and, for qualifying assets, borrowing costs capitalized in accordance with our accounting policy. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

When we make payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statements of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognized so as to write off the cost of assets other than property, plant and equipment in the course of construction less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of the reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of property, plant and equipment is determined as the difference between the sales proceeds and an item of the carrying amount of the asset and is recognized in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs of inventories are determined on a weighted average method. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs for inventories which we must incur to make the sale.

Critical Accounting Judgments and Estimates

Supplier finance arrangement

We entered into a supplier finance arrangement in 2025. While our agreements with suppliers and the invoice due date remains unchanged, the bank offers to pay amounts we owe to our suppliers. We then pay the bank according to the terms and conditions of the arrangement at a date later than the suppliers are paid. This arrangement provides us with extended payment terms compared to the related invoice due date. In determining whether to present the liabilities to the banks under this arrangement separately from trade and other payables, our directors consider whether the nature and function of these liabilities differ sufficiently from trade and other payables. For liabilities that form part of the working capital used in our normal operating cycle, we present them within trade and other payables. Our directors also consider whether the arrangement has extinguished our obligation to suppliers, and whether the terms and conditions in the bank agreement are similar to our other financing activities. When the liabilities form part of our financing activities, we present these liabilities within bank borrowings in the consolidated statement of financial position.

For the purpose of presenting cash flow statements, cash flows related to liabilities arising from supplier finance arrangements that are classified as trade payables remain part of the working capital used in our principal revenue-generating activities. Therefore, the cash outflows to settle the trade payables under supplier finance arrangement are presented as arising from operating activities. On the other hand, for the arrangements which the related liability is not a trade or other payable because the liability represents borrowings of the Group, we present cash outflows to settle these liabilities as arising from financing activities in the consolidated statements of cash flows.

Research and development expenses

Development expenses incurred on our vaccine product pipelines are capitalized and deferred only when we could demonstrate (i) the technical feasibility of completing the development of the relevant intangible asset so that it will be available for use or sale; (ii) our intention to complete and our ability to use or sell the asset; (iii) the ability to use or sell the intangible assets; (iv) how the asset will generate future economic benefits; (v) the availability of resources to complete the pipeline; and (vi) the ability to measure reliably the expenditure during the development. Development expenses which do not meet these criteria are expensed when incurred. Management assesses the progress of each of the research and development projects and determine whether the criteria are met for capitalization. During the Track Record Period, research and development expenses on research activities are recognized as expenses in the period in which they are incurred.

Provision of ECL for trade receivables

Trade receivables are assessed to ECL collectively. In estimating ECL on trade receivables, we use the provision rates which are based on internal credit ratings and an assessment of both the current as well as the forward-looking information that is available without undue cost or effort at the end of each reporting period.

Estimation of refund liabilities

We recognize a refund liability if we expect that we would not be entitled to consideration of all goods delivered arising from the rights granted by us to the customers to return some or all the goods purchased. Upon revenue recognition, we estimate the future sales return of the goods sold and a corresponding adjustment to revenue is recognized for those products expected to be returned. The estimation of sales return requires the use of judgment and estimates. When determining the sales return of the goods sold, we consider various factors, including but not limited to market data and impact of seasonal effect for the products. Where the actual return rate is different from the original estimate, such difference will be trued up in subsequent periods.

Allowance for inventories

We review the carrying amount of inventories at each balance sheet date to determine whether the inventories are carried at the lower of cost and realizable value. In estimating the net realizable value of inventories, we take into account the expire dates of the inventories and the estimation on future demand for the vaccine products to reflect the best estimation of the net realizable value of inventories as of the year- or period-end. When preparing the forecast of future demand for vaccine products, we make reference to the current relevant vaccination policies, estimate the expected vaccination of population, and consider possible technological iterations and future uncertainties of the relevant demand. The abovesaid process involves our estimates and judgments, and also with uncertainty. A change in the assumptions and estimates could affect the net realizable value and a reversal or further recognition of write-down may arise and be recognized in profit or loss of future periods.

Estimated impairment of property, plant and equipment, right-of-use assets and intangible assets

We state property, plant and equipment, right-of-use assets and intangible assets at costs less accumulated depreciation/amortization and impairment, if any. In determining whether an asset is impaired, we have to exercise judgment and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), we estimate the recoverable amount of the cash-generating unit to which the assets belongs, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of cash-generating units, for which the relevant corporate assets have been allocated. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect recoverable amounts.

DESCRIPTION OF SELECTED COMPONENTS OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The selected financial information set out below has been extracted from our financial information set out in the Accountants' Report in Appendix I to this Prospectus.

	For the Year Ended December 31,		Three months ended March 31,	
	2023	2024	2024	2025
			(unaudited)	
	(RMB in thousands)			
Revenue	52,168	259,612	306	413
Cost of sales	(72,511)	(108,157)	(5,058)	(4,038)
Gross (loss)/profit	(20,343)	151,455	(4,752)	(3,625)
Other income	14,202	24,366	14,497	4,966
Impairment losses under expected credit loss model, net of reversal	(48)	(66)	21	25
Other gains and losses	1,312	(816)	113	9
Selling expenses	(55,433)	(140,300)	(8,842)	(19,303)
Administrative expenses	(74,663)	(58,563)	(15,475)	(11,944)
Listing expenses	–	(8,542)	–	(5,744)
Research and development expenses	(283,159)	(205,569)	(43,205)	(46,514)
Other expenses	–	(2,968)	(2,108)	(46)
Finance costs	(6,609)	(17,713)	(3,580)	(5,141)
Loss before tax	**(424,741)**	**(258,716)**	**(63,331)**	**(87,317)**
Income tax expense	–	–	–	–
Loss and total comprehensive expenses for the year/period	**(424,741)**	**(258,716)**	**(63,331)**	**(87,317)**

Revenue

We are a China-based vaccine company dedicated to the research, development, manufacturing and commercialization of innovative vaccines and traditional vaccines adopting new technical methods. As of the Latest Practicable Date, we had one commercialized product in China, namely, our quadrivalent subunit influenza vaccine, which received NDA approval from the NMPA in May 2023 for use in individuals aged three years and above. We had revenue of RMB52.2 million and RMB259.6 million in 2023 and 2024, respectively, and RMB306.0 thousand and RMB413.0 thousand in the three months ended March 31, 2024 and 2025, respectively, all from the sales of the quadrivalent subunit influenza vaccine.

We voluntarily accept unused influenza vaccines after the end of each influenza season, usually starting from April. We recognize a refund liability if we expect to refund some or all of the consideration received from customers. When actual return rate is different from the original estimate, such difference will be trued up in the subsequent period. The actual product return recorded in 2024 in relation to the sales of influenza vaccines in 2023 were RMB21.3 million, higher than our initial estimation of RMB13.3 million as of December 31, 2023. Such difference has already been reflected in our results of operations in 2024 and accounted for 3.1% of our revenue in the year. The actual product return recorded in the three months ended March 31, 2025 in relation to the sales of influenza vaccines in 2024 were nil as the product returns typically start from April after the end of the influenza season.

The following table sets forth a breakdown of our revenue by geographic region for the years/periods indicated.

	For the Year Ended December 31,[1]			
	2023		2024	
	RMB	*%*	*RMB*	*%*
	(RMB in thousands, except percentages)			
Geographic region				
South China[2]	10,628	20.4	32,967	12.7
North China[3]	8,828	16.9	33,980	13.1
Middle China[4]	8,567	16.4	27,015	10.4
East China[5]	7,652	14.7	55,894	21.5
Northwest China[6]	6,500	12.5	36,388	14.0
Southwest China[7]	5,121	9.8	34,056	13.1
Northeast China[8]	4,872	9.3	39,312	15.2
Total	**52,168**	**100.0**	**259,612**	**100.0**

Notes:

(1) As our revenue for the three months ended March 31, 2024 and 2025 was minimal, we do not consider a revenue breakdown to be meaningful.

(2) South China consisted of Guangdong, Guangxi, and Hainan.

(3) North China consisted of Beijing, Tianjin, Hebei, Shanxi and Inner Mongolia.

(4) Middle China consisted of Anhui, Hunan, Fujian and Jiangxi.

(5) East China consisted of Shanghai, Jiangsu and Zhejiang.

(6) Northwest China consisted of Henan, Shaanxi, Hubei, Gansu, Qinghai, Ningxia and Xinjiang.

(7) Southwest China consisted of Sichuan, Chongqing, Yunnan and Guizhou.

(8) Northeast China consisted of Shandong, Liaoning, Jilin, and Heilongjiang.

Cost of Sales

Our cost of sales during the Track Record Period primarily consisted of (i) material costs, (ii) labor costs, (iii) provision for impairment of inventories of the quadrivalent subunit influenza vaccines that were unlikely to be sold based on our estimation of future demand, (iv) idle costs, representing cost of sales (other than provision for impairment of inventories) incurred during the idle production period due to the seasonal nature of the sales of our quadrivalent subunit influenza vaccines, (v) depreciation and amortization related to our production equipment, (vi) utility costs and (vii) share-based payments made to our production personnel. The following table sets forth a breakdown of our cost of sales in absolute amount for the years/periods indicated.

	For the Year Ended December 31,		For the Three Months Ended March 31,	
	2023	2024	2024	2025
			(unaudited)	
		(RMB in thousands)		
Material costs	7,380	26,923	410	421
Labor costs	1,588	11,441	195	163
Provision for/(reversal of) impairment of inventories	45,698	28,726	10	(754)
Idle costs	14,492	24,294	3,501	3,405
Depreciation and amortization	1,068	7,154	119	84
Utility costs	1,449	5,041	112	74
Share-based payments	564	2,285	56	35
Others[(1)]	272	2,293	655	610
Total	**72,511**	**108,157**	**5,058**	**4,038**

Note:

(1) Others primarily consisted of inspection and testing fees, as well as travel expenses.

We recorded significant provision for impairment of inventories in 2023 primarily due to (i) the lack of historical data to accurately predict the marketability of our quadrivalent subunit influenza vaccines, given our commercial sales only began in 2023; (ii) the timing of our vaccine distribution, with sales commencing in late September 2023, which was already late for the flu season; and (iii) the standard industry practice of producing surplus influenza vaccines to better prepare vaccine makers in case of need. According to the Frost & Sullivan, our provision for impairment of inventories for 2024 falls within the industry norm for influenza vaccine makers.

Gross Profit and Gross Profit Margin

Gross profit represents revenue less cost of sales. We had a gross loss of RMB20.3 million in 2023, a gross profit of RMB151.5 million in 2024 and a gross loss of RMB4.8 million and RMB3.6 million in the three months ended March 31, 2024 and 2025, respectively. Gross margin represents gross profit divided by total revenue, expressed as a percentage. We recorded a gross loss margin of 39.0% in 2023, a gross profit margin of 58.3% in 2024 and significant gross loss margins in the three months ended March 31, 2024 and 2025, respectively.

We recorded a gross loss and gross loss margin in 2023, primarily due to high cost of sales incurred in the year, which resulted from (i) significant provision we made for impairment of inventories of quadrivalent subunit influenza vaccines that were unlikely to be sold based on our estimation of future demand, and (ii) significant idle costs due to the seasonal nature of the sales of influenza vaccine. We recorded gross losses and gross loss margins in the three months ended March 31, 2024 and 2025, primarily due to low revenue recorded in the first quarters of both years as the sales of influenza vaccines are subject to seasonal fluctuations, which tend to be more concentrated between July and September.

Other Income

Our other income primarily consists of government grants, primarily representing unconditional subsidies received from local government authorities as incentives mainly for our research and development activities and interest income from banks. The following table sets forth a breakdown of other income for the years/periods indicated.

	For the Year Ended December 31,		Three months ended March 31,	
	2023	2024	2024	2025
			(unaudited)	
		(RMB in thousands)		
Government grants	10,927	23,755	14,139	4,718
Interest income from banks	3,158	474	221	67
Others	117	137	137	181
Total	**14,202**	**24,366**	**14,497**	**4,966**

Impairment Losses Under Expected Credit Loss Model, Net of Reversal

Our impairment losses under expected credit loss model, net of reversal represents impairment losses on trade receivables. In estimating expected credit loss on trade receivables, we use the provision rates which are based on internal credit ratings as groupings of various debtors taking into consideration our historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. We recorded impairment losses under expected credit loss model, net of reversal, of RMB48.0 thousand and RMB66.0 thousand for the years ended December 31, 2023 and 2024, respectively. For the three months ended March 31, 2024 and 2025, we recorded a reversal of impairment loss under expected credit loss model of RMB21.0 thousand and RMB25.0 thousand, respectively.

Other Gains and Losses

Our other gains primarily consist of fair value change of financial assets at fair value through profit or loss ("**FVTPL**"), which was related to certain wealth management products we purchased during the Track Record Period. See "—Description of Certain Consolidated Statements of Financial Positions Items—Financial Assets at Fair Value Through Profit or Loss (Financial Assets at FVTPL)." Our other losses primarily consist of net losses on disposal of certain properties, plant and equipment. The following table sets forth a breakdown of our other gains and other losses for the years/periods indicated.

	For the Year Ended December 31,		Three months ended March 31,	
	2023	2024	2024	2025
			(unaudited)	
		(RMB in thousands)		
Fair value change of financial assets at FVTPL	1,352	241	113	9
Net loss on disposal of property, plant and equipment	(40)	(1,057)	–	–
Total	**1,312**	**(816)**	**113**	**9**

Selling Expenses

Our selling expenses primarily consist of (i) marketing expenses related to our quadrivalent subunit influenza vaccines, including product promotion and marketing expenses and market conference costs, (ii) labor costs for our sales personnel, and (iii) share-based payments for sales personnel. The following table sets forth a breakdown of our selling expenses for the years/periods indicated.

	For the Year Ended December 31,		For the Three Months Ended March 31,	
	2023	2024	2024	2025
			(unaudited)	
		(RMB in thousands)		
Marketing expenses				
– Customer outreach	9,841	55,700	1,159	10,251
– Academic conference	4,574	23,415	291	413
– Market research	4,951	20,251	238	5,220
– Sales channel maintenance	6,349	10,737	195	303
	25,715	110,103	1,883	16,187
Labor costs	20,839	21,997	5,393	5,776
Share-based payments	4,494	4,236	808	(3,322)
Others[(1)]	4,385	3,964	758	662
Total	**55,433**	**140,300**	**8,842**	**19,303**

Note:

(1) Others primarily consisted of travel expenses and other miscellaneous costs.

We incurred significant marketing expenses in 2024 related to our quadrivalent subunit influenza vaccines as we increased our product promotion effort in the same year. In particular, we intensified our effort to (i) reach out to our customers by conducting regular site visits to CDCs and POVs to promote the advantages of our products, (ii) host academic conference to promote awareness of flu and the importance of influenza vaccines, which laid the groundwork to enhance market visibility for our future vaccine products, (iii) conduct market research to identify regions with future opportunities, and (iv) providing business services to our customers such as assisting in public tender document preparations. See "Business—Commercialization."

Administrative Expenses

Our primarily consist of (i) labor costs for our administrative personnel, (ii) share-based payments for our administrative personnel, (iii) depreciation and amortization, and (iv) professional service fees. The following table sets forth a breakdown of our administrative expenses for the years/periods indicated.

	For the Year Ended December 31,		For the Three Months Ended March 31,	
	2023	2024	2024	2025
			(unaudited)	
		(RMB in thousands)		
Labor costs	27,146	28,509	6,919	6,637
Share-based payments	21,268	16,755	5,525	2,703
Depreciation and amortization	6,942	4,382	1,131	1,074
Professional service fees	6,228	2,164	347	204
Others[(1)]	13,079	6,753	1,553	1,326
Total	**74,663**	**58,563**	**15,475**	**11,944**

Note:

(1) Others primarily consisted of travel expenses, recruitment costs, repair expenses, general office expenses and other miscellaneous costs.

Listing Expenses

We incurred listing expenses related to the Listing in 2024 and the three months ended March 31, 2025. We did not incur any to such listing expense in 2023 or the three months ended March 31, 2024.

Research and Development Expenses

Our research and development expenses primarily consist of (i) labor costs for our R&D personnel, (ii) trial and testing expenses, including both in-house and outsourced R&D activities, (iii) depreciation and amortization, (iv) R&D material costs, (v) share-based payments for our R&D personnel, and (vi) rental expenses. The following table sets forth a breakdown of our research and development expenses for the years/periods indicated.

	For the Year Ended December 31,		For the Three Months Ended March 31,	
	2023	2024	2024	2025
			(unaudited)	
		(RMB in thousands)		
Labor costs	72,475	60,488	15,128	14,919
Trial and testing expenses	82,579	35,879	2,753	4,056
Depreciation and amortization	29,316	38,138	8,207	11,662
Material costs	48,024	29,773	7,955	6,827
Share-based payments	17,609	15,569	4,622	3,743
Rental expenses	2,297	951	285	136
Others[(1)]	30,859	24,771	4,255	5,171
Total	**283,159**	**205,569**	**43,205**	**46,514**

Note:

(1) Others primarily consisted of utility costs, travel expenses, repair costs, and other miscellaneous costs.

Other Expenses

Our other expenses were primarily related to donations of vaccine products in 2024 and the three months ended March 31, 2025. We recorded other expenses of RMB2.1 million and RMB46.0 thousand in the three months ended March 31, 2024 and 2025, respectively. We did not incur such expense in 2023.

Finance Costs

Our finance costs primarily consist of interest expense on lease liabilities, bank borrowings and amounts due to shareholders. The following table sets forth a breakdown of finance costs for the years/periods indicated.

	For the Year Ended December 31,		Three months ended March 31,	
	2023	2024	2024	2025
			(unaudited)	
		(RMB in thousands)		
Interest expense on				
– Bank borrowings	4,769	22,196	4,332	7,140
– Lease liabilities	2,435	2,365	616	547
– Amounts due to shareholders	–	173	–	59
	7,204	24,734	4,948	7,746
Less: borrowing costs capitalized in qualifying assets	(595)	(7,021)	(1,368)	(2,605)
Total	**6,609**	**17,713**	**3,580**	**5,141**

PERIOD TO PERIOD COMPARISON OF RESULTS OF OPERATIONS

Three Months Ended March 31, 2025 Compared to Three Months Ended March 31, 2024

Revenue

Our revenue remained relatively stable at RMB0.4 million in the three months ended March 31, 2025 as compared to RMB0.3 million in the three months ended March 31, 2024. The revenue was low in the first quarters of both years as the sales of influenza vaccines are subject to seasonal fluctuations, which tend to be more concentrated between July and September.

Cost of sales

Our cost of sales decreased from RMB5.1 million in the three months ended March 31, 2024 to RMB4.0 million in the three months ended March 31, 2025, primarily due to a reversal of impairment of inventories related to the influenza vaccines that we sold in the first quarter of 2025.

Gross profit and gross profit margin

As a result of the foregoing, we incurred a gross loss of RMB4.8 million and RMB3.6 million in the three months ended March 31, 2024 and 2025, respectively. We recorded gross losses and significant gross loss margins in the three months ended March 31, 2024 and 2025, primarily due to low revenue recorded in the first quarters of both years as the sales of influenza vaccines are subject to seasonal fluctuations, which tend to be more concentrated between July and September.

Other income

Our other income decreased by 65.7% from RMB14.5 million in the three months ended March 31, 2024 to RMB5.0 million in the three months ended March 31, 2025, primarily due to a decrease in government grants received from the local government authorities in 2025. We were awarded a government grant by the local government authorities in 2024 for receiving NDR approval from the NMPA in relation to our quadrivalent subunit influenza vaccines.

Impairment loss under expected credit loss model, net of reversal

We recorded a reversal of impairment loss recognized under the expected credit loss model of RMB25.0 thousand in the three months ended March 31, 2025 as compared to a reversal of RMB21.0 thousand in the three months ended March 31, 2024.

Other gains and losses

We incurred other gains of RMB9.0 thousand in the three months ended March 31, 2025 as compared to other gains of RMB113.0 thousand in the three months ended March 31, 2024.

Selling expenses

Our selling expenses increased significantly from RMB8.8 million in the three months ended March 31, 2024 to RMB19.3 million in the three months ended March 31, 2025, primarily due to an increase in marketing expenses as we further intensified our product promotion efforts in 2025. This increase was partially offset by the reversal of share-based payments due to the forfeiture of share incentives granted to employees who left the Company before vesting.

Administrative expenses

Our administrative expenses decreased by 22.8% from RMB15.5 million in the three months ended March 31, 2024 to RMB11.9 million in the three months ended March 31, 2025, primarily due to a decrease in share-based payments mainly as a result of the forfeiture of share incentives granted to employees who left the Company before vesting.

Listing expenses

We incurred listing expenses of RMB5.7 million related to the Listing in the three months ended March 31, 2025. We did not incur any such listing expense in the three months ended March 31, 2024.

Research and development expenses

Our research and development expenses increased by 7.7% from RMB43.2 million in the three months ended March 31, 2024 to RMB46.5 million in the three months ended March 31, 2025, primarily due to increases in trial and testing expenses and share-based payments.

In particular, we experienced increases in (i) research and development expenses for rabies vaccine of RMB5.2 million. Our research and development expenses for rabies vaccine increased from RMB4.5 million in the first quarter of 2024 to RMB9.7 million in the first quarter of 2025, primarily due to an increase in depreciation and amortization expenses as the relevant R&D facilities commenced operation; (ii) research and development expenses for live attenuated varicella vaccine of RMB1.4 million. Our research and development expenses for live attenuated varicella vaccine increased from RMB2.3 million in the first quarter of 2024 to RMB3.7 million in the first quarter of 2025, primarily due to an increase in trial and testing expenses as we engaged a third-party for certain pre-clinical studies; and (iii) research and development expenses for adjuvanted quadrivalent subunit influenza vaccine of RMB1.3 million. Our research and development expenses for adjuvanted quadrivalent subunit influenza vaccine increased from RMB0.7 million in the first quarter of 2024 to RMB2.0 million in the first quarter of 2025, primarily due to an increase in material costs as we commenced the preparation for the Phase I clinical trial. The increases were partially offset by decreases in (i) research and development expenses for PPSV23 candidate of RMB3.7 million. Our research and development expenses for PPSV23 candidate decreased from RMB13.3 million in the first quarter of 2024 to RMB9.6 million in the first quarter of 2025, primarily due to a decrease in material costs as we conducted more experiments in relation to post phase I trial process improvement in the first quarter of 2024; and (ii) research and development expenses for recombinant zoster vaccine (CHO cell) of RMB1.6 million. Our research and development expenses for recombinant zoster vaccine (CHO cell) decreased from RMB4.2 million in the first quarter of 2024 to RMB2.6 million in the first quarter of 2025, primarily due to a decrease in labor costs and share-based payments as we concluded the relevant preclinical studies.

Other expenses

Our other expenses decreased significantly from RMB2.1 million in the three months ended March 31, 2024 to RMB46.0 thousand in the three months ended March 31, 2025, primarily as a result of less donations made in the first quarter of 2025.

Finance costs

Our finance costs increased by 41.7% from RMB3.6 million in the three months ended March 31, 2024 to RMB5.1 million in the three months ended March 31, 2025, primarily due to an increase in interest expense on bank borrowings mainly as a result of an increase in interest expense on bank borrowing mainly as a result of increased borrowings in the three months ended March 31, 2025.

Loss for the period

As a result of the foregoing, our loss for the period increased by 37.9% from RMB63.3 million in the three months ended March 31, 2024 to RMB87.3 million in the three months ended March 31, 2025.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenue

Our revenue increased significantly from RMB52.2 million in the year ended December 31, 2023 to RMB259.6 million in the year ended December 31, 2024, primarily due to (i) the relatively low amount of sales volume in 2023 compared to 2024 as we commenced the commercial sales of our quadrivalent subunit influenza vaccines in late September 2023, which was already late for the flu season; (ii) our expanded market outreach and penetration in major cities as we increased our product promotion effort in 2024, and (iii) enhanced market acceptance in 2024 for our newly launched quadrivalent subunit influenza vaccine.

Cost of sales

Our cost of sales increased by 49.2% from RMB72.5 million in the year ended December 31, 2023 to RMB108.2 million in the year ended December 31, 2024, primarily due to (i) increases in material costs and labor costs primarily in line with the increase in revenue and (ii) an increase in idle costs as we spent time on the trial production and on-site inspections in relation to the quadrivalent subunit influenza vaccines in 2023, partially offset by a decrease in provision for impairment of inventories as we enhanced our inventory management strategies of quadrivalent influenza vaccines in 2024 drawing from our historical insights into vaccine marketability from the 2023 flu season.

Gross profit and gross profit margin

As a result of the foregoing, we incurred a gross loss of RMB20.3 million in the year ended December 31, 2023 and a gross profit of RMB151.5 million in the year ended December 31, 2024. Our gross profit margin was 58.3% in the year ended December 31, 2024, as compared to a gross loss margin of 39.0% in the year ended December 31, 2023. The improvement in our gross margin in 2024 was mainly due to (i) our product promotion effort

in 2024 as we expanded market outreach and penetration in major cities, and (ii) a decrease in provision for impairment of inventories in the year ended December 31, 2024 as we improved our production strategies drawing from our historical insights into vaccine marketability from the 2023 flu season.

Other income

Our other income increased significantly from RMB14.2 million in the year ended December 31, 2023 to RMB24.4 million in the year ended December 31, 2024, mainly due to an increase in government grants received from the local government authorities in 2024. We were awarded a government grant by the local government in 2024 for receiving NDA approval from the NMPA in relation to our quadrivalent subunit influenza vaccines.

Impairment loss under expected credit loss model, net of reversal

Our impairment loss recognized under the expected credit loss model increased by 37.5% from RMB48.0 thousand in the years ended December 31, 2023 to RMB66.0 thousand in the years ended December 31, 2024, primarily due to an increase in impairment losses on trade receivables, which was generally in line with the increase in trade receivables.

Other gains and losses

We incurred other losses of RMB0.8 million in the year ended December 31, 2024 as compared to other gains of RMB1.3 million in the year ended December 31, 2023, primarily due to (i) a decrease in fair value change of financial assets at FVTPL resulting from our redemption of wealth management products, and (ii) an increase in net loss on disposal of property, plant and equipment, primarily related to our disposal of certain equipment.

Selling expenses

Our selling expenses increased significantly from RMB55.4 million in the year ended December 31, 2023 to RMB140.3 million in the year ended December 31, 2024, primarily due to an increase in marketing expenses as we increased our product promotion efforts in 2024 following the commercialization of our quadrivalent subunit influenza vaccines in 2023. See "Business—Commercialization."

Administrative expenses

Our administrative expenses decreased by 21.6% from RMB74.7 million in the year ended December 31, 2023 to RMB58.6 million in the year ended December 31, 2024, primarily due to the decreases in (i) share-based payments granted to our administrative personnel as more shares were granted under our Employee Incentive Schemes in 2023 and (ii) professional service fees due to the costs incurred in relation to the Previous A-Share Attempt in 2023.

Listing expenses

We incurred listing expenses of RMB8.5 million related to the Listing in 2024. We did not incur any such listing expense in 2023.

Research and development expenses

Our research and development expenses decreased by 27.4% from RMB283.2 million in the year ended December 31, 2023 to RMB205.6 million in the year ended December 31, 2024, primarily due to decreases in trial and testing expenses and material costs.

In particular, we experienced (i) a decrease in research and development expenses for quadrivalent subunit influenza vaccine of RMB30.7 million. Our research and development expenses for quadrivalent subunit influenza vaccines decreased from RMB38.8 million in 2023 to RMB8.1 million in 2024, primarily due to (a) the commencement of commercial sale of the vaccine for individuals aged three years and above in September 2023, and (b) the completion of clinical studies as we received the acceptance of our NDA by the NMPA in June 2024 for the 6-35 months age group; and (ii) a decrease in research and development expenses for recombinant zoster vaccine of RMB27.8 million. Our research and development expenses for recombinant zoster vaccines decreased from RMB45.3 million in 2023 to RMB17.5 million in 2024, as we incurred significant expenses in relation to its preclinical studies in 2023. This decrease was partially offset by an increase in research and development expenses for rabies vaccine of RMB12.2 million. Our research and development expenses for rabies vaccine increased from RMB23.0 million in 2023 to RMB35.2 million in 2024, as we commenced a Phase I clinical trial of the vaccine in the fourth quarter of 2023.

Other expenses

We incurred expenses of RMB3.0 million related to donations of unused vaccines in 2024. We did not incur such expense in 2023.

Finance costs

Our finance costs increased significantly from RMB6.6 million in the year ended December 31, 2023 to RMB17.7 million in the year ended December 31, 2024, primarily due to an increase in interest expense on bank borrowings resulting from increased borrowings in 2024. We secured a project loan in 2024 to support the construction of the manufacturing facilities.

Loss for the year

As a result of the foregoing, our loss for the year decreased by 39.1% from RMB424.7 million in the year ended December 31, 2023 to RMB258.7 million in the year ended December 31, 2024.

DESCRIPTION OF CERTAIN CONSOLIDATED STATEMENTS OF FINANCIAL POSITIONS ITEMS

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

	As of December 31,		As of March 31,
	2023	2024	2025
	(RMB in thousands)		
Non-current assets			
Property, plant and equipment	740,782	944,690	943,839
Right-of-use assets	94,476	86,091	83,995
Intangible assets	26,844	25,660	25,183
Other receivables and prepayments	44,396	60,861	63,448
Total non-current assets	**906,498**	**1,117,302**	**1,116,465**
Current assets			
Inventories	41,818	57,809	87,372
Trade receivables	73,595	284,905	221,277
Other receivables and prepayments	14,772	20,491	20,932
Financial assets at fair value through profit or loss	10,020	–	–
Pledged bank deposits	5,486	138	138
Time deposits	22,236	–	–
Cash and cash equivalents	45,318	132,194	114,561
Total current assets	**213,245**	**495,537**	**444,280**
Current liabilities			
Trade and other payables	291,550	441,615	420,157
Amounts due to shareholders	–	27,673	–
Refund liabilities	13,259	84,721	81,056
Borrowings	217,887	347,524	405,299
Lease liabilities	6,467	7,146	8,027
Total current liabilities	**529,163**	**908,679**	**914,539**
Net current liabilities	**(315,918)**	**(413,142)**	**(470,259)**
Total assets less current liabilities	**590,580**	**704,160**	**646,206**
Non-current liabilities			
Borrowings	148,262	462,012	490,412
Lease liabilities	48,808	42,127	40,394
Deferred income	30,240	37,018	36,807
Trade and other payables	–	16,416	16,416
Total non-current liabilities	**227,310**	**557,573**	**584,029**
Net assets	**363,270**	**146,587**	**62,177**

Inventories

Our inventories mainly consisted of raw materials, work in progress and finished goods, primarily related to our quadrivalent subunit influenza vaccines. The following table sets forth the breakdown of our inventories as of the dates indicated.

	As of December 31,		As of March 31,
	2023	2024	2025
	(RMB in thousands)		
Raw materials	38,278	33,683	35,997
Work in progress	3,438	24,350	51,656
Finished goods	46,242	18,095	17,184
Less: allowance	(46,140)	(18,319)	(17,465)
Total	**41,818**	**57,809**	**87,372**

Our inventories increased by 51.1% from RMB57.8 million as of December 31, 2024 to RMB87.4 million as of March 31, 2025, primarily due to increase in work in progress as we ramped up the production of the influenza vaccines for the upcoming 2025 influenza season.

Our inventories increased by 38.2% from RMB41.8 million as of December 31, 2023 to RMB57.8 million as of December 31, 2024, primarily due to (i) a decrease in allowance as we enhanced our inventory management strategies of quadrivalent influenza vaccines in 2024 drawing from our historical insights into vaccine marketability from the 2023 flu season, and (ii) an increase in work in progress resulting from increasing product demand anticipated for the 2025 influenza season in line with our business growth, partially offset by a decrease in finished goods, primarily due to (i) our enhanced inventory management measure to better align production with actual customer orders and (ii) our increased sales volume of our quadrivalent influenza vaccine in 2024 in line with business growth.

We regular review our inventories and estimate their net realizable value based on the current market situation and the historical insights into vaccine marketability from the 2023 flu season. See "—Material Accounting Policies and Critical Judgments and Estimates—Inventories." We make full provisions for impairment for finished goods based on their expiry dates and estimated future demand of vaccine products as well as their expiry dates.

We recorded allowance of RMB46.1 million, RMB18.3 million and RMB17.5 million as of December 31, 2023 and 2024 and March 31, 2025, respectively, based on estimated future demand of vaccine products as well as their expiry dates. We believe that there is no recoverability issue related to our inventories as almost all of our finished goods are written off at the year-end and the remainder are raw materials and work in progress for vaccines in the upcoming year. As of December 31, 2023, we made a relatively large allowance for our quadrivalent subunit influenza vaccine inventory due to the following factors: (i) the lack of

historical data to accurately predict the marketability of our quadrivalent subunit influenza vaccines, given that our commercial sales only began in 2023; (ii) the timing of our vaccine distribution, with sales commencing in late September 2023, which was already late for the flu season; and (iii) the standard industry practice of producing surplus influenza vaccines to better prepare vaccine makers in case of need. In 2024, we enhanced our inventory management strategies drawing from our historical insights into vaccine marketability from the 2023 flu season. Additionally, we increased our product promotion effort and focused on expanding our market outreach and penetration in major cities in 2024, which generated more sales for us in the year ended December 31, 2024. According to Frost & Sullivan, the influenza vaccine industry generally features a relatively high inventory allowance given (i) the difficulties in predicting the vaccination rate given the difficulties in predicting the number of influenza cases, especially for newly launched vaccine products; (ii) the need to produce surplus vaccines to better prepare vaccine makers in case of need; and (iii) the relatively short life cycle of influenza vaccine products. According to Frost & Sullivan, our inventory allowance as of December 31, 2024 falls within the industry norm for influenza vaccine makers.

The following table sets forth an aging analysis of our inventories as of the dates indicated.

	As of December 31,		As of March 31,
	2023	2024	2025
	(RMB in thousands)		
Within three months	62,928	18,684	33,759
Over three months but within one year	22,149	46,363	52,614
Over one year	2,881	11,081	18,464
Less: allowance	(46,140)	(18,319)	(17,465)
Total	**41,818**	**57,809**	**87,372**

The following table sets forth our inventory turnover days for the years/periods indicated.

	For the Year ended December 31,		For the Three Months Ended March 31,
	2023	2024	2025
Inventory turnover days[(1)]	155.2	168.1	NM[(2)]

Notes:

(1) Our inventory turnover days were calculated based on the average of opening and closing balance of inventories, net of provision for allowance, of the relevant year/period, divided by our total cost of sales for that year/period and multiplied by the number of days in that year/period.

(2) Given the seasonal nature of our business as we ramped up our level of inventories in preparation of the upcoming 2025 influenza season and the low revenue and cost of sales in the first quarter, we do not consider the inventory turnover days in the three months ended March 31, 2025 to be a meaningful indicator of our financial performance.

Our inventory turnover days increased from 155.2 days in 2023 to 168.1 days in 2024, primarily due to an increase in our inventory balances to meet increasing product demand.

As of May 31, 2025, RMB51.2 million, or 58.6% of our inventories as of March 31, 2025, had been subsequently sold or utilized.

Trade Receivables

Our trade receivables during the Track Record Period were primarily amounts due from our customers for our quadrivalent subunit influenza vaccines. Our trade receivables increased from RMB73.6 million as of December 31, 2023 to RMB284.9 million as of December 31, 2024, generally in line with the increase in our revenue and the seasonal nature of vaccine sales, which tend to be more concentrated between July and September. See "Business—Seasonality" for details. Our trade receivables decreased to RMB221.3 million as of March 31, 2025 primarily due to our proactive effort to collect the outstanding trade receivables. The following table sets forth the breakdown of our trade receivables as of the dates indicated.

	As of December 31,		As of March 31,
	2023	2024	2025
	(RMB in thousands)		
Trade receivables from contracts with customers	73,643	285,019	221,366
Less: expected credit losses	(48)	(114)	(89)
Total	**73,595**	**284,905**	**221,277**

We typically grant a credit period ranging from six months to nine months to our customers, which were district- or county-level CDCs. We seek to maintain strict control over our outstanding receivables. Overdue balances are reviewed regularly by senior management. We determine impairment of our trade receivables in accordance with the relevant accounting standards and based on a provision model to measure expected credit losses. See "—Material Accounting Policies and Critical Judgments and Estimates—Critical Accounting Judgments and Estimates—Provision of ECL for Trade Receivables."

A significant portion of our trade receivables were due within six months as of December 31, 2023 and 2024. The following table sets for the aging analysis of our trade receivables, net of allowance for credit losses, based on the dates of goods delivery as of the dates indicated.

	As of December 31,		As of March 31,
	2023	2024	2025
	(RMB in thousands)		
One to 90 days	67,017	50,066	542
91 to 180 days	6,578	216,095	42,514
181 to 270 days	–	13,007	166,232
271 to 365 days	–	219	8,220
Over 1 year	–	5,518	3,769
Total	**73,595**	**284,905**	**221,277**

We believe sufficient provisions have been made for the trade receivables as of March 31, 2025 and there is no material recoverability issue with respect to such trade receivables, primarily because: (i) 98.3% of our trade receivables were aged within one year as of March 31, 2025, which were owed to us by district- or county-level CDCs. Since CDCs have complex internal processes for settling payments to suppliers, their settlement periods may sometimes exceed our typical credit period. However, payments are made to the CDCs by vaccinees when they receive the vaccination and CDCs generally have very good credit standing since they are organs of the state; (ii) our finance department conducts detailed impairment analysis on our trade receivables at each reporting date and makes allowance for expected credit losses. See note 35 to the Accountants' Report set out in Appendix I to this prospectus for impairment assessment of our trade receivables; (iii) we closely monitor the outstanding trade receivables and maintain active communications with CDCs regarding receivables to improve our collection; and (iv) our historical receivables recovery rates from CDCs were generally high. During the Track Record Period and up to the Latest Practicable Date, we did not have any material issue in recovering our trade receivables.

The following table sets forth our trade receivables turnover days for the years/periods indicated.

	For the Year ended December 31,		For the Three Months Ended March 31,
	2023	2024	2025
Trade receivables turnover days[(1)]	NM[(2)]	252.1	NM[(3)]

Notes:

(1) Our trade receivables turnover days were calculated based on the average of opening and closing balance of trade receivables before expected credit losses of the relevant year/period, divided by revenue for that year/period and multiplied by the number of days in that year/period.

(2) Since we began commercial sales of our products in September 2023, there were no trade receivables for the first eight months ending August 31, 2023. Therefore, the full year trade receivables turnover days is not a meaningful indicator of our financial performance.

(3) Given the seasonal nature of our business that led to low revenue in the first quarter, we do not consider the trade receivable turnover days in the three months ended March 31, 2025 to be a meaningful indicator of our financial performance.

As of May 31, 2025, RMB45.0 million, or 20.0% of our trade receivables as of March 31, 2025, had been subsequently settled.

Other Receivables and Prepayments

Our other receivables and prepayments during the Track Record Period mainly comprised of (i) value added tax recoverable, (ii) rental deposits, (iii) deferred issue cost related to the Listing, (iv) acquisition of long-term assets, representing prepayment for construction projects and equipment, (v) raw material purchase, and (vi) service fee, representing prepayments for outsourced research and development services. The following table sets forth the breakdown of our other receivables and prepayments as of the dates indicated.

	As of December 31,		As of March 31,
	2023	2024	2025
	(RMB in thousands)		
Other Receivables			
Value added tax recoverable	32,978	37,967	39,826
Deferred issue cost	–	1,822	3,016
Rental deposits	2,441	2,316	2,316
Others	1,590	1,046	1,049
	37,009	43,151	46,207
Prepayments			
Acquisition of long-term assets	17,031	24,771	25,546
Raw material purchase	2,030	8,903	3,235
Service fee	1,904	2,939	3,591
Others	1,194	1,588	5,801
	22,159	38,201	38,173
Total	**59,168**	**81,352**	**84,380**

Our other receivables and prepayments increased by 3.7% from RMB81.4 million as of March 31, 2024 to RMB84.4 million as of March 31, 2025, primarily due to an increase in value added tax recoverable mainly as a result of our settlement of raw material and other purchases, partially offset by a decrease in prepayments for raw material purchases mainly as a result of our settlement of raw material purchases. Our other receivables and prepayments increased by 37.5% from RMB59.2 million as of December 31, 2023 to RMB81.4 million as of December 31, 2024, primarily due to increases in prepayments for (i) acquisition of

long-term assets mainly related to prepayments for certain equipment; and (ii) raw material purchases mainly related to quadrivalent subunit influenza vaccine in anticipation of increased product demand in the 2025 influenza season in line with our business growth.

As of May 31, 2025, RMB4.7 million, or 5.5% of our other receivables and prepayments as of March 31, 2025, had been subsequently settled.

Financial Assets at Fair Value Through Profit or Loss (Financial Assets at FVTPL)

Our financial assets at FVTPL represented investments in non-principal guaranteed wealth management products from commercial banks in China. The returns of the wealth management products are determined by reference to the performance of the underlying instruments in the currency market, therefore they are recognized as financial assets at FVTPL. Our financial assets at FVTPL decreased from RMB10.0 million as of December 31, 2023 to nil as of December 31, 2024 and March 31, 2025, primarily due to full redemption of wealth management products.

We purchase wealth management products as a supplemental mean to improve utilization of our cash on hand on a short-term basis. We believe that investment in low-risk financial products helps us make better use of our cash, expand our source of income while ensuring sufficient cash flow for business operation or capital expenditures. The purchases of wealth management products are carefully reviewed and assessed by our finance department and are subject to the approval of our senior management team. Additionally, we have established a set of risk management and capital preservation investment policy, and have implemented a series of internal control measures regarding our investment in wealth management products. These policies and measures include:

- we make investment decisions after thoroughly considering a number of factors, including but not limited to the macro-economic environment, general market conditions, risk control and credit of issuing financial institutions, our working capital conditions and the expected returns;

- we only purchase low-risk wealth management products issued by qualified financial institutions; and

- after making an investment, we closely monitor its performance and fair value on a regular basis.

Our investment in financial assets will be subject to compliance with Chapter 14 of the Listing Rules after Listing.

Trade and Other Payables

Our trade and other payables primarily consisted of (i) payables for raw material and service fee, (ii) notes payables, (iii) payables for acquisition of property, plant and equipment, mainly representing payables for construction of the manufacturing facilities and acquisition of production equipment for our R&D and production activities. The payables for the construction of the manufacturing facilities are covered by a special project loan, (iv) payables for marketing activities, (v) payroll and welfare payables, (vi) deposits from suppliers, representing quality guarantee deposits from suppliers for construction services and deposits from third-party marketing service providers, (vii) accrued listing expense and issue costs and (viii) other tax payables. The following table sets forth the breakdown of our trade and other payables as of the dates indicated.

	As of December 31,		As of March 31,
	2023	2024	2025
	(RMB in thousands)		
Payables for raw material and service fee	83,876	98,385	86,295
Notes payables	5,486	689	689
Payables for acquisition of property, plant and equipment	109,909	159,706	139,640
Payables for marketing activities	19,217	109,929	117,539
Payroll and welfare payables	38,549	33,500	37,713
Deposits from suppliers	18,032	27,558	24,894
Accrued listing expense and issue costs	–	6,385	7,401
Other tax payables	863	1,118	662
Others	15,618	20,761	21,740
Total	**291,550**	**458,031**	**436,573**

Our trade and other payables increased by 57.1% from RMB291.6 million as of December 31, 2023 to RMB458.0 million as of December 31, 2024, primarily due to (i) an increase in payables for marketing activities related to fees paid to third-party marketing service providers resulting from increased marketing activities in line with our business growth, and (ii) an increase in payables related to the acquisition of property, plant and equipment as the construction of the manufacturing facilities progressed. Our trade and other payables decreased to RMB436.6 million as of March 31, 2025, primarily due to decreases in payables for acquisition of property, plant and equipment and payables for raw material and service fee, both as a result of our settlement of the relevant payables.

The following table sets for the aging analysis of our trade payables based on the invoice dates as of the dates indicated.

	As of December 31,		As of March 31,
	2023	2024	2025
	(RMB in thousands)		
One to 30 days	81,583	88,801	69,761
31 days to one year	2,293	9,584	16,534
Total	**83,876**	**98,385**	**86,295**

The following table sets forth our trade payables turnover days for the years/periods indicated.

	For the Year ended December 31,		For the Three Months Ended March 31,
	2023	2024	2025
Trade payables turnover days[(1)]	NM[(2)]	191.9	NM[(3)]

Notes:

(1) Our trade payables turnover days were calculated based on the average of opening and closing balance of payables for raw material and service fee of the relevant year/period, divided by the sum of (i) the cost of sales, (ii) trial and testing expenses, and (iii) R&D material costs for that year/period and multiplied by the number of days in that year/period.

(2) Since we began commercial sales of our products in September 2023, our trade payables were much smaller for the first eight months ending August 31, 2023. Therefore, the full year trade payables turnover days is not a meaningful indicator of our financial performance.

(3) Given the seasonal nature of our business that led to the low revenue and cost of sales in the first quarter, we do not consider the trade payables turnover days in the three months ended March 31, 2025 to be a meaningful indicator of our financial performance.

As of May 31, 2025, RMB38.2 million, or 9.1% of our trade and other payables as of March 31, 2025, had been subsequently settled.

Refund Liabilities

We recognize a refund liability if we expect to refund some or all of the considerations received from customers. The refund liabilities will be reduced as we receive and recognise the returned products.

During the Track Record Period, we used the current market situation as well as historical insights into vaccine marketability from the past flu season to estimate the refund liabilities in relation to our quadrivalent subunit influenza vaccines. Refund liabilities involve our estimates and are uncertain by their nature. See "—Material Accounting Policies and Critical Judgments and Estimates—Critical Accounting Judgments and Estimates—Estimation of Refund Liabilities" for details.

Our refund liabilities increased from RMB13.3 million as of December 31, 2023 to RMB84.7 million as of December 31, 2024, in line with the increase of revenue due to our business growth. Our refund liabilities remained generally stable as of March 31, 2025 at RMB81.1 million. The estimated sales return rate for the years ended December 31, 2023 and 2024, calculated as dividing refund liabilities by the sum of the revenue of the same year and refund liabilities as of the end of the year, was 20.3% and 24.6%, respectively. For a detailed discussion of our product returns during the Track Record Period, see "Business—Commercialization—Selling Process—Return and Exchange."

LIQUIDITY AND CAPITAL RESOURCES

Overview

Our uses of cash primarily relate to the research and development of our vaccine candidates, manufacturing and marketing of quadrivalent subunit influenza vaccine, the purchase of equipment and machinery and construction of manufacturing facilities. During the Track Record Period, we primarily funded our working capital requirement through equity financing, bank borrowings and cash generated from our operations. We monitor and maintain a level of cash and cash equivalents deemed adequate to finance our operations and mitigate the effects of fluctuations in cash flows. As our business develops and expands, we expect to generate more cash from our operating activities through the sales of quadrivalent subunit influenza vaccine and launching new vaccine products. Going forward, we believe our liquidity requirements will be satisfied by funds from a combination of cash from operations, cash and cash equivalents, borrowings and net proceeds from the Global Offering. As of March 31, 2025, our cash and cash equivalents amounted to RMB114.6 million.

Net Current Assets/(Liabilities)

	As of December 31,		As of March 31,	As of May 31,
	2023	2024	2025	2025
				(unaudited)
	(RMB in thousands)			
Current assets				
Inventories	41,818	57,809	87,372	103,611
Trade receivables	73,595	284,905	221,277	135,526
Other receivables and prepayments	14,772	20,491	20,932	20,573
Financial assets at fair value through profit or loss	10,020	–	–	1,000
Pledged bank deposits	5,486	138	138	138
Time deposits	22,236	–	–	–
Cash and cash equivalents	45,318	132,194	114,561	81,944
Total current assets	**213,245**	**495,537**	**444,280**	**342,792**

	As of December 31,		As of March 31,	As of May 31,
	2023	2024	2025	2025
				(unaudited)
	(RMB in thousands)			
Current liabilities				
Trade and other payables	291,550	441,615	420,157	415,344
Amounts due to shareholders	–	27,673	–	–
Refund liabilities	13,259	84,721	81,056	41,429
Borrowings	217,887	347,524	405,299	402,941
Lease liabilities	6,467	7,146	8,027	4,595
Total current liabilities	**529,163**	**908,679**	**914,539**	**864,309**
Net current liabilities	**(315,918)**	**(413,142)**	**(470,259)**	**(521,517)**

Our net current liabilities increased from RMB470.3 million as of March 31, 2025 to RMB521.5 million as of May 31, 2025, primarily due to a decrease in our cash and cash equivalents (including the outstanding trade receivables collected) to support the manufacturing of the influenza vaccines in preparation for the upcoming flu season, partially offset by a decrease in refund liabilities as we received and recognised the returned products. For a detailed discussion of our product returns during the Track Record Period, see "Business—Commercialization—Selling Process—Return and Exchange."

Our net current liabilities increased from RMB413.1 million as of December 31, 2024 to RMB470.3 million as of March 31, 2025, primarily due to (i) an increase in the current portion of our borrowings, and (ii) a decrease in our cash and cash equivalents (including the outstanding trade receivables collected), in both case to support the manufacturing of the influenza vaccines in preparation for the upcoming flu season.

Our net current liabilities increased from RMB315.9 million as of December 31, 2023 to RMB413.1 million as of December 31, 2024, primarily due to increases in (i) trade and other payables, see "—Description of Certain Consolidated Statements of Financial Positions Items—Trade and Other Payables" and (ii) the current portion of our borrowings, primarily due to the reclassification of certain long-term borrowings that were nearing maturity, partially offset by an increase in trade receivables, generally in line with the increase in our revenue and the seasonal nature of vaccine sales, which tend to be more concentrated between July and September.

We recorded net current liabilities during the Track Record Period, primarily because we invested significant capital into the production and marketing of our quadrivalent subunit influenza vaccine and the research and development of our vaccine candidates, and built and expanded our manufacturing facilities to support our business. We expect to improve our net current liabilities position with the following measures: (i) increasing our sales revenue as we expand market share with our quadrivalent subunit influenza vaccine and launch new vaccine products in the future; (ii) continuously covering our payables for acquisition of property, plant and equipment with project loans; and (iii) raising long-term borrowings to replace our short-term borrowings for stable financial resource.

Cash Flows

The following table sets forth a summary of our consolidated cash flow statements for the years/periods indicated.

	For the Year Ended December 31,		For the Three Months Ended March 31,	
	2023	**2024**	**2024**	**2025**
			(unaudited)	
		(RMB in thousands)		
Net cash used in operating activities	(305,988)	(199,509)	(86,607)	(21,808)
Net cash used in investing activities	(506)	(152,673)	(39,399)	(31,992)
Net cash generated from financing activities	335,166	439,058	160,497	36,167
Net increase/(decrease) in cash and cash equivalents	28,672	86,876	34,491	(17,633)
Cash and cash equivalents at beginning of the year	16,646	45,318	45,318	132,194
Cash and cash equivalents at end of the year	**45,318**	**132,194**	**79,809**	**114,561**

Net Cash Used in Operating Activities

For the three months ended March 31, 2025, our net cash used in operating activities was RMB21.8 million, which was primarily attributable to our loss before taxation of RMB87.3 million, adjusted by certain non-cash and working capital items, including an increase in inventories of RMB28.8 million, partially offset by a decrease in trade receivables of RMB63.7 million.

For the year ended December 31, 2024, our net cash used in operating activities was RMB199.5 million, which was primarily attributable to our loss before taxation of RMB258.7 million, adjusted by certain non-cash and working capital items, including an increase in trade receivables of RMB211.4 million, partially offset by (i) an increase in trade and other payables of RMB112.5 million and (ii) an increase in refund liabilities of RMB71.5 million.

For the year ended December 31, 2023, our net cash used in operating activities was RMB306.0 million, which was primarily attributable to our loss before taxation of RMB424.7 million, adjusted by certain non-cash and working capital items, including (i) an increase in trade receivables of RMB73.6 million and (ii) an increase in inventories of RMB67.7 million, partially offset by (i) an increase in trade and other payables of RMB115.3 million and (ii) our recognition of equity-settled share-based payments of RMB47.9 million.

We plan to improve our net operating cash flow using the following measures: (i) further increasing the sales of our quadrivalent influenza vaccine. During the Track Record Period, we have seen a significant increase in the sales of the vaccine from RMB52.2 million in 2023 to RMB259.6 million in 2024. We aim to continue to increase the sales of the vaccine in the PRC by expanding our market outreach and enhancing market penetration in major cities. We also actively look for opportunities to expand the sales of the quadrivalent influenza vaccine overseas and have completed registration of the vaccine product in Macau and initiated the registration process in the Philippines. We plan to apply for registration in Indonesia, Thailand and Uruguay in 2025 and in Canada, Singapore, Mexico and Hong Kong in 2026; and (ii) closely monitoring our trade receivables and maintaining active communications with CDCs regarding receivables to improve our collection.

Net Cash Used in Investing Activities

For the three months ended March 31, 2025, net cash used in investing activities was RMB32.0 million, primarily due to purchases of (i) property, plant and equipment of RMB32.1 million and (ii) financial assets measured at FVTPL of RMB28.9 million, partially offset by redemption of financial assets at FVTPL of RMB28.9 million.

For the year ended December 31, 2024, net cash used in investing activities was RMB152.7 million, primarily due to purchases of (i) property, plant and equipment of RMB199.6 million and (ii) financial assets measured at FVTPL of RMB120.0 million, partially offset by redemption of financial assets at FVTPL of RMB130.3 million.

For the year ended December 31, 2023, net cash used in investing activities was RMB506.0 thousand, primarily due to redemption of financial assets at FVTPL of RMB632.1 million, partially offset by (i) purchases of financial assets measured at FVTPL of RMB430.6 million and (ii) purchase of property, plant and equipment of RMB265.3 million.

Net Cash Generated from Financing Activities

For the three months ended March 31, 2025, net cash generated from financing activities was RMB36.2 million, primarily due to proceeds from bank borrowings of RMB172.1 million, partially offset by repayments of (i) bank borrowings of RMB103.8 million and (ii) loans from shareholders of RMB34.5 million.

For the year ended December 31, 2024, net cash generated from financing activities was RMB439.1 million, primarily due to proceeds from bank borrowings of RMB765.5 million, partially offset by repayments of bank borrowings of RMB336.2 million.

For the year ended December 31, 2023, net cash generated from financing activities was RMB335.2 million, primarily due to proceeds from bank borrowings of RMB380.9 million, partially offset by repayments of bank borrowings of RMB34.0 million.

WORKING CAPITAL CONFIRMATION

Taking into account the financial resources available to us, including cash from operations, cash and cash equivalents, borrowings and the estimated net proceeds from the Global Offering, our Directors are of the opinion that we have sufficient working capital to cover at least 125% of our costs, including general, administrative and operating costs and research and development expenses for at least the next 12 months from the date of this prospectus.

Our cash burn rate refers to our average monthly (i) net cash used in operating activities, which includes research and development expenses; and (ii) capital expenditures. Taking into account our cash and cash equivalents as of May 31, 2025, and assuming average monthly net cash used in operating activities going forward of 1.2 times the level in the year ended December 31, 2024, and the estimated capital expenditures with reference to the capital commitments as of March 31, 2025, we estimate that we will be able to maintain our financial viability for 9 months, or, if we also take into account the net proceeds from the Global Offering provided that the Offer Price is set at HK$12.90 per Share, being the low end of the indicative Offer Price range, and that the Offer Size Adjustment Option is not exercised, 22 months. Our Directors and our management team will continue to monitor our working capital, cash flows and our business development status. If the net proceeds from the Global Offering are less than expected or delayed, we might extract our unutilized unsecured credit facilities to maintain our daily operations, which applies to the case where the proceeds from the Global Offering are not available; other actions we might take include delaying the construction of our manufacturing facilities and reducing our R&D expenditures and/or the number of pipeline products we seek to develop.

CASH OPERATING COSTS

The following table provides information regarding our cash operating costs, in accrual basis, for the years/periods indicated.

	For the Year Ended December 31,		For the Three Months Ended March 31,	
	2023	2024	2024	2025
			(unaudited)	
		(RMB in thousands)		
Research and development expenses for our Core Products				
Raw materials and others	21,951	17,696	1,953	3,346
Labor costs	16,139	9,872	1,874	2,515
Trial and testing expenses	14,294	7,596	1,011	462
Subtotal	***52,384***	***35,164***	***4,838***	***6,323***
Research and development expenses for our other vaccine candidates				
Labor costs	56,336	50,160	13,254	12,404
Raw materials and others	59,229	37,687	10,543	8,788
Trial and testing expenses	68,285	28,890	1,742	3,594
Subtotal	***183,850***	***116,737***	***25,539***	***24,786***
Product marketing costs	30,100	114,067	2,642	16,849
Workforce employment[(1)]	49,573	60,393	12,508	12,576
Direct production costs	23,584	54,094	4,677	4,510
Total	**339,491**	**380,455**	**50,204**	**65,044**

Note:

(1) Workforce employment represented our staff costs for our non-R&D staff mainly including salaries and benefits.

INDEBTEDNESS

The following table sets forth the breakdown of our indebtedness as of the dates indicated.

	As of December 31,		As of March 31,	As of May 31,
	2023	2024	2025	2025
				(unaudited)
	(RMB in thousands)			
Borrowings	366,149	809,536	883,126	880,768
Borrowings under supplier finance arrangements[(1)]	–	–	12,585	12,585
Lease liabilities	55,275	49,273	48,421	34,659
Amounts due to shareholders	–	27,673	–	–
Other payables	–	–	–	10,027
Total	**421,424**	**886,482**	**944,132**	**938,039**

Note:

(1) We entered into a supplier finance arrangement with a bank in 2025. Under this arrangement, the bank will settle the payables to the sellers on our behalf. Our obligations to suppliers are legally extinguished on settlement by the relevant bank. We then settle with the banks within 1 year after settlement by the banks with fixed interest rate of 3.25% per annum. This arrangement has extended the payment terms, which may be extended beyond the original due dates of respective invoices. See note 37(b) in the Accountants' Report set out in Appendix I.

Borrowings

The following table sets forth the breakdown of our borrowings as of the dates indicated.

	As of December 31,		As of March 31,	As of May 31,
	2023	2024	2025	2025
				(unaudited)
	(RMB in thousands)			
Borrowings from banks – unsecured and unguaranteed	256,897	384,030	470,505	465,496
Borrowings from banks – secured and unguaranteed	104,262	375,551	425,206	427,857
Borrowings from banks – unsecured and guaranteed	4,990	49,955	–	–
Total	**366,149**	**809,536**	**895,711**	**893,353**

The following table sets forth the maturity analysis of our bank borrowings as of the dates indicated.

	As of December 31,		As of March 31,	As of May 31,
	2023	2024	2025	2025
				(unaudited)
	(RMB in thousands)			
The carrying amounts of the borrowings are repayable:				
Within one year	217,887	347,524	405,299	402,941
Between one year and two years	–	108,237	103,691	103,691
Between two years and five years	124,000	136,686	149,953	149,953
Over five years	24,262	217,089	236,768	236,768
Total	**366,149**	**809,536**	**895,711**	**893,353**

The following table sets forth the effective interest rates of our bank borrowings as of the dates indicated.

	As of December 31,		As of March 31,	As of May 31,
	2023	2024	2025	2025
				(unaudited)
Effective interest rate:				
Fixed rate borrowings	3.20%-3.65%	3.00%-3.60%	3.00%-3.45%	2.90%-3.30%
Variable rate borrowings	3.20%-4.10%	3.00%-4.10%	3.00%-3.50%	2.90%-3.50%

During the Track Record Period, we secured short-term bank borrowings from certain commercial banks in the PRC for raw material procurement and covering research and development costs. We also entered into long-term banking borrowings from certain commercial banks in the PRC for the construction of our manufacturing facilities. The long-term bank borrowings are secured against certain of the Group's property, plant and equipment and leasehold land. As of December 31, 2023 and 2024, RMB5.0 million and RMB49.9 million of our secured borrowings, respectively, were guaranteed by Mr. An, one of our Controlling Shareholders. Such guarantees were released as of March 31, 2025.

As of December 31, 2023, December 31, 2024, March 31, 2025 and May 31, 2025, our borrowings amounted to RMB366.1 million, RMB809.5 million, RMB895.7 million and RMB893.4 million, respectively. Our borrowings remained generally stable at RMB893.4 million as of May 31, 2025 as compared to RMB895.7 million as of March 31, 2025. Our borrowings increased from RMB809.5 million as of December 31, 2024 to RMB895.7 million as of March 31, 2025, primarily to support our operational needs. Our borrowings increased significantly from RMB366.1 million as of December 31, 2023 to RMB809.5 million as of December 31, 2024, primarily because we secured certain long-term bank borrowings as a project loan to support the construction of the manufacturing facilities. As of May 31, 2025, we had credit facilities in an aggregate principal amount of RMB930.0 million, of which RMB714.0 million had been drawn and RMB216.0 million remained available to us, of which RMB90.7 million were related to working capital.

Our bank borrowings contain standard terms, conditions and covenants that are customary for commercial bank loans. We also undertake financial covenants that require us to meet certain financial ratio requirements such as debt ratio in our agreements. Our Directors confirm that we did not experience any difficulty in obtaining bank loans and other borrowings, default in payments of bank loans and other borrowings, or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

Other Payables

As of May 31, 2025, we had payables due to a third party of RMB10.0 million. The payables bore an annual interest of 3% and may be repayable upon demand.

Lease Liabilities

Our lease liabilities are in relation to properties that we lease for production, daily business operations and R&D functions. As of December 31, 2023, December 31, 2024, March 31, 2025 and May 31, 2025, our lease liabilities amounted to RMB55.3 million, RMB49.3 million, RMB48.4 million and RMB34.7 million, respectively.

Our lease liabilities decreased from RMB55.3 million as of December 31, 2023 to RMB49.3 million as of December 31, 2024 and further to RMB48.4 million as of March 31, 2025, primarily due to the recognition of interest expenses on lease liabilities, leading to a reduction in the carrying amount. Our lease liabilities further decreased to RMB34.7 million as of May 31, 2025, primarily due to the termination of certain lease for our research facilities.

As of May 31, 2025, other than as disclosed above, we did not have any other borrowings, charges, mortgages, debentures or debt securities issued or outstanding, or authorized or otherwise created but unissued, or other similar indebtedness, hire purchase and finance lease commitments, liabilities under acceptance, acceptance credits, any guarantees or other material contingent liabilities.

Since May 31, 2025 and up to the date of this Prospectus, other than as disclosed above, the Directors confirm that there had not been any material change in our indebtedness and contingent liabilities.

Amounts Due to Shareholders

As of December 31, 2024, we had borrowings from Mr. An and Mr. He, two of our Controlling Shareholders, of RMB27.7 million. These borrowings from our Controlling Shareholders were non-trade related, to satisfy part of our working capital and operational needs. Such borrowings were unsecured and repayable on demand and had an annual interest rate of 3%. Such amounts due to shareholders has been settled as of March 31, 2025.

RELATED PARTY TRANSACTIONS

During the Track Record Period, we entered into various related party transactions. We had borrowings from Mr. An and Mr. He, two of our Controlling Shareholders. We have repaid the borrowings from our shareholders as of March 31, 2025. See "—Indebtedness—Amounts Due to Shareholders."

Our Directors believe that our related party transactions set out in note 39 to the Accountants' Report in Appendix I were conducted on an arm's-length basis, and they would not distort our results of operations or cause our historical results to become not reflective of our future performance.

CAPITAL EXPENDITURES

Our capital expenditures during the Track Record Period included purchase of property, plant and equipment and purchase of intangible assets. The following table sets forth our capital expenditures for the years/periods indicated.

	For the Year Ended December 31,		For the Three Months Ended March 31,	
	2023	2024	2024	2025
			(unaudited)	
	(RMB in thousands)			
Purchase of property, plant and equipment	265,297	199,573	72,148	32,068
Purchase of intangible assets	16,590	594	119	–
Total	**281,887**	**200,167**	**72,267**	**32,068**

We expect that our capital expenditures in 2025 will primarily consist of purchase of plant and equipment for the construction of the manufacturing facilities. We intend to fund our future capital expenditures with our cash from operations, cash and cash equivalents, bank borrowings and proceeds from the Global Offering. See "Future Plans and Use of Proceeds" for more details. We may reallocate the fund to be utilized on capital expenditure and long-term investments based on our ongoing business needs.

CAPITAL COMMITMENTS

As of December 31, 2023, 2024 and March 31, 2025, we had capital commitments contracted but not yet provided for of RMB175.8 million and RMB378.1 million and RMB427.6 million, respectively, primarily in relation to the acquisition of plant and equipment in connection to the manufacturing facilities.

CONTINGENT LIABILITIES

As of December 31, 2023, 2024 and March 31, 2025, we did not have any contingent liabilities. As of the Latest Practicable Date there had been no material changes to our contingent liabilities.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet arrangements.

KEY FINANCIAL RATIO

The following table sets forth our key financial ratio as of the dates indicated.

	As of December 31,		As of March 31,
	2023	2024	2025
Current ratio[(1)]	0.4	0.5	0.5

Note:

(1) Current ratio equals current assets divided by current liabilities as of the same date.

Our current ratio increased from 0.4 as of December 31, 2023 and 0.5 as of December 31, 2024, primarily due to an increase in trade receivables, generally in line with the increase in our revenue and the seasonal nature of vaccine sales, which tend to be more concentrated between July and September, partially offset by increases in trade and other payables and the current portion of our borrowings due to the reclassification of certain long-term borrowings that were nearing maturity. Our current ratio remained stable at 0.5 as of March 31, 2025.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT FINANCIAL RISK

We are exposed to market, interest rate, credit and liquidity risks arises in the normal course of our business. We manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner. See note 35 to the Accountants' Report in Appendix I to this prospectus for a detailed description of our financial risk management.

Interest Rate Risk

We are exposed to fair value interest rate risk in relation to fixed-rate bank balances, pledged bank deposits, time deposits and lease liabilities. We are also exposed to cash flow interest rate risk in relation to variable-rate bank balances and variable-rate borrowings. Our cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances and borrowings. As our management considers that the exposure of cash flow interest rate risk arising from variable-rate bank balances and variable-rate borrowings is insignificant, therefore no sensitivity analysis on such risk has been prepared.

Credit Risk and Impairment Assessment

Credit risk refers to the risk that our counterparties default on their contractual obligations resulting in financial loss to us. Our credit risk exposures are primarily attributable to trade receivables, other receivables, pledged bank deposits and cash and cash equivalents. We do not hold any collateral or other credit enhancements to cover our credit risks associated with our financial assets.

See note 35 to the Accountants' Report included in Appendix I to this Prospectus for more details.

Liquidity Risk

In the management of the liquidity risk, we monitor and maintain a level of cash and cash equivalents deemed adequate by our management to finance our operations and mitigate the effects of fluctuations in cash flows. We monitor the utilization of bank borrowings and ensure compliance with loan covenants. See note 35 to the Accounts' Report included in Appendix I to this Prospectus.

DIVIDEND POLICY

No dividend has been proposed, paid or declared by our Company since its incorporation. We do not have any plan to declare or pay any dividends in the foreseeable future. The determination of whether to pay a dividend and in which amount is based on factors the Board may deem relevant. Any dividend distribution will also be subject to the approval of the Shareholders in the Shareholder's meeting. Under the PRC law and the Articles of Association, the general reserve requires annual appropriations of 10% of after-tax profits at each year-end until the balance reaches 50% of the relevant PRC entity's registered capital. In view of our accumulated losses, as advised by our PRC Legal Advisor, according to the relevant PRC laws and regulations and the Articles of Association, we shall not declare or pay dividend until the accumulated losses are covered by our after-tax profits and sufficient statutory common reserve are drawn in accordance with the relevant laws and regulations.

DISTRIBUTABLE RESERVES

As of December 31, 2024, we did not have any distributable reserves available for distribution to our shareholders.

LISTING EXPENSES

Assuming the Offer Size Adjustment Option is not exercised, an Offer Price of HK$14.20 per Offer Share (which is the mid-point of the Offer Price range), we expect to incur approximately HK$54.4 million of listing expenses (including the aggregate underwriting commissions and fees, the Stock Exchange listing fees, the transaction levies and the Stock Exchange trading fee, legal and other professional fees and printing and all other expenses relating to the Global Offering), including (i) underwriting-related expenses (including underwriting commission and other expenses of approximately HK$19.0 million) and (ii) non underwriting-related expenses of approximately HK$35.4 million, comprising (a) fees and expenses of legal advisors and accountants of approximately HK$20.9 million and (b) other fees and expenses of approximately HK$14.5 million, accounting for approximately 11.5% of the gross proceeds from the Global Offering. Approximately HK$32.0 million of our listing expenses is expected to be charged to our consolidated statements of profit or loss and approximately HK$22.4 million is expected to be deducted from equity upon Listing. The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

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.

UNAUDITED PRO FORMA STATEMENT OF ADJUSTED NET TANGIBLE LIABILITIES

The following unaudited pro forma statement of adjusted net tangible liabilities of our Group prepared in accordance with Rule 4.29 of the Listing Rules is for illustrative purposes only, and is set out below to illustrate the effect of the Global Offering on the net tangible liabilities of our Group attributable to the owners of our Company as of March 31, 2025, as if the Global Offering had taken place on March 31, 2025.

This unaudited pro forma statement of adjusted net tangible liabilities has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the combined net tangible liabilities of our Group attributable to the owners of our Company as of March 31, 2025, or at any future dates following the Global Offering.

	Audited consolidated net tangible assets of the Group attributable to owners of the Company as at March 31, 2025	**Estimated net proceeds from the Global Offering**	**Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at March 31, 2025**	**Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Offer Share as at March 31, 2025**	
	Reminbi ("RMB") '000	*RMB'000*	*RMB'000*	*RMB*	*Hong Kong dollars ("HK$")*
	(Note 1)	*(Note 2)*		*(Note 3)*	*(Note 4)*
Based on the Offer Price of HK$15.50 per Offer Share . . .	36,994	435,312	472,306	1.20	1.32
Based on the Offer Price of HK$12.90 per Offer Share . . .	36,994	359,281	396,275	1.01	1.11

Notes:

1. The audited consolidated net tangible assets of the Group attributable to owners of the Company as at March 31, 2025 is arrived at after deducting intangible assets attributable to owners of the Company of RMB25,183,000, from the audited consolidated net assets attributable to owners of the Company of RMB62,177,000 as at March 31, 2025 as extracted from the Accountants' Report set out in Appendix I to this prospectus.

2. The estimated net proceeds from the issue of Offer Shares pursuant to the Global Offering are based on 33,442,600 Shares at the Offer Price of HK$15.50 (equivalent to RMB14.12) and HK$12.90 (equivalent to RMB11.75) per Offer Share, being the high-end and low-end of the stated Offer Price range, after deduction of the estimated underwriting fees and commissions and other listing related expenses (excluding the listing expenses that have been charged to profit or loss during the Track Record Period). It does not take into account of any shares which may be allotted and issued (i) upon the exercise of the offer size adjustment option; or (ii) under restricted shares scheme.

   For the purpose of this unaudited pro forma financial information, the estimated net proceeds from the Global Offering are converted from Hong Kong dollars into Renminbi at an exchange rate of HK$1.00 to RMB0.91092, which was the exchange rate prevailing on July 18, 2025 with reference to the rate published by the People's Bank of China. No representation is made that Hong Kong dollar amounts have been, could have been or may be converted to Renminbi, or vice versa, at that rate or at all.

3. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Offer Share as at March 31, 2025 is arrived on the basis that 393,442,600 shares including 360,000,000 existing ordinary shares in issue and 33,442,600 Offer Shares were in issue assuming that the Global Offering had been completed on March 31, 2025 and it does not take into account of any shares which may be allotted and issued (i) upon the exercise of the offer size adjustment option; or (ii) under restricted shares scheme.

4. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share as at March 31, 2025 is converted from Renminbi to Hong Kong dollars at an exchange rate of RMB1.00 to HK$1.09779, which was the exchange rate prevailing on July 18, 2025 with reference to the rate published by the People's Bank of China. No representation is made that Renminbi amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate or at all.

5. No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at March 31, 2025 to reflect any trading result or other transaction of the Group entered into subsequent to March 31, 2025.

NO MATERIAL ADVERSE CHANGE

The Directors confirm that, up to the date of this prospectus, there have been no material adverse changes in our financial, operational, or trading position or prospects since March 31, 2025, being the date of the latest reporting period of our consolidated audited financial statements as set out in the Accountants' Report set out in Appendix I to this prospectus.

THE CORNERSTONE PLACING

Our Company, the Joint Sponsors and the Overall Coordinators have entered into cornerstone investment agreement (the "**Cornerstone Investment Agreement**") with the Cornerstone Investor set forth below (the "**Cornerstone Investor**") who has agreed to subscribe for such number of our Offer Shares (rounded down to the nearest whole board lot of 200 H Shares) which may be purchased at the Offer Price with an aggregate amount of US$13.0 million (approximately HK$102.0 million) (exclusive of the brokerage, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee) (the "**Cornerstone Placing**").

Assuming an Offer Price of HK$12.90 per Offer Share (being the low-end of the indicative Offer Price range set out in this prospectus), the total number of Offer Shares to be subscribed by the Cornerstone Investor would be 7,830,600 H Shares, representing approximately (i) 23.4% of the Offer Shares pursuant to the Global Offering, assuming that the Offer Size Adjustment Option is not exercised, (ii) 2.0% of our total issued share capital upon completion of the Global Offering and assuming that the Offer Size Adjustment Option is not exercised, and (iii) 2.0% of our total issued share capital upon completion of the Global Offering and assuming full exercise of the Offer Size Adjustment Option.

Assuming an Offer Price of HK$14.20 per Offer Share (being the mid-point of the indicative Offer Price range set out in this prospectus), the total number of Offer Shares to be subscribed by the Cornerstone Investor would be 7,113,600 H Shares, representing approximately (i) 21.3% of the Offer Shares pursuant to the Global Offering, assuming that the Offer Size Adjustment Option is not exercised, (ii) 1.8% of our total issued share capital upon completion of the Global Offering and assuming that the Offer Size Adjustment Option is not exercised, and (iii) 1.8% of our total issued share capital upon completion of the Global Offering and assuming full exercise of the Offer Size Adjustment Option.

Assuming an Offer Price of HK$15.50 per Offer Share (being the high-end of the indicative Offer Price range set out in this prospectus), the total number of Offer Shares to be subscribed by the Cornerstone Investor would be 6,517,000 H Shares, representing approximately (i) 19.5% of the Offer Shares pursuant to the Global Offering, assuming that the Offer Size Adjustment Option is not exercised, (ii) 1.7% of our total issued share capital upon completion of the Global Offering and assuming that the Offer Size Adjustment Option is not exercised, and (iii) 1.6% of our total issued share capital upon completion of the Global Offering and assuming full exercise of the Offer Size Adjustment Option.

We believe that the Cornerstone Placing demonstrates the Cornerstone Investor's confidence in our Group's business and prospects and leveraging on the Cornerstone Investor's investment experience and market position, the Cornerstone Placing will help to raise the profile of our Company. Our Company became acquainted with the Cornerstone Investor in its ordinary course of operation through the Group's business network.

The Cornerstone Placing will form part of the International Placing, and the Cornerstone Investor will not acquire any Offer Shares under the Global Offering (other than pursuant to the Cornerstone Investment Agreement). The Offer Shares to be subscribed by the Cornerstone Investor will rank *pari passu* in all respects with the fully paid Shares in issue and will be counted towards the public float of our Company for the purpose of Rule 8.08 of the Listing Rules. Such Offer Shares will not be counted towards the public float of our Company for the purpose of Rule 18A.07 of the Listing Rules. Immediately following the completion of the Global Offering, the Cornerstone Investor and its close associates will not, by virtue of the Cornerstone Placing, have any Board representation in our Company; and the Cornerstone Investor will not become a substantial Shareholder of our Company. Other than a guaranteed allocation of the relevant Offer Shares at the Offer Price, the Cornerstone Investor does not have any preferential rights in the Cornerstone Investment Agreement compared with other public Shareholders. Upon completion of the Global Offering, over 25% of our issued share capital will be held by the public as required under Rule 8.08(1)(a) of the Listing Rules and shares with a market capitalization of at least HK$375 million will be held by the public as required under Rule 18A.07 of the Listing Rules. As confirmed by the Cornerstone Investor, none of the Cornerstone Investor or its affiliates, directors, supervisors, officers, employees, agents or representatives, has accepted or entered into any side agreement or arrangement to accept any direct or indirect benefits by side letter or otherwise, from our Company, any member of our Group, or any of their respective affiliates, Directors, Supervisors, officers, employees, agents or representatives in the Global Offering or otherwise has engaged in any conduct or activity inconsistent with, or in contravention of, Chapter 4.15 of the Guide for New Listing Applicants.

To the best knowledge, information and belief of our Company, (i) the Cornerstone Investor and its ultimate beneficial owners are Independent Third Parties; (ii) the Cornerstone Investor is not accustomed to take or has taken instructions from our Company, the Directors, the Supervisors, chief executive of our Company, Controlling Shareholders, substantial Shareholders, existing Shareholders or any of their respective subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Offer Shares; and (iii) none of the subscription of the Offer Shares by the Cornerstone Investor is directly or indirectly financed by our Company, the Directors, the Supervisors, chief executive of our Company, Controlling Shareholders, substantial Shareholders, existing Shareholders or any of their respective subsidiaries or their respective close associates.

As confirmed by the Cornerstone Investor, its subscription under the Cornerstone Placing would be financed by its own internal financial resources to settle its investment under the Cornerstone Placing. The Cornerstone Investor has confirmed that all necessary approvals have been obtained with respect to the Cornerstone Placing.

The number of Offer Shares to be subscribed by the Cornerstone Investor pursuant to the Cornerstone Investment may be affected by reallocation of the Offer Shares between the International Placing and the Hong Kong Public Offering in the event of over-subscription under the Hong Kong Public Offering as described in the section headed "Structure of the Global Offering—The Hong Kong Public Offering—Reallocation."

Details of the actual number of Offer Shares to be allocated to the Cornerstone Investor will be disclosed in the allotment results announcement of our Company to be published on or around August 7, 2025. The Cornerstone Investor has agreed to pay for the relevant Offer Shares that it has subscribed before dealings in the Company's H Shares commence on the Stock Exchange. As such, there will be no deferred settlement of the investment amount for the Offer Shares to be subscribed by the Cornerstone Investor. Since there is no over-allotment option in the International Offering, there will be no delayed delivery of Offer Shares to be subscribed by the Cornerstone Investor.

OUR CORNERSTONE INVESTOR

The information about our Cornerstone Investor set forth below has been provided by the Cornerstone Investor in connection with the Cornerstone Placing.

The table below sets forth the details of the Cornerstone Placing:

Based on the Offer Price of HK$12.90 per Offer Share (being the low-end of the indicative Offer Price range)

			Assuming the Offer Size Adjustment Option is not exercised		Assuming the Offer Size Adjustment Option is fully exercised	
Cornerstone Investor	Total Investment Amount[1]	Number of Offer Shares to be acquired[2]	Approximate % of the Offer Shares	Approximate % of our total issued share capital immediately upon completion of the Global Offering	Approximate % of the Offer Shares	Approximate % of our total issued share capital immediately upon completion of the Global Offering
Jiaxing Xinyang and HTCI (in connection with Huatai Back-to-back TRS and Huatai Client TRS).	US$13.0 million	7,830,600	23.4%	2.0%	20.4%	2.0%
Total	**US$13.0 million**	**7,830,600**	**23.4%**	**2.0%**	**20.4%**	**2.0%**

Note 1: The investment amount is exclusive of the brokerage fee, the SFC transaction levy, the Stock Exchange trading fee, and the AFRC transaction levy.

Note 2: Subject to rounding down to the nearest whole board lot of 200 H Shares. Calculated based on the exchange rate set out in "Information about this Prospectus and the Global Offering—Exchange Rate Conversion."

Based on the Offer Price of HK$14.20 per Offer Share (being the mid-point of the indicative Offer Price range)

Cornerstone Investor	Total Investment Amount[1]	Number of Offer Shares to be acquired[2]	Assuming the Offer Size Adjustment Option is not exercised: Approximate % of the Offer Shares	Assuming the Offer Size Adjustment Option is not exercised: Approximate % of our total issued share capital immediately upon completion of the Global Offering	Assuming the Offer Size Adjustment Option is fully exercised: Approximate % of the Offer Shares	Assuming the Offer Size Adjustment Option is fully exercised: Approximate % of our total issued share capital immediately upon completion of the Global Offering
Jiaxing Xinyang and HTCI (in connection with Huatai Back-to-back TRS and Huatai Client TRS).	US$13.0 million	7,113,600	21.3%	1.8%	18.5%	1.8%
Total	**US$13.0 million**	**7,113,600**	**21.3%**	**1.8%**	**18.5%**	**1.8%**

Note 1: The investment amount is exclusive of the brokerage fee, the SFC transaction levy, the Stock Exchange trading fee, and the AFRC transaction levy.

Note 2: Subject to rounding down to the nearest whole board lot of 200 H Shares. Calculated based on the exchange rate set out in "Information about this Prospectus and the Global Offering—Exchange Rate Conversion."

Based on the Offer Price of HK$15.50 per Offer Share (being the high-end of the indicative Offer Price range)

Cornerstone Investor	Total Investment Amount[1]	Number of Offer Shares to be acquired[2]	Assuming the Offer Size Adjustment Option is not exercised: Approximate % of the Offer Shares	Assuming the Offer Size Adjustment Option is not exercised: Approximate % of our total issued share capital immediately upon completion of the Global Offering	Assuming the Offer Size Adjustment Option is fully exercised: Approximate % of the Offer Shares	Assuming the Offer Size Adjustment Option is fully exercised: Approximate % of our total issued share capital immediately upon completion of the Global Offering
Jiaxing Xinyang and HTCI (in connection with Huatai Back-to-back TRS and Huatai Client TRS).	US$13.0 million	6,517,000	19.5%	1.7%	16.9%	1.6%
Total	**US$13.0 million**	**6,517,000**	**19.5%**	**1.7%**	**16.9%**	**1.6%**

Note 1: The investment amount is exclusive of the brokerage fee, the SFC transaction levy, the Stock Exchange trading fee, and the AFRC transaction levy.

Note 2: Subject to rounding down to the nearest whole board lot of 200 H Shares. Calculated based on the exchange rate set out in "Information about this Prospectus and the Global Offering—Exchange Rate Conversion."

Jiaxing Xinyang and HTCI (in connection with the Huatai Back-to-back TRS and Huatai Client TRS)

Huatai Capital Investment Limited ("**HTCI**") will act as the single counterparty of a back-to-back total return swap transaction (the "**Huatai Back-to-back TRS**") to be entered into by HTCI and Huatai Securities Co., Ltd. ("**Huatai Securities**") in connection with a total return swap order (the "**Huatai Client TRS**") placed by and fully funded by ultimate client (the "**Ultimate Client (Xinyang)**"), by which HTCI will pass the full economic return and loss of the Offer Shares placed to HTCI to the Ultimate Client (Xinyang). The purpose of HTCI to subscribe for the Offer Shares is for hedging the Huatai Back-to-back TRS in connection with the Huatai Client TRS order placed by the Ultimate Client (Xinyang). HTCI will hold the beneficial interest in the Offer Shares for and on behalf of the Ultimate Client (Xinyang) on a non-discretionary basis, and will pass on the full economic return and loss of the Offer Shares ultimately to the Ultimate Client (Xinyang) through the Huatai Back-to-back TRS and the Huatai Client TRS, subject to customary fees and commissions. HTCI will not take part in any economic return or bear any economic loss in relation to the Offer Shares. The Ultimate Client (Xinyang) may, after expiration of the lock-up period beginning from the date of the cornerstone agreement entered into among HTCI, the Company, the Joint Sponsors and the Overall Coordinators, and ending on the date which is six months from the Listing Date, request to early terminate the Huatai Client TRS at its own discretion. Upon the final maturity or early termination of the Huatai Client TRS by the Ultimate Client (Xinyang), HTCI will accordingly terminate the Huatai Back-to-back TRS and dispose of the Offer Shares on the secondary market and the Ultimate Client (Xinyang) will receive a final settlement amount of the Huatai Client TRS in cash in accordance with the terms and conditions of the Huatai Back-to-back TRS and the Huatai Client TRS. HTCI will not exercise the voting right of the Offer Shares during the tenor of the Huatai Back-to-back TRS.

To the best of HTCI's knowledge after having made all reasonable inquiries, the Ultimate Client (Xinyang) is an Independent Third Party of (i) the Company and its connected persons, and (ii) HTCI and the companies which are members of the same group of HTCI.

HTCI is an indirectly wholly-owned subsidiary of Huatai Securities, the shares of which are listed on the Shanghai Stock Exchange (stock code: 601688) and the Stock Exchange (stock code: 6886), and the global depositary receipts of which are listed on the London Stock Exchange (LON: HTSC).

The Ultimate Client (Xinyang) is Xinyang Tianyi Private Securities Investment Fund (鑫揚天一私募證券投資基金), a private investment scheme managed by Jiaxing Xinyang Private Equity Asset Management Co., Ltd. (嘉興鑫揚私募基金管理有限公司) ("**Jiaxing Xinyang**") on a discretionary basis. Jiaxing Xinyang is a company established in the PRC, which is engaged in private equity investment fund management services with assets under management of RMB98.0 million. Jiaxing Xinyang holds the Qualification of Private Investment Fund Manager (私募投資基金管理人資格) accredited by the Asset Management Association of China (中國證券投資基金業協會). Jiaxing Xinyang is ultimately controlled by Chen Xian (陳先), an Independent Third Party. As confirmed by Jiaxing Xinyang, there is no single ultimate beneficial owner holding 30% or more interests in the Ultimate Client (Xinyang).

HTCI has invested in, without limitation, Zhejiang Sanhua Intelligent Controls Co., Ltd. (stock code: 2050), Anjoy Foods Group Co., Ltd. (stock code: 2648) and Nanjing Leads Biolabs Co., Ltd. (stock code: 9887). Jiaxing Xinyang has experience participating as a financial investor in restructurings of listed companies through equity investments, including Shandong Oriental Ocean Sci-Tech Co., Ltd. (山東東方海洋科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002086).

CLOSING CONDITIONS

The obligation of the Cornerstone Investor to acquire the Offer Shares under the Cornerstone Investment Agreement is subject to, among other things, the following closing conditions:

(i) the Hong Kong Underwriting Agreement and the International Underwriting Agreement being entered into and having become effective and unconditional (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in the Hong Kong Underwriting Agreement and the International Underwriting Agreement, and neither the Hong Kong Underwriting Agreement nor the International Underwriting Agreement having been terminated;

(ii) the Offer Price having been agreed upon between the Company and the Overall Coordinators (for themselves and on behalf of the underwriters of the Global Offering);

(iii) the Listing Committee having granted the approval for the listing of, and permission to deal in, the H Shares (including the H Shares under the Cornerstone Placing) as well as other applicable waivers and approvals and such approval, permission or waiver having not been revoked prior to the commencement of dealings in the H Shares on the Stock Exchange;

(iv) the CSRC having accepted of the Company's filing and published the filing results in respect of the Company's filing on its website, and such notice of acceptance and/or filing results published not having otherwise been rejected, withdrawn, revoked or invalidated prior to the commencement of dealings in the H Shares on the Stock Exchange;

(v) no laws shall have been enacted or promulgated which prohibits the consummation of the transactions contemplated in the Global Offering or the Cornerstone Investment Agreement, and there being no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions; and

(vi) the agreement, representations, warranties, acknowledgements, undertakings and confirmations of the Cornerstone Investor under the Cornerstone Investment Agreement are (as of the date of the Cornerstone Investment Agreement) and will be (as of the Listing Date) accurate and true in all respects and not misleading and that there is no breach of the Cornerstone Investment Agreement on the part of the Cornerstone Investor.

RESTRICTIONS ON THE CORNERSTONE INVESTOR

The Cornerstone Investor has agreed that without the prior written consent of our Company, the Joint Sponsors and the Overall Coordinators, it will not, whether directly or indirectly, at any time during the period of six months following the Listing Date (both days inclusive) (the "**Lock-up Period**"), dispose of, in any way, any of the Offer Shares it has purchased, pursuant to the Cornerstone Investment Agreement.

FUTURE PLANS

See "Business—Our Strategies" for a detailed description of our future plans.

USE OF PROCEEDS

We estimate that we will receive net proceeds of approximately HK$420.5 million after deducting the underwriting fees and expenses payable by us in the Global Offering assuming an Offer Price of HK$14.20 per Offer Share, being the mid-point of the indicative Offer Price range of HK$12.90 to HK$15.50 per Offer Share set out in this prospectus, and assuming the Offer Size Adjustment Option is not exercised. We intend to use the net proceeds from the Global Offering for the following purposes:

(i) approximately 63.6%, or HK$266.9 million, will be allocated to the development and domestic and international registration of our Core Products, of which:

  (a) approximately 32.4%, or HK$135.9 million, will be used for the continuing R&D and overseas market registration of our quadrivalent subunit influenza vaccine:

    (1) approximately 17.3%, or HK$72.8 million, will be used for the NMPA-required post-approval studies of our vaccine's protective efficacy, for which we plan to enroll approximately 10,000 participants. We expect to initiate the protective efficacy studies in the second quarter of 2026 after we obtain the NDA approval for its use in individuals aged 6-35 months and complete the study in the first half of 2028. The number of participants for each of the two studies is designed to assess vaccine safety or efficacy with sufficient statistical confidence, aiming to ensure reliable and valid results. We account for potential data limitations such as undetected cases and dropout rates, and determine participant numbers based on robust statistical methods commonly used in vaccine trials;

    (2) approximately 6.6%, or HK$27.6 million, will be used for the overseas market registration of the vaccine, covering fees related to product registration process with the relevant regulatory agencies (including for local CROs and additional studies if necessary), document processing and translation, third-party consulting (for programs such as Pharmaceutical Inspection Co-operation Scheme and WHO Prequalification Program), regional GMP certifications and on-site inspections, as well as relevant international legal, business and marketing services. We initiated the registration application process in the Philippines in November 2024 and plan to apply for registration, in sequential order, in Indonesia, Thailand and Uruguay in 2025 and in Canada, Singapore, Mexico and Hong Kong in 2026;

(3) approximately 5.1%, or HK$21.2 million, will be used for the NMPA-required post-approval immunization protocol study among individuals aged 3-8 years. The study is an exploratory study. Its endpoints include the differences in immunogenicity and safety between a one-dose regimen and a two-dose regimen in the 3-8 years age group, focusing solely on a comparative analysis. We plan to enroll approximately 1,000 participants and expect to initiate the study in the first half of 2026 and complete it in the first half of 2027;

(4) approximately 1.7%, or HK$7.3 million, will be used for studies of our vaccine in special populations, including studies on the safety and immunogenicity of our vaccine in children with nephrotic syndrome and pregnant women. We initiated participant enrollment for the study in children with nephrotic syndrome in March 2025 and expect to initiate participant enrollment for the study in pregnant women in the fourth quarter of 2025;

(5) approximately 1.7%, or HK$7.0 million, will be used for the study of the co-administration of our quadrivalent subunit influenza vaccine and a marketed PPSV23, for which we had formulated a trial design and were in the process of selecting appropriate CDCs for collaboration as of the Latest Practicable Date; and

(b) approximately 31.2%, or HK$131.0 million, will be used for the Phase III clinical trial and registration of our lyophilized human rabies vaccine candidate, which we expect to initiate in the third quarter of 2025;

(ii) approximately 18.1%, or HK$76.4 million, will be allocated to the development and registration of our other vaccine candidates, of which:

(a) approximately 6.9%, or HK$29.1 million, will be used for the Phase I and Phase II clinical trials of our recombinant zoster vaccine candidate, which we initiated in February and July 2025, respectively;

(b) approximately 5.2%, or HK$21.8 million, will be used for the Phase III clinical trial and registration of our PPSV23 candidate, which we expect to initiate in the fourth quarter of 2025 or the first quarter of 2026;

(c) approximately 2.6%, or HK$10.9 million, will be used for the Phase I clinical trials of our adjuvanted quadrivalent and trivalent subunit influenza vaccines which we expect to initiate in the fourth quarter of 2025;

(d) approximately 1.7%, or HK$7.3 million, will be used for the Phase I and Phase II clinical trials of our recombinant RSV vaccine candidate, which we expect to initiate in the first or second quarter of 2026, after we obtain the relevant IND approval; and

(e) approximately 1.7%, or HK$7.3 million, will be used for the preclinical studies of our other vaccine candidates;

(iii) approximately 8.4%, or HK$35.4 million, will be allocated to the enhancement of our manufacturing and commercialization capabilities, of which:

(a) approximately 4.8%, or HK$20.2 million, will be used for upgrading our manufacturing facilities and equipment for our quadrivalent subunit influenza vaccine and human rabies vaccine candidate, including (1) implementing two fully automated packaging lines, (2) enhancing the digital infrastructure for manufacturing management and related systems such as manufacturing execution system (MES), warehouse management system (WMS), quality management system (QMS) and others, (3) installing a waste material processing system, (4) deploying a fully automated liquid preparation system and (5) installing an automated filling line. Such upgrades are expected to improve our operational efficiency in the manufacturing process. For example, the digitization upgrades will enable system-wide integration, where an enterprise service bus message can trigger MES production processes, WMS materials dispatch, and subsequent QMS quality checks in real time, forming a seamless data loop. Similarly, the fully automated packaging and filling lines will improve speed and consistency, reducing labour costs and downtime; and

(b) approximately 3.6%, or HK$15.2 million, will be used for the expansion of our sales and marketing team, including the addition of approximately 30 individuals to the team, comprising about 10 product training personnel and marketing specialists in marketing, about 10 regional directors and provincial managers in sales and about 10 members in medical affairs and sales operations (including personnel responsible for overseas markets). Our sales team is responsible for the sale of our quadrivalent subunit influenza vaccines and to prepare for the future commercialization of our other vaccine candidates. Our marketing team is responsible for formulating overall marketing and promotion strategies, attending academic conferences and communicating with CDCs on medical and scientific information of our vaccine products. Our medical affairs team is responsible for post-approval studies of the vaccine in different geographic areas. Our sales operations team is responsible for management of third-party marketing service providers, order management and shipment;

(iv) approximately 4.9%, or HK$20.8 million, will be allocated to the development, upgrade and operation of our technology platforms, including our genetic engineering and protein expression and purification platform, mRNA vaccine research platform, adjuvant development and production platform, large-scale amplification platform, polysaccharide conjugation technology platform and microbes and immunity research platform. For example, the genetic engineering and protein expression platform will undergo improvements such as molecular biology laboratory construction, which could enable us to (a) optimize antigen design to enhance immunogenicity, (b) deploy automated liquid handling systems and high-throughput polymerase chain reaction instruments to achieve a complete design-experiment-validation loop and (c) isolate the initial generation human embryonic lung cells, and establish them into cell lines which can be used for manufacturing once they meet all required qualifications. Meanwhile, the mRNA vaccine research platform will primarily focus on engineering and optimization of mRNA antigen molecules, the optimization of mRNA vaccine formulations and the optimization of lipid nanoparticle (LNP) processes, which are essential for the future production of GMP samples for the mRNA RSV and mRNA mpox vaccine candidates. We expect the adjuvant development platform to achieve pilot-scale GMP production of emulsion adjuvants, aluminium adjuvants and liposomal adjuvants, with a focus on optimizing adjuvant adsorption processes and studying adjuvant-antigen interactions, and incorporate a new liquid chromatography-mass spectrometry (LC-MS) system to enhance adjuvants quality control; and

(v) approximately 5.0%, or HK$21.0 million, will be allocated to working capital and other general corporate purposes.

The above allocation of the proceeds will be adjusted on a pro rata basis in the event that the Offer Price is fixed at a higher or lower level compared to the mid-point of the indicative Offer Price range. If the Offer Price is set at HK$15.50 per Share, being the high end of the indicative Offer Price range, the net proceeds from the Global Offering will increase by approximately HK$41.7 million. If the Offer Price is set at HK$12.90 per Share, being the low end of the indicative Offer Price range, the net proceeds from the Global Offering will decrease by approximately HK$41.8 million.

In the event that the Offer Size Adjustment Option is exercised in full, the additional net proceeds that we would receive would be HK$68.3 million (assuming an Offer Price of HK$14.20 per Share, being the mid-point of the indicative Offer Price range). Additional net proceeds received due to the exercise of any Offer Size Adjustment Option will be used for the above purposes on a pro rata basis.

If the net proceeds are not immediately applied to the above purposes, we will 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, and the relevant applicable laws in the relevant jurisdiction for non-Hong Kong based deposits). We will make an appropriate announcement if there is any change to the above proposed use of proceeds.

HONG KONG UNDERWRITERS

CLSA Limited
CMB International Capital Limited
Livermore Holdings Limited
Funde Securities Limited
Aristo Securities Limited
BOCI Asia Limited
ICBC International Securities Limited

UNDERWRITING

This prospectus is published solely in connection with the Hong Kong Public Offering. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters on a conditional basis. The International Offering is expected to be fully underwritten by the International Underwriters.

The Global Offering comprises the Hong Kong Public Offering of initially 3,344,400 Hong Kong Offer Shares and the International Offering of initially 30,098,200 International Offering Shares, subject, in each case, to reallocation on the basis as described in the section headed "Structure of the Global Offering" in this prospectus as well as to the Offer Size Adjustment Option (in the case of the International Offering).

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, the Company is offering the Hong Kong Offer Shares for subscription on the terms and conditions set out in this prospectus and the Hong Kong Underwriting Agreement at the Offer Price.

Subject to (a) the Listing Committee granting approval for the listing of, and permission to deal in, the H Shares (including any additional H Shares that may be issued pursuant to the exercise of the Offer Size Adjustment Option) on the Main Board of the Stock Exchange and such approval not having been subsequently revoked prior to the commencement of trading of the H Shares on the Stock Exchange and (b) certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally but not jointly to procure subscribers for, or themselves to subscribe for, their respective applicable proportions of the Hong Kong Offer Shares being offered which are not taken up under the Hong Kong Public Offering on the terms and conditions set out in this prospectus and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional on, among other things, the International Underwriting Agreement having been executed and becoming unconditional and not having been terminated in accordance with its terms.

Grounds for termination

If any of the events set out below occur at any time prior to 8:00 a.m. on the Listing Date, the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) shall be entitled to, in their sole and absolute discretion and upon giving notice orally or in writing to the Company to terminate the Hong Kong Underwriting Agreement with immediate effect:

(i) there shall develop, occur, exist or come into force:

(a) 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 Hong Kong, the PRC, Singapore, Japan, the United States, the United Kingdom, or the European Union (or any member thereof) or any other jurisdiction relevant to any member of the Group (each a "**Relevant Jurisdiction**"); or

(b) 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 or development, in local, national, regional or international financial, political, military, industrial, economic, currency market, fiscal or regulatory or market conditions or any monetary or trading settlement system (including, without limitation, conditions in stock and bond markets, money and foreign exchange markets and inter-bank markets, a change in the system under which the value of the Hong Kong currency is linked to that of the currency of the United States or a change of the Hong Kong dollars or of the Renminbi against any foreign currencies) in or affecting any Relevant Jurisdiction; or

(c) any event or series of events, whether in continuation, or circumstances in the nature of force majeure (including, without limitation, acts of government, labor disputes, strikes, lock-outs, fire, explosion, earthquake, flooding, tsunami, volcanic eruption, civil commotion, riots, rebellion, public disorder, acts of war (whether declared or undeclared), acts of terrorism (whether or not responsibility has been claimed), acts of God, accident or interruption in transportation, destruction of power plant, outbreak, escalation, mutation or aggravation of diseases, epidemics or pandemics including, but not limited to, SARS, swine or avian flu, H5N1, H1N1, H1N7, H7N9, Ebola virus, Middle East respiratory syndrome (MERS), COVID-19 and such related/mutated forms, economic sanction, in whatever form) in or directly or indirectly affecting any Relevant Jurisdiction; or

(d) any local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared) or other state of emergency or calamity or crisis in whatever form) political change, paralysis of government operations, interruption or delay in transportation, other industry action in or directly or indirectly affecting any Relevant Jurisdiction; or

(e) 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 of any other member of the Group listed or quoted on a stock exchange or an over-the-counter market, or trading in securities generally on the Stock Exchange, the New York Stock Exchange, the NYSE Amex, the NASDAQ Global Market, the London Stock Exchange, the Tokyo Stock Exchange, the Singapore Stock Exchange, the Shanghai Stock Exchange or the Shenzhen Stock Exchange; or

(f) any general moratorium on commercial banking activities in Hong Kong (imposed by the Financial Secretary or the Hong Kong Monetary Authority or other competent governmental authority), New York (imposed at Federal or New York State level or other competent governmental authority), London, Singapore, the PRC, the European Union (or any member thereof), or any Relevant Jurisdiction or any disruption in commercial banking or foreign exchange trading or securities settlement or clearance services, procedures or matters in any Relevant Jurisdiction; or

(g) any (A) change or prospective change in exchange controls, currency exchange rates or foreign investment regulations (including, without limitation, a change of the Hong Kong dollars or RMB against any foreign currencies, a change in the system under which the value of the Hong Kong dollars is linked to that of the United States dollars or RMB is linked to any foreign currency or currencies), or (B) any change or prospective change in taxation in any Relevant Jurisdiction adversely affecting an investment in the H Shares; or

(h) the imposition of sanctions or economic sanctions or the withdrawal of trading privileges, in whatever form, in or affecting any Relevant Jurisdiction on the Company or any member of the Group; or

(i) any change or development involving a prospective change which has the effect of materialisation of any of the risks set out in the section headed "Risk Factors" in this prospectus; or

(j) any litigation, dispute or claim being threatened or instigated against, or any governmental authority or any regulatory body or organization in any Relevant Jurisdiction commencing any investigation, action or proceedings, or announcing an intention to investigate or take other action or proceedings, the

Company, any member of the Group, any Director, any Supervisor or any Controlling Shareholders, or any litigation, dispute or claim being threatened or instigated which would affect the operation, financial condition, reputation or composition of the board of the Group; or

(k) any contravention of the Companies Ordinance, the PRC Company Law, the Listing Rules or any other law by the Company, any any member of the Group, any Director, any Supervisor or any Controlling Shareholders; or

(l) any of the Supervisors or the chief financial officer of the Company vacating his or her office; or

(m) any of the Supervisors or the chief financial officer of the Company being charged with an indictable offence or prohibited by operation of laws or otherwise disqualified from taking part in the management of a company or the commencement by any governmental, political, regulatory body of any action against any of them or any announcement by any governmental, political, regulatory body that it intends to take any such action; or

(n) non-compliance of this prospectus, the CSRC Filings (as defined in the Hong Kong Underwriting Agreement) or any other documents used in connection with the contemplated subscription and sale of the Offer Shares or any aspect of the Global Offering with the Listing Rules, the CSRC Rules (as defined in the Hong Kong Underwriting Agreement) or any other applicable law; or

(o) any order or petition for, or any demand by creditors for repayment of indebtedness or a petition being presented for the winding-up or liquidation of any member of the Group, or any member of the Group making any composition or arrangement with its creditors or entering into a scheme of arrangement or any resolution being passed for the winding-up of any member of the Group or a provisional liquidator, receiver or manager being 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;

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): (A) has or will have or may have a material adverse change or a material adverse effect or any development involving a prospective material adverse change or a prospective material adverse effect, whether directly or indirectly, on or affecting the assets, liabilities, general affairs, business, management, performance, shareholders' equity, position or condition (financial or otherwise), results of operations, or prospects of the Group, taken as a whole, or material adverse effect to any present or prospective shareholder of the Company in its capacity as such; or (B) has or will have or may have a material adverse effect on the success of the Global Offering or the level of Offer Shares

being applied for or accepted or subscribed for or purchased or the distribution of Offer Shares and/or has made or is likely to make or may make it impracticable or inadvisable or incapable for any material part of the Hong Kong Underwriting Agreement, the Hong Kong Public Offering or the Global Offering to be performed or implemented as envisaged; or (C) makes or will make it or may make it impracticable or inadvisable or incapable to proceed with the Hong Kong Public Offering and/or the Global Offering or the delivery of the Offer Shares on the terms and in the manner contemplated by this Prospectus, the formal notice, the preliminary offering circular or the offering circular; or (D) would have or may have the effect of making a part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or which prevents the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof.

(ii) there has come to the notice of the the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) that:

(a) that any statement contained in the Offering Documents (as defined in the Hong Kong Underwriting Agreement), the Operative Documents (as defined in the Hong Kong Underwriting Agreement), the preliminary offering circular 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) was or has become untrue, incomplete, incorrect in any material respect or misleading or any forecasts, estimate, expressions of opinion, intention or expectation expressed in the Offering Documents and/or any notices, announcements, advertisements, communications so issued or used are not fair and honest and made on reasonable grounds or, where appropriate, based on reasonable assumptions, when taken as a whole; or

(b) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this prospectus, not having been disclosed in the Offering Documents, constitutes a material omission therefrom; or

(c) either (i) there has been a material breach of any of the undertakings and provisions of either this Agreement or the International Underwriting Agreement by any of the Company and the Concert Party Group or (ii) any of the undertakings given by the Company and the Concert Party Group in this Agreement or the International Underwriting Agreement, as applicable, is (or would when repeated be) untrue, incorrect, incomplete in any material respects or misleading; or

(d) any breach of, or any event or matter or arising or has been discovered, or circumstance rendering untrue, inaccurate, incorrect, incomplete or misleading in any respect, any of the representations, warranties and undertakings given by he Company and the Concert Party Group in the Hong Kong Underwriting Agreement or the International Underwriting Agreement, as applicable; or

(e) any of the Directors or the chief executive officer of the Company vacating his or her office; or

(f) any of the Directors or the chief executive officer of the Company being charged with an indictable offence or prohibited by operation of laws or otherwise disqualified from taking part in the management of a company or the commencement by any governmental, political, regulatory body of any action against any of them or any announcement by any governmental, political, regulatory body that it intends to take any such action; or

(g) any event, act or omission which gives or is likely to give rise to any liability of the Company and the Concert Party Group pursuant to the indemnities given by the Company and the Concert Party Group under the Hong Kong Underwriting Agreement; or

(h) any breach of any of the obligations of the Company and the Concert Party Group under the Hong Kong Underwriting Agreement or the International Underwriting Agreement; or

(i) a material portion of the orders in the bookbuilding process at the time of the International Underwriting Agreement is entered into, or the investment commitments by any cornerstone investors after signing of agreements with such cornerstone investors, have been withdrawn, terminated or cancelled; or

(j) the issue or requirement to issue by the Company of a supplemental or amendment to the prospectus, preliminary offering circular or offering circular or other documents in connection with the offer and sale of the H Shares pursuant to the Companies Ordinance, Companies (Winding Up and Miscellaneous Provisions) Ordinance or the Listing Rules or upon any requirement or request of the Stock Exchange, the SFC or the CSRC; or

(k) any expert, whose consent is required for the issue of this prospectus with the inclusion of its reports, letters or opinions and references to its name included in the form and context in which it respectively appears, has withdrawn its respective consent prior to the issue of this prospectus; or

(l) any material adverse change or prospective material adverse change or development involving a prospective material adverse change in the assets, business, general affairs, management, shareholder's equity, earnings, profits, losses, properties, results of operations, business prospects, financial or trading position or condition (financial or otherwise) or prospects of the Group, as a whole; or

(m) a prohibition on the Company for whatever reason from allotting, issuing or selling the H Shares (including the Offer Size Adjustment Option Shares (if any)) pursuant to the terms of the Global Offering; or

(n) admission (as defined in the Hong Kong Underwriting Agreement) is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the admission is subsequently withdrawn, canceled, qualified (other than by customary conditions), revoked or withheld; or

(o) the Company has withdrawn the Offering Documents (and/or any other documents issued or used in connection with the Global Offering) or the Global Offering,

then the Joint Sponsors and the Overall Coordinators may, for themselves and on behalf of the Hong Kong Underwriters, in their sole and absolute discretion and upon giving notice in writing to the Company, terminate the Hong Kong Underwriting Agreement with immediate effect.

Undertakings to the Stock Exchange pursuant to the Listing Rules

Undertakings by the Company

Pursuant to Rule 10.08 of the Listing Rules, the Company has undertaken to the Stock Exchange that it will not issue any further Shares or securities convertible into equity securities of the Company (whether or not of a class already listed) or enter into any agreement to such issue within six months from the Listing Date (whether or not such issue of Shares or securities will be completed within six months from the Listing Date), except pursuant to the Global Offering, the exercise of the Offer Size Adjustment Option or for the circumstances permitted under Rule 10.08 of the Listing Rules.

Undertakings by Our Controlling Shareholders

Pursuant to Rule 10.07(1) of the Listing Rules, each member of our Controlling Shareholders has undertaken to the Stock Exchange and to the Company that, he/it shall not and shall procure that the relevant registered holder(s) shall not:

(a) in the period commencing on the date by reference to which disclosure of his/its shareholding in the Company is made in this prospectus and ending on the date which is six months from the Listing Date (the "**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 the securities in respect of which its/his is shown by this prospectus to be the beneficial owner(s); and

(b) in the period of six months commencing from the expiry of the 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 the securities referred to in paragraph (a) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, that its/his would cease to be a controlling shareholder.

Note (2) to Rule 10.07(2) of the Listing Rules provides that Rule 10.07 does not prevent a Controlling Shareholder from using the Shares beneficially owned by him/it as security (including a charge or 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.

Pursuant to Note (3) to Rule 10.07(2) of the Listing Rules, each of our Controlling Shareholders has further undertaken to the Stock Exchange and to the Company that within the period commencing on the date by reference to which disclosure of his/its shareholding in the Company is made in this prospectus and ending on the date which is six months from the Listing Date, he/it shall:

(i) when he/it pledges or charges any securities of the Company beneficially owned by it/him 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 pursuant to Note (2) to Rule 10.07(2) of the Listing Rules, immediately inform the Company of such pledge/charge together with the number of securities so pledged/charged; and

(ii) when he/it receives indications, either verbal or written, from the pledgee/chargee that any of the pledged/charged securities of the Company will be disposed of, immediately inform the Company of such indications.

We will inform the Stock Exchange as soon as we have been informed of the matters referred to in paragraph (i) and (ii) above (if any) by any Controlling Shareholder and subject to the requirements of the Listing Rules disclose such matters by way of an announcement which is published 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 the Company

Except pursuant to the Global Offering (including pursuant to the Offer Size Adjustment Option), at any time during the period commencing on (and inclusive of) the date of the Hong Kong Underwriting Agreement and ending (and inclusive of) the date falling six months after the Listing Date (the "**First Six Month Period**"), the Company has undertaken 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 that it will not, without the prior written consent of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) (such consent shall not be unreasonably withheld) and unless in compliance with the requirements of the Listing Rules:

(i) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, assign, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or 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 legal or beneficial interest in the share capital or any other securities of the Company, as applicable, or any interest in any of the foregoing (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 share capital or other securities of the Company or such other member of the Group, as applicable), or deposit any share capital or other equity securities of the Company, as applicable, 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 the H Shares or any other equity securities of the Company, as applicable, or any interest in any of the foregoing (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 H Shares or any other equity securities of the Company); or

(iii) enter into any transaction with the same economic effect as any transaction described in paragraphs (i) or (ii) above; or

(iv) offer to or agree to do any of the foregoing or announce any intention to do so,

in each case, whether any of the transactions specified in (i), (ii) or (iii) above is to be settled by delivery of share capital or such other equity securities, in cash or otherwise (whether or not the issue of such share capital or other securities will be completed within the First Six Month Period). The Company further agrees that, in the event the Company is allowed to enter into any of the transactions described in (i), (ii) or (iii) above or offers to or agrees to or announces any intention to effect any such transaction during the period of six months commencing on the date on which the First Six Month Period expires (the "**Second Six Month Period**"), it will take all reasonable steps to ensure that such an issue or disposal will not, and no other act of the Company will, create a disorderly or false market for any H Shares or other securities of the Company.

Each of Mr. An, Jiangsu Tiaoyu and Mr. He (collectively, the "**Warranting Shareholders**") undertakes to each of the Overall Coordinators, the Joint Sponsors, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters to procure the Company and each other member of the Group to comply with the undertakings above.

(B) Undertakings by Our Controlling Shareholders

Each of our Controlling Shareholders has undertaken to each of the 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, and agree and undertake to procure each of the Controlling Shareholders that, except pursuant to the Global Offering (including pursuant to the Offer Size Adjustment Option), without the prior written consent of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters):

(a) during the First Six-Month Period, none of them will, and each of them will procure that the relevant registered holder(s) will not:

(i) offer, accept subscription for, pledge, charge, allot, issue, sell, lend, mortgage, assign, contract to allot, issue or sell, sell any option 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, lend 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, or repurchase any Shares or other securities of the Company, as applicable, or any interest in any of the foregoing (including, but not limited to, any securities that are 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 other securities of the Company, as applicable, or deposit any share capital or other securities of the Company, as applicable, with a depository in connection with the issue of depository receipts) legally or beneficially owned by it/him as at the Listing Date (the "**Locked-up Securities**"); 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 such Locked-up Securities, as applicable, or any interest in any of the foregoing (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 such Locked-up Securities); or

(iii) enter into any transaction with the same economic effect as any transaction specified in (i) or (ii) above; or

(iv) offer to or agree to do any of the foregoing or announce any intention to do so,

in each case, whether any of the foregoing transactions is to be settled by delivery of share capital or such other securities, in cash or otherwise (whether or not the settlement or delivery of such Shares or other securities will be completed within the First Six-Month Period).

(b) during the Second Six-Month Period, it/he will not enter into any transaction described in (a)(i), (a)(ii) or (a)(iii) above or offer, agree or contract to or publicly announce any intention to enter into any such transaction, if, immediately following such transaction, he/it will cease, whether individually or collectively with the other Controlling Shareholders, to be a "controlling shareholder" (as the term is defined under the Listing Rules) 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 (a)(i), (a)(ii) or (a)(iii) above or offers to or agrees to or announces any intention to effect any such transaction, he/it will take all reasonable steps to ensure that he/it will not create a disorderly or false market in the securities of the Company.

Hong Kong Underwriters' interests in the Company

Save for their respective obligations under the Hong Kong Underwriting Agreement, as of the Latest Practicable Date, none of the Hong Kong Underwriters was interested, legally or beneficially, directly or indirectly, in any Shares or any securities of any member of the Group or had any right or option (whether legally enforceable or not) to subscribe for or purchase, or to nominate persons to subscribe for or purchase, any Shares or any securities of any member of the Group.

Following the completion of the Global Offering, the Hong Kong Underwriters and their affiliated companies may hold a certain portion of the Shares as a result of fulfilling their respective obligations under the Hong Kong Underwriting Agreement.

International Offering

International Underwriting Agreement

In connection with the International Offering, the Company and the Warranting Shareholders expect to enter into the International Underwriting Agreement with, among others, the International Underwriters. Under the International Underwriting Agreement and subject to the Offer Size Adjustment Option, the International Underwriters would, subject to certain conditions set out therein, agree severally but not jointly to procure subscribers for, or themselves to subscribe for, their respective applicable proportions of the International Offering Shares initially being offered pursuant to the International Offering. It is expected that the International Underwriting Agreement may be terminated on similar grounds as the Hong Kong Underwriting Agreement. Potential investors should note that in the event that the International Underwriting Agreement is not entered into, the Global Offering will not proceed. See "Structure of the Global Offering—The International Offering" in this prospectus.

Offer Size Adjustment Option

The Company is expected to grant to the International Underwriters the Offer Size Adjustment Option, exercisable by the Overall Coordinators (for themselves and on behalf of the International Underwriters) on or before the second Business Day prior to the Listing Date and will lapse immediately thereafter, in writing, to require our Company to allot and issue up to an aggregate of 5,016,200 additional H Shares, representing approximately 15% of the number of Offer Shares initially available under the Global Offering, at the Offer Price, to cover, among other things, any excess demand in the International Offering at the absolute discretion of the Overall Coordinators. The Offer Size Adjustment Option provides flexibility for the Overall Coordinators to increase the number of Offer Shares available for purchase under the International Offering to cover additional market demand. See "Structure of the Global Offering—Offer Size Adjustment Option."

Commissions and Expenses

The Underwriters and the Capital Market Intermediaries will receive an underwriting commission of 3.00% of the aggregate Offer Price of all the Offer Shares (including any Offer Shares to be issued pursuant to the exercise of the Offer Size Adjustment Option) (the "**Fixed Fees**"), out of which they will pay any sub-underwriting commissions and other fees.

In addition, the Company may, at its sole discretion, pay to any one or more of the Underwriters and the Capital Market Intermediaries a discretionary incentive fee of an aggregate of up to 1.00% of the Offer Price for each Offer Share to be issued by the Company under the Global Offering (including any Offer Shares to be issued pursuant to the exercise of the Offer Size Adjustment Option) (the "**Discretionary Fees**"). Assuming that the Offer Price is fixed at HK$14.20 per Offer Share (being the mid-point of the indicative Offer Price range stated in this prospectus), the Discretionary Fees are paid in full and the Offer Size Adjustment Option is exercised in full, the ratio of the Fixed Fees and Discretionary Fees payable is therefore approximately 59.7:40.3.

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, and such commission will be paid to the relevant International Underwriters.

The aggregate underwriting commissions and fees together with the Stock Exchange listing fees, the SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee, legal and other professional fees and printing and all other expenses relating to the Global Offering are estimated to be approximately HK$54.42 million (based on the mid-point of the indicative price range for the Global Offering and assuming that the Offer Size Adjustment Option is not exercised).

Indemnity

The Company has agreed to indemnify 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 or incur, including losses arising from their performance of their obligations under the Hong Kong Underwriting Agreement and any breach by the Company of the Hong Kong Underwriting Agreement.

ACTIVITIES BY SYNDICATE MEMBERS

The underwriters of the Hong Kong Public Offering and the International Offering (together, the "**Syndicate Members**") and their affiliates may each individually undertake a variety of activities (as further described below) which do not form part of the underwriting process.

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 the ordinary course of their various business activities, the Syndicate Members and their respective affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers. Such investment and trading activities may involve or relate to assets, securities and/or instruments of the Company and/or persons and entities with relationships with the Company and may also include swaps and other financial instruments entered into for hedging purposes in connection with the Group's loans and other debt.

In relation to the Shares, the activities of the Syndicate Members and their affiliates could include acting as agent for buyers and sellers of the Shares, entering into transactions with those buyers and sellers in a principal capacity, including as a lender to initial purchasers of the Shares (which financing may be secured by the Shares) in the Global Offering, proprietary trading in the Shares, and entering into over the counter or listed derivative transactions or listed or unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have their underlying assets including the Shares. Such transactions may be carried out as bilateral agreements or trades with selected counterparties. Those activities may require hedging activity by those entities involving, directly or indirectly, the buying and selling of the Shares, which may have a negative impact on the trading price of the 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 Shares, in baskets of securities or indices including the Shares, in units of funds that may purchase the 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 Shares as their underlying securities, whether on the Stock Exchange or on any other stock exchange, the rules of the stock 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 Shares in most cases.

No stabilizing manager will be appointed, and it is anticipated that no stabilization activities will be carried out in relation to the Global Offering.

Such activities may affect the market price or value of the Shares, the liquidity or trading volume in the Shares and the volatility of the price of the Shares, and the extent to which this occurs from day to day cannot be estimated.

It should be noted that when engaging in any of these activities, the Syndicate Members will be subject to certain restrictions, including the following:

(a) the Syndicate Members 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) the Syndicate Members must comply with all applicable laws and regulations, including the market misconduct provisions of the SFO, including the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

Certain of the Syndicate Members or their respective affiliates have provided from time to time, and expect to provide in the future, investment banking and other services to the Company and each of its affiliates for which such Syndicate Members or their respective affiliates have received or will receive customary fees and commissions.

In addition, the Syndicate Members or their respective affiliates may provide financing to investors to finance their subscriptions of Offer Shares in the Global Offering.

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. CLSA Limited and CMB International Capital Limited are the Overall Coordinators of the Global Offering.

The listing of the Shares on the Stock Exchange is sponsored by the Joint Sponsors. The Joint Sponsors have made an application on behalf of the Company to the Stock Exchange for the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus.

33,442,600 Offer Shares will initially be made available under the Global Offering comprising:

(a) the Hong Kong Public Offering of initially 3,344,400 Shares (subject to reallocation) in Hong Kong as described in "—The Hong Kong Public Offering" in this section below; and

(b) the International Offering of initially 30,098,200 Shares (subject to reallocation and the Offer Size Adjustment Option) outside the United States (including to professional and institutional investors within Hong Kong) in offshore transactions in reliance on Regulation S, as described in the sub-section headed "—The International Offering" in this section below.

Investors may either:

(i) apply for Hong Kong Offer Shares under the Hong Kong Public Offering; or

(ii) apply for or indicate an interest for International Offering Shares under the International Offering,

but may not do both.

The Offer Shares will represent approximately 8.50% of the total Shares in issue immediately following the completion of the Global Offering, assuming the Offer Size Adjustment Option is not exercised. If the Offer Size Adjustment Option is exercised in full, the Offer Shares (including Shares issued pursuant to the full exercise of the Offer Size Adjustment Option) will represent approximately 9.65% of the total Shares in issue immediately following the completion of the Global Offering and the issue of Offer Shares pursuant to the Offer Size Adjustment Option.

References in this prospectus to applications, application monies or the procedure for applications relate solely to the Hong Kong Public Offering.

THE HONG KONG PUBLIC OFFERING

Number of Offer Shares initially offered

The Company is initially offering 3,344,400 Shares for subscription by the public in Hong Kong at the Offer Price, representing approximately 10.0% of the total number of Offer Shares initially available under the Global Offering. The number of Offer Shares initially offered under the Hong Kong Public Offering, subject to any reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, will represent approximately 0.85% of the total Shares in issue immediately following the completion of the Global Offering (assuming the Offer Size Adjustment 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 in Hong Kong. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities.

Completion of the Hong Kong Public Offering is subject to the conditions set out in "—Conditions of the Global Offering" in this section.

Allocation

Allocation of 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 could 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.

For allocation purposes only, the total number of Hong Kong Offer Shares available under the Hong Kong Public Offering (after taking into account any reallocation referred to below) will be divided equally into two pools: pool A and pool B (with any odd lots being allocated to pool A). The Hong Kong Offer Shares in pool A will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of HK$5 million (excluding the brokerage, the SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee payable) or less. The Hong Kong Offer Shares in pool B will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of more than HK$5 million (excluding the brokerage, the SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee payable) and up to the total value in pool B.

Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If any Hong Kong Offer Shares in one (but not both) of the pools are unsubscribed, such unsubscribed Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly. For the purpose of the immediately preceding paragraph only, the "price" for Hong Kong Offer Shares means the price payable on application therefor (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of Hong Kong Offer Shares from either pool A or pool B and not from both pools. Multiple or suspected multiple applications under the Hong Kong Public Offering and any application for more than 1,672,200 Hong Kong Offer Shares (being 50% of the 3,344,400 Offer Shares initially available under the Hong Kong Public Offering) is liable to be rejected.

Reallocation and clawback

The allocation of the Offer Shares between the Hong Kong Public Offering and the International Offering is subject to reallocation. Paragraph 4.2 of Practice Note 18 of the Listing Rules requires a clawback mechanism to be put in place which would have the effect of increasing 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 if certain prescribed total demand levels are reached.

If the International Offering is fully subscribed or oversubscribed and the number of Offer Shares validly applied for under the Hong Kong Public Offering represents (a) 15 times or more but less than 50 times; (b) 50 times or more but less than 100 times; and (c) 100 times or more of the total number of Offer Shares initially available under the Hong Kong Public Offering, then Offer Shares will be reallocated to the Hong Kong Public Offering from the International Offering. As a result of such reallocation, the total number of Offer Shares available under the Hong Kong Public Offering will be increased to 10,032,800 Offer Shares (in the case of (a)), 13,377,200 Offer Shares (in the case of (b)) and 16,721,400 Offer Shares (in the case of (c)), representing approximately 30.0%, approximately 40.0% and approximately 50.0% of the total number of Offer Shares initially available under the Global Offering, respectively (before any exercise of the Offer Size Adjustment Option) (the "**PN18 Clawback**"). 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 Sole Overall Coordinator deem appropriate.

If the Hong Kong Public Offering is not fully subscribed for, the Overall Coordinators have the authority to reallocate all or any unsubscribed Hong Kong Offer Shares to the International Offering, in such proportions as the Overall Coordinators deem appropriate. In addition, the Overall Coordinators may in their sole 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 particular, if (i) the International Offering is not fully subscribed and the Hong Kong Public Offering is fully subscribed or oversubscribed irrespective of the number of times; or (ii) the International Offering is fully subscribed or

oversubscribed and the Hong Kong Public Offering is fully subscribed or oversubscribed with the number of Offer Shares validly applied for in the Hong Kong Public Offering representing less than 15 times of the number of Shares initially available for subscription under the Hong Kong Public Offering, the Overall Coordinators have the authority to reallocate International Offer Shares originally included in the International Offering to the Hong Kong Public Offering in such number as they deem appropriate, provided that in accordance with Chapter 4.14 of the Guide for New Listing Applicants issued by the Stock Exchange, the number of International Offer Shares reallocated to the Hong Kong Public Offering should not exceed 3,344,400 Shares, representing the number of the Offer Shares initially available under the Hong Kong Public Offering, increasing the total number of Offer Shares available under the Hong Kong Public Offering to 6,688,800 Shares, representing two times of the Hong Kong Public Offering and the final Offer Price shall be fixed at the bottom end of the indicative price range (i.e. HK$12.90 per Offer Share).

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.

Details of any reallocation of Offer Shares between the Hong Kong Public Offering and the International Offering will be disclosed in the results announcement of the Global Offering, which is expected to be published on Thursday, August 7, 2025.

Applications

Each applicant under the Hong Kong Public Offering will 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 for, and will not apply for or take up, or indicate an interest for, any International Offering Shares under the International Offering. Such applicant's application is liable to be rejected if such undertaking and/or confirmation is/are breached and/or untrue (as the case may be) or if he has been or will be placed or allocated International Offering Shares under the International Offering.

Applicants under the Hong Kong Public Offering may be required to pay, on application (subject to application channels), the Offer Price of HK$15.50 per Offer Share in addition to the brokerage, the SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee payable on each Offer Share, amounting to a total of HK$3,131.26 for one board lot of 200 Shares. Further details are set out in the section headed "How to Apply for Hong Kong Offer Shares" in this prospectus.

THE INTERNATIONAL OFFERING

Number of Offer Shares initially offered

The International Offering will consist of an offering of initially 30,098,200 Shares, representing approximately 90.0% of the total number of Offer Shares initially available under the Global Offering (subject to reallocation and the Offer Size Adjustment Option). The number of Offer Shares initially offered under the International Offering, subject to any reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, will represent approximately 7.65% of the total Shares in issue immediately following the completion of the Global Offering (assuming the Offer Size Adjustment Option is not exercised).

Allocation

The International Offering will include selective marketing of Offer Shares to QIBs in the United States and institutional and professional investors and other investors anticipated to have a sizeable demand for such Offer Shares. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities. Allocation of Offer Shares pursuant to the International Offering will be effected in accordance with the "book-building" process described in "—Pricing of the Global Offering" in this section and based on a number of factors, including the level and timing of demand, the 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 Shares and/or hold or sell its Shares after the Listing. Such allocation is intended to result in a distribution of the Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of the Group and the Shareholders as a whole.

The Overall Coordinators (on behalf of the International Underwriters) 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 so as to allow it to identify the relevant applications under the Hong Kong Public Offering and to ensure that they are excluded from any allocation of Offer Shares under the Hong Kong Public 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 clawback arrangement described in "—The Hong Kong Public Offering—Reallocation and clawback" in this section above, the exercise of the Offer Size Adjustment Option in whole or in part and/or any reallocation of unsubscribed Offer Shares originally included in the Hong Kong Public Offering.

OFFER SIZE ADJUSTMENT OPTION

In order to provide flexibility for the Overall Coordinators to increase the number of Offer Shares available for purchase under the International Offering to cover additional market demand, the Company is expected to grant to the International Underwriters the Offer Size Adjustment Option, exercisable by the Overall Coordinators (for themselves and on behalf of the International Underwriters) on or before the second Business Day prior to the Listing Date and will lapse immediately thereafter, in writing, to require our Company to allot and issue up to an aggregate of 5,016,200 additional H Shares, representing approximately 15% of the initial Offer Shares in aggregate, at the same price per Share under the International Offering to cover, among other things, any excess demand in the International Offering at the absolute discretion of the Overall Coordinators. If the Offer Size Adjustment Option is exercised in full, the shareholding of the Shareholders will be diluted by approximately 10.7%.

The Offer Size Adjustment Option will not be associated with any price stabilization activities of our H Shares in the secondary market after the listing of our H Shares on the Stock Exchange and will not be subject to the Securities and Futures (Price Stabilizing) Rules of the SFO (Chapter 571W of the Laws of Hong Kong). No purchase of our H Shares in the secondary market will be effected to cover any excess demand in the International Offering which will only be satisfied by the exercise of the Offer Size Adjustment Option in full or in part.

If the Offer Size Adjustment Option is exercised in full, the additional net proceeds received from the placing of the additional H Shares allotted and issued will be allocated in accordance with the allocations as disclosed in the section headed "Future Plans and Use of Proceeds" in this prospectus, on a pro rata basis.

Our Company will disclose in the allotment results announcement whether and to what extent the Offer Size Adjustment Option has been exercised, and will confirm in the announcement that, if the Offer Size Adjustment Option is not exercised by then, the Offer Size Adjustment Option will lapse and cannot be exercised on any future date.

PRICING OF THE GLOBAL OFFERING

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 agreed on the Price Determination Date, which is expected to be on Wednesday,

August 6, 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.

Offer Price Range

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, 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$15.50 per Offer Share and is expected to be not less than HK$12.90 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.

Price Payable on Application

Applicants under the Hong Kong Public Offering may be required to pay, on application (subject to application channels), the maximum Offer Price of HK$15.50 per each Hong Kong Offer Share (plus 1% brokerage, 0.0027% SFC transaction levy, 0.00565% Stock Exchange trading fee and 0.00015% AFRC transaction levy). If the Offer Price is less than HK$15.50, appropriate refund payments (including the brokerage, SFC transaction levy, the Hong Kong Stock Exchange trading fee and AFRC transaction levy attributable to the surplus application monies) will be made to successful applicants (subject to application channels), without any interest.

If, for any reason, our Company and the Overall Coordinators (for themselves and on behalf of the Underwriters) is unable to reach agreement on the Offer Price by 12:00 noon on Wednesday, August 6, 2025, the Global Offering will not proceed and will lapse.

Reduction in Indicative Offer Price Range and/or Number of Offer Shares

The Overall Coordinators (for themselves and on behalf of the Underwriters) 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 websites of the Stock Exchange at **www.hkexnews.hk** and the Company at **http://www.abbbio.com**, notices of the reduction. Upon issue of such a notice, the revised

number of Offer Shares and/or indicative Offer Price range will be final and conclusive and the Offer Price, if agreed upon by the Overall Coordinators, for themselves and on behalf of the Underwriters, and our Company, will be fixed within such a revised Offer Price range. Such notice will also include confirmation or revision, as appropriate, of the working capital statement and the Global Offering statistics as currently set out in the prospectus and any other financial information which may change materially as a result of such reduction. Our Company will also, as soon as practicable following the decision to make such change, issue a supplemental prospectus updating investors of the change in the number of Offer Shares being offered under the Global Offering and/or the Offer Price. The Global Offering must first be canceled and subsequently relaunched on FINI pursuant to the supplemental prospectus.

Before submitting applications for the Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares and/or the indicative Offer Price range may not be made until the day which is the last day for lodging applications under the Hong Kong Public Offering. In the absence of any such notice so published, the number of Offer Shares will not be reduced and/or 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.

In the event of a reduction in the number of Offer Shares, the Overall Coordinators (for themselves and on behalf of the Underwriters) may, at its discretion, reallocate the number of Offer Shares to be offered in the Hong Kong Public Offering and the International Offering. The Offer Shares to be offered in the Hong Kong Public Offering and the Offer Shares to be offered in the International Offering may, in certain circumstances, be reallocated between these offerings at the discretion of the Overall Coordinators (for themselves and on behalf of the Underwriters).

Announcement of Offer Price and Basis of Allocations

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 Thursday, August 7, 2025 on the website of the Stock Exchange at **www.hkexnews.hk** and on the website of our Company at **http://www.abbbio.com**.

UNDERWRITING

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms and conditions of the Hong Kong Underwriting Agreement and is subject to, among other things, the Overall Coordinators (for themselves and on behalf of the Underwriters) and the Company agreeing on the Offer Price.

The Company expects to enter into the International Underwriting Agreement relating to the International Offering on or around the Price Determination Date.

These underwriting arrangements, including the Underwriting Agreements, are summarized in the section headed "Underwriting" in this prospectus.

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for Offer Shares will be conditional on, among other things:

(a) the Listing Committee granting approval for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering on the Main Board of the Stock Exchange and such approval not subsequently having been withdrawn or revoked prior to the commencement of trading of the Shares on the Stock Exchange;

(b) the Offer Price having been agreed between the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company;

(c) the execution and delivery of the International Underwriting Agreement on or about the Price Determination Date; and

(d) the obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement and the obligations of the International Underwriters under the International Underwriting Agreement becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements or otherwise, in each case on or before the dates and times specified in the respective Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times).

The consummation 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 its terms.

If the above conditions are not fulfilled or waived prior to the dates and times 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 on the websites of the Company and the Stock Exchange at **http://www.abbbio.com** and **www.hkexnews.hk**, respectively, on the next day following such lapse. In such a situation, 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 this prospectus. In the meantime, all application monies will be held in separate bank account(s) with the receiving banks or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong).

H Share certificates for the Offer Shares will only become valid evidence of title at 8:00 a.m. on Friday, August 8, 2025, provided that the Global Offering has become unconditional in all respects at or before that time.

DEALINGS IN THE SHARES

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

The Shares will be traded in board lots of 200 Shares each and the stock code of the Shares will be 2627.

IMPORTANT NOTICE TO INVESTORS OF HONG KONG PUBLIC OFFER SHARES

FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offer 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 http://www.abbbio.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 close associates; or
- are a Director or any of his/her close associates.

2. Application Channels

The Hong Kong Public Offer period will begin at 9:00 a.m. on Thursday, July 31, 2025 and end at 12:00 noon on Tuesday, August 5, 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 Thursday, July 31, 2025 to 11:30 a.m. on Tuesday, August 5, 2025, Hong Kong time. The latest time for completing full payment of application monies will be 12:00 noon on Tuesday, August 5, 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 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 Offer.

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/Joint 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: i. HKID card; or ii. National identification document; or iii. Passport; and	• Identity document type, with order of priority: i. LEI registration document; or ii. Certificate of incorporation; or 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 applicants 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 HKSCC EIPO channel, and making an application under a power of attorney, we and the Overall Coordinators, as our agent, 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$15.50 per H Share.

If you are applying through the HKSCC EIPO channel, you are required to pre-fund your application based on the amount specified by your broker or custodian, as determined based on the applicable laws and regulations in Hong Kong. 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	3,131.26	4,000	62,625.26	60,000	939,379.06	800,000	12,525,054.00
400	6,262.53	5,000	78,281.59	70,000	1,095,942.23	900,000	14,090,685.76
600	9,393.79	6,000	93,937.90	80,000	1,252,505.40	1,000,000	15,656,317.50
800	12,525.05	7,000	109,594.22	90,000	1,409,068.58	1,200,000	18,787,581.00
1,000	15,656.32	8,000	125,250.55	100,000	1,565,631.76	1,400,000	21,918,844.50
1,200	18,787.58	9,000	140,906.86	200,000	3,131,263.50	1,672,200[1]	26,180,494.13
1,400	21,918.85	10,000	156,563.18	300,000	4,696,895.26		
1,600	25,050.11	20,000	313,126.36	400,000	6,262,527.00		
1,800	28,181.37	30,000	469,689.53	500,000	7,828,158.76		
2,000	31,312.64	40,000	626,252.70	600,000	9,393,790.50		
3,000	46,968.96	50,000	782,815.88	700,000	10,959,422.26		

Notes:

(1) Maximum number of Hong Kong Offer Shares you may apply for and this is 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. Application 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 for any International Offer Shares.

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 H 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 Relevant Persons[1], 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;

1 Relevant Persons would include the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their or the Company's respective directors, officers, employees, partners, agents, advisors and any other parties involved in the Global Offering.

(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 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 or 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 Thursday, August 7, 2025 to 12:00 midnight on Wednesday, August 13, 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 **http://www.abbbio.com** which will provide links to the above mentioned websites of the H Share Registrar.	No later than 11:00 p.m. on Thursday, August 7, 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 Friday, August 8, 2025 to Wednesday, August 13, 2025 (Hong Kong time) on a business day

For those applying through HKSCC EIPO channel, you may also check with your broker or custodian from 6:00 p.m. on Wednesday, August 6, 2025 (Hong Kong time).

HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on Wednesday, August 6, 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 Global Offer, 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 **http://www.abbbio.com** by no later than 11:00 p.m. on Thursday, August 7, 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;
- 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 Public 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 H 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 Global 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 evidence of title at 8:00 a.m. on Friday, August 8, 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[2]		
For application of 1,000,000 Hong Kong Offer Shares or more	Collection in person from the H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong. **Time:** from 9:00 a.m. to 1:00 p.m. on Friday, August 8, 2025 (Hong Kong time). If you are an individual, you must not authorize any other person 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.	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. No action by you is required.

2 Except in the event of any Bad Weather Signals (as defined below) in force in Hong Kong in the morning on Thursday, August 7, 2025 rendering it impossible for the relevant H Share certificates to be dispatched to HKSCC in a timely manner, 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
	Both individuals and authorized representatives must produce, at the time of collection, evidence of 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 1,000,000 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: Thursday, August 7, 2025	
Refund mechanism for surplus application monies paid by you		
Date	Friday, August 8, 2025	Subject to the arrangement between you and your broker or custodian
Responsible party	H Share Registrar	Your broker or custodian
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 Tuesday, August 5, 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 Tuesday, August 5, 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 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 **http://www.abbbio.com** of the revised timetable.

If a Bad Weather Signal is hoisted on Thursday, August 7, 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 Friday, August 8, 2025.

If a Bad Weather Signal is hoisted on Thursday, August 7, 2025, for application of less than 1,000,000 Offer Shares, the despatch of physical H Share certificates 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 Thursday, August 7, 2025 or on Friday, August 8, 2025).

If a Bad Weather Signal is hoisted on Friday, August 8, 2025, for application of 1,000,000 Offer Shares or more, the physical H Share certificates 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 Friday, August 8, 2025 or on Monday, August 11, 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 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 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 Public 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:

a. 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;

b. compliance with applicable laws and regulations in Hong Kong and elsewhere;

c. registering new issues or transfers into or out of the names of the holders of the H Shares including, where applicable, HKSCC Nominees;

d. maintaining or updating the register of members of the Company;

e. verifying identities of applicants for and holders of the H Shares and identifying any duplicate applications for the Shares;

f. facilitating Hong Kong Offer Shares balloting;

g. establishing benefit entitlements of holders of the H Shares, such as dividends, rights issues, bonus issues, etc.;

h. distributing communications from the Company and its subsidiaries;

i. compiling statistical information and profiles of the holder of the H Shares;

j. disclosing relevant information to facilitate claims on entitlements; and

k. 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:

a. the Company's appointed agents such as financial advisors, receiving banks and overseas principal share registrar;

b. 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);

c. 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;

d. 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

e. 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.

The following is the text of a report set out on pages I-1 to I-59, received from the Company's reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.

Deloitte. 德勤

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF AB&B BIO-TECH CO., LTD. JS*, CITIC SECURITIES (HONG KONG) LIMITED AND CMB INTERNATIONAL CAPITAL LIMITED

Introduction

We report on the historical financial information of Ab&B Bio-Tech Co., Ltd. JS ("江蘇中慧元通生物科技股份有限公司") (the "Company") and its subsidiary (together, the "Group") set out on pages I-4 to I-59, which comprises the consolidated statements of financial position of the Group as at December 31, 2023 and 2024 and March 31, 2025, the statements of financial position of the Company as at December 31, 2023 and 2024 and March 31, 2025, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the two years ended December 31, 2023 and 2024 and the three months ended March 31, 2025 (the "Track Record Period") and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-59 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated July 31, 2025 (the "Prospectus") in connection with the initial listing of 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 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified

* *English name is for identification purpose only*

Public Accountants (the "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 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the Group's and the Company's financial position as at December 31, 2023 and 2024 and March 31, 2025, and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the three months ended March 31, 2024 and other explanatory information (the "Stub Period Comparative Financial Information"). The directors of the Company are responsible for the preparation of the Stub Period Comparative Financial Information in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with 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 Stub Period Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange 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 15 to the Historical Financial Information which states that no dividend was declared or paid by the Company in respect of the Track Record Period.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
July 31, 2025

HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and were audited by us in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board ("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 December 31,		Three months ended March 31,	
		2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Revenue	*6*	52,168	259,612	306	413
Cost of sales		(72,511)	(108,157)	(5,058)	(4,038)
Gross (loss) profit		(20,343)	151,455	(4,752)	(3,625)
Other income	*8*	14,202	24,366	14,497	4,966
Impairment losses under expected credit loss model, net of reversal		(48)	(66)	21	25
Other gains and losses	*9*	1,312	(816)	113	9
Selling expenses		(55,433)	(140,300)	(8,842)	(19,303)
Administrative expenses		(74,663)	(58,563)	(15,475)	(11,944)
Listing expenses		–	(8,542)	–	(5,744)
Research and development expenses		(283,159)	(205,569)	(43,205)	(46,514)
Other expenses		–	(2,968)	(2,108)	(46)
Finance costs	*10*	(6,609)	(17,713)	(3,580)	(5,141)
Loss before tax	*11*	(424,741)	(258,716)	(63,331)	(87,317)
Income tax expense	*12*	–	–	–	–
Loss and total comprehensive expense for the year/period		(424,741)	(258,716)	(63,331)	(87,317)
Loss per share					
– Basic and diluted (RMB)	*14*	(1.18)	(0.72)	(0.18)	(0.24)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at December 31, 2023	As at December 31, 2024	As at March 31, 2025
		RMB'000	*RMB'000*	*RMB'000*
Non-current assets				
Property, plant and equipment	*16*	740,782	944,690	943,839
Right-of-use assets	*17*	94,476	86,091	83,995
Intangible assets	*18*	26,844	25,660	25,183
Other receivables and prepayments	*23*	44,396	60,861	63,448
		906,498	1,117,302	1,116,465
Current assets				
Inventories	*21*	41,818	57,809	87,372
Trade receivables	*22*	73,595	284,905	221,277
Other receivables and prepayments	*23*	14,772	20,491	20,932
Financial assets at fair value through profit or loss ("FVTPL")	*24*	10,020	–	–
Pledged bank deposits	*25*	5,486	138	138
Time deposits	*25*	22,236	–	–
Cash and cash equivalents	*25*	45,318	132,194	114,561
		213,245	495,537	444,280
Current liabilities				
Trade and other payables	*26*	291,550	441,615	420,157
Amounts due to shareholders	*39*	–	27,673	–
Refund liabilities	*27*	13,259	84,721	81,056
Borrowings	*28*	217,887	347,524	405,299
Lease liabilities	*29*	6,467	7,146	8,027
		529,163	908,679	914,539
Net current liabilities		(315,918)	(413,142)	(470,259)
Total assets less current liabilities		590,580	704,160	646,206
Non-current liabilities				
Borrowings	*28*	148,262	462,012	490,412
Lease liabilities	*29*	48,808	42,127	40,394
Deferred income	*30*	30,240	37,018	36,807
Trade and other payables	*26*	–	16,416	16,416
		227,310	557,573	584,029
Net assets		363,270	146,587	62,177
Capital and reserves				
Share capital	*32*	360,000	360,000	360,000
Reserves		3,270	(213,413)	(297,823)
Total equity		363,270	146,587	62,177

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at December 31, 2023	As at December 31, 2024	As at March 31, 2025
		RMB'000	*RMB'000*	*RMB'000*
Non-current assets				
Property, plant and equipment	*16*	689,902	896,153	896,945
Right-of-use assets	*17*	44,926	43,958	43,717
Intangible assets	*18*	26,844	25,660	25,183
Investment in a subsidiary	*41*	93,838	111,615	114,733
Other receivables and prepayments	*23*	42,004	58,637	62,127
		897,514	1,136,023	1,142,705
Current assets				
Inventories	*21*	39,120	55,382	85,001
Trade receivables	*22*	73,595	284,905	221,277
Other receivables and prepayments	*23*	96,050	117,732	175,549
Financial assets at FVTPL	*24*	10,020	–	–
Pledged bank deposits	*25*	5,486	138	138
Time deposits	*25*	22,236	–	–
Cash and cash equivalents	*25*	41,407	131,542	113,150
		287,914	589,699	595,115
Current liabilities				
Trade and other payables	*26*	251,609	460,893	488,093
Amounts due to shareholders	*39*	–	27,673	–
Refund liabilities	*27*	13,259	84,721	81,056
Borrowings	*28*	212,897	337,614	405,299
		477,765	910,901	974,448
Net current liabilities		(189,851)	(321,202)	(379,333)
Total assets less current liabilities		707,663	814,821	763,372
Non-current liabilities				
Borrowings	*28*	148,262	462,012	490,412
Deferred income	*30*	30,240	37,018	36,807
Trade and other payables	*26*	–	16,416	16,416
		178,502	515,446	543,635
Net assets		529,161	299,375	219,737
Capital and reserves				
Share capital	*32*	360,000	360,000	360,000
Reserves	*33*	169,161	(60,625)	(140,263)
Total equity		529,161	299,375	219,737

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital	Share premium	Share-based payments reserve	Accumulated losses	Total
	RMB'000 (Note 32)	*RMB'000*	*RMB'000* (Note 31)	*RMB'000*	*RMB'000*
As at January 1, 2023	360,000	614,930	50,172	(285,618)	739,484
Loss and total comprehensive expense for the year	–	–	–	(424,741)	(424,741)
Recognition of equity-settled share-based payments (Note 31)	–	–	48,527	–	48,527
As at December 31, 2023	360,000	614,930	98,699	(710,359)	363,270
Loss and total comprehensive expense for the year	–	–	–	(258,716)	(258,716)
Recognition of equity-settled share-based payments (Note 31)	–	–	42,033	–	42,033
Vest of restricted shares	–	76,437	(76,437)	–	–
As at December 31, 2024	360,000	691,367	64,295	(969,075)	146,587
Loss and total comprehensive expense for the period	–	–	–	(87,317)	(87,317)
Recognition of equity-settled share-based payments (Note 31)	–	–	2,907	–	2,907
As at March 31, 2025	360,000	691,367	67,202	(1,056,392)	62,177
As at December 31, 2023	360,000	614,930	98,699	(710,359)	363,270
Loss and total comprehensive expense for the period (unaudited)	–	–	–	(63,331)	(63,331)
Recognition of equity-settled share-based payments (unaudited)	–	–	12,902	–	12,902
As at March 31, 2024 (unaudited)	360,000	614,930	111,601	(773,690)	312,841

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,		Three months ended March 31,	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
OPERATING ACTIVITIES				
Loss before tax	(424,741)	(258,716)	(63,331)	(87,317)
Adjustments for:				
Finance costs	6,609	17,713	3,580	5,141
Interest income	(3,158)	(474)	(221)	(67)
Depreciation of property, plant and equipment	39,378	49,039	10,720	14,664
Depreciation of right-of-use assets	7,559	8,385	2,096	2,096
Amortisation of intangible assets	1,039	1,778	405	477
Impairment losses under expected credit loss, net of reversal	48	66	(21)	(25)
Income from government grants	(509)	(1,772)	(1,138)	(211)
Write-down of inventories, net of reversal	45,698	18,095	10	(779)
Loss on disposal of property, plant and equipment	40	1,057	–	–
Gain from changes in fair value of financial assets at FVTPL	(1,352)	(241)	(113)	(9)
Recognition of equity-settled share-based payments	47,915	41,666	12,902	2,907
Operating cash flows before movements in working capital	(281,474)	(123,404)	(35,111)	(63,123)
Increase in inventories	(67,653)	(34,086)	(29,914)	(28,784)
(Increase) decrease in trade receivables	(73,643)	(211,376)	6,314	63,653
Increase in other receivables and prepayments	(11,759)	(14,570)	(9,470)	7,766
Decrease (increase) in trade and other payables	115,282	112,465	(18,523)	2,345
Increase (decrease) in refund liabilities	13,259	71,462	97	(3,665)
NET CASH USED IN OPERATING ACTIVITIES	(305,988)	(199,509)	(86,607)	(21,808)
INVESTING ACTIVITIES				
Receipt of interest from banks	2,475	474	221	67
Purchases of financial assets measured at FVTPL	(430,600)	(120,000)	(42,000)	(28,900)
Redemption of financial assets at FVTPL	632,089	130,261	52,133	28,909
Purchases of property, plant and equipment	(265,297)	(199,573)	(72,148)	(32,068)
Proceeds from disposal of property, plant and equipment	–	500	–	–
Payments for right-of-use assets	(9,290)	–	–	–
Receipt of government grants	1,000	8,550	–	–
Payments for rental deposits	(1,095)	–	–	–
Withdrawal of rental deposits	–	125	50	–
Purchases of intangible assets	(16,590)	(594)	(119)	–
Placement of pledged bank deposits	(43,994)	(138)	–	–
Withdrawal of pledged bank deposits	90,796	5,486	228	–
Placement of time deposits with maturity of more than three months	(50,000)	–	–	–
Withdrawal of time deposits with maturity of more than three months	90,000	22,236	22,236	–
NET CASH USED IN INVESTING ACTIVITIES	(506)	(152,673)	(39,399)	(31,992)

	Year ended December 31,		Three months ended March 31,	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
FINANCING ACTIVITIES				
Proceeds from bank borrowings	380,883	765,535	195,260	172,131
Repayments of bank borrowings	(34,000)	(336,190)	(31,150)	(103,751)
Loans from shareholders	–	27,500	–	7,000
Repayments of loans from shareholders	–	–	–	(34,500)
Issue cost paid	–	(1,266)	–	(1,152)
Interest paid	(6,830)	(10,519)	(2,212)	(2,709)
Payments of lease liabilities	(4,887)	(6,002)	(1,401)	(852)
NET CASH FROM FINANCING ACTIVITIES	335,166	439,058	160,497	36,167
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	28,672	86,876	34,491	(17,633)
Cash and cash equivalents at beginning of the year/period	16,646	45,318	45,318	132,194
Cash and cash equivalents at end of the year/period	45,318	132,194	79,809	114,561

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

Ab&B Bio-Tech Co., Ltd. JS ("the Company") was founded on October 28, 2015, by Mr. An Youcai ("Mr. An"), the controlling shareholder, in Taizhou as a limited liability company under the laws of the People's Republic of the China (the "PRC"). On February 22, 2022, the Company was converted to a joint stock company with limited liability under the Company Law of the PRC. The addresses of the registered office and principal place of business of the Company are disclosed in the section headed "Corporate Information" in the Prospectus.

The Group is principally engaged in the research and development, manufacturing and commercialization of vaccine products for human use. Particulars and principal activities of the Company's subsidiary are disclosed in Note 41.

The Historical Financial Information is presented in Renminbi ("RMB"), which is also the functional currency of the Company.

2. BASIS OF PREPARATION OF HISTORICAL FINANCIAL INFORMATION

The Historical Financial Information has been prepared based on the accounting policies set out in Note 4 which conform with IFRS Accounting Standards as issued by the IASB.

As at March 31, 2025, the Group's current liabilities exceeded its current assets by RMB470,259,000. As of May 31, 2025, the Group had credit facilities in an aggregate principal amount of RMB930,000,000, of which RMB713,980,000 had been drawn and RMB216,020,000 remained available to the Group. After taking into account of the Group's cash flow projection, expected working capital requirements and the financing plans, the directors of the Company are satisfied that the Group is able to have sufficient working capital to finance its operations and to meet its financial obligations for twelve months after March 31, 2025 and it is appropriate to prepare Historical Financial Information on a going concern basis.

The statutory financial statements of the Company for the year ended December 31, 2023 were prepared in accordance with Accounting Standards for Business Enterprises of the PRC and were audited by 容誠會計師事務所(特殊普通合夥)/RSM China Certified Public Accountants LLP*, certified public accountants registered in the PRC. The statutory financial statements of the Company for the year ended December 31, 2024 were prepared in accordance with Accounting Standards for Business Enterprises of the PRC and were audited by 江蘇方成會計師事務所(普通合夥)/Jiangsu Fangcheng Certified Public Accountants Firm*, certified public accountants registered in the PRC.

3. ADOPTION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

For the purpose of preparing and presenting the Historical Financial Information for the Track Record Period, the Group has consistently applied the accounting policies which conform with IFRS Accounting Standards, which are effective for the Group's accounting period beginning on January 1, 2025, throughout the Track Record Period.

New and revised IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

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 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11[2]
IFRS 18	Presentation and Disclosure in Financial Statements[3]

1 Effective for annual periods beginning on or after a date to be determined.

2 Effective for annual periods beginning on or after January 1, 2026.

3 Effective for annual periods beginning on or after January 1, 2027.

* *English name is for identification purpose only*

Except for the new and amendments to IFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other amendments to IFRS Accounting Standards will have no material impact on the Group's consolidated financial statements in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statements of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 Statements of Cash Flows and IAS 33 Earnings per Share are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statements of profit or loss and disclosures in the future financial statements, but no impact on the Group's financial positions and performance.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The Historical Financial Information has been prepared in accordance with the following accounting policies which conform with IFRS Accounting Standards issued by the IASB. For the purpose of preparation of the Historical Financial Information, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the Historical Financial Information includes the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

Basis of consolidation

The Historical Financial Information incorporates the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

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 listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

When necessary, adjustments are made to the financial statements of the subsidiary to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Investment in a subsidiary

Investment in a subsidiary is included in the statement of financial position of the Company at cost less any identified impairment losses.

Revenue from contracts with customers

Information about the Group's accounting policies relating to revenue from contracts with customers is provided in Notes 6 and 27.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as lessee

Short-term leases

The Group applies the short-term lease recognition exemption to leases of equipment and staff quarters 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 expense on a straight-line basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability; and
- any lease payments made at or before the commencement date, less any lease incentives received.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statements of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognizes and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments are fixed payments (including in-substance fixed payments) less any lease incentives receivable.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group presents lease liabilities as a separate line item on the consolidated statements of financial position.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalization rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred income in the consolidated statements of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

Employee benefits

Retirement benefit costs

The Group participates in state-managed retirement benefit schemes, which are defined contribution schemes, pursuant to which the Group pays a fixed percentage of its staff's wages as contributions to the plans. Payments to such retirement benefit schemes are recognized as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognized at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognized as an expense unless another IFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognized for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Share-based payments

Equity-settled share-based payment transactions

Restricted Shares granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact

of the revision of the original estimates, if any, is recognized in the profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve. For shares that vest immediately at the date of grant, the fair value of the shares granted is expensed immediately to profit or loss.

When shares granted are vested, the amount previously recognized in share-based payments reserve will be transferred to share premium.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from loss before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in the subsidiary, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investment is only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognizes the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to the lease liabilities and the related assets separately. The Group recognizes a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognized in profit or loss.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress as described below). Property, plant and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Properties and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly and, for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statements of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognized so as to write off the cost of assets other than property, plant and equipment in the course of construction less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of the reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of property, plant and equipment is determined as the difference between the sales proceeds and an item of the carrying amount of the asset and is recognized in profit or loss.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortization and any accumulated impairment losses. Amortization for intangible assets with finite useful lives is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

Internally-generated intangible assets—research and development expenditure

The Group incurs significant costs and efforts on research and development activities, which include expenditures on vaccine products. Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;

- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

Impairment on property, plant and equipment, right-of-use assets and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any). Intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that may be impaired.

The recoverable amount of property, plant and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated to the assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or a cash-generating unit, or the group of cash-generating units) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statements of financial position include:

- cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and

- cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs of inventories are determined on a weighted average method. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs for inventories which the Group must incur to make the sale.

Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL.

(i) Amortized cost and interest income

Interest income is recognized using the effective interest method for financial assets measured subsequently at amortized cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Financial assets at FVTPL

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss. The net gain or loss recognized in profit or loss includes any interest earned on the financial asset and is included in the "other gains and losses" line item.

Impairment of financial assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade receivables, other receivables, pledged bank deposits, time deposits and cash and cash equivalents) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognizes lifetime ECL for trade receivables.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, 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. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognized in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for trade receivables are considered on a collective basis taking into consideration internal credit rating information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status; and
- Nature, size and industry of debtors.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortized cost of the financial asset.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and other receivables where the corresponding adjustment is recognized through a loss allowance account.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities the Group hold are subsequently measured at amortized cost using the effective interest method.

Financial liabilities at amortized cost

Financial liabilities including borrowings and trade and other payables and amounts due to shareholders are subsequently measured at amortized cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statements of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognized amounts; and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the Historical Financial Information.

Research and development expenses

Development expenses incurred on the Group's vaccine product pipelines are capitalised and deferred only when the Group could demonstrate (i) the technical feasibility of completing the development of the relevant intangible asset so that it will be available for use or sale; (ii) the Group's intention to complete and the Group's ability to use or sell the asset; (iii) the ability to use or sell the intangible asset; (iv) how the asset will generate future economic benefits; (v) the availability of resources to complete the pipeline; and (vi) the ability to measure reliably the expenditure during the development. Development expenses which do not meet these criteria are expensed when incurred. Management assesses the progress of each of the research and development projects and determine whether the criteria are met for capitalization. During the Track Record Period, research and development expenses on research activities are recognized as expenses in which they are incurred.

Key sources of estimation uncertainty

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the coming twelve months.

Provision of ECL for trade receivables

Trade receivables are assessed to ECL collectively. In estimating ECL on trade receivables, the Group uses the provision rates which are based on internal credit ratings and an assessment of both the current as well as the forward-looking information that is available without undue cost or effort at the end of each year.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables are disclosed in Notes 22 and 35.

Estimation of refund liabilities

The Group recognizes a refund liability if the Group expects it would not be entitled to consideration of all goods delivered arising from the rights granted by the Group to the customers to return some or all the goods purchased. Upon revenue recognition, the Group estimates the future sales return of the goods sold and a corresponding adjustment to revenue is recognized for those products expected to be returned. The estimation of sales return requires the use of judgment and estimates. When determining the sales return of the goods sold, the Company considers various factors, including but not limited to market data and impact of seasonal effect for the products. Where the actual return rate is different from the original estimate, such difference will be trued up in subsequent periods. As at December 31, 2023 and 2024, and March 31, 2025, the Group recognized a refund liability of approximately RMB13,259,000 and RMB84,721,000 and RMB81,056,000, respectively.

Allowance for inventories

The Group reviews the carrying amount of inventories at each balance sheet date to determine whether the inventories are carried at the lower of cost and realizable value. In estimating the net realizable value of inventories, the Group takes into account the expire dates of the inventories and the estimation on future demand for the vaccine products to reflect the best estimation of the net realizable value of inventories as at December 31, 2023 and 2024 and March 31, 2025. When preparing the forecast of future demand for vaccine products, the Group makes reference to the current relevant vaccination policies, estimates the expected vaccination of population, and considers possible technological iterations and future uncertainties of the relevant demand. The abovesaid assumptions involves management estimates and judgements, and also with uncertainty. Changing the assumptions and estimates, could affect the net realizable value and a reversal or further recognition of write-down may arise and be recognized in profit or loss of future periods.

As at December 31, 2023 and 2024 and March 31, 2025, the carrying amounts of inventories were RMB41,818,000, RMB57,809,000 and RMB87,372,000, respectively (net of write-down of RMB46,140,000, RMB18,319,000 and RMB17,465,000).

Estimated impairment of property, plant and equipment, right-of-use assets and intangible assets

Property, plant and equipment, right-of-use assets and intangible assets are stated at costs less accumulated depreciation/amortization and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the cash-generating unit to which the assets belongs, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of cash-generating units, for which the relevant corporate assets have been allocated. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect recoverable amounts.

During the Track Record Period, the management of the Group assessed whether an event has occurred or any indicators that may affect the asset value. At the end of each reporting period, according to *IAS 36 Impairment of Assets*, the Group reviews its property, plant and equipment, right-of-use assets and intangible assets ready for use to determine whether there is any indication that an impairment loss may have occurred. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss. As at December 31, 2023, 2024 and March 31, 2025, considering evidence available from external and internal sources of information, as well as other evidence, the management of the Group concluded that no indication of impairment for property, plant and equipment, right-of-use assets and intangible assets ready for use was identified. Based on the assessment, no impairment incurred on property, plant and equipment, right-of-use assets and intangible assets ready for use. As for intangible assets not ready for use, which amounted to RMB18,000,000 as at December 31, 2023, 2024 and March 31, 2025, respectively, the management of the Group performed impairment testing annually, which was further disclosed in Note 19. As at March 31, 2025, the management assessed whether an event has occurred or any indicators on the respective cash-generating unit that indicates the carrying amount of the cash-generating unit exceeds its recoverable amount. As a result, no impairment assessment as at March 31, 2025 was performed. The management concluded that the recoverable amounts of intangible assets not ready for use were higher than the carrying amounts. Based on the testing, no impairment loss has been recognized on intangible assets not ready for use.

6. REVENUE

(i) Disaggregation of revenue from contracts with the customers

	Year ended December 31,		Three months ended March 31,	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Type of goods				
Sales of vaccine products	52,168	259,612	306	413
Geographical market				
Mainland China	52,168	259,612	306	413
Timing of revenue recognition				
At a point in time	52,168	259,612	306	413

(ii) Performance obligations for contracts with customers and revenue recognition policies

Revenue from the sales of vaccine products is recognized when control of the vaccine products has transferred, being when the goods have been shipped to the specific location and accepted by customers. The normal credit term is mainly 6 to 9 months upon delivery.

At the point of sale, a refund liability and a corresponding adjustment to revenue are made for those products expected to be returned. The Group estimates the future sales return of the products sold based on various factors, including but not limited to market data and impact of seasonal effect of the products. The Group's right to recover the product when customers exercise their right is recognized as a right to returned goods asset and a corresponding adjustment to cost of sale. In consideration that the returned goods might be expired or about to expire, the management has written off the returned goods and therefore the Group recognized returned goods asset amounting to nil for the Track Record Period.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

All the contracts are for periods of one year or less. As the Group applies the practical expedient in IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

7. SEGMENTS INFORMATION

For the purpose of resource allocation and assessment of segment performance, the chief operating decision maker ("CODM"), which is also identified as the chief executive officer of the Group, reviews the overall results and financial position of the Group as a whole which are prepared based on the same accounting policies as set out in Note 4. Accordingly, the Group has only one single operating segment.

Geographical information

The Group's operations are located in PRC. As at December 31, 2023 and 2024 and March 31, 2025, all non-current assets were located in the PRC.

Information about major customers

Revenue from customers of the corresponding years/periods contributing over 10% of the total revenue of the Group are as follows:

	Year ended December 31,		Three months ended March 31,	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Customer A*	N/A	N/A	N/A	97

* Revenue from vaccine products.

8. OTHER INCOME

	Year ended December 31,		Three months ended March 31,	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Government grants related to				
– Income (Note)	10,418	21,983	13,001	4,507
– Assets (Note 30)	509	1,772	1,138	211
Interest income from banks	3,158	474	221	67
Others	117	137	137	181
	14,202	24,366	14,497	4,966

Note: The amount represents various unconditional subsidies received from the PRC local government authorities as incentives mainly for the Group's research and development activities.

9. OTHER GAINS AND LOSSES

	Year ended December 31,		Three months ended March 31,	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Fair value change of financial assets at FVTPL	1,352	241	113	9
Net loss on disposal of property, plant and equipment	(40)	(1,057)	–	–
	1,312	(816)	113	9

10. FINANCE COSTS

	Year ended December 31,		Three months ended March 31,	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Interest expense on				
– Lease liabilities	2,435	2,365	616	547
– Bank borrowings	4,769	22,196	4,332	7,140
– Amounts due to shareholders	–	173	–	59
	7,204	24,734	4,948	7,746
Less: interest expense capitalized in qualifying assets (Note)	(595)	(7,021)	(1,368)	(2,605)
	6,609	17,713	3,580	5,141

Note: Interest expense capitalized arose on specific borrowings and are calculated by applying capitalization rates of 3.79%, 3.69%, 3.80% (unaudited) and 3.39% per annum during the years ended December 31, 2023 and 2024 and the three months ended March 31, 2024 and 2025, respectively.

11. LOSS BEFORE TAX

Loss before tax over the Track Record Period has been arrived at after charging (crediting):

	Year ended December 31,		Three months ended March 31,	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Depreciation of property, plant and equipment	39,378	49,039	10,720	14,664
Depreciation of right-of-use assets	7,559	8,385	2,096	2,096
Amortization of intangible assets	1,039	1,778	405	477
Total depreciation and amortization	47,976	59,202	13,221	17,237
Capitalized in inventories	(11,900)	(23,845)	(5,868)	(6,927)
	36,076	35,357	7,353	10,310
Listing expenses	–	8,542	–	5,744
Auditor's remuneration	967	771	–	520
Research and development costs recognized as an expense	283,159	205,569	43,205	46,514
Cost of inventories recognized as cost of sales (including write-down of inventories amounting to RMB45,698,000, RMB18,095,000 and RMB10,000 (unaudited) and reversal of write-down of RMB779,000 respectively)	56,891	89,854	943	24
Directors and supervisors' remuneration (Note 13)	19,535	16,340	4,838	2,193
Other staff costs:				
– Salaries and other benefits	93,855	100,580	24,937	25,244
– Retirement benefit scheme contributions	12,251	14,051	3,502	3,494
– Performance-based bonus	24,563	18,820	3,595	4,758
– Share-based payments	35,655	32,046	11,037	2,073
	185,859	181,837	47,909	37,762
Capitalized in inventories	(21,475)	(49,039)	(13,351)	(13,065)
Capitalized in property, plant and equipment	(2,143)	(1,941)	(520)	(384)
	162,241	130,857	34,038	24,313
Impairment losses, under expected credit loss model, net of reversal				
Trade receivables	48	66	(21)	(25)

12. INCOME TAX EXPENSE

Under the Law of the PRC on Enterprise Income Tax ("EIT Law") and Implementation Regulation of the EIT Law, the statutory tax rate of the Company and its PRC subsidiary is 25% during the Track Record Period.

Pursuant to Caishui 2018 circular No. 99, the Company and its PRC subsidiary enjoyed super deduction of 100% on qualifying research and development expenditures throughout the Track Record Period.

During the year ended December 31, 2024, the Company's subsidiary operating in the PRC was accredited as "High and New Technology Enterprise" and was therefore entitled to a preferential tax rate of 15% for a period of 3 years from 2024 to 2026.

Income tax expense for the Track Record Period can be reconciled to loss before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended December 31,		Three months ended March 31,	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Loss before tax	(424,741)	(258,716)	(63,331)	(87,317)
Tax at the applicable PRC tax rate of 25%	(106,185)	(64,679)	(15,833)	(21,829)
Tax effect of expenses not deductible for tax purposes	17,070	11,539	3,894	843
Effect of additional deduction on research and development expense	(49,757)	(34,327)	(9,429)	(11,133)
Utilization of tax losses previously not recognized	–	(4,157)	(573)	–
Tax at concessionary rate	–	(2,337)	(249)	1,507
Tax effect of tax losses not recognized	125,996	54,177	21,215	32,715
Tax effect of deductible temporary differences not recognized	12,876	39,784	975	934
Utilization of deductible temporary differences previously not recognized	–	–	–	(3,037)
Income tax expense for the year/period	–	–	–	–

13. DIRECTORS', CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

During the Track Record Period, directors' and chief executive's remuneration disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance, is as follows:

	Director's fee	Salaries and other benefits	Retirement benefit scheme contributions	Performance based bonus (Note i)	Share-based payments	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
For the year ended December 31, 2023						
Executive directors:						
Mr. An (Note ii)	–	2,476	68	419	7,604	10,567
Ms. Li Runxiang	–	803	68	211	1,995	3,077
Mr. He Yiming	–	556	64	144	1,225	1,989
Non-executive directors:						
Mr. Yu Jianlin	–	–	–	–	–	–
Mr. Cheng Qianwen	–	–	–	–	–	–
Independent non-executive directors:						
Mr. Li Xiangming	120	–	–	–	–	120
Mr. Chen Chenbei	120	–	–	–	–	120
Ms. Li Xiaoqing	120	–	–	–	–	120
Supervisors:						
Mr. Tao Hang	–	762	68	203	1,095	2,128
Mr. Wang Shuguang	–	–	–	–	–	–
Mr. Feng Hao	–	337	46	78	953	1,414
	360	4,934	314	1,055	12,872	19,535

	Director's fee	Salaries and other benefits	Retirement benefit scheme contributions	Performance based bonus (Note i)	Share-based payments	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
For the year ended December 31, 2024						
Executive directors:						
Mr. An (Note ii)	–	2,326	71	416	5,414	8,227
Ms. Li Runxiang	–	803	71	143	1,333	2,350
Mr. He Yiming	–	551	66	118	1,207	1,942
Non-executive directors:						
Mr. Yu Jianlin	–	–	–	–	–	–
Mr. Cheng Qianwen	–	–	–	–	–	–
Independent non-executive directors:						
Mr. Li Xiangming	120	–	–	–	–	120
Mr. Chen Chenbei	120	–	–	–	–	120
Ms. Li Xiaoqing	120	–	–	–	–	120
Supervisors:						
Mr. Tao Hang	–	762	71	149	1,000	1,982
Mr. Wang Shuguang	–	–	–	–	–	–
Mr. Feng Hao	–	333	45	68	1,033	1,479
	360	4,775	324	894	9,987	16,340
For the period ended March 31, 2025						
Executive directors:						
Mr. An (Note ii)	–	573	18	92	307	990
Ms. Li Runxiang	–	182	–	30	–	212
Mr. He Yiming	–	138	18	20	246	422
Non-executive directors:						
Mr. Yu Jianlin	–	–	–	–	–	–
Mr. Cheng Qianwen	–	–	–	–	–	–
Independent non-executive directors:						
Mr. Li Xiangming	30	–	–	–	–	30
Mr. Chen Chenbei	30	–	–	–	–	30
Ms. Li Xiaoqing	30	–	–	–	–	30
Supervisors:						
Mr. Wang Wei (Note iii)	–	58	10	8	25	101
Mr. Tao Hang (Note iii)	–	13	1	2	22	38
Mr. Wang Shuguang	–	–	–	–	–	–
Mr. Feng Hao	–	84	11	11	234	340
	90	1,048	58	163	834	2,193

	Director's fee	Salaries and other benefits	Retirement benefit scheme contributions	Performance based bonus (Note i)	Share-based payments	Total
	RMB'000 (unaudited)	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*
For the period ended March 31, 2024						
Executive directors:						
Mr. An (Note ii)	–	604	18	100	1,864	2,586
Ms. Li Runxiang	–	201	18	30	497	746
Mr. He Yiming	–	137	15	13	373	538
Non-executive directors:						
Mr. Yu Jianlin	–	–	–	–	–	–
Mr. Cheng Qianwen	–	–	–	–	–	–
Independent non-executive directors:						
Mr. Li Xiangming	30	–	–	–	–	30
Mr. Chen Chenbei	30	–	–	–	–	30
Ms. Li Xiaoqing	30	–	–	–	–	30
Supervisors:						
Mr. Tao Hang	–	191	18	29	249	487
Mr. Wang Shuguang	–	–	–	–	–	–
Mr. Feng Hao	–	83	11	11	286	391
	90	1,216	80	183	3,269	4,838

Notes:

(i) Performance-based bonus is determined based on their duties and responsibilities of the relevant individuals within the Group and the Group's performance.

(ii) Mr. An is the Chief Executive Officer of the Company.

(iii) Mr. Tao Hang resigned as a Supervisor on January 8, 2025 and Mr. Wang Wei was assigned as Supervisor on January 2, 2025.

The executive directors' and chief executive's emoluments shown above were paid for their services in connection with the management of the affairs of the Company and the Group during the Track Record Period.

Five highest paid individuals

During the Track Record Period, the five highest paid employees of the Group included 1 director of the Company, details of whose emoluments are set out above. Details of the remuneration of the remaining 4 individuals are as follows (unaudited for the three months ended March 31, 2024):

	Year ended December 31,		Three months ended March 31,	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Salaries and other benefits	5,630	5,167	1,408	1,323
Performance based bonus	2,713	2,278	485	403
Retirement benefit scheme contributions	114	94	29	29
Share-based payments	9,081	9,246	2,299	2,274
	17,538	16,785	4,221	4,029

The numbers of the five highest paid individuals (including directors of the Company) are within the following bands (presented in Hong Kong Dollar ("HK$")):

	Year ended December 31,		Three months ended March 31,	
	2023	2024	2024	2025
			(unaudited)	
	No. of employees			
Nil to HK$1,000,000	–	–	1	1
HK$1,000,001 to HK$1,500,000	–	–	3	4
HK$2,500,001-HK$3,000,000	–	–	1	–
HK$3,500,001-HK$4,000,000	1	1	–	–
HK$4,000,001-HK$4,500,000	–	1	–	–
HK$4,500,001-HK$5,000,000	1	–	–	–
HK$5,000,001-HK$5,500,000	1	2	–	–
HK$5,500,001-HK$6,000,000	1	–	–	–
HK$8,500,001-HK$9,000,000	–	1	–	–
HK$11,500,001-HK$12,000,000	1	–	–	–
	5	5	5	5

During the Track Record Period, no emoluments were paid by the Group to the management of the Group or the five highest paid employees of the Group as an inducement to join or upon joining the Group or as compensation for loss of office. None of the management of the Group waived or agreed to waive any emoluments during the Track Record Period.

During the year, certain non-director and non-chief executive highest paid employees were granted restricted shares, in respect of their services to the Group under the restricted shares scheme of the Company. Details of the restricted shares scheme are set out in Note 31.

14. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

	Year ended December 31,		Three months ended March 31,	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Loss (RMB'000):				
Loss for the year/period attributable to owners of the Company for the purpose of calculating basic loss per share	(424,741)	(258,716)	(63,331)	(87,317)
Number of shares ('000):				
Weighted average number of ordinary shares for the purpose of basic loss per share	360,000	360,000	360,000	360,000
Loss per share (RMB)				
– Basic and diluted	(1.18)	(0.72)	(0.18)	(0.24)

The basic loss per share is calculated based on the loss attributable to the owners of the Company and the weighted average number of ordinary shares.

15. DIVIDENDS

No dividend was declared or paid by the Company in respect of the Track Record Period.

16. PROPERTY, PLANT AND EQUIPMENT

The Group

	Production facilities	Buildings	Electronic devices, furniture and office equipment	Motor vehicles	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
COST							
As at January 1, 2023	291,181	102,817	7,333	1,867	14,087	118,119	535,404
Additions	11,738	1,743	153	864	148	286,854	301,500
Transfers from construction in progress	45,947	2,437	2,398	–	2,200	(52,982)	–
Disposals	(65)	–	(8)	–	–	–	(73)
As at December 31, 2023	348,801	106,997	9,876	2,731	16,435	351,991	836,831
Additions	6,062	4,549	208	–	300	243,385	254,504
Transfers from construction in progress	157,556	25,846	–	–	–	(183,402)	–
Disposals	(2,682)	–	–	–	–	–	(2,682)
As at December 31, 2024	509,737	137,392	10,084	2,731	16,735	411,974	1,088,653
Additions	121	–	–	–	–	13,692	13,813
Transfers from construction in progress	1,915	–	15	–	–	(1,930)	–
As at March 31, 2025	511,773	137,392	10,099	2,731	16,735	423,736	1,102,466
DEPRECIATION							
As at January 1, 2023	37,217	12,601	3,338	589	2,959	–	56,704
Provided for the year	30,505	5,014	1,698	382	1,779	–	39,378
Eliminated on disposals	(29)	–	(4)	–	–	–	(33)
As at December 31, 2023	67,693	17,615	5,032	971	4,738	–	96,049
Provided for the year	39,281	5,738	1,510	519	1,991	–	49,039
Eliminated on disposals	(1,125)	–	–	–	–	–	(1,125)
As at December 31, 2024	105,849	23,353	6,542	1,490	6,729	–	143,963
Provided for the period	12,125	1,631	273	130	505	–	14,664
As at March 31, 2025	117,974	24,984	6,815	1,620	7,234	–	158,627
CARRYING VALUES							
As at December 31, 2023	281,108	89,382	4,844	1,760	11,697	351,991	740,782
As at December 31, 2024	403,888	114,039	3,542	1,241	10,006	411,974	944,690
As at March 31, 2025	393,799	112,408	3,284	1,111	9,501	423,736	943,839

The Company

	Production facilities	Buildings	Electronic devices, furniture and office equipment	Motor vehicles	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
COST							
As at January 1, 2023	263,870	102,817	6,763	1,156	3,701	117,877	496,184
Additions	11,738	1,743	152	–	–	267,613	281,246
Transfers from construction in progress	29,479	2,437	1,583	–	–	(33,499)	–
Disposals	(65)	–	(8)	–	–	–	(73)
As at December 31, 2023	305,022	106,997	8,490	1,156	3,701	351,991	777,357
Additions	6,062	4,549	208	–	300	239,285	250,404
Transfers from construction in progress	153,456	25,846	–	–	–	(179,302)	–
Disposals	(2,682)	–	–	–	–	–	(2,682)
As at December 31, 2024	461,858	137,392	8,698	1,156	4,001	411,974	1,025,079
Additions	121	–	–	–	–	13,692	13,813
Transfers from construction in progress	1,915	–	15	–	–	(1,930)	–
As at March 31, 2025	463,894	137,392	8,713	1,156	4,001	423,736	1,038,892
DEPRECIATION							
As at January 1, 2023	35,412	12,601	3,238	421	1,431	–	53,103
Provided for the year	27,143	5,014	1,502	220	506	–	34,385
Eliminated on disposals	(29)	–	(4)	–	–	–	(33)
As at December 31, 2023	62,526	17,615	4,736	641	1,937	–	87,455
Provided for the year	34,856	5,738	1,247	220	535	–	42,596
Eliminated on disposals	(1,125)	–	–	–	–	–	(1,125)
As at December 31, 2024	96,257	23,353	5,983	861	2,472	–	128,926
Provided for the period	10,987	1,631	207	55	141	–	13,021
As at March 31, 2025	107,244	24,984	6,190	916	2,613	–	141,947
CARRYING VALUES							
As at December 31, 2023	242,496	89,382	3,754	515	1,764	351,991	689,902
As at December 31, 2024	365,601	114,039	2,715	295	1,529	411,974	896,153
As at March 31, 2025	356,650	112,408	2,523	240	1,388	423,736	896,945

The above items of property, plant and equipment, except for construction in progress, are depreciated on a straight-line basis over the following estimated useful lives after taking into account their residual values:

	Useful lives	Residual value
Production facilities	10 years	5%
Buildings	20 years	5%
Electronic devices, furniture and office equipment	5 years	5%
Motor vehicles	5 years	5%
Leasehold improvements	Over the shorter of the relevant lease terms or 10 years	5%

As at December 31, 2023 and 2024 and March 31, 2025, buildings amounted RMB89,382,000, RMB114,039,000 and RMB112,408,000, and construction in progress amounted RMB44,798,000, nil and nil of the Company were pledged to secure banking borrowings, respectively.

17. RIGHT-OF-USE ASSETS

The Group

	Leasehold lands	Office buildings	Total
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount			
As at January 1, 2023	36,479	39,184	75,663
Additions	9,290	17,082	26,372
Depreciation charge	(843)	(6,716)	(7,559)
As at December 31, 2023	44,926	49,550	94,476
Depreciation charge	(968)	(7,417)	(8,385)
As at December 31, 2024	43,958	42,133	86,091
Depreciation charge	(241)	(1,855)	(2,096)
As at March 31, 2025	43,717	40,278	83,995

The Company

	Leasehold lands
	RMB'000
Carrying amount	
As at January 1, 2023	36,479
Additions	9,290
Depreciation charge	(843)
As at December 31, 2023	44,926
Depreciation charge	(968)
As at December 31, 2024	43,958
Depreciation charge	(241)
As at March 31, 2025	43,717

	Year ended December 31,		Three months ended March 31,	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Expenses relating to short-term leases	3,386	1,989	536	318
Total cash outflow for leases	10,708	10,356	2,553	1,717

During the Track Record Period, the Group leased various properties for its operating activities. Lease contracts are entered into for fixed term of 3 to 6 years. Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Group regularly entered into short-term leases for equipment and staff quarters. As at December 31, 2023 and 2024 and March 31, 2025, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

In addition, the Group owns several industrial buildings where its manufacturing facilities are primarily located and office buildings. The Group is the registered owner and has made lump sum payments upfront to government for leasehold lands. The Group has obtained the land use right certificates for all such leasehold lands.

Restrictions or covenants on leases

As at December 31, 2023 and 2024 and March 31, 2025, the Group has pledged land use rights of RMB35,697,000, RMB35,111,000 and RMB34,720,000, respectively, as collateral under the Group's borrowing arrangements.

As at December 31, 2023 and 2024 and March 31, 2025, lease liabilities of RMB55,275,000, RMB49,273,000 and RMB48,421,000 are recognized with related right-of-use assets of RMB49,550,000, RMB42,133,000 and RMB40,278,000, respectively. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Except for land use rights, leased assets may not be used as security for borrowing purposes.

18. INTANGIBLE ASSETS

The Group and the Company

	Patent	Development costs	Computer software	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
COST				
As at January 1, 2023	–	10,000	1,613	11,613
Additions	4,215	8,000	4,375	16,590
As at December 31, 2023	4,215	18,000	5,988	28,203
Additions	227	–	367	594
As at December 31, 2024 and March 31, 2025	4,442	18,000	6,355	28,797
AMORTISATION				
As at January 1, 2023	–	–	320	320
Provided for the year	166	–	873	1,039
As at December 31, 2023	166	–	1,193	1,359
Provided for the year	432	–	1,346	1,778
As at December 31, 2024	598	–	2,539	3,137
Provided for the period	114	–	363	477
As at March 31, 2025	712	–	2,902	3,614
CARRYING AMOUNT				
As at December 31, 2023	4,049	18,000	4,795	26,844
As at December 31, 2024	3,844	18,000	3,816	25,660
As at March 31, 2025	3,730	18,000	3,453	25,183

The above intangible assets have finite useful lives. Such intangible assets are amortized on a straight-line basis over the following periods:

	Useful lives
Patent	10 years
Computer software	5 years
Development costs	Over the residual useful life when ready for use

During the year ended December 31, 2023, the Group capitalized in-license related payment amounting to RMB8,000,000, with the goal of developing and commercialising a vaccine product. Such intangible assets have finite useful lives and will start to amortise after ready for use.

As development costs are not ready for use up to December 31, 2023 and 2024 and March 31, 2025 and the date of this report, the management of the Group performed impairment testing annually, which was further disclosed in Note 19. In the opinion of directors of the Company, no impairment loss was recognized in profit or loss during the years ended December 31, 2023 and 2024 and the three months ended March 31, 2025.

19. IMPAIRMENT TESTING ON INTANGIBLE ASSETS NOT READY FOR USE

Impairment test

Development costs, which is intangible assets not yet ready for use, is tested impairment annually based on the recoverable amount of the cash-generating unit to which the intangible asset is related. The appropriate cash-generating unit is at the pipeline level.

Impairment review on the development costs of the Group has been conducted by the management of the Group by engaging an independent qualified professional valuer, PG Advisory, to estimate the recoverable amount of the cash-generating unit at the end of each year. The address of PG Advisory is Room 2107-09, East Tower, Hongshoufang, No. 1143, Xikang Road, Putuo District, Shanghai. For the purpose of impairment review, the recoverable amount of the cash-generating unit is determined based on a value in use calculation by using the discounted cash flow approach.

With the assistance of PG Advisory, the management determined the recoverable amount of the above cash-generating unit based on the following approach and the key assumptions:

- The cash-generating unit will generate cash inflows starting from year 2028 based on the timing of clinical development and regulatory approval, commercial ramp up to reach expected revenue potential till year 2033, and up to the end of the exclusivity for the product;
- The management considers the length of the forecast period is appropriate because it generally takes longer for a biopharma company to generate positive cash flows, compared to companies in other industries, especially when the products related to development costs are under clinical trial. Hence, the management believes that a forecast period for the cash generating unit longer than five years is justifiable and consistent with industry practice;
- The expected market penetration rate was based on the expected selling conditions considering the features of marketing and technology development;
- The discount rate used is pre-tax and reflect specific risks relating to the relevant products that would be considered by market participants; and
- The expected success rate of commercialization by reference to practices of pharmaceutical industries, development of technologies and related regulations from administrations.

The key parameters used for recoverable amount calculations are as follows:

	As at December 31, 2023	As at December 31, 2024
	RMB'000	*RMB'000*
Expected annual growth rates till 2033	5%-43%	5%-43%
Pre-tax discount rate	15.2%	15.3%
Long-term growth rate	2%	2%

The revenue growth rate for the forecast period and budgeted gross margin were determined by the management based on their expectation for market and product development.

Based on the result of the development costs impairment testing, the recoverable amount of the cash-generating unit exceeded its carrying amount as at December 31, 2023 and 2024. Thus, no impairment is noted.

Impairment test – sensitivity analysis

The management of the Group performed sensitivity test by increasing of 1% pre-tax discount rate or decreasing of 5% expected revenue growth rate, which are the key assumptions determine the recoverable amount of the intangible asset, with all other variables held constant. The impacts on the amount by which the intangible asset's recoverable amount above its carrying amount (headroom) are as below:

	As at December 31, 2023	As at December 31, 2024
	RMB'000	*RMB'000*
Headroom	67,000	112,000
Impact by increasing pre-tax discount rate of 1%	(18,000)	(20,000)
Impact by decreasing expected annual growth rates of 5%	(5,000)	(7,000)

If the pre-tax discount rate used as at December 31, 2023 and 2024 was changed to 18.77% and 24.74%, respectively, while other parameters remain constant, the recoverable amount of the cash-generating unit would equal its carrying amount. If the annual revenue growth rate used as at December 31, 2023 and 2024 was decreased by 15% and 23%, respectively, while other parameters remain constant, the recoverable amount of the cash-generating unit would equal its carrying amount. Management believes that any reasonably possible changes in key assumptions would not lead to impairment as of December 31, 2023 and 2024.

As at March 31, 2025, the management is not aware of any significant adverse changes on the respective cash-generating unit that indicates the carrying amount of the cash-generating unit exceeds its recoverable amount. As a result, no impairment assessment as at March 31, 2025 was performed.

20. DEFERRED TAXATION

The Group

For the purpose of presentation in the consolidated statements of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	As at December 31,		As at March 31,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Deferred tax assets	12,388	6,320	6,042
Deferred tax liabilities	(12,388)	(6,320)	(6,042)
	–	–	–

The following are the major deferred tax balances recognized and movements thereon during the Track Record Period:

	Right-of-use assets	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*
As at January 1, 2023	(9,796)	9,796	–
(Charged) credited to profit or loss	(2,592)	2,592	–
As at December 31, 2023	(12,388)	12,388	–
Credited (charged) to profit or loss	6,068	(6,068)	–
As at December 31, 2024	(6,320)	6,320	–
Credited (charged) to profit or loss	278	(278)	–
As at March 31, 2025	(6,042)	6,042	–

As at December 31, 2023 and 2024 and March 31, 2025, the Group has unused tax losses of RMB1,257,213,000, RMB1,389,572,000 and RMB1,399,978,000 and deductible temporary differences of RMB78,700,000, RMB239,570,000 and RMB232,271,000, respectively. No deferred tax asset has been recognized in respect of the tax losses or temporary differences due to the unpredictability of future profit streams.

The unused tax losses will be carried forward and expire in years as follows:

	As at December 31,		As at March 31,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
2024	56,637	–	–
2025	130,555	126,375	–
2026	258,911	236,063	236,063
2027	307,131	306,447	306,447
2028	503,979	503,979	503,979
2029	–	216,708	216,708
2030	–	–	136,781
	1,257,213	1,389,572	1,399,978

21. INVENTORIES

The Group

	As at December 31,		As at March 31,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	38,278	33,683	35,997
Work in progress	3,438	24,350	51,656
Finished goods	46,242	18,095	17,184
	87,958	76,128	104,837
Less: allowance	(46,140)	(18,319)	(17,465)
	41,818	57,809	87,372

The Company

	As at December 31,		As at March 31,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	35,572	31,186	33,565
Work in progress	3,438	24,350	51,656
Finished goods	46,242	18,095	17,184
	85,252	73,631	102,405
Less: allowance	(46,132)	(18,249)	(17,404)
	39,120	55,382	85,001

22. TRADE RECEIVABLES

The Group and the company

	As at December 31,		As at March 31,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables from contracts with customers	73,643	285,019	221,366
Less: allowance for expected credit losses	(48)	(114)	(89)
	73,595	284,905	221,277

As at January 1, 2023, trade receivables from contracts with customers amounted to nil.

The following is an aged analysis of trade receivables (net of allowance for credit losses) presented based on dates of delivery of goods:

The Group and the Company

	As at December 31,		As at March 31,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
1-90 days	67,017	50,066	542
91-180 days	6,578	216,095	42,514
181-270 days	–	13,007	166,232
271-365 days	–	219	8,220
over 1 year	–	5,518	3,769
	73,595	284,905	221,277

Details of the assessment on the provision of the allowance for expected credit loss of the trade receivables of the Group and the Company as at December 31, 2023 and 2024 and March 31, 2025 are set out in Note 35.

23. OTHER RECEIVABLES AND PREPAYMENTS

The Group

	As at December 31,		As at March 31,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Other receivables			
Value added tax recoverable	32,978	37,967	39,826
Deferred issue cost	–	1,822	3,016
Rental deposits	2,441	2,316	2,316
Others	1,590	1,046	1,049
	37,009	43,151	46,207
Prepayments for			
Acquisition of long-term assets	17,031	24,771	25,546
Raw material purchase	2,030	8,903	3,235
Service fee	1,904	2,939	3,591
Others	1,194	1,588	5,801
	22,159	38,201	38,173
	59,168	81,352	84,380
Less: non-current assets	(44,396)	(60,861)	(63,448)
Current assets	14,772	20,491	20,932

The Company

	As at December 31,		As at March 31,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Other receivables			
Amount due from a subsidiary (Note)	89,676	–	–
Deferred issue cost	–	1,822	3,016
Value added tax recoverable	24,924	33,908	36,488
Rental deposits	97	92	92
Others	1,590	964	996
	116,287	36,786	40,592
Prepayments for			
Acquisition of long-term assets	16,982	24,769	25,546
Raw material purchase	2,026	8,903	3,223
Service fee	1,675	104,332	162,523
Others	1,084	1,579	5,792
	21,767	139,583	197,084
	138,054	176,369	237,676
Less: Non-current assets	(42,004)	(58,637)	(62,127)
Current assets	96,050	117,732	175,549

Note: The amount due from a subsidiary was non-trade in nature, unsecured, interest-free and repayable on demand.

Details of the assessment on the provision of the allowance for credit loss of the other receivables of the Group and the Company as at December 31, 2023 and 2024 and March 31, 2025 are set out in Note 35.

24. FINANCIAL ASSETS AT FVTPL

The Group and the Company

	As at December 31,		As at March 31,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Wealth management products (Note)	10,020	–	–

Note: During the years ended December 31, 2023 and 2024 and the three months ended March 31, 2025, the Group entered into contracts of wealth management products with a bank with maturity term within 4 months. The returns of the wealth management products are determined by reference to the performance of the underlying instruments in the currency market, therefore they are recognized as financial assets at FVTPL. The weighted average annual return rate were 2.52%, 2.21% and 2.52% for the years ended December 31, 2023 and 2024 and the three months ended March 31, 2025, respectively.

The Group has redeemed all the wealth management products as at December 31, 2024 and March 31, 2025.

Details of the fair value measurement of the financial assets at FVTPL are set out in Note 35.

25. CASH AND CASH EQUIVALENTS/TIME DEPOSITS/PLEDGED BANK DEPOSITS

Cash and cash equivalents include short term deposits for the purpose of meeting the Group's short term cash commitments, which carried interest at market rates range from 0.10% to 0.30% during the Track Record Period.

As at December 31, 2023, time deposits amounted to RMB22,236,000 and carried fixed rates of 3.99% per annum, with original maturity of three years.

As at December 31, 2023 and 2024 and March 31, 2025, pledged bank deposits carried fixed interest rate of 0.20%, 1.00% and 1.00%, respectively, and represented deposits pledged to banks to secure notes payables and are therefore classified as current assets. The pledged bank deposits will be released upon the settlement of relevant notes payables.

Details of the assessment on the provision of the expected credit loss of the cash and cash equivalents, time deposits and pledged bank deposits of the Group and the Company as at December 31, 2023 and 2024 and March 31, 2025 are set out in Note 35.

26. TRADE AND OTHER PAYABLES

The Group

	As at December 31,		As at March 31,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Payables for raw material and service fee	83,876	98,385	86,295
Notes payables	5,486	689	689
Payables for acquisition of property, plant and equipment	109,909	159,706	139,640
Payroll and welfare payables	38,549	33,500	37,713
Payables for marketing activities	19,217	109,929	117,539
Deposits from suppliers	18,032	27,558	24,894
Other tax payables	863	1,118	662
Accrued listing expenses and issue costs	–	6,385	7,401
Others	15,618	20,761	21,740
	291,550	458,031	436,573
Less: non-current liabilities	–	(16,416)	(16,416)
	291,550	441,615	420,157

The average credit period on purchases of materials and services of the Group is mainly 30 days. The following is an aged analysis of the trade payables, presented based on the invoice dates, at the end of the reporting period:

	As at December 31,		As at March 31,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
1-30 days	81,583	88,801	69,761
31 days to 1 year	2,293	9,584	16,534
	83,876	98,385	86,295

The Company

	As at December 31,		As at March 31,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Payables for raw material and service fee	61,169	72,204	60,260
Notes payables	5,486	689	689
Payables for acquisition of property, plant and equipment	109,017	158,420	138,836
Payroll and welfare payables	22,664	21,785	24,766
Payables for marketing activities	19,217	109,929	117,539
Deposits from suppliers	18,032	27,558	24,894
Amount due to a subsidiary (Note)	–	60,124	111,124
Other tax payables	850	1,100	657
Accrued listing expenses and issue costs	–	6,385	7,401
Others	15,174	19,115	18,343
	251,609	477,309	504,509
Less: non-current liabilities	–	(16,416)	(16,416)
	251,609	460,893	488,093

Note: The amount due to a subsidiary were non-trade in nature, unsecured, interest-free and repayable on demand.

The average credit period on purchases of materials and services of the Group is mainly 30 days. The following is an aged analysis of the trade payables, presented based on the invoice dates, at the end of each reporting period:

	As at December 31,		As at March 31,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
1-30 days	59,473	62,654	59,144
31 days to 1 year	1,696	9,550	1,116
	61,169	72,204	60,260

27. REFUND LIABILITIES

The Group and the company

The Group recognizes a refund liability if the Group expects it would not be entitled to consideration of all goods delivered arising from the rights granted by the Group to the customers to return some or all the goods purchased. Upon revenue recognition, the Group estimates the future sales return of the goods sold and a corresponding adjustment to revenue is recognized for those products expected to be returned.

For a sale of products with a right to return products, the Group recognizes all of the following:

(a) revenue for the transferred products in the amount of consideration to which the Group expects to be entitled. Therefore, revenue would not be recognized for the products expected to be returned; and

(b) a refund liability.

The right to returned goods asset represents the Group's right to recover products from customers where customers exercise their right of return under the Group's return policy.

	As at December 31,		As at March 31,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Refund liabilities			
Arising from right of return	13,259	84,721	81,056

28. BORROWINGS

The Group

	As at December 31,		As at March 31,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Bank borrowings	366,149	809,536	883,126
Bank borrowings under supplier finance arrangements (Note)	–	–	12,585
	366,149	809,536	895,711

	As at December 31,		As at March 31,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Borrowings from banks – unsecured and unguaranteed	256,897	384,030	470,505
Borrowings from banks – secured and unguaranteed	104,262	375,551	425,206
Borrowings from banks – unsecured and guaranteed	4,990	49,955	–
	366,149	809,536	895,711
Less: current portion	(217,887)	(347,524)	(405,299)
Non-current portion	148,262	462,012	490,412
Analysed as:			
Fixed interest rate	128,087	295,646	302,727
Variable interest rate	238,062	513,890	592,984
	366,149	809,536	895,711
Maturity of borrowings			
The carrying amounts of the borrowings are repayable:			
Within one year	217,887	347,524	405,299
Within a period of more than one year but not exceeding two years	–	108,237	103,691
Within a period of more than two years but not exceeding five years	124,000	136,686	149,953
Within a period of more than five years	24,262	217,089	236,768
	366,149	809,536	895,711

Note: The Group has entered into a supplier finance arrangement with a bank in 2025. Under this arrangement, the bank will settle the payables and prepayment to the suppliers on behalf of the Group. The Group's obligations to suppliers are legally extinguished on settlement by the relevant bank. The Group then settles with the banks within 1 year with fixed interest rate of 3.25% per annum. This arrangement has extended the payment terms, which were extended beyond the original due dates of respective invoices. Information of the Group's supplier finance arrangement is set out in note 37b.

The ranges of effective interest rates on the Group's fixed and variable-rate borrowings are as follows:

	As at December 31,		As at March 31,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Effective interest rate:			
Fixed-rate borrowings	3.20%-3.65%	3.00%-3.60%	3.00%-3.45%
Variable-rate borrowings	3.20%-4.10%	3.00%-4.10%	3.00%-3.50%

The Company

	As at December 31,		As at March 31,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Bank borrowings	361,159	799,626	883,126
Bank borrowings under supplier finance arrangement (Note)	–	–	12,585
	361,159	799,626	895,711

	As at December 31,		As at March 31,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Borrowings from banks – unsecured and unguaranteed	256,897	384,030	470,505
Borrowings from banks – secured and unguaranteed	104,262	375,551	425,206
Borrowings from banks – unsecured and guaranteed	–	40,045	–
	361,159	799,626	895,711
Less: current portion	(212,897)	(337,614)	(405,299)
Non-current portion	148,262	462,012	490,412
Analysed as:			
Fixed interest rate	123,097	285,736	302,727
Variable interest rate	238,062	513,890	592,984
	361,159	799,626	895,711
Maturity of borrowings			
The carrying amounts of the borrowings are repayable:			
Within one year	212,897	337,614	405,299
Within a period of more than one year but not exceeding two years	–	108,237	103,691
Within a period of more than two years but not exceeding five years	124,000	136,686	149,953
Within a period of more than five years	24,262	217,089	236,768
	361,159	799,626	895,711

The ranges of effective interest rates on the Company's fixed and variable-rate borrowings are as follows:

	As at December 31,		As at March 31,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Effective interest rate:			
Fixed-rate borrowings	3.20%-3.65%	3.00%-3.60%	3.00%-3.45%
Variable-rate borrowings	3.35%-4.10%	3.00%-4.10%	3.00%-4.10%

Details of the security are set out in Notes 16 and 17. As of December 31, 2023 and 2024, loans of RMB4,990,000 and RMB49,955,000 of the Group were guaranteed by Mr. An. The guarantee from Mr. An has been released as of March 31, 2025.

29. LEASE LIABILITIES

The Group

	As at December 31,		As at March 31,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Lease liabilities payable			
Within one year	6,467	7,146	8,027
Within a period of more than one year but not exceeding two years	6,340	7,023	7,243
Within a period of more than two years but not exceeding five years	24,950	24,574	24,194
Within a period of more than five years	17,518	10,530	8,957
	55,275	49,273	48,421
Less: Amount due for settlement within one year shown as current liabilities	(6,467)	(7,146)	(8,027)
Amount due for settlement after one year shown as non-current liabilities	48,808	42,127	40,394

During the Track Record Period, the incremental borrowing rates applied to lease liabilities range from 4.30% to 4.65%.

30. DEFERRED INCOME

The Group and the Company

	As at December 31,		As at March 31,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Government grants – Asset related grants (Note)	30,240	37,018	36,807

	Assets related
	RMB'000
Movements of such grants:	
As at January 1, 2023	29,749
Grants received	1,000
Credited to profit or loss (Note 8)	(509)
As at December 31, 2023	30,240
Grants received	8,550
Credited to profit or loss (Note 8)	(1,772)
As at December 31, 2024	37,018
Credited to profit or loss (Note 8)	(211)
As at March 31, 2025	36,807

Note: The asset-related grants are the subsidies received from the government for the purpose of purchase of the Group's property, plant and equipment.

31. SHARE-BASED PAYMENT TRANSACTIONS

Restricted shares scheme

In recognition of the contributions of certain eligible directors, supervisors and employees, two employee stock ownership platforms were established in August 2017, namely 泰州慧融企業管理諮詢服務合夥企業(有限合夥)/Taizhou Huirong Enterprise Management Consulting Service Partnership (Limited Partnership) ("Taizhou Huirong") and 泰州慧隆企業管理諮詢服務合夥企業(有限合夥) Taizhou Huilong Enterprise Management Consulting Service Partnership (Limited Partnership) ("Taizhou Huilong"), to hold the Company's share capital of RMB10,000,000, to implement first-batch restricted shares award scheme ("2017 Employee Incentive Scheme").

Under the 2017 Employee Incentive Scheme, eligible directors, supervisors and employees shall subscribe for partnership interest of employee stock ownership platforms at a consideration price of RMB1 or RMB1.5 for RMB1 partnership interest and indirectly hold 16,267,000 incentive shares of the Company after the joint stock company conversion.

Details of the restricted shares issued under the 2017 Employee Incentive Scheme are as follows:

Grant date	Amount of registered capital	Grantee	Vesting schedule defined in contract term
	RMB'000		
August 29, 2017	810	A supervisor and employees	100% five years after grant date
August 29, 2017	4,660	A director and employees	100% on grant date
July 18, 2019	2,180	A supervisor and employees	100% five years after grant date
July 18, 2019	2,350	A director and employees	100% on grant date

In December 2020, an employee stock ownership platform was established, namely 泰州慧達企業管理諮詢服務合夥企業(有限合夥)/Taizhou Huida Enterprise Management Consulting Service Partnership (Limited Partnership) ("Taizhou Huida"), together with three employee stock ownership nested platforms, namely 泰州慧寧企業管理諮詢服務合夥企業(有限合夥)/Taizhou Huining Enterprise Management Consulting Service Partnership (Limited Partnership) ("Taizhou Huining"), 泰州慧新企業管理諮詢服務合夥企業(有限合夥)/Taizhou Huixin Enterprise Management Consulting Service Partnership (Limited Partnership) ("Taizhou Huixin") and 泰州慧嘉企業管理諮詢服務合夥企業(有限合夥)/Taizhou Huijia Enterprise Management Consulting Service Partnership (Limited Partnership) ("Taizhou Huijia"), to hold the Company's share capital of RMB11,500,000, to implement second-batch restricted shares award scheme ("2020 Employee Incentive Scheme").

Under the 2020 Employee Incentive Scheme, eligible directors, supervisors and employees shall subscribe for partnership interest of Taizhou Huida and the nested platforms at a consideration of RMB3.964 for RMB1 partnership interest and indirectly hold 18,707,000 incentive shares of the Company after the joint stock company conversion.

Details of the restricted shares issued under the 2020 Employee Incentive Scheme are as follows:

Grant date	Amount of registered capital	Grantee	Vesting schedule defined in contract term
	RMB'000		
June 1, 2021	1,750	A director, a supervisor and employees	100% three years after grant date
September 1, 2021	4,110	Directors and employees	100% three years after grant date
May 31, 2022	1,500	A supervisor and employees	100% three years after grant date
December 15, 2022	2,480	A director, a supervisor and employees	100% three years after grant date
March 10, 2023	1,280	Employees	100% three years after grant date
April 1, 2023	130	Employees	100% three years after grant date
May 4, 2023	1,040	A director, a supervisor and employees	100% three years after grant date
September 26, 2024	180	Employees	100% three years after grant date
December 24, 2024	120	Employees	100% three years after grant date

Other details of 2017 Employee Incentive Scheme and 2020 Employee Incentive Scheme were included in "Appendix VI – Statutory and General Information" in this prospectus.

The Company was converted to a joint stock company on February 22, 2022, 360,000,000 ordinary shares with par value of RMB1 each were issued and allotted to the respective shareholders of the Company according to the paid-in capital registered under these shareholders on that day and following table reflects the impact of the conversion. One registered share capital before the conversion represented 1.63 shares of the joint stock company.

The consideration was fully settled.

Set out below are details of the movements of the outstanding restricted shares during the years ended December 31, 2023 and 2024 and three months ended March 31, 2025:

	Outstanding as at January 1, 2023	Granted	Vested	Forfeited	Outstanding as at December 31, 2023	Fair value per share at the date of grant
	'000	*'000*	*'000*	*'000*	*'000*	*RMB*
Director and Supervisor						
July 18, 2019	65	–	–	–	65	3.03
June 1, 2021	228	–	–	–	228	11.64
September 1, 2021	2,684	–	–	–	2,684	11.64
May 31, 2022	325	–	–	–	325	11.64
December 15, 2022	439	–	–	–	439	11.64
May 4, 2023	–	602	–	–	602	11.64
Employee						
July 18, 2019	1,773	–	–	81	1,692	3.03
June 1, 2021	2,229	–	–	358	1,871	11.64
September 1, 2021	3,693	–	–	439	3,254	11.64
May 31, 2022	2,115	–	–	98	2,017	11.64
December 15, 2022	3,595	–	–	146	3,449	11.64
March 10, 2023	–	2,082	–	33	2,049	11.64
April 1, 2023	–	211	–	–	211	11.64
May 4, 2023	–	1,090	–	–	1,090	11.64
Total	17,146	3,985	–	1,155	19,976	
Weighted average fair value per share (RMB)	10.71	11.64	–	11.03	10.88	

	Outstanding as at January 1, 2024	Granted	Vested	Forfeited	Outstanding as at December 31, 2024	Fair value per share at the date of grant
	'000	*'000*	*'000*	*'000*	*'000*	*RMB*
Director and Supervisor						
July 18, 2019	65	–	65	–	–	3.03
June 1, 2021	228	–	228	–	–	11.64
September 1, 2021	2,684	–	2,684	–	–	11.64
May 31, 2022	325	–	–	–	325	11.64
December 15, 2022	439	–	–	–	439	11.64
May 4, 2023	602	–	–	–	602	11.64
Employee						
July 18, 2019	1,692	–	1,692	–	–	3.03
June 1, 2021	1,871	–	1,806	65	–	11.64
September 1, 2021	3,254	–	3,189	65	–	11.64
May 31, 2022	2,017	–	–	65	1,952	11.64
December 15, 2022	3,449	–	–	81	3,368	11.64
March 10, 2023	2,049	–	–	49	2,000	11.64
April 1, 2023	211	–	–	–	211	11.64
May 4, 2023	1,090	–	–	–	1,090	11.64
September 26, 2024	–	293	–	–	293	11.64
December 24, 2024	–	195	–	–	195	11.64
Total	19,976	488	9,664	325	10,475	
Weighted average fair value per share (RMB)	10.88	11.64	10.07	11.64	11.64	

	Outstanding as at January 1, 2025	Granted	Transfer (Note)	Forfeited	Outstanding as at March 31, 2025	Fair value per share at the date of grant
	'000	*'000*	*'000*	*'000*	*'000*	*RMB*
Director and Supervisor						
July 18, 2019	–	–	–	–	–	3.03
June 1, 2021	–	–	–	–	–	11.64
September 1, 2021	–	–	–	–	–	11.64
May 31, 2022	325	–	(293)	–	32	11.64
December 15, 2022	439	–	–	–	439	11.64
May 4, 2023	602	–	–	–	602	11.64
Employee						
July 18, 2019	–	–	–	–	–	3.03
June 1, 2021	–	–	–	–	–	11.64
September 1, 2021	–	–	–	–	–	11.64
May 31, 2022	1,952	–	293	–	2,245	11.64
December 15, 2022	3,368	–	–	326	3,042	11.64
March 10, 2023	2,000	–	–	439	1,561	11.64
April 1, 2023	211	–	–	–	211	11.64
May 4, 2023	1,090	–	–	–	1,090	11.64
September 26, 2024	293	–	–	–	293	11.64
December 24, 2024	195	–	–	–	195	11.64
Total	10,475	–	–	765	9,710	
Weighted average fair value per share (RMB)	11.64	–	–	11.64	11.64	

Note: Mr. Tao Hang resigned as a Supervisor on 8 January 2025 and Mr. Wang Wei was assigned as Supervisor on 2 January 2025.

Fair value of restricted share

The Group used the income approach and back-solve method to determine the underlying equity fair value of the Company. The fair value of shares at grant date was valued by directors of the Company with reference to valuation reports carried out by an independent qualified professional valuer, PG Advisory, whose address is disclosed in Note 19. The fair value of restricted share at grant date was determined to be in the range from RMB3.03 to RMB11.64, by referring to the equity fair value of the Company.

The Group recognized total expense of approximately RMB48,527,000 and RMB42,033,000 and RMB 2,907,000 for the years ended December 31, 2023 and 2024 and three months ended March 31, 2025, respectively, in relation to restricted shares.

32. SHARE CAPITAL

Issued and fully paid:

	Numbers of shares	Share capital
	'000	*RMB'000*
As at January 1, 2023, December 31, 2023 and 2024 and March 31, 2025	360,000	360,000

33. CAPITAL RESERVES OF THE COMPANY

	Share premium	Share-based payments reserve	Accumulated Losses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	614,930	50,172	(189,871)	475,231
Loss and total comprehensive expense for the year	–	–	(354,597)	(354,597)
Recognition of equity settled share-based payments	–	48,527	–	48,527
As at December 31, 2023	614,930	98,699	(544,468)	169,161
Loss and total comprehensive expense for the year	–	–	(271,819)	(271,819)
Recognition of equity settled share-based payments	–	42,033	–	42,033
Vest of restricted shares	76,437	(76,437)	–	–
As at December 31, 2024	691,367	64,295	(816,287)	(60,625)
Loss and total comprehensive expense for the period	–	–	(82,545)	(82,545)
Recognition of equity settled share-based payments	–	2,907	–	2,907
As at March 31, 2025	691,367	67,202	(898,832)	(140,263)

34. CAPITAL COMMITMENTS

	As at December 31,		As at March 31,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Capital expenditure in respect of the acquisition of property, plant and equipment in the Historical Financial Information contracted for but not provided	175,813	378,123	427,598

35. FINANCIAL INSTRUMENTS

a. Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt, which includes borrowings, lease liabilities and amounts due to shareholders disclosed in Notes 28, 29 and 39 respectively, net of cash and cash equivalents and equity of the Group, comprising share capital and reserves. The directors of the Company review the capital structure on a continuous basis taking into account the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the issue of new shares and borrowing, if necessary.

b. Categories of financial instruments

The Group

	As at December 31,		As at March 31,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Financial assets			
Financial assets at amortized cost	150,666	420,599	339,341
Financial assets at FVTPL	10,020	–	–
Financial liabilities			
Financial liabilities at amortized cost	618,285	1,260,622	1,293,909

The Company

	As at December 31,		As at March 31,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Financial assets			
Financial assets at amortised cost	234,087	417,641	335,653
Financial assets at FVTPL	10,020	–	–
Financial liabilities			
Financial liabilities at amortised cost	587,199	1,281,723	1,374,797

c. Financial risk management objectives and policies

The Group's major financial assets and liabilities include trade receivable, other receivables, financial assets at FVTPL, pledged bank deposits, time deposits, cash and cash equivalents, trade and other payables, amounts due to shareholders and borrowings. Details of these financial instruments are disclosed on respective notes and the policies on how to mitigate these risks are set out below. The risks associated with these financial instruments include market risk (interest rate risk), credit risk and liquidity risk. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate borrowings, amounts due to shareholders, lease liabilities, pledged bank deposits and time deposits (see Notes 28, 39, 29 and 25 for details). The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances and variable-rate borrowings (see Notes 25 and 28 for details). The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances and borrowings. As the management considers that the exposure of cash flow interest rate risk arising from variable rate bank balances and variable-rate borrowings is insignificant, therefore no sensitivity analysis on such risk has been prepared.

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade receivables, other receivables, pledged bank deposits, time deposits and cash and cash equivalents. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Trade receivables

In order to minimize credit risk, the Group has developed and maintained the Group's credit risk gradings to categorize exposures according to their degree of risk of default.

For trade receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The ECL on trade receivable are assessed collectively, based on the internal credit rating and an assessment of both the current as well as the forward-looking information that is available without undue cost or effort at the end of each period. The expected credit loss of trade receivables as at December 31, 2023 and 2024 and March 31, 2025 were RMB48,000 and RMB114,000 and RMB89,000, respectively. Details of the quantitative disclosures are set out below in this note.

Other receivables

For other receivables and deposits, the management makes periodic individual assessment on the recoverability of other receivables and deposits based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management believes that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL, except for certain other receivables with significant increase in credit risk are provided impairment based on lifetime ECL. During the Track Record Period, the Group assessed the ECL for other receivables and deposits are insignificant and thus no loss allowance is recognized.

Cash and cash equivalents, time deposits and pledged bank deposits

The credit risk on cash and cash equivalents, time deposits and pledged bank deposits is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. The Group assessed 12m ECL for cash and cash equivalents, time deposits and pledged bank deposits by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12m ECL on cash and cash equivalents, time deposits and pledged bank deposits is considered to be insignificant and therefore no loss allowance was recognized.

The Group and The Companies' internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past due amounts	Lifetime ECL – not credit-impaired	12-month ECL
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL – not credit-impaired	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	Amount is >90 days past due or there is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

The tables below detail the credit risk exposures of the Group's and the Company's financial assets which are subject to ECL assessment:

The Group

	Notes	Internal credit rating	12-month or lifetime ECL	Gross carrying amount		
				As at December 31,		As at March 31,
				2023	2024	2025
				RMB'000	*RMB'000*	*RMB'000*
Financial assets at amortized cost						
Cash and cash equivalents	*25*	Low risk	12-month ECL	45,318	132,194	114,561
Time deposits	*25*	Low risk	12-month ECL	22,236	–	–
Pledged bank deposits	*25*	Low risk	12-month ECL	5,486	138	138
Trade receivables	*22*	Low risk	Lifetime ECL (collective assessment)	73,643	285,019	221,366
Other receivables	*23*	Low risk	12-month ECL	4,031	3,362	3,365

The Company

	Notes	Internal credit rating	12-month or lifetime ECL	Gross carrying amount		
				As at December 31,		As at March 31,
				2023	2024	2025
				RMB'000	*RMB'000*	*RMB'000*
Financial assets at amortized cost						
Cash and cash equivalents	*25*	Low risk	12-month ECL	41,407	131,542	113,150
Time deposits	*25*	Low risk	12-month ECL	22,236	–	–
Pledged bank deposits	*25*	Low risk	12-month ECL	5,486	138	138
Trade receivables	*22*	Low risk	Lifetime ECL (collective assessment)	73,643	285,019	221,366
Other receivables	*23*	Low risk	12-month ECL	91,363	1,056	1,088

Movement in lifetime ECL that has been recognized for trade receivables in accordance with the simplified approach set out in IFRS 9 as at December 31, 2023 and 2024 and March 31, 2025:

The Group and the Company

Gross carrying amount

	As at December 31, 2023		
Internal credit rating	**Average loss rate**	**Gross carrying amount of trade receivables**	**Lifetime ECL**
		RMB'000	*RMB'000*
Low risk	0.07%	73,643	48

	As at December 31, 2024		
Internal credit rating	**Average loss rate**	**Gross carrying amount of trade receivables**	**Lifetime ECL**
		RMB' 000	*RMB' 000*
Low risk	0.04%	285,019	114

	As at December 31, 2025		
Internal credit rating	**Average loss rate**	**Gross carrying amount of trade receivables**	**Lifetime ECL**
		RMB' 000	*RMB' 000*
Low risk	0.04%	221,366	89

The Group and the Company

	Lifetime ECL (not credit-impaired)
	RMB'000
As at January 1, 2023	–
Impairment losses recognized, net of reversal	48
As at December 31, 2023	48
Impairment losses recognized, net of reversal	66
As at December 31, 2024	114
Impairment losses recognized, net of reversal	(25)
As at March 31, 2025	89

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management of the Group monitors the utilization of bank borrowings and ensure compliance with loan covenants.

The following table details the Group's remaining contractual maturity for its financial liabilities and lease liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities according to the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived based on management's best estimates from interest rate at the end of each reporting period, taking into consideration interest rate curve, if available.

The Group

	Weighted average interest rate	On demand or less than one year	One to five years	More than five years	Total undiscounted cash flows	Total carrying amounts
	%	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2023						
Trade and other payables	–	252,136	–	–	252,136	252,136
Borrowings						
– Fixed interest rate	3.41	130,186	–	–	130,186	128,087
– Variable interest rate	3.55	96,880	134,080	29,940	260,900	238,062
Lease liabilities	4.56	8,410	37,562	18,560	64,532	55,275
		487,612	171,642	48,500	707,754	673,560
As at December 31, 2024						
Trade and other payables	–	423,413	–	–	423,413	423,413
Borrowings						
– Fixed interest rate	3.24	300,339	–	–	300,339	295,646
– Variable interest rate	3.57	68,998	291,687	222,249	582,934	513,890
Lease liabilities	4.56	8,758	36,436	10,928	56,122	49,273
Amounts due to shareholders	3.00	27,698	–	–	27,698	27,673
		829,206	328,123	233,177	1,390,506	1,309,895
As at March 31, 2025						
Trade and other payables	–	398,198	–	–	398,198	398,198
Borrowings						
– Fixed interest rate	3.14	308,375	–	–	308,375	302,727
– Variable interest rate	3.33	118,946	296,753	244,996	660,695	592,984
Lease liabilities	4.56	9,565	35,922	9,238	54,725	48,421
		835,084	332,675	254,234	1,421,993	1,342,330

The Company

	Weighted average interest rate	On demand or less than one year	One to five years	More than five years	Total undiscounted cash flows	Total carrying amounts
	%	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2023						
Trade and other payables	–	226,040	–	–	226,040	226,040
Borrowings						
– Fixed interest rate	3.41	125,185	–	–	125,185	123,097
– Variable interest rate	3.55	96,880	134,080	29,940	260,900	238,062
		448,105	134,080	29,940	612,125	587,199
As at December 31, 2024						
Trade and other payables	–	454,424	–	–	454,424	454,424
Borrowings						
– Fixed interest rate	3.24	290,428	–	–	290,428	285,736
– Variable interest rate	3.57	68,998	291,687	222,249	582,934	513,890
Amounts due to shareholders	3.00	27,698	–	–	27,698	27,673
		841,548	291,687	222,249	1,355,484	1,281,723

	Weighted average interest rate	On demand or less than one year	One to five years	More than five years	Total undiscounted cash flows	Total carrying amounts
	%	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at March 31, 2025						
Trade and other payables	–	479,086	–	–	479,086	479,086
Borrowings						
– Fixed interest rate	3.14	308,375	–	–	308,375	302,727
– Variable interest rate	3.33	118,946	296,753	244,996	660,695	592,984
		906,407	296,753	244,996	1,448,156	1,374,797

d. Fair value measurements of financial instruments

Some of the Group's financial instruments are measured at fair value for financial reporting purposes. The directors of the Company are responsible to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value, the Group uses market-observable data to the extent it is available.

(i) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

Financial assets	Fair value as at December 31, 2023	Fair value as at December 31, 2024	Fair value as at March 31, 2025	Fair value hierarchy	Valuation technique and key inputs
	RMB'000	*RMB'000*	*RMB'000*		
Financial assets at FVTPL	10,020	–	–	Level 2	Discounted cash flows method, estimated based on expected return and market foreign exchange rate.

There were no transfers between Level 1 and 2 during the Track Record Period.

(ii) Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis

The management of the Group considers the carrying amounts of financial assets and financial liabilities recorded at amortized cost in the Historical Financial Information approximate their fair value.

36. RETIREMENT BENEFIT PLANS

The employees of the Group are members of the state-managed retirement benefits schemes operated by government. The Group is required to contribute a certain percentage of payroll costs to the retirement benefits schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefits schemes is to make the specified contributions.

The total cost charged to profit or loss in respect of the above-mentioned schemes amounted to approximately RMB12,565,000, RMB14,375,000, RMB3,582,000 (unaudited) and RMB3,553,000 for the years ended December 31, 2023 and 2024 and three months ended March 31, 2024 and 2025, respectively.

37. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statements of cash flows as cash flows from financing activities.

	Borrowings	Amounts due to shareholders	Accrued issue cost	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	19,266	–	–	43,080	62,346
Net financing cash flows	342,114	–	–	(6,948)	335,166
New leases entered	–	–	–	17,082	17,082
Lease modification	–	–	–	(374)	(374)
Interest expenses	4,769	–	–	2,435	7,204
As at December 31, 2023	366,149	–	–	55,275	421,424
Net financing cash flows	421,191	27,500	(1,266)	(8,367)	439,058
Interest expenses	22,196	173	–	2,365	24,734
Deferred issue cost	–	–	1,822	–	1,822
As at December 31, 2024	809,536	27,673	556	49,273	887,038
Net financing cash flows	66,450	(27,732)	(1,152)	(1,399)	36,167
Interest expenses	7,140	59	–	547	7,746
Deferred issue cost	–	–	1,194	–	1,194
New bank borrowings under supplier finance arrangement entered	12,585	–	–	–	12,585
As at March 31, 2025	895,711	–	598	48,421	944,730
As at December 31, 2023	366,149	–	–	55,275	421,424
Net financing cash flows	162,514	–	–	(2,017)	160,497
Interest expenses	4,332	–	–	616	4,948
As at March 31, 2024 (unaudited)	532,995	–	–	53,874	586,869

37b. INFORMATION OF SUPPLIER FINANCE ARRANGEMENTS

	As at December 31,		As at March 31,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount of the financial liabilities that are subject to supplier finance arrangements			
Presented as part of borrowings (Note 28)			
– Of which suppliers have already received payment from the finance provider	N/A	N/A	12,585

For trade payables with original payment due dates of 30 days, the Group settles with the banks within 1 year after the banks pay suppliers the amounts owned by the Group under the supplier finance arrangements. For prepayments required by suppliers before the contracts commence, the Group also settles with the banks within 1 year after settlement by the banks under these arrangements.

Changes in liabilities that are subject to supplier finance arrangement are primarily attributable to additions resulting from purchases of goods and services and subsequent cash settlements. During the three months ended March 31, 2025, borrowings under supplier finance arrangement of RMB12,585,000 represent the payments to the suppliers by the relevant bank directly. There were no other material non-cash changes in these liabilities.

38. MAJOR NON-CASH TRANSACTIONS

During the year ended December 31, 2023, the Group entered into a new lease agreement for property for 6 years. On the lease commencement date, the Group recognized right-of-use assets amounting to RMB17,082,000 and lease liabilities amounting to RMB17,082,000.

Pursuant to the agreement entered by the Group with certain construction suppliers during the year ended December 31, 2024, both parties mutually agreed to offset the related prepayments with the other payables amounting to RMB67,400,000.

During the three months ended March 31, 2025, bank borrowings under supplier finance arrangement amounted to RMB12,585,000 represent the payments to the suppliers by the relevant bank directly.

39. RELATED PARTY TRANSACTIONS

Save as disclosed in Note 28, the Group has the following transactions and balances with the related parties during the years ended December 31, 2023 and 2024 and three months ended March 31, 2025.

(a) Names and relationships with related party

The following individuals are related parties of the Group that had transactions with the Group during the Track Record Period.

Name of related party	Relationships
Mr. An	Shareholder and director of the Company
He Yiming	Shareholder and director of the Company

(b) Transactions and outstanding balances with related parties

	Year ended December 31,		Three months ended March 31,	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Interest expense on amounts due to shareholders				
Mr. An	–	164	–	58
He Yiming	–	9	–	1
	–	173	–	59

	As at December 31,		As at March 31,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Amounts due to shareholders			
Mr. An	–	26,664	–
He Yiming	–	1,009	–
	–	27,673	–

The amounts due to shareholders were non-trade in nature, unsecured, repayable on demand, which carry fixed interest of 3.00% during the Track Record Period. The amounts due to shareholders have been settled as of March 31, 2025.

(c) Compensation of key management personnel

The remuneration of the directors of the Company and key management of the Group during the years ended December 31, 2023 and 2024 and three months ended March 31, 2024 and 2025 were as follows:

	Year ended December 31,		Three months ended March 31,	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Director's fee	360	360	90	90
Salaries and other benefits	6,504	6,349	1,611	1,429
Performance-based bonus (Note)	1,565	1,231	243	222
Retirement benefit scheme contributions	428	441	109	87
Share-based payments	16,128	13,068	4,200	1,241
	24,985	21,449	6,253	3,069

Note: Performance-based bonus is determined based on their duties and responsibilities of the relevant individuals within the Group and the Group's performance.

40. PLEDGE OF ASSETS

The Group's borrowings and notes payables had been secured by the pledge of the Group's assets and the carrying amounts of the respective assets are as follows:

	As at December 31,		As at March 31,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Property, plant and equipment	134,180	114,039	112,408
Pledged bank deposits	5,486	138	138
Right-of-use assets	35,697	35,111	34,720
	175,363	149,288	147,266

41. PARTICULARS OF SUBSIDIARY AND INVESTMENT IN A SUBSIDIARY

During the Track Record Period and as at the date of this report, the Company has direct shareholding interests in the following subsidiary:

Name of subsidiary	Place of incorporation/ establishment, date of incorporation	Registered and paid-up capital	Equity interest attributable to the Company as at December 31, 2023	December 31, 2024	March 31, 2025	the date of this report	Principal activities
Directly held:							
Yither biotech (Shanghai) Co., Ltd.	Shanghai, July 2, 2020	RMB50,000,000	100%	100%	100%	100%	Research, development and commercialization of vaccine

The subsidiary now comprising the Group is limited liability company and have adopted December 31 as their financial year end.

Note: The statutory financial statements of Yither biotech (Shanghai) Co., Ltd. for the year ended December 31, 2023 were prepared in accordance with Accounting Standards for Business Enterprises of the PRC and were audited by 容誠會計師事務所(特殊普通合夥)/RSM China Certified Public Accountants LLP, certified public accountants registered in the PRC. The statutory financial statements of the Yither biotech (Shanghai) Co., Ltd. for the year ended December 31, 2024 were prepared in accordance with Accounting Standards for Business Enterprises of the PRC and were audited by 江蘇方成會計師事務所(普通合夥)/Jiangsu Fangcheng Certified Public Accountants Firm, certified public accountants registered in the PRC.

	As at December 31,		As at March 31,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Investment in a subsidiary			
– Unlisted shares, at cost	50,000	50,000	50,000
– Deemed capital contributions to the subsidiary (Note)	43,838	61,615	64,733
	93,838	111,615	114,733

Note: The amounts represent the equity-settled share-based compensation in respect of the restricted shares granted by the Company to certain directors and employees of the subsidiary for employees' services rendered to the respective subsidiary under the Company's restricted share scheme as disclosed in Note 31. Since the subsidiary has no obligation to settle the share-based payment transaction, the amounts are treated as deemed capital contribution by the Company to the subsidiary and included in the Company's cost of investment in a subsidiary.

42. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of the Group, the Company or its subsidiary have been prepared in respect of any period subsequent to the end of the Track Record Period and up to the date of this report.

43. SUBSEQUENT EVENTS

No significant subsequent events have occurred subsequent to the end of the Track Record Period and up to the date of this report.

The information set forth in this Appendix does not form part of the accountants' report on the historical financial information of the Group for the two years ended December 31, 2024 and the three months ended March 31, 2025 (the "Accountants' Report") prepared by Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, as set forth in Appendix I to this prospectus, and is included herein for information 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 forth in Appendix I to this prospectus.

Deloitte. 德勤

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP ATTRIBUTABLE TO OWNERS OF THE COMPANY

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company which has been prepared in accordance with paragraph 4.29 of the Listing Rules is for illustration only, and is set out to illustrate the effect of the proposed Global Offering (as defined in this prospectus) on the consolidated net tangible assets of the Group attributable to owners of the Company as at March 31, 2025, as if the Global Offering had taken place on that date.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company had the Global Offering been completed as at March 31, 2025 or as at any subsequent dates following the Global Offering.

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company is prepared based on the audited consolidated net tangible assets of the Group attributable to owners of the Company as at March 31, 2025 as derived from the Accountants' Report set out in Appendix I to this prospectus, and adjusted as described below.

	Audited consolidated net tangible assets of the Group attributable to owners of the Company as at March 31, 2025	**Estimated net proceeds from the Global Offering**	**Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at March 31, 2025**	**Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Offer Share as at March 31, 2025**	
	Reminbi ("RMB") '000	*RMB'000*	*RMB'000*	*RMB*	*Hong Kong dollars ("HK$")*
	(Note 1)	*(Note 2)*		*(Note 3)*	*(Note 4)*
Based on the Offer Price of HK$15.50 per Offer Share . . .	36,994	435,312	472,306	1.20	1.32
Based on the Offer Price of HK$12.90 per Offer Share . . .	36,994	359,281	396,275	1.01	1.11

Notes:

1. The audited consolidated net tangible assets of the Group attributable to owners of the Company as at March 31, 2025 is arrived at after deducting intangible assets attributable to owners of the Company of RMB25,183,000, from the audited consolidated net assets attributable to owners of the Company of RMB62,177,000 as at March 31, 2025 as extracted from the Accountants' Report set out in Appendix I to this prospectus.

2. The estimated net proceeds from the issue of Offer Shares pursuant to the Global Offering are based on 33,442,600 Shares at the Offer Price of HK$15.50 (equivalent to RMB14.12) and HK$12.90 (equivalent to RMB11.75) per Offer Share, being the high-end and low-end of the stated Offer Price range, after deduction of the estimated underwriting fees and commissions and other listing related expenses (excluding the listing expenses that have been charged to profit or loss during the Track Record Period). It does not take into account of any shares which may be allotted and issued (i) upon the exercise of the offer size adjustment option; or (ii) under restricted shares scheme.

   For the purpose of this unaudited pro forma financial information, the estimated net proceeds from the Global Offering are converted from Hong Kong dollars into Renminbi at an exchange rate of HK$1.00 to RMB0.91092, which was the exchange rate prevailing on July 18, 2025 with reference to the rate published by the People's Bank of China. No representation is made that Hong Kong dollar amounts have been, could have been or may be converted to Renminbi, or vice versa, at that rate or at all.

3. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Offer Share as at March 31, 2025 is arrived on the basis that 393,442,600 shares including 360,000,000 existing ordinary shares in issue and 33,442,600 Offer Shares were in issue assuming that the Global Offering had been completed on March 31, 2025 and it does not take into account of any shares which may be allotted and issued (i) upon the exercise of the offer size adjustment option; or (ii) under restricted shares scheme.

4. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share as at March 31, 2025 is converted from Renminbi to Hong Kong dollars at an exchange rate of RMB1.00 to HK$1.09779, which was the exchange rate prevailing on July 18, 2025 with reference to the rate published by the People's Bank of China. No representation is made that Renminbi amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate or at all.

5. No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at March 31, 2025 to reflect any trading result or other transaction of the Group entered into subsequent to March 31, 2025.

The following is the text of the independent reporting accountants' assurance report received from Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this prospectus.

B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of Ab&B Bio-Tech Co., Ltd.JS

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Ab&B Bio-Tech Co., Ltd.JS (the "Company") and its subsidiary (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 statement of adjusted consolidated net tangible assets as at March 31, 2025 and related notes as set out on pages II-1 to II-2 of Appendix II to the prospectus issued by the Company dated July 31, 2025 (the "Prospectus"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages II-1 to II-2 of Appendix II to the Prospectus.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed Global Offering (as defined in the Prospectus) on the Group's financial position as at March 31, 2025 as if the proposed Global Offering had taken place at March 31, 2025. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's historical financial information for the two years ended December 31, 2024 and the three months ended March 31, 2025, on which an accountants' report set out in Appendix I to the Prospectus has been published.

Directors' Responsibilities 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 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") 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 (HKSQM) 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies and 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 unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or 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 event or transaction at March 31, 2025 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 event or 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 event or 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 purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
July 31, 2025

TAXATION ON DIVIDENDS

Individual Investor

Pursuant to the Individual Income Tax Law of the PRC (the "IIT Law"), which was last amended on August 31, 2018 and came into effect on January 1, 2019 and the Implementation Provisions of the Individual Income Tax Law of the People's Republic of China, which was last amended on December 18, 2018 and came into effect on January 1, 2019, for income including interest, dividend and bonus, individuals shall pay individual income tax with applicable proportional tax rate of 20%. Unless otherwise provided by the competent financial and taxation authorities under the State Council, all the interest, dividend and bonus received from enterprises, public institutions, economic organizations and resident individuals in the PRC are deemed as derived from the PRC whether the payment place is in the PRC. Pursuant to the Circular on Certain Issues Concerning the Policies of Individual Income Tax promulgated by the Ministry of Finance and the State Administration of Taxation on May 13, 1994 and came into effect on the same date, overseas individuals are exempted from the individual income tax for dividends or bonuses received from foreign-invested enterprises.

Pursuant to 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 Income signed on 21 August 2006, the Chinese government may impose tax on dividends paid by a Chinese company to a resident of the Hong Kong Special Administrative Region (HKSAR) (including natural person and legal entity), but such tax will not exceed 10% of the total amount of the dividends payable. If an HKSAR resident directly holds 25% or more of the equity interest in a Chinese company, such tax will not exceed 5% of the total dividends payable by the Chinese company. The Fifth Protocol to 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 Income issued by the State Administration of Taxation effective on 6 December 2019 stipulates that the arrangements or transactions made for the primary purpose of obtaining the above-mentioned tax benefits are not subject to the above-mentioned provisions.

Enterprise Investors

In accordance with the Enterprise Income Tax Law of the People's Republic of China (the "EIT Law"), which was amended on December 29, 2018 and became effective on the same date, and the Implementation Provisions of the Enterprise Income Tax Law of the People's Republic of China, which was amended on April 23, 2019 and became effective on the same date, a non-resident enterprise is generally subject to a 10% enterprise income tax on PRC-sourced income (including dividends and bonus received from a PRC resident enterprise that issues shares in Hong Kong), if it does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income has no real connection with such establishment or premise. The aforesaid income tax payable for non-resident enterprises are deducted at source, where the payer of the income are required to withhold the income tax from the amount to be paid to the non-resident enterprise when such payment is made or due.

The Circular on Issues Relating to the Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (Guo Shui Han [2008] No. 897), which was issued by the SAT on November 6, 2008, further clarified that a PRC-resident enterprise must withhold and remit enterprise income tax at a rate of 10% on the dividends of 2008 and onwards that it distributes to overseas non-resident enterprise shareholders of H Shares. In addition, the Response to Questions on Levying Enterprise Income Tax on Dividends Derived by Non-resident Enterprise from Holding Stock such as B Shares (Guo Shui Han [2009] No. 394), which was issued by the SAT and came into effect on July 24, 2009, further provides that any PRC-resident enterprise whose shares are listed on overseas stock exchanges must withhold and remit enterprise income tax at a rate of 10% on dividends of 2008 and onwards that it distributes to non-resident enterprises. Such tax rates may be further modified pursuant to the tax treaty or agreement that China has entered into with a relevant country or area, where applicable.

Pursuant to 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 Income signed on 21 August 2006, the Chinese government may impose tax on dividends paid by a Chinese company to a resident of the Hong Kong Special Administrative Region (HKSAR) (including natural person and legal entity), but such tax will not exceed 10% of the total amount of the dividends payable. If an HKSAR resident directly holds 25% or more of the equity interest in a Chinese company, such tax will not exceed 5% of the total dividends payable by the Chinese company. The Fifth Protocol to 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 Income issued by the State Administration of Taxation effective on 6 December 2019 stipulates that the arrangements or transactions made for the primary purpose of obtaining the above-mentioned tax benefits are not subject to the above-mentioned provisions.

Enterprise Investors

Non-PRC resident investors residing in countries which have entered into treaties or adjustments for the avoidance of double taxation with the PRC or residing in Hong Kong or Macau are entitled to a reduction of the withholding taxes imposed on the dividends received from PRC companies. The PRC currently has entered into Avoidance of Double Taxation Treaties/Arrangements with a number of countries and regions, including but not limited to Hong Kong, Macau, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom and the United States. A non-Chinese resident enterprise entitled to a preferential tax rate under a relevant income tax treaty or arrangement may apply to China tax authorities for a refund of the difference between the amount of tax withheld and the amount of tax calculated according to the treaty rate.

TAXATION ON SHARE TRANSFER

Enterprise Investors

Pursuant to the Notice on Fully Implementing the Pilot Reform for the Transition from Business Tax to Value-added Tax (the "Circular 36"), which was implemented on May 1, 2016, entities and individuals engaged in the services sale in the PRC are subject to VAT and "engaged in the services sale in the PRC" means that the seller or buyer of the taxable services is located in the PRC. Circular 36 also provides that transfer of financial products, including transfer of the ownership of marketable securities, shall be subject to VAT at 6% on the taxable revenue (which is the balance of sales price upon deduction of purchase price), for a general or a foreign VAT taxpayer. However, individuals who transfer financial products are exempt from VAT, which is also provided in the Notice of Ministry of Finance and State Administration of Taxation on Several Tax Exemption Policies for Business Tax on Sale and Purchase of Financial Commodities by Individuals became effective on January 1, 2009.

According to the provisions above, upon the sale or disposal of H shares, the holders are exempt from VAT in the PRC if they are non-resident individuals; in case the holders are non-resident enterprises, they may not be subject to the VAT in the PRC if the purchasers of the H shares are individuals or entities located outside of the PRC whereas the holders may be subject to the VAT in the PRC if the purchasers of the H shares are individuals or entities located in the PRC.

Income Tax

Individual Investors

According to the IIT Law and its implementation provisions, gains realized on the sale of equity interests in PRC resident enterprises are subject to individual income tax at a rate of 20%.

Pursuant to the Circular of Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (Cai Shui Zi [1998] No. 61) issued by the MOF and the State Administration of Taxation (the "SAT") and came into effect on March 30, 1998, from January 1, 1997, income of individuals from transfer of the shares of listed enterprises continues to be exempted from individual income tax. On December 31, 2009, the MOF, the SAT and CSRC jointly issued the Notice on Issues Concerning the Levy of Individual Income Tax on Individuals' Income from the Transfer of Restricted Stocks of Listed Companies (Cai Shui Zi [2009] No. 167), which became effective on December 31, 2009, states that individuals' income from the transfer of listed shares on the Shanghai Stock Exchange and the Shenzhen Stock Exchange shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restriction (as defined in the Supplementary Notice on Issues Concerning the Levy of Individual Income Tax on Individuals' Income from the Transfer of Restricted Stocks of Listed Companies (Cai Shui [2010] No. 70) jointly issued by the above three departments on November 10, 2010).

As of the Latest Practicable Date, no aforesaid provisions had expressly provided whether individual income tax shall be levied from non-Chinese resident individuals on the transfer of shares in PRC resident enterprises listed on overseas stock exchanges. To the knowledge of the Company, in practice, the PRC tax authorities have not levied income tax from non-PRC resident individuals on gains from the transfer of shares of PRC resident enterprises listed on overseas stock exchange. However, there is no assurance that the PRC tax authorities will not change these practices which could result in levying income tax on non-PRC resident individuals on gains from the sale of H shares.

Enterprise Investors

In accordance with the EIT Law and its implementation provisions, In accordance with the EIT Law, a non-resident enterprise is generally subject to corporate income tax at the rate of a 10% on PRC-sourced income, including gains derived from the disposal of equity interests in a PRC resident enterprise, if it does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income has no real connection with such establishment or premise. Such income tax payable for non-resident enterprises are deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise. Such tax may be reduced or exempted pursuant to relevant tax treaties or agreements on avoidance of double taxation.

Stamp Duty

According to the Law of the People's Republic of China on Stamp Duty promulgated on June 10, 2021 and became effective on July 1, 2022, PRC stamp duty only applies to specific proof executed or received within the PRC, having legally binding force in the PRC and protected under the PRC laws, thus the requirements of the stamp duty imposed on the transfer of shares of PRC listed companies shall not apply to the acquisition and disposal of H Shares by non-PRC investors outside of the PRC.

Estate Duty

As of the Latest Practicable Date, the PRC currently does not impose any estate duty.

MAJOR TAXES ON THE COMPANY IN THE PRC

Enterprise Income Tax

In accordance with the EIT Law and its implementation provisions, the applicable enterprise income tax rate of both domestic and foreign investment enterprises shall be 25%. Enterprises are classified into resident and non-resident enterprises. A resident enterprise shall pay enterprise income tax on its incomes derived from both inside and outside China, and the enterprise income tax rate shall be 25%. For a non-resident enterprise having establishments or premises in the PRC, it shall pay enterprise income tax on its incomes derived from the establishments or premises inside the PRC as well as on incomes that it earns outside the PRC but which has real connection with the said establishments or premises, and the enterprise

income tax rate shall be 25%. For a non-resident enterprise having no establishments or premises inside the PRC, or for a non-resident enterprise whose incomes have no actual connection to its establishments or premises inside the PRC, it shall pay enterprise income tax on the incomes derived from the PRC, and the enterprise income tax rate shall be 10%.

Value-Added Tax

According to the Provisional Regulations of the People's Republic of China on Value-Added Tax which was promulgated by the State Council on December 13, 1993, and last amended on November 19, 2017, and the Detailed Rules for the Implementation for the Provisional Regulations the People's Republic of China on Value-added Tax which was promulgated by the Ministry of Finance on December 25, 1993 and last amended on October 28, 2011 (collectively, the "VAT Law"), all enterprises and individuals that engage in the sale of goods, the provision of processing, repair and replacement services, sales of service, intangible assets and real estate and the importation of goods inside of the PRC shall pay value-added tax at the rate of 0%, 6%, 11% and 17% for the different goods it sells and different services it provides, except when specified otherwise. Pursuant to the Notice of the MOF and the STA on Adjusting the VAT Rates effective on 1 May 2018, the deduction rates of 17% and 11% applicable to the taxpayers who have VAT taxable sales activities or imported goods are adjusted to 16% and 10%, respectively. According to the Announcement on Relevant Policies for Deepening the VAT Reform, which came into effect on 1 April 2019, for value-added tax-taxable sales or imported goods of a VAT general taxpayer where the VAT rate of 16% and 10% applies currently, it shall be adjusted to 13% and 9% respectively.

TAXATION IN HONG KONG

Tax on Dividends

Under the current practice of the Inland Revenue Department of Hong Kong, no tax is payable in Hong Kong in respect of dividends paid by us.

Capital Gains and Profit Tax

No tax is imposed in Hong Kong in respect of capital gains from the sale of H Shares. However, trading gains from the sale of the H Shares by persons carrying on a trade, profession or business in Hong Kong, where such gains are derived from or arise in Hong Kong from such trade, profession or business will be subject to Hong Kong profits tax, which is currently imposed at the maximum rate of 16.5% on corporations and at the maximum rate of 15% on unincorporated businesses. The gains of certain categories of taxpayers (for example, financial institutions, insurance companies and securities dealers) are likely to be regarded as deriving trading gains rather than capital gains unless these taxpayers can prove that the investment securities are held for long-term investment purposes. Trading gains from sales of H Shares effected on the Hong Kong Stock Exchange will be considered to be derived from or arise in Hong Kong. Liability for Hong Kong profits tax would thus arise in respect of trading gains from sales of H Shares effected on the Hong Kong Stock Exchange realized by persons carrying on a business of trading or dealing in securities in Hong Kong.

Stamp Duty

Hong Kong stamp duty, currently charged at the ad valorem rate of 0.1% on the higher of the consideration for or the market value of the H Shares, will be payable by the purchaser on every purchase and by the seller on every sale of Hong Kong securities, including H Shares (in other words, a total of 0.2% is currently payable on a typical sale and purchase transaction involving H Shares). In addition, a fixed stamp duty of HK$5.00 is currently payable on any instrument of transfer of H Shares. Where one of the parties of the transfer is a resident outside Hong Kong and does not pay the ad valorem duty due by it, the duty not paid will be assessed on the instrument of transfer (if any) and will be payable by the transferee. If no stamp duty is paid on or before the due date, a penalty of up to ten times the duty payable may be imposed.

Estate Duty

The Revenue (Abolition of Estate Duty) Ordinance 2005 came into effect on February 11, 2006 in Hong Kong, pursuant to which no Hong Kong estate duty is payable and no estate duty clearance papers are needed for an application of a grant of representation in respect of holders of H Shares whose deaths occur on or after February 11, 2006.

FOREIGN EXCHANGE

The lawful currency of the PRC is Renminbi, which is currently subject to foreign exchange control and cannot be freely converted into foreign currency. The SAFE, with the authorization of the People's Bank of China ("PBOC"), is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange control regulations.

The Foreign Exchange Administration Regulations of the PRC, which was issued by the State Council on January 29, 1996, implemented on April 1, 1996 and latest amended on August 5, 2008, classifies all international payments and transfers into current account items and capital account items. Current account items are subject to the reasonable examination of the veracity of transaction documents and the consistency of the transaction documents and the foreign exchange receipts and payments by financial institutions engaging in settlement and sale of foreign currencies and supervision and inspection by the foreign exchange administrative authorities. For capital account items, overseas organizations and overseas individuals making direct investments in China shall, upon approval by the relevant authorities in charge, process registration formalities with the foreign exchange administrative authorities. Foreign exchange income received overseas can be repatriated or deposited overseas, and foreign exchange and foreign exchange settlement funds under the capital account are required to be used only for purposes as approved by the competent authorities and foreign exchange administrative authorities. In the event that international revenues and expenditure occur or may occur a material misbalance, or the national economy encounters or may encounter a severe crisis, the State may adopt necessary safeguard and control measures on international revenues and expenditure.

The Regulations for the Administration of Settlement, Sale and Payment of Foreign Exchange, which was promulgated by the PBOC on June 20, 1996 and implemented on July 1, 1996, removes other restrictions on convertibility of foreign exchange under current account items, while imposing existing restrictions on foreign exchange transactions under capital account items.

According to the Announcement on Improving the Reform of the Renminbi Exchange Rate Formation Mechanism, which was issued by the PBOC and implemented on July 21, 2005, the PRC has started to implement a managed floating exchange rate system in which the exchange rate would be determined based on market supply and demand and adjusted with reference to a basket of currencies since July 21, 2005. Therefore, the Renminbi exchange rate was no longer pegged to the U.S. dollar. PBOC would publish the closing price of the exchange rate of the Renminbi against trading currencies such as the U.S. dollar in the interbank foreign exchange market after the closing of the market on each working day, as the central parity of the currency against Renminbi transactions on the following working day.

According to the relevant laws and regulations in the PRC, PRC enterprises (including foreign investment enterprises) which need foreign exchange for current account item transactions may, without the approval of the foreign exchange administrative authorities, effect payment through foreign exchange accounts opened at the designated foreign exchange bank, on the strength of valid transaction receipts and proof. Foreign investment enterprises which need foreign exchange for the distribution of profits to their shareholders and PRC enterprises which, in accordance with regulations, are required to pay dividends to their shareholders in foreign exchange (such as our Company) may, on the strength of resolutions of the board of directors or the shareholders' meeting on the distribution of profits, effect payment from foreign exchange accounts at the designated foreign exchange bank, or effect exchange and payment at the designated foreign exchange bank.

According to the Notice on Relevant Issue Concerning the Administration of Foreign Exchange for Overseas Listing issued by the SAFE and implemented on December 26, 2014, a domestic company shall, within 15 business days from the date of the end of its overseas listing issuance, register the overseas listing with the local branch office of state administration of foreign exchange at the place of its establishment; the proceeds from an overseas listing of a domestic company may be remitted to the domestic account or deposited in an overseas account, but the use of the proceeds shall be consistent with the content of the public disclosure documents.

According to the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving Foreign Exchange Administration Policy on Direct Investment, which was issued by the SAFE on February 13, 2015, came into effect on June 1, 2015 and partially repealed on December 30, 2019, the confirmation of foreign exchange registration under domestic direct investment and the confirmation of foreign exchange registration under overseas direct investment shall be directly examined and handled by banks. SAFE and its branch offices shall indirectly regulate the foreign exchange registration of direct investment through banks.

According to the Circular on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts which was promulgated by the SAFE and implemented on June 9, 2016, foreign currency earnings in capital account that relevant policies of willingness exchange settlement have been clearly implemented on (including the recalling of raised capital by overseas listing) may undertake foreign exchange settlement in the banks according to actual business needs of the domestic institutions. The tentative percentage of foreign exchange settlement for foreign currency earnings in capital account of domestic institutions is 100%, subject to adjustment of the SAFE in due time in accordance with international revenue and expenditure situations.

On October 23, 2019, the SAFE issued the Notice on Further Facilitating Cross-border Trade and Investment (HuiFa [2019] No. 28), which canceled restrictions on domestic equity investments made with capital funds by non-investing foreign-funded enterprises. In addition, restrictions on the use of funds for foreign exchange settlement of domestic accounts for the realization of assets have been removed and restrictions on the use and foreign exchange settlement of foreign investors' security deposits have been relaxed. Eligible enterprises in the pilot area are also allowed to use revenues under capital, such as capital funds, foreign debts and overseas listing revenues for domestic payments without providing materials to the bank in advance for authenticity verification on an item by item basis, while the use of funds should be true, in compliance with applicable rules and conforming to the current capital revenue management regulations.

THE PRC LEGAL SYSTEM

The PRC legal system is based on Constitution of the People's Republic of China (《中華人民共和國憲法》, the "**Constitution**"), which was adopted on September 20, 1954 and subsequently amended on January 17, 1975, March 5, 1978, December 4, 1982, April 12, 1988, March 29, 1993, March 15, 1999, March 14, 2004 and March 11, 2018. The PRC legal system is made up of written laws, administrative regulations, local regulations, autonomous regulations, separate regulations, rules and regulations of State Council departments, rules and regulations of local governments, laws of special administrative regions and international treaties of which the PRC government is a signatory and other regulatory document. Court judgments do not constitute legally binding precedents, although they are used for the purposes of judicial reference and guidance.

The National People's Congress (the "**NPC**") and its Standing Committee are empowered to exercise the legislative power of the State in accordance with the Constitution and the Legislation Law of the People's Republic of China (《中華人民共和國立法法》, the "**Legislation Law**"), which was adopted on March 15, 2000 and amended on March 15, 2015 and March 13, 2023. The NPC has the power to formulate and amend basic laws governing state authorities, civil, criminal and other matters. The Standing Committee of the NPC formulates and amends laws other than those required to be enacted by the NPC and to supplement and amend parts of the laws enacted by the NPC during the adjournment of the NPC, provided that such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of state administration and has the power to formulate administrative regulations based on the Constitution and laws. The people's congresses of the provinces, autonomous regions and municipalities and their respective standing committees may formulate local regulations based on the specific circumstances and actual needs of their respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations. The people's congresses of cities divided into districts and their respective standing committees may formulate local regulations on aspects such as urban and rural construction and management, environmental protection and historical cultural protection based on the specific circumstances and actual needs of such cities, provided that such local regulations do not contravene any provision of the Constitution, laws, administrative regulations and local regulations of their respective provinces or autonomous regions. If the law provides otherwise on the matters concerning formulation of local regulations by cities divided into districts, those provisions shall prevail. Such local regulations will become enforceable after being reported to and approved by the standing committees of the people's congresses of the relevant provinces or autonomous regions but such local regulations shall conform with the Constitution, laws, administrative regulations, and the relevant local regulations of the relevant provinces or autonomous regions. The standing committees of the people's congresses of the provinces or autonomous regions examine the legality of local regulations submitted for approval, and such approval should be granted within four months if they are not in conflict

with the Constitution, laws, administrative regulations and local regulations of such provinces or autonomous regions. Where, during the examination for approval of local regulations of cities divided into districts by the standing committees of the people's congresses of the provinces or autonomous regions, conflicts are identified with the rules and regulations of the people's governments of the provinces or autonomous regions concerned, a handling decision should be made by the standing committees of the people's congresses of provinces or autonomous regions to resolve the issue. People's congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in light of the political, economic and cultural characteristics of the ethnic groups in the areas concerned. The autonomous regulations and separate regulations of an autonomous region shall come into force after being reported to and approved by the Standing Committee of the NPC. The autonomous regulations and separate regulations of an autonomous prefecture or an autonomous county shall come into force after being reported to and approved by the standing committee of the people's congress of the province, autonomous region, or municipality directly under the Central Government.

The ministries and commissions of the State Council, the People's Bank of China, National Audit Office and the subordinate institutions with administrative functions directly under the State Council may formulate departmental rules within the jurisdiction of their respective departments based on the laws and administrative regulations, and the decisions and orders of the State Council. The people's governments of the provinces, autonomous regions, municipalities and cities or autonomous prefectures divided into districts may formulate rules and regulations based on the laws, administrative regulations and local regulations of such provinces, autonomous regions and municipalities.

According to the Constitution and the Legislation Law, the power to interpret laws is vested in the Standing Committee of the NPC. Pursuant to the Resolution of the Standing Committee of the NPC Providing an Improved Interpretation of the Law (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) implemented on June 10, 1981, the Supreme People's Court has the power to give interpretation on issues related to the application of laws and decrees in a court trial, and issues related to the application of laws and decrees in a prosecution process of a procuratorate should be interpreted by the Supreme People's Procuratorate. If there is any disagreement in principle between Supreme People's Court's interpretations & Supreme People's Procuratorate's interpretations, such issues shall be reported to the Standing Committee of the NPC for interpretation or judgment. The other issues related to laws and decrees other than the abovementioned should be interpreted by the State Council and the competent authorities. The State Council and its ministries and commissions are also vested with the power to give interpretations of the administrative regulations and departmental rules which they have promulgated. At the regional level, the power to interpret regional laws is vested in the regional legislative and administrative authorities which promulgate such laws.

THE PRC JUDICIAL SYSTEM

Under the Constitution, the Law of Organization of the People's Court of the PRC (2018 Revision) (《中華人民共和國人民法院組織法(2018修訂)》) and the Law of Organization of the People's Procuratorate of the PRC (2018 Revision) (《中華人民共和國人民檢察院組織法(2018修訂)》), the people's courts of the PRC are divided into the Supreme People's Court, the local people's courts at all levels and special people's courts. The local people's courts at all levels are divided into three levels, namely, the basic people's courts, the intermediate people's courts and the higher people's courts. The basic people's courts may set up certain people's tribunals based on the status of the region, population and cases. The Supreme People's Court shall be the highest judicial organ of the state. The Supreme People's Court shall supervise the administration of justice by the local people's courts at all levels and by the special people's courts. The people's courts at a higher level shall supervise the judicial work of the people's courts at lower levels. The people's procuratorates of the PRC are divided into the Supreme People's Procuratorate, the local people's procuratorates at all levels, Military Procuratorates and other special people's procuratorates. The Supreme People's Procuratorate shall be the highest procuratorial organ. The Supreme People's Procuratorate shall direct the work of the local people's procuratorates at all levels and of the special people's procuratorates; the people's procuratorates at higher levels shall direct the work of those at lower levels.

The people's courts employ a two-tier appellate system, i.e., judgments or rulings of the second instance at the people's courts are final. A party may appeal against the judgment or ruling of the first instance of a local people's courts. The people's procuratorate may present a protest to the people's courts at the next higher level in accordance with the procedures stipulated by the laws. In the absence of any appeal by the parties and any protest by the people's procuratorate within the stipulated period, the judgments or rulings of the people's courts are final. Judgments or rulings of the second instance of the intermediate people's courts, the higher people's courts and the Supreme People's Court and those of the first instance of the Supreme People's Court are final. However, if the Supreme People's Court finds some definite errors in a legally effective judgment, ruling or conciliation statement of the people's court at any level, or if the people's court at a higher level finds such errors in a legally effective judgment, ruling or conciliation statement of the people's court at a lower level, it has the authority to review the case itself or to direct the lower-level people's court to conduct a retrial. If the chief judge of all levels of people's courts finds some definite errors in a legally effective judgment, ruling or conciliation statement, and considers a retrial is preferred, such case shall be submitted to the judicial committee of the people's court at the same level for discussion and decision.

The Civil Procedure Law of the PRC (《中華人民共和國民事訴訟法》) (the "**PRC Civil Procedure Law**") adopted on 9 April 1991, last amended on 1 September 2023 and took effect on 1 January 2024, prescribes the conditions for instituting a civil action, the jurisdiction of the people's court, the procedures for conducting a civil action, and the procedures for enforcement of a civil judgment or ruling. All parties to a civil action conducted within the PRC must abide by the PRC Civil Procedure Law. A civil case generally falls under the jurisdiction of the court

located in the defendant's place of domicile. In respect of civil proceedings, the parties to a contract may, by written agreement, choose the people's court of the defendant's domicile, the location where the contract is performed or signed, the plaintiff's domicile, the location where the subject matter is located, for jurisdiction, provided that such choice shall not in any circumstances contravene the regulations of differential jurisdiction and exclusive jurisdiction.

A foreign individual, a person without nationality, a foreign enterprise or a foreign organization is given the same litigation rights and obligations as a citizen, a legal person or other organizations of the PRC when initiating actions or defending against litigations at a people's court. Should a foreign court limit the litigation rights of PRC citizens or enterprises, the PRC court may apply the same limitations to the citizens or enterprises of such foreign country. A foreign individual, a person without nationality, a foreign enterprise or a foreign organization must engage a PRC lawyer in case he or it needs to engage a lawyer for the purpose of initiating actions or defending against litigations at a people's court. In accordance with the international treaties to which the PRC is a signatory or participant or according to the principle of reciprocity, a people's court and a foreign court may request each other to serve documents, conduct investigation and collect evidence and conduct other actions on its behalf. A people's court shall not accommodate any request made by a foreign court which will result in the violation of sovereignty, security or public interests of the PRC.

All parties to a civil action shall perform the legally effective judgments and rulings. If any party to a civil action refuses to abide by a judgment or ruling made by a people's court or an award made by an arbitration tribunal in the PRC, the other party may apply to the people's court for the enforcement of the same within two years subject to application for postponed enforcement or revocation. The provisions relating to the suspension or discontinuance of the litigation limitation period shall be applicable to the suspension or discontinuance of the limitation period for applications to enforce a judgment. If a party fails to satisfy within the stipulated period a judgment which the court has granted an enforcement approval, the court may, upon the application of the other party, mandatorily enforce the judgment against such party.

Where a party requests for enforcement of an effective judgment or ruling made by a people's court, but the opposite party or his property is not within the territory of the People's Republic of China, the party may directly apply to the foreign court with jurisdiction for recognition and enforcement of the judgment or ruling, or the people's court may, in accordance with the provisions of international treaties to which the PRC is a signatory or in which the PRC is a participant or according to the principle of reciprocity, request for recognition and enforcement by the foreign court. Similarly, for an effective judgment or ruling made by a foreign court that requires recognition and enforcement by a people's court of the PRC, a party may directly apply to an intermediate people's court of the PRC with jurisdiction for recognition and enforcement of the judgment or ruling, or the foreign court may, in accordance with the provisions of international treaties to which its country and the PRC are signatories or in which its country is a participant or according to the principle of reciprocity,

request for recognition and enforcement by the people's court, unless the people's court considers that the recognition or enforcement of such judgment or ruling would violate the basic legal principles of the PRC, its sovereignty or national security or would not be in social and public interest.

THE COMPANY LAW OF THE PRC, THE TRIAL ADMINISTRATIVE MEASURES OF OVERSEAS SECURITIES OFFERING AND LISTING BY DOMESTIC COMPANIES AND THE GUIDELINES FOR THE ARTICLES OF ASSOCIATION OF LISTED COMPANIES

The Company Law of the People's Republic of China (the "**PRC Company Law**") was adopted by the Standing Committee of the Eighth NPC at its Fifth Session on 29 December 1993 and came into effect on 1 July 1994. It was successively amended on 25 December 1999, 28 August 2004, 27 October 2005, 28 December 2013, 26 October 2018 and 29 December 2023. The newly revised PRC Company Law has been implemented on 1 July 2024.

On 17 February 2023, CSRC published the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Overseas Listing Trial Measures**"), which came into effect on 31 March 2023 and is applicable to direct and indirect overseas share subscription and listing of domestic companies, which also stipulates the filing administrative measures and regulatory requirements for the overseas securities offering and listing by domestic companies.

On 15 December 2023, CSRC promulgated the newly revised Guidelines for the Articles of Association of Listed Companies (the "**AoA Guidelines**"), which took effect on the same date. Pursuant to the Overseas Listing Trial Measures and its complementary guidelines, Guidelines on the Application of Regulatory Rules—Overseas Listing Category No. 1, domestic enterprises that directly offer shares and list overseas shall prepare an articles of association with reference to the AoA Guidelines and other relevant provisions of the CSRC on corporate governance to standardize corporate governance.

Major provisions of the PRC Company Law (as revised in 2023), the Overseas Listing Trial Measures and the AoA Guidelines (as revised in 2023) in effect are summarized as follows.

GENERAL

A "joint stock limited company" ("**company**") refers to a corporate legal person incorporated in China under the PRC Company Law with independent legal person properties and entitlements to such legal person properties. The liability of the company for its own debts is limited to the total amount of all assets it owns and the liability of its shareholders for the company is limited to the extent of the shares they subscribe for.

A company must conduct its business in accordance with laws as well as public and commercial ethics. A company may invest in other limited liability companies. The liabilities of the company to such invested companies are limited to the amount invested. Where any laws stipulate that a company cannot be the capital contributor who has the joint liabilities associated with the debts of the invested enterprises, such requirements shall prevail.

INCORPORATION

A company may be established by promotion or subscription. A company shall have a minimum of one but no more than 200 people as its promoters, over half of which shall have a domicile within the PRC. The registered capital of a company is the total share capital of the issues shares as registered with the company registration authority. No share offering shall be made before the shares subscribed for by promoters are fully paid up. If laws, administrative regulations and State Council decisions provide otherwise on the minimum registered capital, a company should follow such provisions.

For companies incorporated by way of promotion, the promoters shall subscribe for the full amount of shares to be issued upon the establishment of the company as provided for in the articles of association. The promoters shall pay the subscription monies in full for the shares they have subscribed for before the company is incorporated.

Where companies are incorporated by share offering, shares subscribed for by the promoters shall not be less than 35% of the total number of shares to be issued when the company is established as stipulated in the company's articles of association, unless otherwise provided by laws or administrative regulations. A promoter who offers shares to the public shall publish a prospectus and prepare a subscription letter to be completed, signed or sealed by subscribers, specifying the number and amount of shares to be subscribed for and the subscribers' domicile. The subscribers shall pay up monies for the shares they subscribe for. Where a company offers shares to the public, such offer shall be underwritten by security companies established under PRC law, and underwriting agreements shall be entered into. A company offering shares to the public shall also enter into agreements with banks in relation to the receipt of subscription monies. The receiving banks shall receive and keep in custody the subscription monies, issue receipts to subscribers who have paid the subscription monies and is obliged to furnish evidence of receipt of those subscription monies to relevant authorities. An announcement shall be made after the company has raised the full amount of the subscription monies for the shares to be issued. After the subscription monies for the shares to be issued have been paid in full, a capital verification institution established under PRC laws shall be engaged to conduct a capital verification and furnish a certificate thereof. The sponsors who raise funds to establish a joint-stock company shall preside over and convene the establishment meeting of the company within thirty days from the date of full payment of the shares that should be issued when the company is established, and notify all subscribers or announce the date of the meeting 15 days prior to the date of the establishment meeting. The establishment meeting shall be formed by the subscribers holding more than half of the voting rights. The convening and voting procedures of the establishment meeting of a joint-stock

company established by way of promotion shall be stipulated in the company's articles of association or the agreement between the promoters. Powers to be exercised at the establishment meeting of a company shall include but not limited to the adoption of articles of association and the election of directors and supervisors. The aforesaid matters shall be resolved by more than 50% of the votes to be casted by subscribers presented at the meeting. Where the shares that shall be issued when the company is established are not fully subscribed, or where the promoter fails to convene an establishment meeting within 30 days of the subscription monies for the shares issued being fully paid up, the subscribers may demand that the promoters refund the subscription monies so paid together with the interest at bank rates of a deposit for the same period. After the promoters or subscribers have paid for their shares or delivered non-monetary property, they may not withdraw their share capital, except in the case of failure to raise the full amount of shares by the due date, failure of the promoters to convene the establishment meeting by the due date, or the establishment meeting resolves not to establish the company. Within 30 days after the conclusion of the establishment meeting of the company, the board of directors shall authorize a representative to apply to the company registration authority for registration of the establishment of the company. A company is formally established and has the capacity of a legal person after approval of registration has been given by the relevant company registration authority for industry and commerce and a business license has been issued. A joint stock limited company established by the subscription method shall obtain the approval for public offering from the securities regulatory authority of the State Council and submit the approval to the company registration authority.

The legal consequences of the civil activities undertaken by the shareholders at the time of the establishment of a company for the establishment of such company shall be borne by the company. If the company is not incorporated, the legal consequences shall be borne by the shareholders at the time of the establishment of the company; if the shareholders at the time of the establishment of the company are two or more persons, they shall enjoy joint and several claims and bear joint and several liabilities. As regards the civil liabilities arising from the civil activities undertaken by the shareholders at the time of establishment in their own name for the purpose of establishing the company, the third party shall have the right to choose to request the company or the shareholders at the time of establishment to bear such liabilities. If the shareholders at the time of establishment cause damage to others by performing their duties for the establishment of the company, the company or the shareholders who are not at fault may, after assuming the liability, recover it from the shareholders who are at fault.

SHARE CAPITAL

The promoters may make a capital contribution in currencies, or non-monetary assets such as in kind or intellectual property rights or land use rights or equity rights or creditors' rights which can be appraised with monetary value and transferred lawfully, except for assets which are prohibited from being contributed as capital by the laws or administrative regulations. Non-monetary assets contributed as capital shall be valued and verified, and shall not be over-valued or under-valued. Where laws or administrative regulations have provisions on valuation, such provisions shall prevail.

The issuance of shares shall be conducted in a fair and equitable manner. Each share of the same class must carry equal rights. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price. The same price per share shall be paid by any subscriber. The offering price of par value shares may be equal to or greater than the nominal value of the share, but may not be less than the nominal value. Under the PRC Company Law, a joint-stock company shall maintain a register of members which shall be kept at the company and set forth the following matters: (1) the name or company's name and domicile of the shareholders; (2) the class and number of shares subscribed for by each shareholder; (3) in case of shares issued in paper form, the serial numbers of share certificates; and (4) the date on which each shareholder acquired the shares.

The Overseas Listing Trial Measures provides that domestic enterprises that are listed overseas may raise funds and distribute dividends in foreign currencies or Renminbi. Under certain circumstances, such as equity incentives and issuing securities to acquire assets, domestic enterprises may issue securities to specific domestic parties when issuing securities directly overseas. Under the Trial Measures, for a domestic company directly offering and listing overseas, shareholders of its domestic unlisted shares applying to convert such shares into shares listed and traded on an overseas trading venue shall conform to relevant regulations promulgated by the CSRC, and authorize the domestic company to file with the CSRC on their behalf, submit filing reports, legal opinions and other relevant materials, and truthfully, accurately and completely explain shareholder information and other information. The domestic unlisted shares mentioned in the preceding paragraph refer to the shares that have been issued by domestic enterprises but have not been listed or listed for trading on domestic exchanges. Domestic unlisted shares shall be centrally registered and deposited with domestic securities registration and settlement institutions. The registration and settlement arrangements of overseas listed shares shall be subject to the provisions of overseas listing places. Where a domestic enterprise is indirectly listed overseas, the issuer shall designate a domestic principal operating entity as the domestic responsible person and file with the CSRC.

INCREASE IN SHARE CAPITAL

Pursuant to the relevant provisions of the PRC Company Law, where a company is issuing new shares, resolutions shall be passed at a shareholders' meeting in accordance with the articles of association in respect of matters such as the class and amount of the new shares, the issue price of the new shares, the commencement and end dates for the issue of the new shares and the class and amount of the new shares proposed to be issued to existing shareholders. Where a company raises shares from the public, it shall register with the security regulatory organization under the State Council and announce the prospectus. After the issued shares have been fully paid up, the company shall make an announcement.

In addition, the Securities Law of the PRC ("**PRC Securities Law**") also provides for the following conditions for companies to offer new shares to the public: (1) having a sound and well-operated organizational structure; (2) having sustainable operation ability; (3) an unqualified auditor's report on its financial and accounting reports for the latest three years;

(4) the issuer as well as its controlling shareholders and the actual controller have not committed any crime such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; and (5) other requirements of the securities regulatory authority under the State Council which are approved by the State Council. After the new shares issued by the company has been paid up, the change must be registered with the company registration authority and a public announcement must be made accordingly.

REDUCTION OF SHARE CAPITAL

A company shall reduce its registered capital in accordance with the following procedures prescribed by the PRC Company Law: (1) the company shall prepare a balance sheet and an inventory of assets; (2) the reduction of registered capital must be approved by shareholders at shareholders' meeting; (3) the company shall notify its creditors within 10 days and publish an announcement in newspapers or on the National Enterprise Credit Information Publicity System within 30 days from the day on which the resolution approving the reduction was passed; (4) the creditors of the company are entitled to require the company to repay its debts or provide guarantees for such debts within 30 days from receipt of the notification or within 45 days from the date of the announcement if he/she/it has not received any notification; and (5) the company must apply to the company registration authority for change in registration.

Where a company reduces its registered capital, it shall reduce the amount of capital or shares according to the proportion of the shareholders' contributions or shareholdings, unless as otherwise provided by law, as otherwise agreed by all the shareholders of the limited liability company, or as otherwise stipulated in the articles of association of the joint stock limited company.

REPURCHASE OF SHARES

Pursuant to the PRC Company Law, a company may not repurchase its own shares other than for the following purposes: (1) reducing its registered capital; (2) merging with other companies which hold its shares; (3) carrying out an employee stock ownership plan or equity incentive plan; (4) acquiring its shares at the request of its shareholders who vote in a shareholders' meeting against a resolution regarding a merger and division; (5) utilizing the shares for conversion of listed corporate bonds which are convertible into shares; and (6) where it is necessary for the listed company to safeguard the value of the company and the interests of its shareholders. The acquisition by a company of its own shares on the grounds set out in item (1) to (2) above shall be approved by way of a resolution of a shareholders' meeting; the acquisition by a company of its own shares in circumstances as set out in items (3), (5) and (6) above may be approved by way of a resolution at a board meeting with two-third or more of the directors present in accordance with the provisions of the company's articles of association or the authorization of the shareholders' meeting.

Following the acquisition by a company of its own shares in accordance with these requirements, such shares shall be canceled within 10 days from the date of the acquisition under the circumstance in item (1); such shares shall be transferred or canceled within six months under the circumstances in items (2) or (4); the total shares held by the Company shall not exceed 10% of the total amount of shares issued by the Company and such shares shall be transferred or canceled within three years under the circumstances in items (3), (5) or (6).

A listed company shall perform its information disclosure obligations in accordance with the provisions of the Securities Law of People's Republic of China when acquiring its own shares. The acquisition by a listed company of its own shares in circumstances as set out in items (3), (5) and (6) of this article shall be conducted through open centralized trading.

The Company shall not accept the equity rights of the Company as the subject of pledge.

TRANSFER OF SHARES

Shares held by shareholders of a joint-stock company may be transferred to other shareholders or to persons other than shareholders; if the company's articles of association impose restrictions on the transfer of shares, such transfer shall be effected in accordance with the provisions of the company's articles of association. Pursuant to the PRC Company Law, a shareholder should effect a transfer of his shares on a stock exchange established in accordance with laws or by any other means as required by the State Council. Transfer of shares may be carried out by endorsement of shareholders or in other manner specified by laws and administrative regulations. Following the transfer, the company shall enter the names and addresses of the transferees into its register of members.

Pursuant to the PRC Company Law, the register of members shall not be modified within 20 days prior to the convening of a shareholder's meeting or five days prior to the base date for determination of dividend distributions. Where laws, administrative regulations or the securities regulatory authorities under the State Council have other provisions on changes to the register of members of a listed company, such provisions shall prevail.

Pursuant to the PRC Company Law, shares of the company issued prior to the public issue of shares may not be transferred within one year of the date of the company's listing on a stock exchange. Where laws, administrative regulations or the securities regulatory authority of the State Council have other provisions on the transfer of shares held by shareholders or de facto controllers of listed companies, such provisions shall prevail. Directors, supervisors and the senior management of a company shall declare to the company their shareholdings in it and changes in such shareholdings. During their terms of office, they shall not transfer more than 25% of the total number of shares held by them in the Company each year during their term of office as determined when they assume the posts. They shall not transfer the shares they hold within one year from the date of the company's listing on a stock exchange, nor within six months after they leave their positions in the company. The articles of association may set out other restrictive provisions in respect of the transfer of shares in the company held by its

directors, supervisors and the senior management. Where the shares are pledged within the time limit for restricted transfer as provided for by laws and administrative regulations, the pledgee may not exercise the pledge right within such restricted period.

Under the Overseas Listing Trial Measures, for a domestic company directly offering and listing overseas, shareholders of its domestic unlisted shares applying to convert such shares into shares listed and traded on an overseas trading venue shall conform to relevant regulations promulgated by the CSRC, and authorize the domestic company to file with the CSRC on their behalf.

SHAREHOLDERS

Under the PRC Company Law and the AoA Guidelines, the rights of shareholders include the rights: (1) to receive a return on assets, participate in significant decision-making and select management personnel; (2) to petition the people's court to revoke any resolution passed on a shareholders' meeting or a meeting of the board of directors that has been convened or whose voting has been conducted in violation of the laws, regulations or the articles of association, or any resolution the contents of which is in violation of the articles of association, provided that such petition shall be submitted within 60 days of the passing of such resolution, except where the procedures for convening a meeting of the shareholders' meeting or the board of directors or the voting method only has some minor defects, which produces no substantial effect on the resolution; (3) to transfer the shares of the shareholders legally; (4) to attend or appoint a proxy to attend shareholders' meetings and exercise the voting rights; (5) to inspect and make copies of the articles of association, share register, counterfoil of company debentures, minutes of shareholders' meetings, board resolutions, resolutions of the board of supervisors and financial and accounting reports, and to make suggestions or inquiries in respect of the company's operations; (6) to receive dividends in respect of the number of shares held; (7) to participate in distribution of residual properties of the company in proportion to their shareholdings upon the liquidation of the company; and (8) any other shareholders' rights provided for in laws, administrative regulations, other normative documents and the articles of association.

The obligations of shareholders include the obligation to abide by the company's articles of association, to pay the subscription monies in respect of the shares subscribed for, to be liable for the company's debts and liabilities to the extent of the amount of subscription monies agreed to be paid in respect of the shares taken up by them, may not abuse shareholder's rights to harm the interests of the company or other shareholders, or abuse the independent status of the company legal person and the limited liability of shareholders to harm the interests of the creditors of the company, and any other shareholder obligation specified in the articles of association.

Under the Overseas Listing Trial Measures, domestic enterprises issued and listed overseas shall file with the CSRC in accordance with Trial Measures, submit filing reports, legal opinions and other relevant materials, and truthfully, accurately and completely explain shareholder information and other information.

SHAREHOLDERS' MEETING

The shareholders' meeting is the organ of authority of the company, which exercises its powers in accordance with the PRC Company Law. The shareholders' meeting may exercise the following functions and powers: (1) to elect and replace the directors and supervisors and to decide on the matters relating to the remuneration of directors and supervisors; (2) to review and approve the reports of the board of directors; (3) to review and approve the reports of the board of supervisors; (4) to review and approve the company's profit distribution proposals and loss recovery proposals; (5) to decide on any increase or reduction of the company's registered capital; (6) to decide on the issue of corporate bonds; (7) to decide on merger, division, dissolution and liquidation of the company or change of its corporate form; (8) to amend the articles of association; and (9) other functions and powers stipulated in the articles of association. The shareholders' meeting may authorize the board of directors to make resolutions on the issuance of corporate bonds.

Pursuant to the PRC Company Law and the AoA Guidelines, a shareholders' meeting is required to be held once every year within six months after the end of the previous accounting year. An extraordinary shareholders' meeting is required to be held within two months upon the occurrence of any of the circumstances: (1) the number of directors is less than the number required by law or less than two-thirds of the number specified in the articles of association; (2) the outstanding losses of the company amounted to one-third of the company's total paid-in share capital; (3) shareholders individually or in aggregate holding 10% or more of the company's shares request to convene an extraordinary shareholders' meeting; (4) the board deems necessary; (5) the board of supervisors so proposes; or (6) other circumstances as provided for in the articles of association.

A shareholders' meeting shall be summoned by the board of directors and presided over by the chairman of the board of directors. In the event that the chairman is incapable of performing or is not performing his duties, the meeting shall be presided over by the vice chairman. In the event that the vice chairman is incapable of performing or is not performing his duties, a director recommended by half or more of the directors shall preside over the meeting. Where the board of directors is incapable of performing or is not performing its duties, the board of supervisors shall convene and preside over the shareholders' meeting in a timely manner. If the board of supervisors fails to convene and preside over the shareholders' meeting, shareholders individually or in aggregate holding 10% or more of the company's shares for 90 days or more consecutively may unilaterally convene and preside over the shareholders' meeting. In the event that shareholders who individually or collectively hold more than ten per cent of the Company's shares request the convening of an extraordinary shareholders' meeting, the board of directors or the board of supervisors shall make a decision on whether or not to convene an extraordinary shareholders' meeting within ten days from the date of receipt of the request, and shall reply to the shareholders in writing.

In accordance with the PRC Company Law, a notice of the shareholders' meeting stating the time and venue of the meeting and the matters to be considered at the meeting shall be given to all shareholders 20 days prior to the meeting. A notice of extraordinary shareholders' meeting shall be given to all shareholders 15 days prior to the meeting. A single shareholder who holds, or several shareholders who jointly hold, more than one percent of the shares of the company may submit an interim proposal in writing to the board of directors within 10 days before the shareholders' meeting. The board of directors shall notify other shareholders within two days upon receipt of the proposal, and submit the interim proposal to the shareholders' meeting for deliberation; except where the interim proposal violates the provisions of laws, administrative regulations or the articles of association, or does not fall within the terms of reference of the shareholders' meeting. A company shall not increase the shareholding ratio of the shareholders who are entitled to put forward an interim proposal. A company that offers shares to the public shall make the notices provided for in the preceding two paragraphs by way of announcement. A shareholders' meeting shall not make any resolution in respect of any matter not set out in the notices.

Pursuant to the Official Reply of the State Council regarding Adjusting the Application of Provisions to Matters Including the Notice Period for Convention of Shareholders' Meetings by Overseas Listed Companies (《國務院關於調整適用在境外上市公司召開股東大會通知期限等事項規定的批復》(Guo Han [2019] No. 97)), which came into effect on 17 October 2019, for those joint stock companies registered in the PRC but listed outside the PRC, the requirements for the notice period for convening a shareholders' meeting, shareholders' proposal right, and the procedures for convening a shareholders' meeting shall be collectively governed by the relevant provisions of the PRC Company Law.

Pursuant to the PRC Company Law, shareholders present at a shareholders' meeting have one vote for each share they hold, except for class shareholders. The Company's shares held by the company are not entitled to any voting rights.

An accumulative voting system may be adopted for the election of directors and supervisors at the shareholders' meeting pursuant to the provisions of the articles of association or a resolution of the shareholders' meeting. Under the accumulative voting system, each share shall be entitled to the number of votes equivalent to the number of directors or supervisors to be elected at the shareholders' meeting, and shareholders may consolidate their votes for one or more directors or supervisors when casting a vote.

Pursuant to the PRC Company Law, resolutions of the shareholders' meeting shall be passed by more than half of the voting rights held by shareholders present at the meeting, with the exception of resolutions relating to merger, division or dissolution of the company, increase or reduction of registered share capital, change of corporate form or amendments to the articles of association, in each case of which shall be passed by more than two-thirds of the voting rights held by the shareholders present at the meeting. Where a shareholder entrusts a proxy to attend the shareholders' meeting on his/her behalf, the matters, authority and duration of the proxy shall be clarified; the proxy shall present the shareholders' power of attorney to the company and exercise voting rights within the scope of authorization.

Minutes shall be prepared in respect of matters considered at the shareholders' meeting and the chairperson and directors attending the meeting shall endorse such minutes by signature. The minutes shall be kept together with the shareholders' attendance register and the proxy forms.

BOARD OF DIRECTORS

A company shall have a board of directors, unless otherwise stipulated in Article 128 of the PRC Company Law. Members of the board of directors may include staff representatives, who shall be democratically elected by the company's staff at a staff representative assembly, general staff meeting or otherwise. The term of a director shall be stipulated in the articles of association, provided that no term of office shall last for more than three years. A director may serve consecutive terms if re-elected. A director shall continue to perform his/her duties as a director in accordance with the laws, administrative regulations and the articles of association until a duly reelected director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if the resignation of director results in the number of directors being less than the quorum. If a director resigns, he shall notify the company in writing and the resignation shall take effect on the date of receipt of the notification by the company; however, if the circumstances stipulated in the preceding paragraph exist, the director shall continue to perform his duties.

Under the PRC Company Law, the board of directors may exercise its powers:

(1) to summon shareholders' meetings and report its works to the shareholders' meetings;

(2) to implement the resolutions passed by the shareholders at the shareholders' meetings;

(3) to decide on the company's operational plans and investment proposals;

(4) to formulate the company's profit distribution proposals and loss recovery proposals;

(5) to formulate proposals for the increase or reduction of the company's registered capital and the issue of corporate bonds;

(6) to formulate proposals for the merger, division or dissolution of the company or change of corporate form;

(7) to decide on the setup of the company's internal management organs;

(8) to appoint or dismiss the company's manager and decide on his/her remuneration and, based on the manager's recommendation, to appoint or dismiss any deputy manager and the person responsible for financial matters of the company and to decide on their remunerations;

(9) to formulate the company's basic management system; and

(10) to exercise any other authority as is stipulated in the articles of association or as authorized by the shareholders' meeting.

Restrictions on the board of directors' powers in a company's articles of association shall not be used against a bona fide counterparty.

Meetings of the board of directors shall be convened at least twice each year. Notices of meeting shall be given to all directors and supervisors 10 days before the meeting. Interim board meetings may be proposed to be convened by shareholders representing more than 10% of the voting rights, more than one-third of the directors or the supervisory board. The chairman shall convene the meeting within 10 days of receiving such proposal, and preside over the meeting. The board of directors may otherwise determine the means and the period of notice for summoning an interim board meeting. Meetings of the board of directors shall be held only if more than half of the directors are present. Resolutions of the board of directors shall be passed by more than half of all directors. Each director shall have one vote for a resolution to be approved by the board. Directors shall attend board meetings in person. If a director is unable to attend for any reason, he/she may appoint another director to attend the meeting on his/her behalf by a written power of attorney specifying the scope of authorization. Meanwhile, the board of directors shall keep minutes of resolutions passed at board meetings. The minutes shall be signed by the directors present at the meeting.

If a resolution of the board of directors violates the laws, administrative regulations or the articles of association or resolutions of the shareholders' meeting, and as a result of which the company sustains serious losses, the directors participating in the resolution are liable to compensate the company. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director shall be relieved from that liability.

Under the PRC Company Law, the following person may not serve as a director in a company: (1) a person with no capacity for civil conduct or limited capacity for civil conduct; (2) a person who has been convicted of an offense of corruption, bribery, embezzlement, misappropriation of property or sabotaging the order of socialist market economy, or who has been deprived of his political rights due to his crimes, in each case where less than five years have elapsed since the date of completion of the sentence, in case of a suspended sentence, not more than two years have elapsed since the date of expiry of the probationary period; (3) a person who has been a former director, factory manager or manager of a company or an enterprise that has entered into insolvent liquidation and who was personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the bankruptcy and liquidation of the company or enterprise; (4) a person who has been a legal representative of a company or an enterprise that has had its business license revoked due to violations of the law or has been ordered to close down by law and the person was personally responsible, where less than three years have elapsed since the

date of such revocation or the order for closure; and (5) being listed as a dishonest person subject to enforcement by the people's court due to his/her failure to pay off a relatively large amount of debts which has fall due.

Any election or appointment of directors to which any of the above circumstances applies, such election or appointment shall be null and void. A director to which any of the above circumstances applies during his/her term of office shall be released of his/her duties by the company.

Under the PRC Company Law, the board shall have a chairman and may have vice chairmen. The chairman and the vice chairman shall be elected with approval of more than half of all the directors. The chairman shall summon and preside over board meetings and review the implementation of board resolutions. The vice chairman shall assist the chairman to perform his/her duties. Where the chairman is incapable of performing, or is not performing his/her duties, the duties shall be performed by the vice chairman. Where the vice chairman is incapable of performing, or is not performing his/her duties, a director jointly elected by more than half of the directors shall perform his/her duties.

SUPERVISORY BOARD

A company shall have a supervisory board composed of not less than three members. Members of the supervisory board shall consist of representatives of the shareholders and an appropriate proportion of representatives of the company's staff, among which the proportion of representatives of the company's staff shall not be less than one-third, and the actual proportion shall be determined in the articles of association. Representatives of the company's staff at the supervisory board shall be democratically elected by the company's staff at the staff representative assembly, general staff meeting or otherwise.

The supervisory board shall have a chairman and may have vice chairmen. The chairman and the vice chairman of the supervisory board shall be elected by more than half of all the supervisors. Directors and senior management members shall not act concurrently as supervisors.

The chairman of the supervisory board shall summon and preside over supervisory board meetings. Where the chairman of the supervisory board is incapable of performing, or is not performing his/her duties, the vice chairman of the supervisory board shall summon and preside over supervisory board meetings. Where the vice chairman of the supervisory board is incapable of performing, or is not performing his/her duties, a supervisor elected by more than half of the supervisors shall summon and preside over supervisory board meetings.

Pursuant to the PRC Company Law, the supervisory board shall convene at least one meeting every six months. Supervisors may propose to convene an extraordinary meeting of the supervisory board. Resolutions of the supervisory board shall be passed by more than half of the supervisors. Meeting minutes shall be prepared in respect of decisions on matters discussed at the meeting of the supervisory board. The supervisors attending the meeting shall sign to endorse such minutes.

Each term of office of a supervisor is three years and he/she may serve consecutive terms if re-elected. A supervisor shall continue to perform his/her duties as a supervisor in accordance with the laws, administrative regulations and the articles of association until a duly re-elected supervisor takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if the resignation of supervisor results in the number of supervisors being less than the quorum.

The supervisory board may exercise its powers:

(1) to review the company's financial position;

(2) to supervise the acts of directors and senior management in their performance of their duties and to propose the removal of directors and senior management who have violated laws, administrative regulations, the articles of association or resolutions of the shareholders' meetings;

(3) when the acts of a director or a senior management personnel are detrimental to the company's interests, to require the director and senior management to correct these acts;

(4) to propose the convening of extraordinary shareholders' meetings and to convene and preside over shareholders' meetings when the board fails to perform the duty of convening and presiding over shareholders' meetings under the PRC Company Law;

(5) to submit proposals to the shareholders' meetings;

(6) to bring actions against directors and senior management personnel pursuant to the relevant provisions of the PRC Company Law; and

(7) to exercise any other authority stipulated in the articles of association.

Supervisors may be present at board meetings and make inquiries or proposals in respect of the resolutions of the board. The supervisory board may investigate any irregularities identified in the operation of the company and, when necessary, may engage an accounting firm to assist its work at the cost of the company.

MANAGER AND THE SENIOR MANAGEMENT

Under the relevant requirements of the PRC Company Law, a company may have a manager who shall be appointed or removed by the board of directors. The manager shall be responsible to the board of directors and shall exercise his duties and powers in accordance with the provisions of the company's articles of association or the authorization of the board of directors. The manager shall be present at meetings of the board of directors.

Other provisions in the articles of association on the manager's powers shall also be complied with. The manager shall be present at meetings of the board of directors. However, the manager shall have no voting rights at meetings of the board of directors unless he/she concurrently serves as a director.

According to the PRC Company Law, senior management refers to manager, deputy manager, financial officer, secretary to the board of a listed company and other personnel as stipulated in the articles of association.

DUTIES OF DIRECTORS, SUPERVISORS, GENERAL MANAGERS AND OTHER SENIOR MANAGEMENT

Directors, supervisors and senior management are required under the PRC Company Law to comply with the relevant laws, administrative regulations and the articles of association, shall owe a duty of loyalty to the company, shall take measures to avoid conflicts between their own interests and the interests of the company, and shall not make use of their positions to gain undue advantage. They shall also owe a duty of diligence to the company and shall perform their duties with the reasonable care normally expected of a person in management position in the best interests of the company. Directors, supervisors and management personnel are prohibited from abusing their authority in accepting bribes or other unlawful income and from misappropriating the company's property. Furthermore, directors and senior management are prohibited from:

(1) embezzlement of company properties and misappropriating company funds;

(2) depositing company funds into accounts under their own names or the names of other individuals;

(3) utilising power to accept bribe or accept other illegal income;

(4) accepting for their own benefit commissions from others for transactions conducted with the company;

(5) unauthorized divulgence of confidential information of the company; and

(6) other acts in violation of their duty of loyalty to the company.

Income generated by directors, supervisors or senior management in violation of aforementioned shall belong to the company.

A director, supervisor or senior management who contravenes law, administrative regulation or the articles of association in the performance of his/her duties resulting in any loss to the company shall be liable to the company for compensation.

Where a director, supervisor or senior management is required to attend a shareholders' meeting, such director, supervisor or senior management shall attend the meeting and answer the inquiries from shareholders. Directors and senior management shall furnish all true information and data to the supervisory board, without impeding the discharge of duties by the supervisory board or supervisors.

Where a director or senior management contravenes laws, administrative regulations or the articles of association in the performance of his/her duties resulting in any loss to the company, shareholder(s) holding individually or in aggregate more than 1% of the company's shares consecutively for more than 180 days may request in writing that the supervisory board institute litigation at the people's court. Where the supervisory violates the laws or administrative regulations or the articles of association in the discharge of its duties resulting in any loss to the company, such shareholder(s) may request in writing that the board of directors institute litigation at the people's court on its behalf. If the supervisory board or the board of directors refuses to institute litigation after receiving this written request from the shareholder(s), or fails to institute litigation within 30 days of the date of receiving the request, or in case of emergency where failure to institute litigation immediately will result in irrecoverable damage to the company's interests, such shareholder(s) shall have the power to institute litigation directly at the people's court in its own name for the company's benefit. For other parties who infringe the lawful interests of the company resulting in loss to the company, such shareholder(s) may institute litigation at the people's court in accordance with the procedure described above. Where a director or senior management contravenes any laws, administrative regulations or the articles of association in infringement of shareholders' interests, a shareholder may also institute litigation at the people's court. If the directors, supervisors or senior management of a wholly owned subsidiary of a company are involved in any of the circumstances stipulated in the preceding article, or if others infringe upon the lawful rights and interests of a wholly owned subsidiary of a company and cause losses, the shareholders of a limited liability company, or the shareholders of a joint stock limited company who have held, individually or in the aggregate, more than one hundred and eighty consecutive days, more than one per cent of shares of the company, may, in accordance with the provisions of the preceding three paragraphs, request in writing the supervisory committee or the board of directors of the wholly owned subsidiary to bring a lawsuit in a People's Court or directly file a lawsuit with the People's Court in its own name.

The Overseas Listing Trial Measures provides that filing materials of domestic enterprises offering shares and listing overseas shall be true, accurate and complete, and there shall be no false or misleading statements or major omissions. Domestic enterprises and their controlling shareholders, actual controllers, directors, supervisors and senior management shall fulfill the obligations of information disclosure in accordance with the law, integrity and diligence, and ensure that the filing materials are true, accurate and complete.

FINANCE AND ACCOUNTING

Under the PRC Company Law, A company shall establish its own financial and accounting systems according to the laws, administrative regulations and the regulations of the competent financial departments under the State Council. At the end of each accounting year, a company shall prepare a financial report which shall be audited by an accounting firm in accordance with laws. The financial and accounting reports shall be prepared in accordance with laws, administrative regulations and the regulations of the financial departments under the State Council. The company's financial and accounting reports shall be made available for shareholders' inspection at the company within 20 days before the convening of an annual shareholders' meeting. A joint stock limited company that makes public stock offerings shall announce its financial and accounting reports.

When distributing each year's profits after taxation, the company shall set aside 10% of its profits after taxation for the company's statutory common reserve fund until the fund has reached more than 50% of the PRC company's registered capital. When the company's statutory common reserve fund is not sufficient to make up for the company's losses for the previous years, the current year's profits shall first be used to make good the losses before any allocation is set aside for the statutory common reserve fund. After the company has made allocations to the statutory common reserve fund from its profits after taxation, it may, upon passing a resolution at a shareholders' meeting, make further allocations from its profits after taxation to the discretionary common reserve fund. After a joint-stock limited company has made good its losses and made allocations to its discretionary common reserve fund, the remaining profits after taxation shall be distributed in proportion to the number of shares held by the shareholders, except otherwise provided for in the articles of association.

The company shall not be entitled to any distribution of profits in respect of its own shares held by it.

The premium over the nominal value of the shares of a joint stock limited company from the issue of shares, the amount of proceeds from the issuance of no-par value shares not included in the registered capital and other incomes required by the financial department of the State Council to be treated as the capital reserve fund shall be accounted for as the capital reserve fund of the company.

Profits distributed to shareholders by a company before losses have been made good and allocations have been made to the statutory common reserve fund in violation of the requirements must be returned to the company; if losses are caused to the company, shareholders and responsible directors, supervisors and senior management shall bear the liability for compensation. The company shall not be entitled to any distribution of profits in respect of its own shares held by it.

The premium over the nominal value per share of the company on issue, the amount of proceeds from the issuance of no-par value shares not included in the registered capital and other income as required by relevant governmental department to be treated as the capital reserve fund shall be accounted for as the capital reserve fund. The common reserve fund of a company shall be applied to make good the company's losses, expand its business operations or increase its capital. When utilising reserve funds to make up for a company's losses, the discretionary reserve fund and statutory reserve fund should be used first; if the losses still cannot be made up, the capital reserve fund may be used in accordance with regulations. Upon the transfer of the statutory common reserve fund for increasing registered capital, the balance of the fund shall not be less than 25% of the registered capital of the company before such transfer.

The company shall have no accounting books other than the statutory books. The company's funds shall not be deposited in any account opened under the name of an individual.

APPOINTMENT AND DISMISSAL OF AUDITORS

Pursuant to the PRC Company Law, the engagement or dismissal of an accounting firm responsible for the company's auditing shall be determined by a shareholders' meeting, the board of directors or the supervisory board in accordance with the articles of association. The accounting firm should be allowed to make representations when the shareholders' meeting, the board of directors or the supervisory board conducts a vote on the dismissal of the accounting firm. The company should provide true and complete accounting evidence, accounting books, financial and accounting reports and other accounting information to the engaged accounting firm without any refusal or withholding or falsification of data.

The Guidelines for Articles of Association provides that the company guarantees to provide true and complete accounting vouchers, accounting books, financial accounting reports and other accounting materials to the employed accounting firm, and shall not refuse, conceal or falsely report. And the audit fee of the accounting firm shall be decided by the shareholders' meeting.

PROFIT DISTRIBUTION

According to the PRC Company Law, a company shall not distribute profits before losses are covered and the statutory common reserve fund is provided. Also, the Overseas Listing Trial Measures provides that domestic enterprises that are listed overseas may raise funds and distribute dividends in foreign currencies or Renminbi.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Pursuant to PRC Company Law, the resolution of a shareholders' meeting regarding any amendment to a company's articles of association requires affirmative votes by more than two-thirds of the votes held by shareholders attending the meeting.

DISSOLUTION AND LIQUIDATION

Under the PRC Company Law, a company shall be dissolved for any of the following reasons:

(1) the term of its operation set out in the articles of association has expired or other events of dissolution specified in the articles of association have occurred;

(2) the shareholders have resolved at a shareholders' meeting to dissolve the company;

(3) the company shall be dissolved by reason of its merger or division;

(4) the business license of the company is revoked or the company is ordered to close down or to be dissolved in accordance with the laws; or

(5) the company is dissolved by the people's court in response to the request of shareholders holding shares that represent more than 10% of the voting rights of all shareholders of the company, on the grounds that the operation and management of the company has suffered serious difficulties that cannot be resolved through other means, rendering ongoing existence of the company a cause for significant losses to the shareholders' interests.

The company shall, within ten days of the occurrence of the reasons for dissolution as stipulated in the preceding paragraph, make public the reasons for dissolution through the National Enterprise Credit Information Publicity System.

In the event of paragraph (1) and (2) above and in case that no assets have been distributed to shareholders, the company may carry on its existence by amending its articles of association or by a resolution of shareholders' meeting. The amendments to the articles of association or the resolution of a shareholders' meeting in accordance with the provisions described above shall require the approval of more than two-thirds of voting rights of shareholders attending a shareholders' meeting.

Where the company is dissolved under the circumstances set forth in paragraph (1), (2), (4) or (5) above, liquidation shall be carried out. Directors shall be the liquidation obligors, and a liquidation committee shall be established within 15 days of the date on which the dissolution matter occurs. The liquidation committee shall be composed of directors, unless the company's articles of association provide otherwise or the shareholders' meeting resolves to elect someone else. If the liquidation obligor fails to fulfil its liquidation obligations in a timely manner and causes losses to the company or creditors, it shall be liable for compensation. If a liquidation committee is not established within the stipulated period or if the liquidation is not carried out after the establishment of the liquidation committee, the interested parties may apply with the people's court for setting up a liquidation committee with designated relevant personnel to conduct the liquidation. The people's court should accept such application and form a liquidation committee to conduct liquidation in a timely manner.

The sort out committee may exercise following powers during the liquidation:

(1) to sort out the company's assets and to prepare a balance sheet and an inventory of assets;

(2) to notify the company's creditors or publish announcements;

(3) to deal with any outstanding business related to the liquidation;

(4) to pay any overdue tax together with any tax arising during the liquidation process;

(5) to settle the company's claims and liabilities;

(6) to distribute the company's remaining assets after its debts have been paid off; and

(7) to represent the company in any civil procedures.

The liquidation committee shall notify the company's creditors within 10 days of its establishment, and publish an announcement in newspapers or on the National Enterprise Credit Information Publicity System within 60 days.

A creditor shall lodge his claim with the liquidation committee within 30 days of receipt of the notification or within 45 days of the date of the announcement if he has not received any notification.

A creditor shall report all matters relevant to his claimed creditor's rights and furnish relevant evidence. The liquidation committee shall register such creditor's rights. The liquidation committee shall not make any settlement to creditors during the period of the claim.

Upon disposal of the company's property and preparation of the required balance sheet and inventory of assets, the liquidation committee shall formulate a liquidation plan for submission to a shareholders' meeting or a People's Court for confirmation. The remaining part of the company's assets, after payment of liquidation expenses, employee wages, social insurance expenses and statutory compensation, outstanding taxes and the company's debts, shall be distributed to shareholders in proportion to shares held by them. The company shall continue to exist during the liquidation period, although it cannot conduct operating activities that are not related to the liquidation. The company's property shall not be distributed to shareholders before repayments are made in accordance with the requirements described above.

Upon liquidation of the company's property and preparation of the required balance sheet and inventory of assets, if the liquidation committee becomes aware that the company does not have sufficient assets to meet its liabilities, it must apply to a people's court for bankrupt liquidation in accordance with the laws. Following the acceptance of application for bankruptcy by the People's Court, the liquidation committee shall hand over the liquidation affairs to the bankruptcy administrator appointed by the people's court.

Upon completion of the liquidation, the liquidation committee shall prepare a liquidation report and submit it to the shareholders' meeting or the people's court for confirmation, and to the company registration authority for the application of cancellation of company registration. When performing the duties in relation to the liquidation, members of the liquidation committee shall bear the duties of loyalty and diligence. If members of the liquidation committee are reluctant in performing their liquidation duties and cause losses to the company, they shall be liable for compensation; members of the liquidation committee who have caused the creditors to suffer from any loss due to intentional fault or gross negligence, should be liable for making compensations to the company or its creditors. In addition, liquidation of a company declared bankrupt according to laws shall be processed in accordance with the laws on corporate bankruptcy.

OVERSEAS LISTING

Pursuant to the Overseas Listing Trial Measures, "securities" refers to the stocks, depositary receipts, corporate bonds convertible into stocks or other equity securities that are directly or indirectly offered and listed overseas by domestic enterprises. Direct overseas offering and listing by a domestic enterprise refers to overseas offering and listing by a joint-stock company registered and formed in China. Indirect overseas offering and listing by a domestic enterprise refers to overseas offering and listing by an enterprise in the name of an overseas registered company, whereas the enterprise's main business activities are in China and such offering and listing is based on the equity, assets, earnings or other similar rights and interests of a domestic enterprise.

The Overseas Listing Trial Measures also provides for the conditions for overseas listing. No overseas offering and listing shall be conducted under any of the following circumstances:

(1) financing through listing is expressly prohibited by laws, administrative regulations or relevant rules of the state;

(2) the overseas offering and listing may endanger national security as determined by the relevant competent department under the State Council after examination according to the law;

(3) a domestic enterprise or its controlling shareholder or actual controller has committed a criminal crime of corruption, bribery, embezzlement, misappropriation of property or disrupting the economic order of the socialist market in the last three years;

(4) a domestic enterprise is under formal investigation according to the law for being suspected of any crime or major violation of laws and regulations, but no clear conclusions have been made;

(5) there is a major dispute over ownership of the equity held by the controlling shareholder or a shareholder controlled by the controlling shareholder or the actual controller.

In addition, pursuant to the Overseas Listing Trial Measures, a Chinese domestic enterprise submitting an IPO application to an overseas competent regulatory authority or an overseas stock exchange shall file with the CSRC within three working days after submission of the application documents. Upon offering and listing overseas, such issuer who offers securities in the same overseas market shall file with the CSRC within 3 working days upon completion of the offering. Where an issuer, upon listing of its shares overseas, offers its shares in other overseas markets, such issuer shall file in accordance with provision 1 of this article. In addition, upon receipt of all compliant filing materials, the CSRC shall complete the filing procedures within 20 working days from the date of receipt of such filing data, and make public the filing information public on its website. If the filing materials so submitted were identified as incomplete or non-compliant, the CSRC shall make a request to the issuer for supplementary information within 5 working days from the date of receipt of such filing information. The issuer shall submit such supplementary information within 30 working days.

Upon the occurrence of the following major events subsequent to the overseas listing of a Chinese domestic enterprise, it shall report the specific situation to the CSRC within 3 working days from the date of occurrence and announcement of the relevant matters:

(1) a change of control;

(2) any investigation or punishment initiated by overseas securities regulatory authorities or relevant competent departments;

(3) a change of listing status or listing venue;

(4) voluntary or involuntary delisting of shares.

On 10 August 2023, the CSRC revised the Guidelines for the Application for the "Full Circulation" of the Domestic Unlisted Shares of H-Share Companies (SFC Announcement [2023] No. 50) (the "**Full Circulation Guidelines**"), effective from the same date. Such provisions aim to regulate the circulation of domestic unlisted shares of domestic joint-stock limited companies (including the unlisted domestic shares held by domestic shareholders before overseas listing, the unlisted domestic shares issued domestically after overseas listing and the unlisted shares held by foreign shareholders) listed on the Hong Kong Stock Exchange ("**H-share companies**") on the Hong Kong Stock Exchange (the "**Full Circulation**").

Pursuant to the Full Circulation Guidelines, upon compliance with relevant laws and regulations, state-owned assets management, foreign investment and industry-specific supervision and other policy requirements, holders of domestic unlisted shares may independently negotiate to determine the number and proportion of shares applied for circulation, and entrust H-share companies to file with the CSRC on Full Circulation. A domestic joint-stock limited company that has not yet been listed may file with the CSRC when applying for an overseas initial public offering and listing.

According to the Notice of Launching the Information System for the Filing-Based Administration of the Overseas Offering and Listing of Domestic Enterprises issued by the CSRC on 17 February 2023 and effective from the same day, domestic enterprises that have offered its shares and listed overseas prior to 31 March 2023 are stock enterprises ("**Stock Enterprises**"). Stock enterprises are not required to file immediately, and shall file subsequently as required for other purposes for which filing is required such as refinancing. Domestic enterprises that have obtained approval from the CSRC on overseas public offering of shares and listing (including placement) in respect of joint stock limited companies may continue to proceed with overseas offering and listing within the effective period of such approval. Where such overseas offering and listing were not completed before the expiration of the effective period, the entity shall file as required.

In accordance with the Provisions on Strengthening the Confidentiality and Archives Administration Concerning the Overseas Securities Offering and Listing by Domestic Enterprises promulgated by the CSRC, the Ministry of Finance, the National Administration of State Secrets Protection and the National Archives Administration on 24 February 2023 and effective from 31 March 2023, where a domestic enterprise provides or publicly discloses, either directly or through its overseas listed entities, documents and data involving state secrets and working secrets of state organs to relevant securities companies, securities service agencies, overseas regulatory agencies, it shall obtain approval from the competent authorities according to law and file with the confidentiality administrative department at the same level for record. Where a domestic enterprise provides accounting archives or copies of accounting archives to relevant securities companies, securities service agencies, overseas regulatory agencies and other bodies and individuals, it shall perform corresponding procedures in accordance with relevant state regulations.

LOSS OF SHARE CERTIFICATES

A shareholder may, in accordance with the public notice procedures set out in the PRC Civil Procedure Law, apply to a people's court if his share certificate(s) in registered form is either stolen, lost or destroyed, for a declaration that such certificate(s) will no longer be valid. After the people's court declares that such certificate(s) will no longer be valid, the shareholder may apply to the company for the issue of a replacement certificate(s).

SUSPENSION AND TERMINATION OF LISTING

The Company Law has deleted provisions governing suspension and termination of listing. The PRC Securities Law (as revised on 28 December 2019) has also deleted provisions regarding suspension of listing. Where listed securities fall under the delisting circumstances stipulated by the stock exchange, the stock exchange shall terminate its listing and trading in accordance with the business rules.

According to the Overseas Listing Trial Measures, in case of active or compulsory termination of listing, the issuer shall report the specific situation to the CSRC within 3 working days from the date of occurrence and announcement of the relevant matters.

MERGER AND DIVISION

Under the PRC Company Law, a merger agreement shall be signed by merging companies and the involved companies shall prepare respective balance sheets and inventory of assets. The companies shall within 10 days of the date of passing the resolution approving the merger notify their respective creditors and publicly announce the merger in Newspapers or on the National Enterprise Credit Information Publicity System ("國家企業信用信息公示系統") within 30 days. A creditor may, within 30 days from the date of reception of the notification, or within 45 days from the date of the announcement if he has not received such notification, request the company to settle any outstanding debts or provide corresponding guarantees.

In case of a merger, the credits and debts of the merging parties shall be assumed by the surviving or the new company. In case of a division, the company's assets shall be divided and a balance sheet and an inventory of assets shall be prepared. When a resolution regarding the company's division is approved, the company should notify all its creditors within 10 days of the date of passing such resolution and publicly announce the division in newspapers within 30 days.

Unless an agreement in writing is reached with creditors before the company's division in respect of the settlement of debts, the liabilities of the company which have accrued prior to the division shall be jointly borne by the divided companies.

Changes in the registration as a result of the merger or division shall be registered with the relevant administration authority for industry and commerce.

THE PRC SECURITIES LAWS, REGULATIONS AND REGULATORY REGIMES

The PRC has promulgated a series of regulations that relate to the issue and trading of the Shares and disclosure of information. In October 1992, the State Council established the Securities Committee and CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating and supervising all securities-related institutions in the PRC and administering CSRC. CSRC is the regulatory arm of the Securities Committee and is responsible for the drafting of regulatory provisions governing securities markets, supervising securities companies, regulating public offerings of securities by PRC companies in the PRC or overseas, regulating the trading of securities, compiling securities-related statistics and undertaking relevant research and analysis. In April 1998, the State Council consolidated the Securities Committee and CSRC and reformed CSRC.

On 22 April 1993, the State Council promulgated the Provisional Regulations Concerning the Issue and Trading of Shares (《股票發行與交易管理暫行條例》) govern the application and approval procedures for public offerings of shares, issuing of and trading of shares, the acquisition of listed companies, deposit, clearing and transfer of shares, the disclosure of information, investigation, penalties and dispute resolutions with respect to a listed company.

On 25 December 1995, the State Council promulgated the Special Regulations of the State Council Concerning Domestic Listed Foreign Shares of Joint Stock Limited Companies (《國務院關於股份有限公司境內上市外資股的特別規定》). These regulations principally govern the issue, subscription, trading and declaration of dividends and other distributions of domestic listed foreign shares and disclosure of information of joint stock limited companies having domestic listed foreign shares.

The PRC Securities Law took effect on 1 July 1999 and was revised as of 28 August 2004, 27 October 2005, 29 June 2013, 31 August 2014 and 28 December 2019, respectively. The latest Securities Law was implemented on 1 March 2020. It was the first national securities law in the PRC, and is divided into 14 chapters and 226 articles comprehensively regulating activities in the PRC securities market, including the issue and trading of securities, takeovers by listed companies and the duties and responsibilities of the securities exchanges, securities companies, securities clearing institutions and securities regulatory authorities. Article 224 of the PRC Securities Law provides that domestic enterprises shall satisfy the relevant requirements of the State Council when it issues shares or lists shares outside the PRC directly or indirectly. Currently, the issue and trading of foreign issued securities (including shares) are principally governed by the regulations and rules promulgated by the State Council and CSRC.

ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARDS

The Arbitration Law of the PRC (2017 Amendment) (《中華人民共和國仲裁法(2017修正)》) (the "**PRC Arbitration Law**") was enacted by the Standing Committee of the NPC on 31 August 1994, which became effective on 1 September 1995 and was amended on 27 August 2009 and 1 September 2017. It is applicable to, among other matters, economic disputes involving foreign parties where all parties have entered into a written agreement to resolve disputes by arbitration before an arbitration committee constituted in accordance with the PRC Arbitration Law. The PRC Arbitration Law provides that an arbitration committee may, before the promulgation of arbitration regulations by the PRC Arbitration Association, formulate interim arbitration provisions in accordance with the PRC Arbitration Law and the PRC Civil Procedure Law. Where the involved parties have agreed to settle disputes by means of arbitration, a people's court will refuse to handle a legal proceeding initiated by one of the parties at such people's court, unless the arbitration agreement has lapsed.

Under the PRC Arbitration Law and PRC Civil Procedure Law, an arbitral award shall be final and binding on the parties involved in the arbitration. If one party fails to comply with the arbitral award, the other party to the award may apply to a people's court for its enforcement. However, the people's court may refuse to enforce an arbitral award made by an arbitration commission if there is any procedural irregularity (including but not limited to irregularity in the composition of the arbitration tribunal, the jurisdiction of the arbitration commission, or the making of an award on matters beyond the scope of the arbitration agreement or outside the jurisdiction of the arbitration commission).

Any party seeking to enforce an award of a foreign affairs arbitration organ of the PRC against a party who or whose property is not located within the PRC may apply to a foreign court with jurisdiction over the relevant matters for recognition and enforcement of the award. Likewise, an arbitral award made by a foreign arbitral body may be recognized and enforced by a PRC court in accordance with the principle of reciprocity or any international treaties concluded or acceded to by the PRC.

The PRC acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the "**New York Convention**") passed on 10 June 1958 pursuant to a resolution passed by the Standing Committee of the NPC on 2 December 1986. The New York Convention provides that all arbitral awards made in a state which is a party to the New York Convention shall be recognized and enforced by other parties thereto subject to their rights to refuse enforcement under certain circumstances, including where the enforcement of the arbitral award is against the public policy of that state. At the time of the PRC's accession to the Convention, the Standing Committee of the NPC declared that (1) the PRC will only apply the New York Convention to the recognition and enforcement of arbitral awards made in the territories of other parties based on the principle of reciprocity; and (2) the New York Convention will only apply to disputes deemed under PRC laws to be arising from contractual or non-contractual mercantile legal relations.

An arrangement for mutual enforcement of arbitral awards between Hong Kong and the Supreme People's Court of China was reached. The Supreme People's Court of China adopted the Arrangements on the Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region on 18 June 1999, which went into effect on 1 February 2000, which was amended by the Supplemental Arrangement of the Supreme People's Court for the Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region implemented in 27 November 2020 and the Supplemental Arrangement of the Supreme People's Court for the Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (2021) implemented in 19 May 2021. The arrangements reflects the spirit of the New York Convention. Under the arrangements, the awards by the Mainland arbitral bodies recognized by Hong Kong may be enforced in Hong Kong and the awards by the Hong Kong arbitral bodies may also be enforced in the Mainland China. If the Mainland court finds that the enforcement of awards made by the Hong Kong arbitral bodies in the Mainland will be against public interests of the Mainland, the awards may not be enforced.

JUDICIAL JUDGMENT AND ITS ENFORCEMENT

Under the Supreme People's Court's Arrangement on Mutual Recognition and Enforcement of Judgments in Civil and Commercial Matters by Courts of Mainland and Hong Kong SAR Pursuant to Agreed Jurisdiction by Parties Concerned promulgated by the Supreme People's Court on 3 July 2008 and effective on 1 August 2008, as for an enforceable final judgment made by a PRC court or Hong Kong court concerning a civil and commercial case under a written agreement on jurisdiction, in which payment must be made, the party concerned may, under the Arrangement, apply to a PRC court or a Hong Kong court for recognition and

enforcement. The term "written agreement on jurisdiction" refers to agreements clearly stipulated in written form by parties concerned that a PRC court or Hong Kong court has sole jurisdiction as to the effectiveness of the Arrangement, so as to settle disputes relevant to a certain legal relationship that has either arisen or might arise. Therefore, the party concerned may apply to the Court of China or the court of the Hong Kong Special Administrative Region to recognize and enforce the final judgment made in China or Hong Kong that meet certain conditions of the aforementioned regulations.

On 18 January 2019, the Supreme People's Court and the government of the Hong Kong Special Administrative Region entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgements 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 "**New Arrangement**"), which seeks to establish a mechanism with further clarification on and certainty for recognition and enforcement of judgements in a wider range of civil and commercial matters between Hong Kong Special Administrative Region and the China. The New Arrangement discontinued the requirements for a choice of court agreement for bilateral recognition and enforcement. The New Arrangement will only take effect after the promulgation of a judicial interpretation by the Supreme People's Court and the completion of the relevant legislative procedures in the Hong Kong Special Administrative Region. The New Arrangement will, upon its effectiveness, supersede such arrangement.

SHANGHAI-HONG KONG STOCK CONNECT

On 10 April 2014, CSRC and SFC issued the Joint Announcement of China Securities Regulatory Commission and Hong Kong Securities and Futures Commission—Principles that Should be Followed when the Pilot Programme that Links the Stock Markets in Shanghai and Hong Kong is Expected to be Implemented and approved in principle the launch of the pilot programme that links the stock markets in Shanghai and Hong Kong (《中國證券監督管理委員會香港證券及期貨事務監察委員會聯合公告—預期實行滬港股票市場交易互聯互通機制試點時將需遵循的原則》) ("**Shanghai-Hong Kong Stock Connect**") by the Shanghai Stock Exchange ("**SSE**"), the Stock Exchange, China Securities Depository and Clearing Co., Ltd. ("**CSDCC**") and HKSCC. Shanghai-Hong Kong Stock Connect comprises the two portions of Northbound Trading Link and Southbound Trading Link. Southbound Trading Link refers to the entrustment of China securities houses by China investors to trade stocks listed on the Stock Exchange within a stipulated range via filing by the securities trading service company established by the SSE with the Stock Exchange. During the initial period of the pilot programme, the stocks of Southbound Trading Link consist of constituent stocks of the Stock Exchange Hang Seng Composite Large Cap Index and the Hang Seng Composite MidCap Index as well as stocks of A+H stock companies concurrently listed on the Stock Exchange and the SSE. The total limit of Southbound Trading Link is RMB250 billion and the daily limit is RMB10.5 billion. During the initial period of the pilot programme, it is required by SFC that China investors participating in Southbound Trading Link are only limited to institutional investors and individual investors with a securities account and capital account balance of not less than RMB500,000.

On 10 November 2014, CSRC and SFC issued a Joint Announcement, approving the official launch of Shanghai-Hong Kong Stock Connect by SSE, the Stock Exchange, CSDCC and HKSCC. Pursuant to the Joint Announcement, trading of stocks under Shanghai-Hong Kong Stock Connect will commence on 17 November 2014.

On 30 September 2016, CSRC issued the Filing Provision on the Placement of Shares by Hong Kong Listed Companies with Domestic Original Shareholders under Southbound Trading Link (《關於港股通下香港上市公司向境內原股東配售股份的備案規定》) which came into effect on the same day. The act of the placement of shares by Hong Kong listed companies with domestic original shareholders under Southbound Trading Link shall be filed with CSRC. Hong Kong listed companies shall file the application materials and approved documents with CSRC after obtaining approval from the Stock Exchange for their share placement applications. CSRC will carry out supervision based on the approved opinion and conclusion of the Hong Kong side.

This Appendix sets out summaries of the main clauses of our Articles of Association adopted on January 8, 2025 which shall become effective as at the date on which the Company's H shares are listed on the Stock Exchange. As the main purpose of this Appendix is to provide an overview of the Articles of Association, it may not necessarily contain all information that is important for prospective investors.

1. DIRECTORS AND BOARD OF DIRECTORS

Power to allocate and issue Shares

The shareholders' general meeting ("**General Meeting**") may authorize the Board of Directors to decide to issue not more than 50% of the shares that have been issued within three years. However, if the capital contributions are to be made using non-monetary property, they shall be subject to a resolution made by the General Meeting. Where the Board of Directors decides to issue shares pursuant to the preceding paragraph, and thus results in a change in the registered capital or the number of issued shares of the company, the voting at the shareholders' meeting may not be needed to revise such item set forth in the articles of association of the company. Where the General Meeting authorizes the Board of Directors to decide on issuing new stocks, a resolution of the Board of Directors shall be adopted by two thirds of all the directors.

Power to dispose assets of our Company or any subsidiary

The Board of Directors shall determine the authority of external investment, acquisition and sale of assets, asset mortgage, external guarantee matters, connected transactions, entrusted financial management, external donations, and establish strict review and decision-making procedures. Major investment projects shall be reviewed by relevant experts and professionals and reported to the General Meeting for approval.

Guarantees of Loans to Directors, Supervisors or other management personnel

The external guarantee matters of the Company shall be submitted to the Board of Directors or the General Meeting for deliberation.

The following acts of external guarantee of the Company shall be submitted to the General Meeting for deliberation and approval after being reviewed and approved by the Board of Directors:

(1) the amount of any single guarantee exceeds 10% of the Company's net assets audited in the latest period;

(2) any external guarantee to be provided by the Company or any subsidiary it controls, whose total amount exceeds 50% of the Company's audited net assets in the latest period;

(3) any guarantee to be provided for an entity whose ratio of liabilities to assets exceeds 70%;

(4) the amount guaranteed by the Company within one year exceeds 30% of the Company's total assets audited in the latest period;

(5) any guarantee to be provided for any shareholder, actual controller or related party; and

(6) other guarantees that meet the requirements of the applicable laws, administrative regulations, normative documents, the securities regulatory rules for the place where the Company's shares are listed.

Provide financial assistance for acquiring the shares of the Company or shares of any subsidiary

Neither the Company nor any of its subsidiaries (including its affiliated enterprises) shall, by means of donation, advancement, guarantee, compensation, loan or other means, provide any financial aids to any person purchasing or intending to purchase shares in the Company, unless it carries out an employee stock ownership plan.

Remuneration

The remuneration of directors shall be approved by General Meeting.

Appointment, resignation and dismissal

The Directors shall be elected or replaced by the General Meeting, and may be removed by the General Meeting through an ordinary resolution before the expiration of their term of office.

The Board of Directors is composed of nine directors, including the chairman of the Board, three independent non-executive directors. The Directors serve three-year terms, and the director can be re-elected and reappointed at the end of the term. However, the independent non- executive director exceeds nine years, the relevant deliberation procedures shall be gone through in accordance with the provisions of the Hong Kong listing rules.

Under any of the following circumstances, anyone may not act as a director of a company:

(1) a person who has no civil capacity or has limited civil capacity;

(2) a person who has been sentenced to a term of imprisonment for embezzlement, bribery, conversion of property, misappropriation of property, or sabotaging the socialist economic order; or has been deprived of his/her political rights as a result

of a criminal conviction and five years have not elapsed since the date on which execution of the sentence was completed, or who has been sentenced to probation and 2 years have not elapsed since the date of expiration of the probation period;

(3) a person who has served as a director, the factory chief, or the manager of an insolvent and liquidated company or enterprise and is held personally liable for such bankruptcy, and three years have not elapsed since the date when the bankruptcy and liquidation of the company or enterprise are completed;

(4) a person who has served as the legal representative of a company or enterprise whose business license was revoked or which is ordered to close down due to any violation of law, and is held personally liable for the revocation, and three years have not elapsed since the date when the revocation or closure occurs;

(5) a person who has a relatively large sum of debt, which was not paid at maturity, resulting in such person being listed and enforced by the People's Court as a dishonest person; or

(6) other contents stipulated by laws, administrative regulations, normative documents, the securities regulatory rules for the place where the Company's shares are listed.

Where the election or appointment of any director is in violation of the preceding paragraph, it shall be invalidated. If the Directors falls into the situations provided in the above-mentioned situations during their term of office, they would be dismissed by the Company.

Borrowing powers

The Board of Directors shall be entitled to develop proposals for the Company to issue bonds and to list its shares, and that such bond issues must be approved by the General Meetings.

Duties

The Directors shall abide by laws, administrative regulations, the securities regulatory rules for the place where the Company's shares are listed and the Articles of Association, and bear the following faithful obligations to the Company, and take measures to avoid the conflict between their own interests and those of the Company, and shall not seek any improper interests by taking advantage of their powers:

(1) not to take advantage of their powers to accept bribes or other illegal income and not to misappropriate the Company's property;

(2) not to misappropriate the Company's funds;

(3) not to open accounts in his own name or in the name of any other person for the deposit of the Company's assets or funds;

(4) shall not, in violation of the Articles of Association, loan Company's funds to any other person or give Company's assets as security for the debt of any other person without the approval of the General Meeting or the Board of Directors;

(5) shall not conclude any contract or engage in any transaction with the Company either in violation of the Articles of Association or without the approval of the General Meeting;

(6) shall not use the advantages provided by their own positions to pursue business opportunities that properly belong to the Company, unless the Company cannot use the business opportunities according to the laws, administrative regulations, the securities regulatory rules for the place where the Company's shares are listed and the Articles of Association; shall not to engage in the same business as the Company either for their own account or for the account of any other person without the approval of the General Meeting;

(7) shall not accept commissions paid by others for transactions conducted with the Company as their own;

(8) shall not disclose confidential Company's information without authorization;

(9) shall not abuse their connected relationships to damage the Company's interests; or

(10) other fiduciary obligations stipulated in laws, administrative regulations, the securities regulatory rules for the place where the Company's shares are listed and the Articles of Association.

The income obtained by the director in violation of above article shall belong to the Company. If losses are caused to the Company because of such violation, such director shall be liable for compensation.

Where any of the close relatives of the directors, or any of the enterprises directly or indirectly controlled by the directors or any of their close relatives, or any of the connected parties who has any other connected relationship with the directors, enters into a contract or conducts a transaction with the Company, the Item (V) of preceding Article shall apply.

The directors shall abide by the laws, administrative regulations and prescriptive documents, the securities regulatory rules for the place where the Company's shares are listed and the Articles of Association, and bear the following duties of diligence to the Company. When performing their duties, they shall, for the best interests of the Company, exercise the reasonable care that shall be generally possessed by a manager:

(1) to exercise the rights granted by the Company in a prudent, serious and diligent manner to ensure that the Company's business activities comply with the requirements of laws, administrative regulations and prescriptive documents and various national economic policies, and the business activities do not exceed the business scope specified in the business license;

(2) to treat all shareholders fairly;

(3) to carefully peruse the Company's various commercial and financial reports and keep abreast of the Company's business operation and management;

(4) sign a written confirmation on the Company's regular reports. Ensure that the Company discloses information in a timely and fair manner, and the information disclosed is true, accurate and complete.

(5) shall truthfully provide the Supervisory Committee with relevant information and materials, and shall not hinder the Supervisory Committee or the Supervisors from exercising their functions and powers; and

(6) other duty of diligence stipulated by laws, administrative regulations and prescriptive documents, the securities regulatory rules for the place where the Company's shares are listed and the Articles of Association.

When a director's resignation takes effect or his/her term of office expires, he/she shall complete all handover procedures with the Board of Directors, and his/her duty of loyalty to the Company and shareholders shall not necessarily be released upon conclusion of their term of office. The directors' obligation to keep confidential the Company's trade secrets shall remain valid after the expiration of his/her terms of office until such secrets become public information, and shall not conduct the same or similar business as that conducted by the Company by using the core technology of the Company. The duration of other obligations of a director shall be determined in accordance with the principle of fairness, depending on the length of time between the occurrence of the event and the resignation, as well as the circumstances and conditions under which the relationship with the Company is terminated.

No Director shall act on his/her own behalf on behalf of the Company or the Board of Directors without the legal authorization of the Articles of Association or t the Board of Directors. When a director acts on his/her own behalf and a third party may reasonably believe that the director acts on behalf of the Company or the Board of Directors, the director shall declare his/her position and identity in advance.

2. MODIFICATION OF THE ARTICLES OF ASSOCIATION

The Company may amend the Articles of Association based on the provisions of the laws, administrative regulations and the Articles of Association.

Where the amendments to the Articles of Association passed by the General Meetings need the examination and approval of the competent authorities, these amendments shall be submitted hereto for approval. Where the amendment of the Articles of Association involves registration, it shall be necessary to carry out the lawfully prescribed procedures for registration change.

3. SPECIAL RESOLUTIONS NEEDED TO BE ADOPTED BY ABSOLUTE MAJORITY VOTE

The resolutions of the General Meeting shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution may be adopted by a simple majority of the votes held by the shareholders (including proxies of Shareholders) attending the General Meeting.

A special resolution can be adopted by a two-thirds majority of the votes held by the shareholders (including proxies of Shareholders) attending the General Meeting.

4. VOTING RIGHTS

All Shareholders, or their proxies, registered on the Equity Interest Registration Date shall have the right to attend the General Meeting and exercise their voting rights in accordance with relevant laws, administrative regulations and Articles of Association.

The same voting right can only choose one of on-site, online or other voting methods. In case of repeated voting with the same voting right, the first voting result shall prevail.

Shareholders attending the General Meeting shall express one of the following opinions on the proposal submitted for voting: affirmative, negative or abstention. The securities registration and clearing organization shall be the nominee holder of shares on the Interconnection Mechanism for Mainland and Hong Kong Stock Markets, except where declaration is made in accordance with the actual holder's intent. Where any ballot is not completed in full, is completed incorrectly or unintelligibly, or has no vote recorded, the voter shall be deemed to have waived his voting rights and the voting result for his shares shall be deemed as an "abstention".

5. RULES ON GENERAL MEETINGS

The General Meetings are divided into annual general meetings and extraordinary general meetings. The annual general meeting shall be convened once a year and be held within six months of the end of the previous fiscal year.

6. ACCOUNTING AND AUDITS

Financial and accounting policies

The Company shall develop its financial accounting policies pursuant to laws, administrative regulations, the securities regulatory rules for the place where the Company's shares are listed and rules developed by the competent department.

The Company shall produce financial reports at the end of each fiscal year, which shall be subject to examination and verification in accordance with the law.

The Company shall submit, disclose and/or submit annual reports, interim reports and other documents to its shareholders in accordance with the laws, administrative regulations of the place where the Company is listed, and the securities regulatory rules for the place where the Company's shares are listed.

The Company shall not establish other accounting books except for the statutory accounting books. The assets of the Company shall not be deposited in any account opened in the name of any individual.

Appointment and dismissal of Accountants

The Company employs an accounting firm that complies with the Securities Law of the People's Republic of China to conduct accounting statement audit, net asset verification and other related consulting services. The employment period is one year, and can be renewed.

The employment of accounting firms by the Company must be decided by the General Meeting. The Board of Directors shall not appoint an accounting firm prior to the decision of the General Meeting.

The Company shall guarantee to provide the accounting firm it employs with true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting materials, and shall not refuse, conceal or make false statements.

The Company shall notify the accounting firm 30 days in advance when dismissing or no longer renewing the accounting firm. The accounting firm shall be allowed to state its opinions when the General Meeting votes on dismissing the accounting firm. If the accounting firm proposes to resign, it shall explain to the General Meeting whether the Company has any improper situation.

7. NOTICE AND AGENDA OF GENERAL SHAREHOLDERS' MEETINGS

The Company shall convene an extraordinary General Meeting within two months from the date of occurrence of any of the following events:

(1) when the number of directors is less than the minimum number required by the Company Law or two-thirds of the number required by the Articles of Association;

(2) when the unrecovered losses of the Company amount to one-third of the total paid-up share capital;

(3) when shareholder(s) severally or jointly holding 10% or more of the shares of the Company so request(s);

(4) when deemed necessary by the Board of Directors;

(5) when proposed by the Supervisory Committee; and

(6) other circumstances stipulated by the laws, administrative regulations, the securities regulatory rules for the place where the Company's shares are listed and the Articles of Association.

If the Board of Directors agree to convene an extraordinary General Meeting, the notice of convening extraordinary General Meeting shall be issued within 5 days after the Board of Directors makes a resolution. If the Board of Directors does not agree to hold an extraordinary General Meeting, it shall state reasons and make an announcement.

The Supervisory Committee has the right to propose to the Board of Directors to convene an extraordinary General Meeting, and such proposal shall be made in writing. the Board of Directors shall, in accordance with the laws, administrative regulations, the securities regulatory rules for the place where the Company's shares are listed and the Articles of Association, give a written reply on whether to agree or disagree with the convening of the extraordinary General Meeting within ten days after receiving the proposal.

If the Board of Directors agrees to convene the extraordinary General Meeting, a notice of General Meeting shall be issued within five days after the resolution of the Board of Directors is made, and any changes to the original proposal in the notice shall be subject to the consent of the Supervisory Committee.

If the Board of Directors does not agree to convene the extraordinary General Meeting or fails to give feedback within ten days after receiving the proposal, it shall be deemed that the Board of Directors is unable or fails to perform its duty of convening the General Meeting, and the Supervisory Committee may convene and preside over the meeting on its own initiative.

Shareholders individually or jointly holding more than 10% of the shares of the Company shall have the right to request the Board of Directors to convene an extraordinary General Meeting, and shall put forward the proposal to the Board of Directors in writing to clarify the agenda of the meeting. The Board shall, in accordance with the laws, administrative regulations, securities regulatory rules for the place where the Company's shares are listed and the Articles of Association, give a written reply on whether to agree or disagree with the convening of the extraordinary General Meeting within ten days after receiving the request.

If the Board agrees to convene an extraordinary shareholders' meeting, a notice of shareholders' meeting shall be issued within five days after the resolution of the Board is made. Any change to the original request in the notice shall be subject to the consent of the relevant shareholders.

If the Board does not agree to convene an extraordinary shareholders' meeting or does not provide feedback within ten days after receiving the request, shareholders individually or jointly holding more than 10% of the Company's shares shall have the right to propose to the Supervisory Committee to convene an extraordinary shareholders' meeting, and shall make a request to the Supervisory Committee in writing.

If the Supervisory Committee agrees to convene the extraordinary shareholders' meeting, it shall issue a notice of shareholders' meeting within five days after receiving the request. Any changes to the original proposal in the notice shall be subject to the consent of the relevant shareholders.

If the Supervisory Committee fails to issue the notice of shareholders' meeting within the prescribed period, it shall be deemed that the Supervisory Committee will not convene and preside over the shareholders' meeting, and shareholders individually or jointly holding more than 10% of the shares of the Company for more than 90 consecutive days may convene and preside over the meeting on their own initiative.

Shareholders individually or jointly hold 1% or more of the Company's shares may submit ad hoc proposals to the convener in writing ten days prior to the date of the shareholders' meeting. The convener shall issue a supplementary notice of the shareholders' meeting within two days after receiving the proposal to announce the content of the provisional proposal, unless the provisional proposal is in violation of any law, administrative regulation or these Articles of Association or fails to fall into the scope of functions and powers of the shareholders' meeting.

The convener will notify all shareholders at least twenty-one (21) days before the annual shareholders' meeting and the extraordinary shareholders' meeting will notify all shareholders at least fifteen (15) days before the meeting.

When calculating the starting period, the date of the meeting shall not be included.

A notice of shareholders' meeting shall meet the following requirements:

(1) the time, place and duration of the meeting;

(2) matters and proposals submitted to the meeting to review;

(3) explain in obvious words that all shareholders have the right to attend the general meeting of shareholders and may appoint a proxy in writing to attend the meeting and participate in the vote, and the shareholder proxy need not be a shareholder of the company;

(4) share registration date of the shareholders entitled to attend the general meeting;

(5) name and telephone number of the permanent contact person for conference affairs;

(6) voting times and voting procedures, online or otherwise; and

(7) other requirements stipulated by laws, administrative regulations, the securities regulatory rules for the place where the Company's shares are listed and the Articles of Association.

The notice of the General Meeting and the supplementary notice shall fully and completely disclose all the specific contents of all proposals, as well as all the materials or explanations required to enable the shareholders to make a reasonable judgment on the matters to be discussed. If the matter to be discussed needs the opinion of independent non-executive directors, the opinions and reasons of independent non-executive directors will be disclosed at the same time when the notice General Meeting or supplementary notice is issued.

The resolution of the General Meeting includes ordinary resolution and special resolution. The following matters shall be approved by the General Meeting through ordinary resolutions:

(1) work report of the Board of Directors and the Supervisory Committee;

(2) plans of earnings distribution and loss make-up schemes drafted by the Board of Directors;

(3) appointment or dismissal of the members of the Board of Directors and the Supervisory Committee, and their payment and payment methods;

(4) annual budgets plan and final accounts plan of the Company;

(5) annual report of the Company; and

(6) other matters other than those approved by special resolution stipulated in the laws, administrative regulations, the securities regulatory rules for the place where the Company's shares are listed or the rules of procedure for General Meeting.

The following matters shall be approved by special resolution at the General Meeting:

(1) the increase or reduction of the registered capital, and issue any stocks, warrants, and other similar securities;

(2) the division, spin-offs, mergers, dissolutions and liquidation of the Company;

(3) the amendment to the Articles of Association;

(4) the purchases or sell of material assets by the Company within 12 consecutive months or the guarantee amount exceeds 30% of the latest audited total assets of the Company;

(5) the Company's employee equity incentive plan; and

(6) other matters stipulated by laws, administrative regulations, the securities regulatory rules for the place where the Company's shares are listed, and the Articles of Association, as well as other matters that the General Meeting determines by ordinary resolution will have a significant impact on the Company and need to be passed by special resolution.

Where any resolution of the General Meeting or of the Board of Directors violate any law or administrative regulation, the shareholders may request the people's court to invalidate such resolution.

Where the procedures for convening a meeting of the General Meeting or of the Board of Directors or the voting method is contrary to any law, administrative regulation or the articles of association, or the contents of any resolution are contrary to the articles of association, shareholders may, within 60 days as of the day when the resolution is made, request the people's court to cancel the resolution, except where the procedures for convening a meeting of the General Meeting or the Board of Directors or the voting method only has some minor defects, which produces no substantial effect on the resolution.

8. SHARE TRANSFERS

The shares issued before a company makes a public offering of shares shall not be transferred within 1 year as of the day when the stocks of the company are listed and traded on the stock exchange.

The directors, supervisors and senior executives of the company shall declare to the company the shares they hold and the changes thereof. During the term of office as determined when they assume the posts, the shares transferred each year shall not exceed 25% of the total shares they hold of the company. The shares of the company held by them shall not be transferred within 1 year as of the day when the stocks of the company are listed and traded

on the stock exchange. Any of the aforesaid persons shall not transfer the shares of the company held within six months after he/she leaves office. Any other restrictions on the transfer of company shares held by directors, supervisors or senior executives may be specified in the articles of association.

Where the shares are pledged within the time limit for restricted transfer as provided for by laws and administrative regulations, the pledgee may not exercise the pledge right within such restricted period.

Where a shareholder holding more than 5% of the shares of a listed company or a company whose shares are traded on a nationwide stock exchange approved by the State Council, as well as a director, supervisor and senior management personnel, sells the company's shares or other securities of equity nature that he/she holds within six months of purchase or buys again within six months of sale, the gains therefrom shall belong to the company, and the board of directors of the company shall collect such gains. Exception applies where a securities company holds more than 5% of the shares due to purchase of any remaining shares in a best efforts underwriting, or where there are any other circumstances stipulated by the securities regulatory authority of the State Council.

Shares or other securities of equity nature held by directors, supervisors, senior management personnel and natural person shareholders referred to in the preceding paragraph shall include shares or other securities of equity nature held by their spouse, parents, child(ren), and held by them using other's accounts.

Where the board of directors of the company fails to comply with the preceding paragraph, the shareholders shall have the right to demand that the board of directors comply within 30 days. Where the board of directors of the company fails to comply within the aforesaid period, the shareholders shall have the right to file a lawsuit directly in their own name with a people's court for the benefits of the company. Where the board of directors of the company fails to comply with the preceding paragraph, the directors who are accountable shall bear joint liability pursuant to the law.

9. RIGHTS OF OUR COMPANY TO PURCHASE OUR OUTSTANDING ISSUED SHARES

The Company shall not repurchase of its Shares. However, exceptions are made in any of the following cases under the premise of not violating laws, administrative regulations, the Hong Kong listing rules and the Articles of Association:

(1) to reduce the registered capital of the Company;

(2) to merge with other companies that hold shares in the Company;

(3) to use the shares for employee shareholding schemes or as share incentives;

(4) to acquire the shares of shareholders (upon their request) who vote against any resolution adopted at any general meetings on the merger or division of the Company;

(5) to use the shares to satisfy the conversion of those corporate bonds convertible into shares issued by the Company; and

(6) to safeguard corporate value and shareholders' equity as the Company deems necessary.

The Company may purchase its own Shares through public centralized trading, or through other means recognized by the laws, administrative regulations, the CSRC or the securities regulatory authorities for the place where the Company's shares are listed.

If the Company acquires its own shares due to the circumstances specified in Items (3), (5) and (6) of the preceding paragraph, it shall be conducted through public centralized trading.

Where the Company repurchases its shares by an off-market agreement under any of the circumstances specified in Items (1) and (2) of the preceding paragraph, it shall seek prior approval of the General Meeting in accordance with the Articles of Association. Where a company repurchases its shares under any of the circumstances as specified in Items (3), (4) or (5) of the preceding paragraph, a resolution shall be adopted at the meeting of the Board of Directors with the attendance of not less than two thirds of the directors, according to the Articles of Association or the General Meeting.

After the company repurchases its shares according to the preceding paragraph, the shares purchased shall be written off within ten days as of the purchase date under the circumstance as specified in Item (1); the shares shall be transferred or written off within six months under the circumstance as specified in Items (2) or (4); and the shares held accumulatively by the company shall not exceed 10% of the total shares issued and be transferred or written off within three years under any of the circumstances as specified in Items (3), (5) or (6).

The repurchase of H Shares of the Company shall comply with the Hong Kong listing rules and other relevant laws, administrative regulations and regulatory requirements of the place where the H Shares are listed.

10. POWER OF ANY SUBSIDIARY OF THE COMPANY TO OWN SHARES IN ITS PARENT COMPANY

There are no provisions in the Articles of Association relating to ownership by subsidiary of the Company of Shares in its parent.

11. DIVIDEND AND OTHER DISTRIBUTION METHODS

Upon passing of a resolution on profit distribution plan by the General Meeting, or working out of a specific plan by the Board of Directors in accordance with the criteria and ceiling for the following year's interim dividend distribution adopted by an annual General Meeting, the distribution of dividends (or shares) shall be completed within two months.

The Company shall appoint one or more receiving agents for holders of H Shares. The receiving agent shall collect on behalf of the relevant shareholders the dividends distributed and other monies payable by the Company in respect of H shares, and shall declare such monies on behalf of the holders of such securities, pending payment to such holders. The receiving agents appointed by the Company shall meet the requirements of the laws or relevant regulations of the stock exchange where the Company is listed. The receiving agents appointed by the Company for holders of H Shares listed in Hong Kong shall be a company registered as a trust company under the Trustee Ordinance of Hong Kong.

12. SHAREHOLDERS' PROXIES

The shareholder may attend a General Meeting in person or entrust a representative (who may not be a shareholder) to attend the General Meeting and cast votes on his/her behalf.

Any proxy statement issued by a shareholder who authorizes a proxy to attend the General Meeting on his behalf shall include the following details:

(1) the name of the proxy;

(2) whether the proxy is authorized to vote;

(3) respective instructions on affirmative, negative or abstention voting on each item for consideration listed in the General Meeting agenda;

(4) the issuance date and valid period of the proxy statement; and

(5) the signature (or seal) of the shareholder. If the principal is a corporate shareholder, the corporate seal shall be affixed.

The power of attorney shall indicate whether the shareholder's proxy can vote according to his own will if the shareholder does not give specific instructions.

13. INSPECTION OF REGISTER OF MEMBERS AND OTHER RIGHTS OF SHAREHOLDERS

The shareholder of the Company is a person who lawfully holds shares of the Company and whose name is entered in the register of shareholders. The Company shall establish a register of members based on the evidence provided by the share registrar, which shall be

sufficient evidence to prove that the shareholders hold the Company's shares. The shareholder shall enjoy rights and assume obligations according to the class of shares held by him; shareholders who holds shares of the same class shall enjoy the same rights and assume the same obligations.

When the Company convenes a General Meeting, distributes dividends, goes into liquidation or engages in other acts that require the confirmation of the identity of the shareholders, the Board of Directors or the convener of the General Meeting shall confirm the equity registration date, and the shareholders whose names appear on the register of members after the close of trading on the equity registration date shall be the shareholders entitled to the relevant rights and interests.

14. LIMITATION OF RIGHTS OF CONTROLLING SHAREHOLDER

The controlling shareholders and actual controllers of the Company shall not take advantage of their associated relationship to damage the Company's interests. Any loss caused to the Company as a result of such violation shall be compensated.

The controlling shareholders and de facto controllers of the Company owe a duty of good faith to the Company and all shareholders of the Company. The controlling shareholder shall exercise its rights as a contributor in strict compliance with the laws, and shall not prejudice the legitimate rights and interests of the Company and other shareholders by means of profit distribution, asset restructuring, external investment, capital appropriation, loan guarantee, etc., and shall not prejudice the interests of the Company and other shareholders by taking advantage of its controlling position.

Where any controlling shareholder or actual controller of the Company instructs any director or senior executive to carry out any act damaging the interests of the company or the shareholders, it shall bear joint and several liability with the director or senior executive.

The controlling shareholder or actual controller of the Company shall not appropriate the company's assets in any form.

15. PROCEDURES FOR LIQUIDATION

The Company shall be dissolved in accordance with the law under any of the following circumstances:

(1) the term of business operation expires or other circumstances as stipulated by the Articles of Association;

(2) the general meeting resolves to dissolve the Company;

(3) dissolution is necessary as a result of the merger or division of the Company;

(4) the Company's business license is revoked or it is ordered to close down or it is deregistered according to laws; and

(5) serious difficulties arise in the operation and management of the Company and its continued existence would cause material loss to the interests of the shareholders and such difficulties cannot be resolved through other means, in which case shareholders holding at least 10% of all shareholders' voting rights of the Company may petition a People's Court to dissolve the Company.

If any of the situations as mentioned in the preceding paragraph arises, a company shall publicize the situations through the National Enterprise Credit Information Publicity System within ten days.

Where the Company falls under the circumstance as specified in Items (1), (2) the preceding paragraph, and it has not distributed the assets to its shareholders yet, it may survive by modifying its Articles of Association or upon a resolution of the General Meeting.

Where the Company is to be dissolved pursuant to Items (1), (2), (4) or (5) of above paragraph, a liquidation committee shall be established within 15 days from the date when the event of dissolution occurs. The liquidation committee shall be composed of Directors or members determined by the General Meeting. Where the Company fails to form a liquidation committee to liquidate the Company within the prescribed period of time, its creditors may petition the people's court to appoint the relevant persons to establish a liquidation committee and liquidate the Company.

Within 10 days of the establishment of the liquidation committee, the creditors shall be notified, and an announcement shall be published within 60 days. Creditors shall file their claims with the liquidation committee within 30 days of receiving the notice, or within 45 days of publication of the first notice if any such creditor does not receive the notice.

In filing their claims, creditors shall provide all relevant details relating thereto and provide supporting materials. The liquidation committee shall make records of such claims. The liquidation committee shall not pay out on any creditors' claims while such claims are still being filed.

After identifying the Company's assets and preparing the balance sheet and schedule of assets, the liquidation committee shall prepare a liquidation plan, which shall be submitted to the General Meeting or the people's court for ratification. After paying all liquidation expenses, staff wages and labor insurance expenses, outstanding taxes, and Company's debts, the remaining assets shall be distributed to the shareholders in proportion to their respective shareholdings.

During the liquidation, our Company shall continue to exist, but shall not carry out business activities irrelevant to the liquidation. The property of our Company shall not be distributed to any shareholder before full payments have been made out of the property according to the aforesaid provision.

Where the liquidation committee, after identifying the Company's assets and preparing the balance sheet and schedule of assets, discovers that the Company does not have sufficient assets to repay the Company's debts in full, the liquidation committee shall file a bankruptcy petition with the people's court in accordance with the law.

After the people's court accepts the application for bankruptcy, the liquidation committee shall hand over the liquidation matters to the bankruptcy administrator designated by the people's court.

Upon closure of liquidation of the Company, the liquidation committee shall prepare a liquidation report, which shall be submitted to our General Meeting or the people's court for confirmation. The liquidation committee shall submit it to the company registration authority to apply for cancellation of the Company's registration and announce the termination of the Company.

16. OTHER IMPORTANT PROVISIONS FOR OUR COMPANY OR THE SHAREHOLDERS

General Provisions

The Company is a permanently existing joint stock limited company.

All the assets of the company are divided into shares of equal value. The shareholders are responsible for the Company to the extent of their subscribed Shares, and the Company is responsible for the Company's debts with all its assets.

The Articles of Association shall, from the date on which they take effect, be the legally binding document that regulates the organization and activities of the Company and the relationship of rights and obligations as between the Company and the shareholders and among the shareholders, and shall be legally binding on the Company, the shareholders, the Directors, the Supervisors and senior officers. Based on the Articles of Association, any shareholder may bring a lawsuit against another shareholder, a Director, a Supervisor, a manager or any other senior officer. Any shareholder may bring a lawsuit against the Company, and the Company may bring a lawsuit against any shareholder, Director, Supervisor, manager or any other senior management.

The Company shall, subject to the provisions of the Constitution of the Communist Party of China, establish a Party organization and carry out Party-related activities. The Company shall provide the necessary conditions for the activities of the Party organization.

Share and Transfer

In light of the Company's operational and developmental needs, the Company may increase its capital in accordance with the laws and regulations and subject to a resolution of the general meeting, by any of the following methods:

(1) a public offering of shares;

(2) a private placement of shares;

(3) allotment of bonus shares to existing shareholders;

(4) conversion of reserve funds to share capital; and

(5) other methods permitted by laws, administrative regulations and the CSRC, the securities regulatory authorities for the place where the Company's shares are listed.

The Company may reduce its registered capital. Any reduction of the Company's registered capital shall be subject to the procedures prescribed in the Company Law and Hong Kong listing rules, as well as the Articles of Association.

Shareholders

Shareholders are entitled to rights and assumes obligations pursuant to the classification and ratio of their shares. Shareholders holding the same classified shares have the same rights and assume the same obligations.

Shareholders of the Company shall enjoy the following rights:

(1) the right to dividends and other distributions in proportion to the number of shares held;

(2) the right to apply for, convene, preside, attend or appoint proxies to attend general meetings and to exercise the corresponding right to speak and vote;

(3) the right to supervise, present proposals or raise enquiries in respect of the Company's business operations;

(4) the right to transfer, give as a gift or pledge the shares it holds in accordance with laws, administrative regulations and the Articles of Association;

(5) the right to inspect the Articles of Association, the register of shareholders, the register of corporate bond holders, minutes of general meetings, resolutions of the Board of Directors and resolutions of the Supervisory Committee and accounting reports;

(6) in the event of the termination or liquidation of the Company, the right to participate in the distribution of the remaining property of the Company in proportion to the number of shares held;

(7) shareholders who object to resolutions of merger or division made by the shareholders' general meeting may request the Company to purchase shares held; and

(8) other rights provided for by laws, administrative regulations, departmental rules, the securities regulatory rules for the place where the Company's shares are listed or the Articles of Association.

Shareholders of the Company shall have the following obligations:

(1) to abide by laws, administrative regulations, the securities regulatory rules for the place where the Company's shares are listed and the Articles of Association;

(2) to pay share capital according to the shares subscribed for and the method of shares subscription;

(3) not to withdraw shares, except for the circumstances stipulated by laws and regulations;

(4) not to abuse shareholders' rights to infringe upon the interests of the Company or other shareholders; not to abuse the Company's status as an independent legal entity or the limited liability of shareholders to harm the interests of the Company's creditors; and

(5) to assume other obligations required by laws, administrative regulations, the securities regulatory rules for the place where the Company's shares are listed and the Articles of Association.

Any shareholder who abuses shareholders' rights and causes the Company or other shareholders to suffer a loss shall be liable for making compensation in accordance with the law; Any shareholder who abuses the status of the Company as an independent legal entity or the limited liability of shareholders to evade debts and severely harm the interests of the Company's creditors shall assume joint and several liability for the Company's debts.

The Board of Directors

The Board of Directors shall exercise the following functions and powers:

(1) to convene general meetings and report to the general meetings;

(2) to implement resolutions of the general meetings;

(3) to decide on the Company's business plans and investment plans;

(4) to formulate the annual financial budgets and final accounts of the Company;

(5) to formulate the Company's profit distribution plans and plans on making up losses;

(6) to formulate proposals for the increase or reduction of the Company's registered capital, the issuance of bonds or other securities of the Company and listing of shares of the Company;

(7) to formulate plans for the Company's major acquisition, repurchase the Shares of the Company, or merger, division, dissolution or change of corporate form of the Company;

(8) to decide on matters such as investments, purchase and sale of assets, pledge of assets, external guarantee, connected transactions, entrustment of financial management and donations of the Company within the scope of authorization by the general meeting;

(9) to decide on the Company's borrowings from banks or applications for credit institutions exceed in aggregate 30% of the Company's latest audited total assets for a period of 12 consecutive months, but do not exceed 50% of the Company's latest audited total assets;

(10) to decide on establishment of internal management organs of the Company;

(11) to decide on the appointment or dismissal of the Company's general manager, secretary of the board. According to the nomination of the general manager, decide to appoint or dismiss the Company's deputy general manager, financial officer and other senior management, and decide on matters of their remuneration, rewards and punishments;

(12) to formulate the basic management system of the Company;

(13) to formulate proposals to amend the Articles of Association;

(14) to manage the Company's disclosures;

(15) to propose to the general meeting the appointment or replacement of the accounting firm that provides audit service to the Company;

(16) to listen to the work report of the general manager of the Company and to inspect the work of the general manager of the Company; and

(17) other functions and powers provided for in laws, administrative regulations, department regulations and the Articles of Association.

Matters beyond the scope of authorization of the General Meeting shall be submitted to the General Meeting for deliberation.

Independent Non-executive Director

The Board of Directors of the Company has three independent non-executive directors.

Secretary of the Board of Directors

The Company shall appoint a secretary appointed or dismissed by the Board of Directors.

The secretary shall be responsible for preparing for General Meetings and meetings of the Board of Directors, the retention of documents, the management of Shareholder materials, etc.

Supervisory Committee

The Supervisory Committee shall consist of three Supervisors, and the Supervisory Committee shall have one chairman. The chairman of the Supervisory Committee shall be elected by more than half of all supervisors. The chairman of the Supervisory Committee shall summon and preside over the meetings of the Supervisory Committee. If the chairman of the Supervisory Committee is unable or fails to perform his/her duties, a supervisor shall be jointly elected by more than half of the supervisors to summon and preside over the meetings of the Supervisory Committee.

The Supervisory Committee shall have two shareholders' representative supervisor and one employee representative supervisor. The shareholder representative supervisors in the Supervisory Committee shall be elected by the shareholders' meeting, and the employee representative supervisors shall be elected by the employees of the Company through the employee representative meeting, the employee meeting or other forms of democratic election.

The Supervisory Committee shall exercise the following functions and powers:

(1) to review the Company's securities offering documents and the Company's periodic reports prepared by the Board of Directors and shall sign on the written review opinion;

(2) to examine the financial affairs of the Company;

(3) to supervise the performance of duties by directors and senior management, and propose the removal of directors and senior management who have violated laws, administrative regulations, the securities regulatory rules for the place where the Company's shares are listed and the Articles of Association or the resolutions of the General Meeting;

(4) to require directors and senior management to make corrections when their conduct is detrimental to the Company's interests;

(5) to propose the convening of an extraordinary General Meeting, and to summon and preside over the General Meeting when the Board of Directors fails to perform the duty of summoning and presiding over the General Meeting under the Company Law;

(6) to submit proposals to the shareholders' meeting;

(7) to initiate legal proceedings against directors and senior management personnel in accordance with Article 189 of the Company Law;

(8) to carry out investigations when abnormalities in the Company's operations are discovered; if necessary, professional organizations such as accounting firms and law firms may be engaged to assist in its work at the Company's expense; and

(9) other functions and powers stipulated by the Articles of Association or as conferred by the General Meeting.

General Manager

Our Company has one general manager, appointed or dismissed by the Board of Directors.

(1) to be in charge of the production, operation and management of the Company, to organize the implementation of the resolutions of the Board of Directors, and to report his/her works to the Board of Directors;

(2) to organize the implementation of the Company's annual business plans and investment plans;

(3) to draft plans for the establishment of the Company's internal management department;

(4) to draft the Company's fundamental management policies;

(5) to formulate the specific rules and regulations of the Company;

(6) to propose to the Board of Directors appointment or dismissal of deputy general manager, vice president, chief financial officer or the other senior managers of the Company;

(7) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board of Directors;

(8) to sign the documents within the authorization of the Board of Directors, including but not limited to: contracts, agreements and documents to be submitted to the government;

(9) to draft the salaries, benefits, rewards and penalty for the staff of the Company; and

(10) other functions and powers conferred by the Articles of Association or the Board of Directors.

Reserve Funds

In distributing its current-year after-tax profits, the Company shall allocate 10% of its profit to its statutory reserve fund. Allocations to the Company's statutory reserve fund may be waived once the cumulative amount of statutory reserve funds therein exceeds 50% of the Company's registered capital.

Where the statutory reserve fund is not sufficient to cover any loss made by the Company in the previous year, the current year's profit shall be used to cover such loss before any allocation is made to the statutory reserve fund pursuant to the preceding paragraph.

After an allocation to the statutory reserve fund has been made from the after-tax profit of the Company, and subject to the adoption of a resolution by the General Meeting, an allocation may be made to the discretionary reserve fund.

After the Company has covered its losses and made allocations to the reserve funds, any remaining profit shall be distributed to the shareholders in proportion to their respective shareholdings unless otherwise stipulated in the Articles of Association.

Where the General Meeting, in violation of the preceding paragraph, distributes profits to the shareholders before covering Company's losses and making an allocation to the Company statutory reserve fund, the profits so distributed must be returned to the Company.

Profits shall not be distributed to Shares held by the Company itself.

Company reserve funds shall be used to cover Company's losses, expand production and operations, or converted to increase the Company's capital. Where the reserve funds of the Company is used for making up losses, the discretionary reserve fund and statutory reserve fund shall be used first. If such losses still cannot be made up after discretionary reserve fund and statutory reserve fund are used up, the capital reserve fund can be used.

After converting statutory reserve funds into capital, the amount remaining in the statutory reserve fund shall be no less than 25% of the Company's registered capital before such conversion.

A. FURTHER INFORMATION ABOUT OUR GROUP

1. Establishment of Our Company

Our Company was established as a limited liability company in the PRC on October 28, 2015 and was converted to a joint stock company with limited liability under the laws of the PRC with effect from March 10, 2022. As of the Latest Practicable Date, the registered capital of our Company was RMB360,000,000 divided into 360,000,000 Unlisted Shares with a nominal value of RMB1.00 each.

Our Company has established a principal place of business in Hong Kong at 40th Floor, Dah Sing Financial Centre, 248 Queen's Road East, Wanchai, Hong Kong and has been registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on January 13, 2025. Ms. Lin Sio Ngo, one of our joint company secretaries, has been appointed as the authorized representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong.

As our Company was established in the PRC, our corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. A summary of the relevant provisions of our Articles of Association is set out in "Appendix V—Summary of Articles of Association" to this prospectus.

2. Changes in the Share Capital of Our Company

As of the date of the establishment of our Company, our registered capital was RMB10,000,000. On March 10, 2022, our Company was converted into a joint stock company with limited liability under the laws of the PRC. Upon completion of such conversion, the registered capital of our Company was RMB360,000,000 divided into 360,000,000 Unlisted Shares with a nominal value of RMB1.00 each. There has been no alteration in our share capital within the two years immediately preceding the date of this prospectus.

3. Changes in the Share Capital of Our Subsidiary

Details of our subsidiary is set out in "History, Development and Corporate Structure—Our Subsidiary" and Note 41 to the Accountants' Report as set out in Appendix I to this prospectus. There has been no alteration in the share capital of the subsidiary of our Company within two years immediately preceding the date of this prospectus.

4. Restriction of Share Repurchase

For details of the restrictions on the share repurchase by our Company, see "Appendix V—Summary of Articles of Association" to this prospectus.

5. Resolutions of Our Shareholders

At the extraordinary general meeting of our Company held on January 8, 2025, among other things, our Shareholders had resolved that:

(a) the issue of H Shares with a nominal value of RMB1.00 each shall be approved and such H Shares shall be listed on the Stock Exchange;

(b) the number of H Shares to be issued shall be no more than 25% of the total issued share capital of our Company as enlarged by the Global Offering before the exercise of the over-allotment option;

(c) subject to the filing with CSRC is completed, the Conversion of Unlisted Shares into H Shares upon completion of the Global Offering shall be approved;

(d) subject to the completion of the Global Offering, the conditional adoption of the Articles of Association, which shall become effective on the Listing Date; and

(e) our Board and/or its authorized person(s) have been authorized to handle all relevant matters relating to, among other things, the Global Offering, Conversion of Unlisted Shares into H Shares, the issue of H Shares and the Listing.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years preceding the date of this prospectus that are or may be material:

(a) the supplemental agreement to the termination agreement of the shareholders' special rights dated January 21, 2025 entered into among Jiangsu Jiequan Gaotejia Medical Industry Investment Fund (Limited Partnership) (江蘇聿泉高特佳醫療產業投資基金(有限合夥)), Qingdao Yingke Value Venture Capital Partnership (Limited Partnership) (青島盈科價值創業投資合夥企業(有限合夥)), HLC Healthmedical HK Limited, Taizhou Jintai Hongyi Entrepreneurship Investment Fund (Limited Partnership) (泰州市金泰弘毅創業投資基金(有限合夥)), Zhuzhou National Innovation Medicine Investment Partnership (Limited Partnership) (株洲市國創新藥投資合夥企業(有限合夥)), Pingtan Wenzhou Hangshi Ruihui Investment Partnership (Limited Partnership) (平潭文周杭實瑞慧投資合夥企業(有限合夥)), Hangzhou Sanhua Hongdao Venture Capital Partnership Enterprise (Limited Partnership) (杭州三花弘道創業投資合夥企業(有限合夥)), Taizhou China Pharmaceutical City Class I New Drug R&D Investment Fund Partnership Enterprise (Limited Partnership) (泰州中國醫藥城一類新藥研發投資基金合夥企業(有限合夥)), Zhuzhou Sealand Guochuang Qianjin Pharmaceutical Venture Capital

Partnership (Limited Partnership) (株洲市國海國創千金醫藥創業投資合夥企業(有限合夥)), Shenzhen Songhe JiYou No. 3 Venture Capital Partnership (Limited Partnership) (深圳市松禾績優三號創業投資合夥企業(有限合夥)), Shenzhen Sealand No. 5 Innovative Pharmaceutical Investment Partnership (Limited Partnership) (深圳市國海伍號創新醫藥投資合夥企業(有限合夥)), Shenzhen Co-win Yuanshui Investment Partnership (Limited Partnership) (深圳共贏源水投資合夥企業(有限合夥)), Yangzhou Yingdan Equity Investment Partnership (Limited Partnership) (揚州盈丹股權投資合夥企業(有限合夥)), Anji Aiweidi Enterprise Management Partnership (Limited Partnership) (安吉愛威笛企業管理合夥企業(有限合夥)), Guangxi Sealand Yuchai Venture Capital Partnership (Limited Partnership) (廣西國海玉柴金投創業投資合夥企業(有限合夥)), Gongqingcheng Chengshu Phase V Medical Industry Investment Partnership (Limited Partnership) (共青城承樹五期醫療產業投資合夥企業(有限合夥)), Hangzhou Fushi Investment Management Partnership (Limited Partnership) (杭州賦實投資管理合夥企業(有限合夥)), Shenzhen Gaotejia Ruibao Investment Partnership (Limited Partnership) (深圳市高特佳睿寶投資合夥企業(有限合夥)), Taizhou Transition and Upgrading Industrial Investment Fund (Limited Partnership) (泰州市轉型升級產業投資基金(有限合夥)), Jiangsu Province Modern Service Industry Development Venture Capital Fund (Limited Partnership) (江蘇省現代服務業發展創業投資基金(有限合夥)), Shenzhen Dongqi Investment Development Enterprise (Limited Partnership) (深圳東淇投資發展企業(有限合夥)), Nanjing Yihui Entrepreneurship Investment Partnership Enterprise (Limited Partnership) (南京益慧創業投資合夥企業(有限合夥)), Yangzhou Litian New Drug Investment Partnership Enterprise (Limited Partnership) (揚州利田新藥投資合夥企業(有限合夥)), Xinchang Yujun Shanghang Venture Capital Partnership (Limited Partnership) (新昌鈺俊尚行創業投資合夥企業(有限合夥)), Xi'an Sealand Jingheng Venture Capital Co., Ltd. (西安國海景恒創業投資有限公司), Shangshan Ruoshui (Beijing) Fund Management Co., Ltd. (上善若水(北京)基金管理有限公司), Qingdao Yingke Dingxin No. 1 Venture Capital Partnership (Limited Partnership) (青島盈科鼎新一號創業投資合夥企業(有限合夥)), Pingtan Wenzhou Ruixi Investment Partnership (Limited Partnership) (平潭文周瑞璽投資合夥企業(有限合夥)), Guangxi Guangtou Guohong Health Industry Fund Partnership Enterprise (Limited Partnership) (廣西廣投國宏健康產業基金合夥企業(有限合夥)), Pingtan Puxin Yingke Ruiyuan Venture Capital Partnership (Limited Partnership) (平潭浦信盈科睿遠創業投資合夥企業(有限合夥)), Zhuzhou Wenzhou Junzhe Venture Capital Partnership (Limited Partnership) (株洲市文周君喆創業投資合夥企業(有限合夥)), Yangzhou Xuantan Investment Co., Ltd. (揚州玄壇投資有限公司), Qingdao Qiandao Yingyue Investment Management Center (Limited Partnership) (青島乾道盈悅投資管理中心(有限合夥)), Nanjing Yidao Equity Investment Partnership (Limited Partnership) (南京益道股權投資合夥企業(有限合夥)), Zibo Yingke Growth No. 2 Venture Capital Partnership (Limited Partnership) (淄博盈科成長二號創業投資合夥企業(有限合夥)), Shenzhen Zhiyou Pengbo Management Consulting Partnership (Limited Partnership) (深圳市志友蓬勃管理諮詢合夥企業(有限合夥)), Mr. An Youcai (安有才), Jiangsu Tiaoyu Science and Trade Co., Ltd. (江蘇耀宇科貿有限公司), Mr. He Yiming (何一鳴), Taizhou Huida Enterprise Management Consulting Service Partnership Enterprise (Limited

Partnership) (泰州慧達企業管理諮詢服務合夥企業(有限合夥)), Taizhou Huirong Enterprise Management Consulting Service Partnership (Limited Partnership) (泰州慧融企業管理諮詢服務合夥企業(有限合夥)), Taizhou Huilong Enterprise Management Consulting Service Partnership (Limited Partnership) (泰州慧隆企業管理諮詢服務合夥企業(有限合夥)), Shanghai Yijiucheng Investment Co., Ltd. (上海憶久誠投資有限公司) and the Company, pursuant to which the termination and reinstatement of shareholders' special rights were agreed among the aforementioned parties;

(b) the cornerstone investment agreement dated July 30, 2025 entered into among the Company, Huatai Capital Investment Limited, CITIC Securities (Hong Kong) Limited, CMB International Capital Limited and CLSA Limited, details of which are set out in the section headed "Cornerstone Investor" in this prospectus; and

(c) the Hong Kong Underwriting Agreement.

2. Intellectual Property Rights

(a) Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Class	Registered Owner	Place of Registration	Registration Number	Date of Expiry
1. .	慧尔康美 HRK-M	5	Our Company	PRC	74673315	2034/04/13
2. .	慧尔康达 HRK-D	5	Our Company	PRC	74662757	2034/04/13
3. .	慧尔康怡 HRK-Y	5	Our Company	PRC	74653388	2034/04/13
4. .	中慧元通	5	Our Company	PRC	70273132	2033/10/27
5. .	中慧生物	5	Our Company	PRC	70231092	2033/12/13
6. .		5	Our Company	PRC	66830396A	2033/05/06
7. .	慧尔康怡	5	Our Company	PRC	66240533	2033/01/27
8. .	慧尔康达	5	Our Company	PRC	66223204	2033/01/20
9. .	慧尔康美	5	Our Company	PRC	66226238	2033/01/20

No.	Trademark	Class	Registered Owner	Place of Registration	Registration Number	Date of Expiry
10. . .	慧尔康泰 HRK-T	5	Our Company	PRC	31738627	2029/06/06
11. . .	慧尔康安 HRK-A	5	Our Company	PRC	31741688	2029/06/13
12. . .		5	Our Company	PRC	19988389	2027/09/06
13. . .	慧尔康欣 HRK-X	5	Our Company	PRC	19988186	2027/07/06
14. . .	慧儿康宁 HRK-N	5	Our Company	PRC	19988060	2028/05/06
15. . .	慧尔康泽 HRK-Z	5	Our Company	PRC	77288678	2034/09/06
16. . .	慧尔康泽 HRK-Z	35	Our Company	PRC	77268621	2034/08/27
17. . .	中慧生物	42	Our Company	PRC	70231367	2034/04/06
18. . .		05, 42	Yither Biotech	PRC	59999769	2032/04/13
19. . .	慧儿康宁	05	Our Company	PRC	78670821	2034/11/19
20. . .	慧尔康欣 HRK-X	35	Our Company	PRC	81563127	2035/04/13
21. . .	慧尔康宁	35	Our Company	PRC	81372536	2035/04/06
22. . .	慧尔康宁	05	Our Company	PRC	81361001	2035/03/27
23. . .	慧尔康欣 HRK-X	05, 35, 42	Our Company	Hong Kong	306707485	2035/03/04
24. . .	中慧生物 Ab&B Bio-Tech 中慧生物 Ab&B Bio-Tech	05, 35, 42	Our Company	Hong Kong	306707494	2035/05/19
25. . .	YHA MAA	05	Yither Biotech	PRC	83137312	2035/07/06
26 . .	YHAS EEA	05	Yither Biotech	PRC	83122838	2035/07/06
27 . .	YHA MAA	05	Yither Biotech	PRC	8311964	2035/07/06
28. . .	YHAS EEA	05	Yither Biotech	PRC	83128118	2035/07/06

As of the Latest Practicable Date, we had applied for the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Class	Applicant	Place of Application	Application Number	Date of Application
1. . .	中慧元通	35	Our Company	PRC	72842499	2023/07/14

(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	Type	Registered Owner	Place of Registration	Patent Number	Date of Application	Date of Expiry
1. . .	A refrigerated transport device for genetic engineering vaccines (一種基因工程疫苗用冷藏轉運裝置)	Invention	Our Company	PRC	202010912803.X	2020/09/02	2040/09/01
2. . .	A water bath device for cervical cancer vaccine production inspection (一種用於宮頸癌疫苗生產檢驗的水浴裝置)	Invention	Our Company	PRC	202010906705.5	2020/09/02	2040/09/01
3. . .	A storage device for prophylactic subunit influenza vaccine (一種預防用亞單位流感疫苗存放裝置)	Invention	Our Company	PRC	202010901382.0	2020/09/01	2040/08/31
4. . .	A high-efficiency inactivation device for vaccines (一種疫苗高效滅活裝置)	Invention	Our Company	PRC	202011191020.3	2020/10/30	2040/10/29
5. . .	A sterilization cabinet for vaccine production (一種疫苗生產用消毒櫃)	Invention	Our Company	PRC	202011345298.1	2020/11/26	2040/11/25
6. . .	A cold storage detection device for vaccines and its usage method (一種疫苗冷藏儲存檢測裝置及使用方法)	Invention	Our Company	PRC	202011404262.6	2020/12/03	2040/12/02

No.	Patent	Type	Registered Owner	Place of Registration	Patent Number	Date of Application	Date of Expiry
7.	A culture and isolation device for new coronavirus pneumonia vaccine R&D (一種新型冠狀病毒肺炎疫苗研發用培養及分離的裝置)	Invention	Our Company	PRC	202011388069.8	2020/12/01	2040/11/30
8.	A cultivation device for rabies vaccine research and development (一種用於狂犬疫苗研發的培養裝置)	Invention	Our Company	PRC	202011404241.4	2020/12/03	2040/12/02
9.	Centrifuge equipment for new coronavirus pneumonia vaccine reagent tubes (一種新型冠狀病毒肺炎疫苗試劑管離心設備)	Invention	Our Company	PRC	202011388070.0	2020/12/01	2040/11/30
10.	A test kit for detecting streptococcus pneumoniae 10A serotype (一種檢測肺炎球菌10A血清型的試劑盒)	Invention	Our Company	PRC	201710655873.X	2017/08/03	2037/08/02
11.	A safe workbench for quadrivalent influenza virus subunit vaccine R&D (一種四價流感病毒亞單位疫苗研發用安全實驗台)	Invention	Our Company	PRC	202210517954.4	2022/05/12	2042/05/11
12.	A negative pressure exhaust gas sterilization system for influenza vaccine R&D (一種流感病毒疫苗研發用負壓廢氣排放滅菌系統)	Invention	Our Company	PRC	202210303948.9	2022/03/25	2042/03/24
13.	A stirring device for rabies vaccine processing (一種狂犬疫苗加工用攪拌裝置)	Invention	Our Company	PRC	202211034799.7	2022/08/26	2042/08/25

No.	Patent	Type	Registered Owner	Place of Registration	Patent Number	Date of Application	Date of Expiry
14. .	A heating and separation device for rabies vaccine production (一種狂犬疫苗生產用加熱分離裝置)	Invention	Our Company	PRC	202211112152.1	2022/09/13	2042/09/12
15. .	A solid-liquid separation device for cervical cancer vaccine production (一種宮頸癌疫苗生產加工用固液分離裝置)	Invention	Our Company	PRC	202210925592.2	2022/08/03	2042/08/02
16. .	A demulsification separation system for quadrivalent influenza vaccine processing (一種用於四價流感病毒亞單位疫苗加工用破乳分離系統)	Invention	Our Company	PRC	202210303949.3	2022/03/25	2042/03/24
17. .	A high-efficiency mixing device for cervical cancer vaccine preparation (一種宮頸癌疫苗製備用的高效混合裝置)	Invention	Our Company	PRC	202211025676.7	2022/08/25	2042/08/24
18. .	A demulsification and separation device for vaccine production (一種疫苗生產用破乳及分離裝置)	Invention	Our Company	PRC	202211463153.0	2022/11/16	2042/11/15
19. .	A development system for universal influenza vaccine based on ferritin (一種基於鐵蛋白的通用流感疫苗用研發系統)	Invention	Our Company	PRC	202210321531.5	2022/03/25	2042/03/24
20. .	A shockproof transport box for quadrivalent influenza virus subunit vaccine (一種四價流感病毒亞單位疫苗用的防震動轉運箱)	Invention	Our Company	PRC	202210453638.5	2022/04/24	2042/04/23

No.	Patent	Type	Registered Owner	Place of Registration	Patent Number	Date of Application	Date of Expiry
21. .	A feed tube mechanism for a butterfly centrifuge (一種蝶式離心機的進料管機構)	Invention	Our Company	PRC	202310218733.1	2023/03/09	2043/03/08
22. .	A stable chromatography purification device (一種柱層析穩定提純裝置)	Invention	Our Company	PRC	202310262424.4	2023/03/17	2043/03/16
23. .	A sample injection device for chromatography systems (一種層析系統用進樣裝置)	Invention	Our Company, Yither Biotech	PRC	202310382327.9	2023/04/12	2043/04/11
24. .	A fully automated embryonated egg inoculation machine (一種胚蛋全自動接種機)	Invention	Our Company, Yither Biotech	PRC	202310322102.4	2023/03/29	2043/03/28
25. .	A concentration and purification device for influenza vaccine production (一種流感疫苗生產用濃縮純化裝置)	Invention	Our Company, Yither Biotech	PRC	202310426763.1	2023/04/20	2043/04/19
26. .	A pipe clamp for vaccine ultra-filtration systems (一種疫苗超濾系統管道夾具)	Invention	Our Company	PRC	202310292859.3	2023/03/24	2043/03/23
27. .	A sterilization device for inoculation machine needles (一種接種機針頭用的消毒裝置)	Invention	Our Company, Yither Biotech	PRC	202310623540.4	2023/05/30	2043/05/29
28. .	A shaking mixing system for quadrivalent influenza virus subunit vaccine preparation (一種四價流感病毒亞單位疫苗製備搖動混合系統)	Invention	Our Company	PRC	202210714823.5	2022/06/23	2042/06/22

No.	Patent	Type	Registered Owner	Place of Registration	Patent Number	Date of Application	Date of Expiry
29. .	A vaccine production ultracentrifuge with autonomous collection function (一種具有自主收集功能的疫苗生產超速離心機)	Invention	Our Company, Yither Biotech	PRC	202310605982.6	2023/05/26	2043/05/25
30. .	A purification device for genetic engineering vaccine research (一種基因工程疫苗研發用的提純裝置)	Invention	Our Company	PRC	202211309672.1	2022/10/25	2042/10/24
31. .	A rabies vaccine virus screening method based on in vivo and in vitro cross, and its application (一種基於體內外交叉的狂犬病疫苗病毒篩選方法、及應用)	Invention	Our Company	PRC	202211083453.6	2022/09/06	2042/09/05
32. .	Poxvirus mRNA vaccine and its uses (痘病毒mRNA疫苗及用途)	Invention	Our Company, Yither Biotech	PRC	202310244097.X	2023/03/13	2043/03/12
33. .	A truncated varicella-zoster virus gE protein and its application (一種截短型水痘-帶狀疱疹病毒gE蛋白及其應用)	Invention	Our Company, Yither Biotech	PRC	202310181926.4	2023/02/28	2043/02/27
34. .	A method for preparing lipid nanoparticles carrying stable RNA molecules for nasal spray use (一種可鼻噴的穩定遞載RNA分子的脂質納米顆粒製備方法)	Invention	Yither Biotech	PRC	202110355364.1	2021/04/01	2041/03/31
35.	A nano-emulsion adjuvant (一種納米乳佐劑)	Invention	Our Company, Yither Biotech	PRC	202310388310.4	2023/04/12	2043/04/11

As of the Latest Practicable Date, we had applied for the following patents which we consider to be or may be material to our business:

No.	Patent	Type	Applicant	Place of Application	Application Number	Date of Application
1. . .	A truncated varicella-zoster virus gE protein and its application (一種截短型水痘-帶狀皰疹病毒gE蛋白及其應用)	Invention	Our Company, Yither Biotech	International	PCT/CN2023/131489	2023/11/14
2. . .	Poxvirus mRNA vaccines and its usage (痘病毒mRNA疫苗及用途)	Invention	Our Company, Yither Biotech	International	PCT/CN2024/080492	2024/03/07
3. . .	A sterile culture device for influenza vaccine preparation (一種流感疫苗制備用無菌培養裝置)	Invention	Our Company	PRC	202211338331.7	2022/10/28
4. . .	Protease B-deficient Hansenula yeast strain for expressing HPV 16 L1 protein and its application (用於表達HPV 16 L1蛋白的蛋白酶B缺失型漢遜酵母菌株及其應用)	Invention	Our Company, Yither Biotech	PRC	202311823309.6	2023/12/27
5. . .	Protease A-deficient Hansenula yeast strain for expressing HPV 16 L1 protein and its application (用於表達HPV 16 L1蛋白的蛋白酶A缺失型漢遜酵母菌株及其應用)	Invention	Our Company, Yither Biotech	PRC	202410301322.3	2024/03/15
6. . .	Protease double-deficient Hansenula yeast for expressing HPV 16 L1 protein (用於表達HPV 16 L1蛋白的蛋白酶雙缺失型漢遜酵母菌)	Invention	Our Company, Yither Biotech	PRC	202410691767.7	2024/05/30
7. . .	A lyophilized rabies vaccine for human and its preparation method (一種凍幹人用狂犬病疫苗及其制備方法)	Invention	Our Company	PRC	202411919292.9	2024/12/25

No.	Patent	Type	Applicant	Place of Application	Application Number	Date of Application
8 . . .	Detection method for Span 85 content (司盤85含量的檢測方法)	Invention	Our Company, Yither Biotech	PRC	202411094254.4	2024/08/09
9 . . .	Detection method for Triton N-101 content (裂解劑 Triton N-101含量的檢測方法)	Invention	Our Company, Yither Biotech	PRC	202411287387.3	2024/09/13
10 . .	Preparation method for cryoprotectant and freeze-dried nucleic acid-lipid nanoformulation (冷凍保護劑和凍乾核酸-脂質納米製劑的製備方法)	Invention	Our Company, Yither Biotech	PRC	202411335992.3	2024/09/24
11 . .	An aluminum phosphate adjuvant and its preparation method (一種磷酸鋁佐劑及其製備方法)	Invention	Our Company, Yither Biotech	PRC	202411593791.3	2024/11/08
12 . .	Detection method for inactivator C11-15 secondary alcohol ethoxylate content (滅活劑C11-15仲醇聚氧乙烯醚含量的檢測方法)	Invention	Our Company, Yither Biotech	PRC	202411637214.X	2024/11/15
13 . .	Recombinant respiratory syncytial virus vaccine and its preparation method (重組呼吸道合胞病毒疫苗及其製備方法)	Invention	Our Company, Yither Biotech	PRC	202411637212.0	2024/11/15

(c) Copyrights

As of the Latest Practicable Date, we had registered the following copyrights which we consider to be or may be material to our business:

No.	Copyright	Registered Owner	Type	Copyright Number	Date of Registration
1. . . .	Zhonghui Yuantong (中慧元通)	Our Company	Artistic work	國作登字-2023-F-00080432	2023/05/05
2 . . .	Zhonghui Shengwu (中慧生物)	Our Company	Artistic work	國作登字-2023-F-00080433	2023/05/05

No.	Copyright	Registered Owner	Type	Copyright Number	Date of Registration
3 . . .	Zhonghui (中慧)	Our Company	Artistic work	國作登字-2023-F-00080434	2023/05/05
4 . . .	Huier (慧爾)	Our Company	Artistic work	蘇作登字-2023-F-00068474	2023/03/28

(d) Domain names

As of the Latest Practicable Date, our Group had registered the following domain names which we consider to be or may be material to our business:

No.	Domain name	Registered Owner	Date of Registration	Date of Expiry
1.	abbbio.com.cn	Our Company	2019/04/08	2031/04/08
2.	abbbio.cn	Our Company	2019/08/02	2030/08/02
3.	abbbio.com	Our Company	2015/10/13	2028/10/13
4.	yitherbiotech.com	Yither Biotech	2021/02/02	2026/02/02(1)

Note:

(1) The company will renew the term prior to expiry.

C. FURTHER INFORMATION ABOUT DIRECTORS, SUPERVISORS AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of Interests

(a) Directors, Supervisors and the chief executive of our Company

Save as disclosed in the section headed "Substantial Shareholders" in this prospectus, immediately following the completion of the Global Offering and conversion of Unlisted Shares into H Shares, so far as our Directors are aware, none of our Directors, Supervisors or chief executive of our Company as any interests or short positions in the Shares, underlying Shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, under section 352 of the SFO, to be entered in the register referred to in that section, or which will be required, under the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "**Model Code**"), to be notified to our Company and the Stock Exchange once the H Shares are listed.

(b) Substantial Shareholders

For the information on the persons who will, immediately following the completion of the Global Offering, have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to our Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or directly or indirectly be interested in 10% or more of the nominal value of any class of share capital carrying voting rights in all circumstances at general meetings of our Company, see "Substantial Shareholders" in this prospectus.

Save as disclosed in the section headed "Substantial Shareholders" in this prospectus, our Directors are not aware of any persons (other than our Directors, Supervisors and chief executive) who will, immediately following the completion of the Global Offering, have or be deemed or taken to have interests and/or short position in our Shares or underlying Shares which would be required to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the nominal value of any types of the issued voting shares of any member of our Group.

2. Service Contracts

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.

Each of our Directors has entered into a service contract with our Company. The principal particulars of these service contracts comprise (a) a term of three years which is equivalent to the term of the Board; and (b) termination provisions in accordance with their respective terms. Our Directors may be re-appointed subject to Shareholders' approval. The service contracts can be renewed pursuant to our Articles of Association and applicable rules.

Each of our Supervisors has entered into a contract with our Company. Each contract contains provisions relating to compliance with relevant laws and regulations, observation of our Articles of Association and resolution of disputes by means of 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)).

3. Directors' and Supervisors' Remuneration

Save as disclosed in "Directors, Supervisors and Senior Management" and Note 13 to "Appendix I—Accountants' Report" for the two financial years ended December 31, 2023 and 2024 and the three months ended March 31, 2025, none of our Directors or Supervisors received other remunerations of benefits in kind from us.

4. Disclaimers

Save as disclosed in this prospectus:

(a). none of our Directors, Supervisors or any of the parties listed in "—E. Other Information—4. Qualification and Consents of Experts" of this Appendix is:

(i) 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; or

(ii) materially interested in any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to our business;

(b). save in connection with the Hong Kong Underwriting Agreement and the International Underwriting Agreement, none of our Directors, Supervisors or any of the parties listed in "—E. Other Information—4. Qualification and Consents 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;

(c). none of our Directors or Supervisors or their close associates 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; and

(d). none of our Directors or Supervisors is a director or employee of a company that has an interest in the share capital of our Company which, once the H Shares are listed on the Hong Kong Stock Exchange, would have to be disclosed pursuant to Divisions 2 and 3 of Part XV of the SFO.

D. EMPLOYEE INCENTIVE SCHEMES

To fully incentivize our employees, maintain the stability of our management team and talents and attract high-quality talents, we established Taizhou Huirong, Taizhou Huilong, Taizhou Huida, Taizhou Huining, Taizhou Huixin and Taizhou Huijia as our Employee Ownership Platforms. See "History, Development and Corporate Structure—Employee Ownership Platforms" for further details.

The following is a summary of the principal terms of the 2017 Employee Incentive Scheme and the 2020 Employee Incentive Scheme (collectively, the "**Employee Incentive Schemes**"), respectively. Under the Employee Incentive Schemes, Eligible Participants (as defined below) were granted partnership interests in the Employee Ownership Platforms ("**Awards**").

The Employee Incentive Schemes are not subject to the provisions of Chapter 17 of the Listing Rules as they do not involve any grant of share options or awards or any issuance of new Shares by our Company after Listing. Given the Shares under the Employee Incentive Schemes have already been issued to the Employee Ownership Platforms as of the Latest Practicable Date, there will not be any dilutive effect to the issued Shares as a result of the operation of the Employee Incentive Schemes. The principal terms of the Employee Incentive Schemes are set out in the implementation rules of Equity Incentive Scheme of the Employee Ownership Platforms.

(a) Purposes

The purposes of the Employee Incentive Schemes is to fully incentivize our employees, maintain the stability of our management team and talents and attract high-quality talents.

(b) Eligible Participants

The eligible participants of our Employee Incentive Schemes are primarily the directors, management members and other key employees of our Group.

(c) Administration

The Board or its designated personnel or institutions (the "**Administrator**") are responsible for managing the Employee Ownership Platforms and interpreting the Employee Incentive Schemes, including but not limited to determining and adjusting the eligible participants of the Employee Incentive Schemes (the "**Participants**"), the date and quantity of grant and other specific matters such as whether to adopt lock-up restriction, the vesting period and the employment or service period.

(d) Shares under the Employee Incentive Schemes

As of the Latest Practicable Date, the Employee Ownership Platforms held in aggregate 34,974,593 underlying Shares, representing approximately 9.72% of the issued share capital of our Company. Immediately upon completion of the Global Offering (assuming the Offer Size Adjustment Option is not exercised), the Employee Ownership Platforms will be interested in approximately 8.89% of the total issued share capital of our Company.

Set out below is the holding structure of our Employee Ownership Platforms as of the Latest Practicable Date:

- **Taizhou Huirong:** As of the Latest Practicable Date, Taizhou Huirong had 25 limited partners who are current employees of the Group, among whom, Mr. He (our executive Director) held approximately 2.60% partnership interests as a limited partner therein. None of the limited partners of Taizhou Huirong holds more than one third of the partnership interests therein.

- **Taizhou Huilong**: As of the Latest Practicable Date, Taizhou Huilong had ten limited partners who are current employees of the Group, among whom, Mr. An, Mr. He (our executive Directors) and Mr. Feng Hao (封浩) (our Supervisor) held approximately 20.40%, 4.00% and 2.80% partnership interests as limited partners therein, respectively. None of the limited partners of Taizhou Huilong holds more than one third of the partnership interests therein.

- **Taizhou Huida:** As of the Latest Practicable Date, Taizhou Huida had 47 limited partners, including Taizhou Huixin, Taizhou Huining and 45 current employees of the Group, among whom, (i) Mr. An, Mr. He (our executive Directors), Mr. Feng Hao and Mr. Wang Wei (王威) (our Supervisors) held approximately 2.17%, 0.87%, 0.52% and 0.35% partnership interests as limited partners therein, respectively; (ii) and each of Taizhou Huixin and Taizhou Huining held approximately 58.26% and 15.22% partnership interests as limited partners therein, respectively. Apart from Taizhou Huixin, none of the limited partners of Taizhou Huida holds more than one third of the partnership interests therein.

- **Taizhou Huining**: As of the Latest Practicable Date, Taizhou Huining had 44 limited partners who are current employees of the Group, among whom, Mr. An (our executive Director) held approximately 20.57% partnership interests as a limited partner therein. None of the limited partners of Taizhou Huining holds more than one third of the partnership interests therein.

- **Taizhou Huixin**: As of the Latest Practicable Date, Taizhou Huixin had 44 limited partners, including Taizhou Huijia and 43 current employees of the Group, among whom, (i) Mr. An, Ms. Li Runxiang (李潤香) and Mr. He, each of whom is an executive Director, approximately held 12.39%, 5.97% and 2.99% partnership interests as limited partners therein, respectively; (ii) Mr. Feng Hao, our Supervisor,

held approximately 2.54% partnership interests as a limited partner therein, respectively; and (iii) Taizhou Huijia held approximately 14.93% partnership interest as a limited partner therein. None of the limited partners of Taizhou Huixin holds more than one third of the partnership interests therein.

- **Taizhou Huijia:** As of the Latest Practicable Date, Taizhou Huijia had 41 limited partners who are current employees of the Group, among whom, Mr. An (our executive Director) held approximately 25.00% partnership interests as a limited partner therein. None of the limited partners of Taizhou Huijia holds more than one third of the partnership interests therein.

All partnership interests in the Employee Ownership Platforms have been subscribed by and fully paid up by the Participants, and the relevant registration had been completed. No further Awards will be granted after the date of this Prospectus and the Employee Incentive Schemes will not cause any dilution of the shareholding of our Shareholders after the Listing.

(e) Lock-up restrictions

The partnership interests held by the Participants in the Employee Ownership Platforms, which represent the Awards granted to the Participants, are subject to lock-up restrictions for a period commencing from the date of signing respective employee incentive agreement to the date of completion of five years (for 2017 Employee Incentive Scheme, unless otherwise provided under the related award agreements as determined at the absolute discretion of the Company) or three years (for 2020 Employee Incentive Scheme) of service of the Participant with our Group. The Employee Incentive Schemes provide for certain circumstances in which the partnership interests granted to the Participants may be repurchased by and/or transferred to Jiangsu Tiaoyu as the general partner of the Employee Ownership Platforms or its designated persons or other limited partner(s) of the Employee Ownership Platforms during the lock-up period. Such circumstances include, without limitation, (i) termination of Participant's employment relationship with the Group; and (ii) death of the Participant, disability rendering the Participant unable to undertake his/her work assigned by the Group, or legal incapacity of the Participant.

After the Global Offering, in addition to the restrictions under the Employee Incentive Schemes, the transfer or sale by the Participants shall be subject to the lock-up requirements under the relevant laws and regulations and the rules of the Stock Exchange, or the respective agreements entered into between the Company and the relevant Participants pursuant to the terms of the Employee Incentive Schemes (if applicable).

E. OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to impose on our Company or our subsidiary.

2. Litigation

Saved as disclosed in this prospectus, to the knowledge of our Directors, no member of our Group has significant litigation or claims pending or threatened against any member of our Group.

3. Joint Sponsors

The Joint Sponsors satisfy the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules.

The Joint Sponsors have made an application on behalf of our Company to the Stock Exchange for the listing of, and permission to deal in, the H Shares to be converted from Unlisted Shares and the H Shares to be issued pursuant to the Global Offering. The Joint Sponsors will receive an aggregate fee of US$600,000 for acting as the sponsors for the Listing.

4. Qualification and Consents of Experts

The qualifications of the experts who have given opinions or advice in this prospectus are as follows:

Name	Qualification
CITIC Securities (Hong Kong) Limited	Licensed to conduct Type 4 (advising on securities) and Type 6 (advising on corporate finance) of regulated activities as defined under the SFO
CMB International Capital Limited	Licensed to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) of regulated activities as defined under the SFO
Deloitte Touche Tohmatsu	Certified Public Accountants under Professional Accountant Ordinance (Chapter 50 of the Laws of Hong Kong) Registered Public Interest Entity Auditors under the Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)
Grandway Law Offices	Legal advisors to our Company as to the PRC law
Jia Yuan Law Offices	Legal advisors to our Company as to PRC intellectual property laws

Name	Qualification
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant

Each of the experts has given and has not withdrawn its written consents to the issue of this prospectus with the inclusion of its reports, letters, opinions or summaries of opinions (as the case may be) and the references to its names and logos included herein in the form and context in which it is respectively included.

Save as disclosed in this prospectus, as of the Latest Practicable Date, none of the experts named above has any of our shareholding interests in any member of our Group or rights (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for our securities in any member of our Group.

5. Compliance Advisor

Our Company has appointed Octal Capital Limited as its Compliance Advisor in compliance with Rule 3A.19 of the Listing Rules.

6. Taxation of Holders of H Shares

Hong Kong stamp duty, currently charged at the ad valorem rate of 0.10% on the higher of the consideration for or the market value of the H Shares, will be payable by the purchaser on every purchase and by the seller on every sale of any Hong Kong securities, including H Shares (in other words, a total of 0.20% is currently payable on a typical sale and purchase transaction involving H Shares). In addition, a fixed stamp duty of HK$5.00 is currently payable on any instrument of transfer of H Shares. Where one of the parties is a resident outside Hong Kong and does not pay the ad valorem duty due by it, the duty not paid will be assessed on the instrument of transfer (if any) and will be payable by the transferee. If no stamp duty is paid on or before the due date, a penalty of up to ten times the duty payable may be imposed.

7. Binding Effect

This prospectus shall have the effect, if any application is made pursuant hereto, of rendering all persons concerned bound by all 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.

8. Bilingual Prospectus

The English language and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

9. Promoters

The promoters of our Company comprised all of the 42 then Shareholders of our Company as of March 10, 2022 before our conversion into a joint stock company with limited liability. Save as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus, no cash, securities or benefits have been paid, allotted or given, or are proposed to be paid, allotted or given to the promoters named above in connection with the Global Offering or the related transactions described in this prospectus.

10. Preliminary Expenses

Our Company did not incur any material preliminary expenses.

11. No Material Adverse Change

Our Directors confirm that, as of the date of this prospectus, there has been no material adverse change in our financial or trading position or prospects since March 31, 2025 (being the date to which the latest audited consolidated financial statements of our Group were prepared).

12. Miscellaneous

(a) within the two years immediately preceding the date of this prospectus:

(i) save as disclosed in "History, Development and Corporate Structure" in this prospectus, no share or loan capital of our Company or our subsidiary had been issued or agreed to be issued or proposed to be fully or partly paid either for cash or for a consideration other than cash;

(ii) no share or loan capital of our Company or our subsidiary is under option or is agreed conditionally or unconditionally to be put under option;

(iii) save as disclosed in "Underwriting—Underwriting Arrangements and Expenses—Commissions and Expenses" in this prospectus, no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or our subsidiary; and

(iv) save as disclosed in "Underwriting—Underwriting Arrangements and Expenses—Commissions and Expenses" in this prospectus, no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share in our Company or our subsidiary;

(b) there are no founder, management or deferred shares nor any debentures in our Company or our subsidiary;

(c) 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;

(d) no company within our Group is presently listed on any stock exchange or traded on any trading system;

(e) all necessary arrangements have been made to enable our H Shares to be admitted into CCASS for clearing and settlement;

(f) our Company has no outstanding convertible debt securities or debentures;

(g) there is no arrangement under which future dividends are waived or agreed to be waived, and there is no restriction affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong; and

(h) none of the equity and debt securities of our Company, if any, is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought.

A. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

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 "Appendix VI—Statutory and General Information—E. Other Information—4. Qualification and Consents of Experts" in this prospectus; and

(b) a copy of each of the material contracts referred to in "Appendix VI—Statutory and General Information—B. Further Information about Our Business—1. Summary of Material Contracts" in this prospectus.

B. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (**www.hkexnews.hk**) and our Company (**www.abbbio.com**) up to and including the date which is 14 days from the date of this prospectus:

(a) the Articles of Association;

(b) the Accountants' Report from Deloitte Touche Tohmatsu, the text of which is set out in Appendix I in this prospectus;

(c) the report from Deloitte Touche Tohmatsu in respect of the unaudited *pro forma* financial information, the text of which is set out in Appendix II in this prospectus;

(d) the audited consolidated financial statements of our Group for the two years ended December 31, 2023 and 2024 and the three months ended March 31, 2025;

(e) the material contracts referred to in "Appendix VI—Statutory and General Information—B. Further Information about Our Business—1. Summary of Material Contracts" in this prospectus.

(f) the service agreements and letters of appointment entered into between our Company and each of our Directors and Supervisors (as applicable) referred to in "Appendix VI—Statutory and General Information—C. Further Information about Directors, Supervisors and Substantial Shareholders—2. Service Contracts" in this prospectus;

(g) the legal opinion issued by Grandway Law Offices, our PRC Legal Advisors, in respect of certain general corporate matters of our Group;

(h) the written consents referred to in "Appendix VI—Statutory and General Information—E. Other Information—4. Qualification and Consents of Experts" in this prospectus;

(i) the PRC Company Law, the PRC Securities Law, the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, together with their unofficial English translation; and

(j) the industry report issued by Frost & Sullivan.


中慧生物
Ab&B Bio-Tech