Building China’s Leading Medical Aesthetics and Biopharmaceutical Company

2020 Annual Results Presentation
March 2021
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Building China’s Leading Innovation-driven Medical Aesthetics and Biopharmaceutical Company
Promoting the Development of Sihuan’s Dual-core Strategy in Medical Aesthetics and Biopharmaceutical

6 focus therapeutic areas
- Medical Aesthetics
- Cardiovascular
- Digestive system
- Anti-infective
- Oncology
- Psychoneurology

5 core advantages
- Innovation and strong R&D in both generic and innovative drugs
- Rich and high-quality self-developed product pipeline
- High-efficiency and low-cost production platform
- A professional and efficient academic marketing platform with nationwide coverage
- Ample cash balance and solid financial position

New Business
Pharmaceutical

- Innovative drug R&D
- API and CDMO
- Full-dosage-form production platform
- A comprehensive sales platform with strong monetization capability
High-growth business
Sihuan Medical Aesthetics

Strategy
• To build a leading medical aesthetics and biopharmaceutical company in China, which allows quick realization of corporate values

Launched products:
- Letybo®

Products to be launched in the upcoming three years:
- Hyaluronic acid
- PLLA hybrid gel
- PLLA
- Ellanse

R&D
• Aohe Research Institute is developing over a dozen of medical aesthetic products such as PLLA and Ellanse
• Established the Medical Aesthetics Product Laboratory in Southern California, U.S., aiming to adapt new, high barrier, and overseas medical aesthetics technologies to smooth manufacturing in China, allowing Sihuan to build its own premium product pipeline
• Strengthen the strategic cooperation with South Korean company Hugel and other international top-tier medical aesthetics product manufacturers, in order to accelerate the introduction of both domestic and overseas high-quality medical aesthetics products to the China market

Sales
• An internet-powered medical aesthetic company, targeting end consumers by collaborations with other institutions
• Innovative marketing model to empower medical aesthetics institutions

> RMB 12.5 billion
The projected botulinum toxin market size in China in 2025
Industrial hemp and modern Chinese medicine

Jilin Aokang

R&D and industrialization of high CBD content medicinal and medical materials

Strategy

• Positioned to develop and industrialize high CBD content medicinal and medical materials
• Reached a strategic cooperation with the Hemp Research Institute of the Chinese Academy of Agricultural Sciences to jointly establish the "Northern Industrial Hemp Research Center"

Co-develop the high-quality germplasm resources with IBFC-CAAS (Institute of Bast Fiber Crops-Chinese Academy of Agricultural Sciences)

YJ02  •  YJ01  •  YJ03

R&D

• Possesses the only high CBD content scientific cultivation qualification of industrial hemp in the Jilin Province, and strive to build a full industry chain with proprietary rights covering from raw material to patient applications and compliance
• Increase R&D investment in the fields of medicinal, medical aesthetic, and foods for special medical purposes, and carry out all-round cooperation with China Hemp Research Institute; extract CBD to provide biopharmaceutical materials for various diseases such as epilepsy, depression, Parkinson's disease, cancer, etc.
• Modern Chinese medicine focuses on therapeutic areas such as psychotropic, liver disease, biliary tract diseases, kidney tonifying, bear bile powder drugs and Chinese patent medicines for heat-relieving and detoxification

Building the largest R&D, manufacturing and marketing platform of industrial hemp in Northern China
The Cornerstone of Corporate Value: Biopharmaceuticals

Focus areas
- Oncology, metabolic disease, anti-infection and other fields
- Owns 20 self-developed innovative products including CDK4/6, bispecific antibody and bispecific antibody ADC, with independent intellectual property rights
- A high-quality clinical R&D team of 200+ people
- Senior scientists from abroad with 20+ years of experience
- CCV, tumour, digestive system, psychoneurology and other major therapeutic areas
- Applied for approval of approximately 100 generic drugs in the past decade
- 53+ generic drugs with high technological barriers in its R&D pipeline
- Product Kelinao new indication approved through evidence-based medicine, expecting a strong rebound in sales
- In August 2020, received an investment of approximately RMB360 million from CMG-SDIC and several investors, achieving a post-investment valuation of over RMB4.5 billion
- In February 2020, signed a cooperation framework agreement with Hetero Labs Limited from India
- In May 2020, invested in Zhongrui to increase the production capacity and hence the supply of raw materials
- In 2020, invested in Beijing ChemPion Biotechnology to strengthen the Group’s R&D capabilities in APIs with high-tech barrier, continuous flow bioprocessing, enzymatic process, etc.
- R&D and production capabilities of APIs, advanced intermediates, KSM/SM, and ingredients of health care products
- 5 major research institutes to provide technical support
- 4 major production platforms to support CMO and CDMO business incubation

Products/R&D
- In August 2020, received an investment of approximately RMB360 million from CMG-SDIC and several investors, achieving a post-investment valuation of over RMB4.5 billion
- Acquired Combio Pharmaceutical to strengthen its presence in small molecules and macromolecules technology
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- Acquired Combio Pharmaceutical to strengthen its presence in small molecules and macromolecules technology
- Annual production capacity: Large-volume injections: 15 million bottles (100mL)
- Small-volume injections: 440 million bottles
- Lyophilized powder injections: 120 million bottles
- Sterile powder injections: 20 million bottles
- Annual production capacity: Solid dosage forms: 680 million tablets / 270 million capsules / 3 million bags of granules / 500 million pills
- Traditional Chinese medicine extraction: Ginkgo biloba extract 180kg
- 1 biological medicine 4 generic drugs
- 1 Chinese medicine production site
- 1 biological medicine 4 generic drugs
- 1 Chinese medicine production site

M&A and financing
- In May 2020, invested in Zhongrui to increase the production capacity and hence the supply of raw materials
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High-efficiency, low-cost and full-dosage-form production platform
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Possess full dosage form production capacity
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A full-coverage, professional and efficient academic sales platform
- 3,000+ distributors and 20,000+ sales team (approximately 40% of which only sell Sihuan’s products)
- Covering 7,000+ Class II and Class III hospitals, covering all provinces nationwide
- All product managers have relevant medical background, with an average industry experience of 8+ years
- 3,000+ distributors and 20,000+ sales team (approximately 40% of which only sell Sihuan’s products)
- Covering 7,000+ Class II and Class III hospitals, covering all provinces nationwide
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Possess ample capacity to expand its CMO/CDMO business
- 1 biological medicine 4 generic drugs
- 1 Chinese medicine production site
- 1 biological medicine 4 generic drugs
- 1 Chinese medicine production site

High-end innovation and generic drug R&D platform
- Aohe Research Institute
- One of the most competent and largest team with complete R&D system among Chinese pharmaceutical companies
- CCV, tumour, digestive system, psychoneurology and other major therapeutic areas
- Applied for approval of approximately 100 generic drugs in the past decade
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API and CDMO business
- Jilin Kangtong
- To become an integrated CDMO leading company in the field of pharmaceutical intermediates and APIs
- CCV, tumour, digestive system, psychoneurology and other major therapeutic areas
- Applied for approval of approximately 100 generic drugs in the past decade
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Strong “monetizing” capability for newly launched products
- Rapid penetration from existing products and rapid monetization from new products
- 3,000+ distributors and 20,000+ sales team (approximately 40% of which only sell Sihuan’s products)
- Covering 7,000+ Class II and Class III hospitals, covering all provinces nationwide
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Strategic Objective: To Become China’s Leading Medical Aesthetics and Biopharmaceutical Company

Sihuan Pharmaceutical possess:

- Strong R&D capability and platform
- Rich and high-value biopharmaceutical product pipeline
- Multiple blockbusters of medical aesthetics products
- The only industrial hemp research planting qualification in Jilin Province
- A team to introduce international products at high efficiency
- High-efficiency, low-cost, full-dosage-form production platform
- A sales platform with full coverage and high monetizing capability
- Stable financial position
MeiYan KongJian
Sihuan Medical Aesthetics
Super accelerator for corporate value enhancement
Blockbuster Medical Aesthetics Product - Botulinum Toxin was Officially Launched on Feb 4, Targeting the RMB12.5 billion Market

To build China’s leading medical aesthetics company
Super accelerator for corporate value enhancement

Expect sales of botulinum toxin products in China to surge in the next five years
Sales to reach RMB12.5 billion in 2025
To acquire >30% market share in China within 3 years

Sales team
- No. of distributors: 40+
- No. of people in Sihuan Medical Aesthetics sales team: 60+
- No. of cities covered: 200+
- No. of medical institutions covered: 3,000+

2014
Signed an exclusive distribution agreement with Hugel, Inc., a South Korean biopharmaceutical company, to jointly develop the Chinese market for botulinum toxin and hyaluronic acid products

October 21, 2020
- Type A botulinum toxin for injection (Letybo® 100U) by South Korean biopharmaceutical company Hugel, Inc., was officially approved by the NMPA
- The fourth type A botulinum toxin product being approved in China
- Has the highest market share in South Korea of 42%
- The first of its kind of South Korean products to be approved and launched in China

High Purity
- 900kDa toxin complex with 99.5% purity, much higher than the average industry requirement
  (The Korea FDA's license standard for 900kDa complex is 95% or above in purity)

Highly Effective
- It has the same effectiveness and safety as Botox

High Quality
- Production is based on strict management standards, delivering stable results and products
Letybo® Botulinum Toxin Recorded a Global Sales of 14 million+ Bottles
No. 1 in South Korea

In South Korea, it was ranked **No.1 in market sales** for 4 consecutive years, and has become the most commonly-used botulinum toxin product for Koreans.

Sales in South Korea

<table>
<thead>
<tr>
<th>Year</th>
<th>Letybo®</th>
<th>Medytoxin</th>
<th>Nabota</th>
<th>Liztox</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>0.22</td>
<td>0.14</td>
<td>0.05</td>
<td>0.08</td>
</tr>
<tr>
<td>2017</td>
<td>0.24</td>
<td>0.2</td>
<td>0.08</td>
<td>0.06</td>
</tr>
<tr>
<td>2018</td>
<td>0.32</td>
<td>0.27</td>
<td>0.06</td>
<td>0.07</td>
</tr>
<tr>
<td>2019</td>
<td>0.36</td>
<td>0.32</td>
<td>0.07</td>
<td>0.04</td>
</tr>
</tbody>
</table>

*This is a public sales figure of the South Korean market (RMB)*

Letybo® is sold to 28 countries worldwide

Cumulative sales (2019) +14 million bottles

South Korea
Letybo® Online AI Product Launch Event

Live broadcasted on 7 mainstream platforms

50 million exposures
5 million+ viewers
127+ investor attentions
3,000+ hospitals
1,000+ institutions confirmed purchase intentions
31 provinces and cities

Accelerating market penetration
Achieved milestones that could take peers

2021 Letybo® online AI product launch conference
2021-02-04 19:00
Letybo®

Official Launch

Well-recognized among KOLs in the medical aesthetic industry
Letybo® is Penetrating the Market at a High Speed
Successfully tapped into 18 provinces and cities within a one-month period

Under the theme of “Revealing Your True Beauty”, Letybo® has successfully entered large-scale medical aesthetics chains

Shenzhen Pengai
Beijing Mylike
Shenyang Xinglin
Qingdao Huayanmei
Dalian Aijiaai
Changsha Aisite
Chongqing Mylike
Beijing Xinxingliang

18 provinces and cities:
Beijing | Shanghai | Shenzhen | Chongqing | Tianjin | Zhejiang | Jiangsu | Fujian | Hubei | Sichuan | Jiangsu | Anhui | Henan | Yunnan | Jilin | Liaoning | Shaanxi | Jiangxi
MeiYan KongJian: Professional Sales Network Covers 200+ cities

**Product Category**
- Focus on four major product lines in medical aesthetic non-invasive products (botulinum toxin, hyaluronic acid, etc.), medical aesthetic devices, materials and cosmetics

**Marketing Team**
- No. of distributors: 40+
- No. of people in Sihuan’s aesthetics sales team: 60+
- No. of cities covered: 200+
- No. of medical institutions covered: 3,000+

**Blockbuster Products**
- Exclusive distributor of Hugel’s type A botulinum toxin Letybo®
- Obtained officially approval from NMPA to launch it in China
- The fourth type A botulinum toxin being approved in China, and the first of its kind from South Korea

Engaged 45 distributors covering more than 200 cities nationwide

Extensive experience from core managements
- Hold key marketing and training positions in pharmaceutical and medical aesthetic MNCs such as Pfizer and Allergan
- Have more than 10 years of experience in the industry
- Core management won 2014 Allergan National Sales Champion and Allergan President Award
- Have extensive experience in managing medical aesthetic sales teams

Sihuan Medical Aesthetics
- Business Support
- Academic Support
- Project Support

Exclusive Distributor/General Distributor
- Channel Development
- Customer Retention
- Sales boost

Regional Distributor
- Academic Support
- Brand Reputation
- Unified Strategy

Covering China’s large-scale medical aesthetic groups and major cities

**Target**
- >200 cities Business coverage
- >3,000 Cooperative institutions
MeiYan KongJian: Several Blockbuster New Products to be Launched within Three Years, Forming a Strong Product Portfolio

- Sihuan Medical Aesthetics’ self-developed product PLLA hybrid gel is expected to be launched by the end of 2022
- Established the Medical Aesthetics Product Laboratory in Southern California, U.S., aiming to adapt new, high barrier, and overseas medical aesthetics technologies to smooth manufacturing in China, allowing Sihuan to build its own premium product pipeline
- Strive to establish a strengthening cooperation with South Korean company Hugel and other international top-tier medical aesthetic product manufacturers, in order to quickly introduce high-quality medical aesthetic products to China

A variety of blockbuster new products will be launched in three years

**Hyaluronic acid**
- The most popular among the many subdivisions of non-invasive medical aesthetic
- Hyaluronic acid has good compatibility with the human body, good moisturizing effect, and long degradation time
- Widely-used in many micro plastic surgeries. It can be used as a filler for nose reshape, chin filling, lip augmentation and anti-wrinkle

Market size of China’s medical aesthetic hyaluronic acid products in 2021
**Will exceed RMB 5 billion***

* According to Frost & Sullivan's prediction

**PLLA hybrid gel**
- Facial rejuvenation
- After entering the skin, the PLLA component will directly focus on the aging fibroblasts and stimulate the regeneration of collagen
- It has the effect of reducing wrinkles, brightening skin tone, reducing pores, and repairing scars
- It has a high technological barrier in its preparation and production stage, and its product consistency directly dictates its effect and safety

**PLLA filler**
- Filling capacity
- Stimulates the regeneration of collagen with PLLA, fills depressed area, and replenishes facial volume defect
- Reduce facial wrinkles (shallow or deep) to achieve anti-aging effect

**Ellanse**
- PCL microspheres stimulate collagen production, which can quickly remove wrinkles, tighten and lift skin, thus achieving a lifting and plumping effect
MeiYan KongJian: With Strong and Independent R&D Capabilities for Medical Aesthetic Products

More than 10 self-developed medical aesthetic products including:

1. Collagen products
2. Absorbable polyester products
   ① PLLA filler 1.0
   ② Ellanse filler 2.0
3. Lipolysis drugs for fat volume improvement

Product launch plan

- In 2021, Hugel's hyaluronic acid distributed by Sihuan is expected to be approved and launched
- A number of products are expected to receive registration approval from 2023 to 2025 by means of overseas product introduction, technology conversion and self-development

<table>
<thead>
<tr>
<th>No.</th>
<th>Product name</th>
<th>Domestic listing situation</th>
<th>Domestic application</th>
<th>R&amp;D phase</th>
<th>Application time</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Composite collagen (bio-fermented source) filler</td>
<td>Very few products, mainly of animal origin</td>
<td>Few</td>
<td>Approve and initiate</td>
<td>2024</td>
</tr>
<tr>
<td>2</td>
<td>PLLA filler 1.0</td>
<td>No legally-listed products</td>
<td>Few</td>
<td>Animal test</td>
<td>2023</td>
</tr>
<tr>
<td>3</td>
<td>Ellanse 2.0</td>
<td>No legally-listed products</td>
<td>Few</td>
<td>Animal test</td>
<td>2023</td>
</tr>
<tr>
<td>4</td>
<td>Lipolysis drugs for fat volume improvement</td>
<td>No</td>
<td>Few</td>
<td>Approve and initiate</td>
<td>2023</td>
</tr>
</tbody>
</table>
Jilin Aokang
Industrial Hemp and Modern Chinese Medicine
Industrial Hemp Planting and Processing Base
Modern Chinese Medicine R&D, Production and Sales Platform

Industrial Hemp has wide range of applications
Can be used in many industries such as pharmaceutical, food & beverage, cosmetics, and textile, etc.

Wide range of applications
• All parts of industrial hemp could be used. For example, oil extracted from seeds can be used in cosmetics, and health care products
• The cannabinol compounds extracted from the leaves can be used for providing pharmaceutical ingredients for many drugs on diseases of epilepsy, depression, Parkinson's disease, and cancer
• Can be used to produce medicines, health products, cosmetics, food additives, paper products, textile materials, and biomass materials, etc.

Promising medical applications
• CBD has shown positive effects in the treatment for diseases such as epilepsy, depression, and joint pain

Multidimensional features
• Hemp fiber’s characteristics include antibacterial, breathability, quick-drying, and provides great UV protection, and can be used in textiles or as a reinforcing material for building materials, automobiles, and aerospace materials

Industrial hemp

Positioning
• Focus on the R&D and industrialization of high CBD content medicinal and medical materials

Strategic resources
• Strategic cooperation with IBFC-CAAS to jointly establish the "Northern Industrial Hemp Research Centre"
• Collaborate with 7 overseas and domestic research institutes on product R&D

Development Plan
• Increase R&D expenses in the fields of medicine, medical aesthetics and foods for special medical purpose

R&D progress
• Between May-Nov 2020, the Group was successful in the research and planting of high-content CBD varieties of industrial hemp
• All three subject varieties produce over 140kg per acre, with average THC content being less than 0.3%, and CBD content being above 4.5, a figure that is leading within the country.
• It is estimated that for every 50,000 acres, about 262.5 tons of CBD can be produced, which can generate a revenue of over RMB1 billion, representing a significant economies of scale

Jilin Aokang

R&D and industrialization of high CBD content medicinal and medical materials
Build a safe and compliant industry chain with proprietary rights
Jilin Kangtong

API / CDMO

"API + CDMO + preparation" integrated strategy
**API / CDMO Business**

**Jilin Kangtong**

To Build a Leading “API + CDMO + Preparation” Integrated Company
Break Through the Bottleneck of Business Development

<table>
<thead>
<tr>
<th>Positioning</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Full industry chain coverage, with multiple businesses in API, advanced intermediates healthcare food and CDMO, etc.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Focus area</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Mainly focus on antiviral, anticoagulant, antifungal drugs and other areas, establish niche product portfolio with core competitiveness</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Core advantages</th>
</tr>
</thead>
</table>
| ▪ Full industry chain coverage  
  ➢ Safe, stable and low-cost raw material supply  
  ➢ Efficient, high quality, multi-dosage-form, large-scale production platform |
| ▪ Possess R&D and production capabilities of APIs, advanced intermediates, KSM/SM, and ingredients of healthcare products  
  ➢ Product supply to the global market  
  ➢ Possess R&D capabilities in APIs with high-tech barrier, continuous flow bioprocessing and enzymatic process, etc. |
| ▪ 5 major research institutes to provide technical support |
| ▪ 4 major production platforms to support CMO/CDMO incubation |

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Everbright Securities

**The global CDMO market is expected to reach USD 83.2 billion in 2024**

The domestic CDMO industry was able to benefit from the global production relocation and favourable domestic policies, and is currently on the upward trend of the business cycle, which is expected to sustain for at least 5 more years.

**China’s CDMO market is expected to reach US$52.6 billion by 2024**

**Domestic market is expected to reach 100 billion level**

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*Research by Everbright Securities — 11 January 2021*
Pharmaceutical Sector

Generic Drugs
A strong “cash cow” with solid product pipeline
**Generic Drugs: Business Progress**

“Cash Cow” business: A number of products have applied for approval during the Year, providing strong momentum for future growth.

### High technological barrier generic drug R&D platform

A number of products obtained drug production license approval from NMPA.

<table>
<thead>
<tr>
<th>Product</th>
<th>Latest Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cinepazide Maleate Injection (Kelinao®)</td>
<td>• 2020: New indication for the treatment of acute ischemic stroke is approved by NMPA.</td>
</tr>
<tr>
<td></td>
<td>• Completed 1,391 cases of confirmatory trial on acute ischemic stroke, proving the drug to be effective in improving the prognosis of stroke patients and reducing disability rate.</td>
</tr>
<tr>
<td>Monom ammonium Glycyrrhizinate and Cysteine and Sodium Chloride Injection (Huineng®)</td>
<td>• February 13, 2020: officially entered the Category B of the NRDL.</td>
</tr>
<tr>
<td>Roxadidine Acetate Hydrochloride for Injection (Jiao®)</td>
<td>• Prepare to apply for consistency evaluation.</td>
</tr>
<tr>
<td>Levotiracetam Tablets</td>
<td>• March 27, 2020: Obtained production approval.</td>
</tr>
<tr>
<td>Levotiracetam Concentrated Solution for Injection</td>
<td>• December 21, 2020: Obtained production approval.</td>
</tr>
<tr>
<td>Gabapentin Capsules</td>
<td>• October 15, 2020: China's third company to have obtained production approval.</td>
</tr>
<tr>
<td>Cefuroxime Sodium for Injection and Sodium Chloride Injection</td>
<td>• Leading technology of non-PVC solid-liquid double chamber bag infusion.</td>
</tr>
<tr>
<td>Cefazidine for Injection and Sodium Chloride Injection</td>
<td>• Obtained production approval.</td>
</tr>
<tr>
<td>Cefodizime Sodium for Injection and Sodium Chloride Injection</td>
<td></td>
</tr>
<tr>
<td>Cefodizime Sodium for Injection and 5% Glucose Injection</td>
<td></td>
</tr>
<tr>
<td>Rivastigmine Hydrogen Tartrate Capsules</td>
<td>• January 21, 2020: Obtained production approval.</td>
</tr>
<tr>
<td>Midazolam Oromucosal Solution</td>
<td>• November 18, 2019: The first and exclusive registration approval.</td>
</tr>
</tbody>
</table>

### Financing/ Investment and Strategic Cooperation

- **High-tech generic drugs with synergies of existing business**
  - Enrich product pipeline, allowing the Group to fully realize the monetization capability of its sales platform.
  - Huawei
  - February 2020
  - Signed Cooperation Framework Agreement
- **API**
  - Ensure the supply of raw materials and enhance cost advantages.
  - May 2020
  - Equity Investment
- **Top-up from new investors**
  - Accelerate capacity expansion, in order to become a leading enterprise in China in solid-liquid double chamber bag infusion industry.
  - August 2020
  - Equity Investment
## Generic Drugs: Core Product Pipeline

The research pipeline contains 53 generic drugs with high-technological barriers, which will bring continuous contribution to future revenue

<table>
<thead>
<tr>
<th>Product</th>
<th>Treatment Field</th>
<th>Production Subsidiary</th>
<th>Development Stage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rivaroxaban tablets(10mg)</td>
<td>Cardiovascular</td>
<td>Jilin Sihuan</td>
<td>Small test development, Pilot scale up, Process Validation, BE, Submit, Listed</td>
</tr>
<tr>
<td>Rivaroxaban tablets(15mg)</td>
<td>Cardiovascular</td>
<td>Jilin Sihuan</td>
<td>Small test development, Pilot scale up, Process Validation, BE, Submit, Listed</td>
</tr>
<tr>
<td>Sacubitril Valsartan Sodium Tablets (100mg)</td>
<td>Cardiovascular</td>
<td>Jilin Sihuan</td>
<td>Small test development, Pilot scale up, Process Validation, BE, Submit, Listed</td>
</tr>
<tr>
<td>Sacubitril Valsartan Sodium Tablets (50mg)</td>
<td>Cardiovascular</td>
<td>Jilin Sihuan</td>
<td>Small test development, Pilot scale up, Process Validation, BE, Submit, Listed</td>
</tr>
<tr>
<td>Aspirin Enteric-coated Tablets</td>
<td>Cardiovascular</td>
<td>Jilin Sihuan</td>
<td>Small test development, Pilot scale up, Process Validation, BE, Submit, Listed</td>
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<tr>
<td>Aminocaproic Acid Injections</td>
<td>Cardiovascular</td>
<td>Jilin Sihuan</td>
<td>Small test development, Pilot scale up, Process Validation, BE, Submit, Listed</td>
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<tr>
<td>Dacomitinib Tablets</td>
<td>Antitumor</td>
<td>Jilin Sihuan</td>
<td>Small test development, Pilot scale up, Process Validation, BE, Submit, Listed</td>
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<tr>
<td>Ornidazole Injection</td>
<td>Anti-infective</td>
<td>Jilin Sihuan</td>
<td>Small test development, Pilot scale up, Process Validation, BE, Submit, Listed</td>
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<tr>
<td>Levetiracetam Tablets</td>
<td>Neuropsychiatric</td>
<td>Beijing Sihuan</td>
<td>Small test development, Pilot scale up, Process Validation, BE, Submit, Listed</td>
</tr>
<tr>
<td>Roxatidine Acetate Hydrochloride SR Capsules</td>
<td>Digestive system diseases</td>
<td>Beijing Sihuan</td>
<td>Small test development, Pilot scale up, Process Validation, BE, Submit, Listed</td>
</tr>
<tr>
<td>Roxatidine Acetate Hydrochloride for Injection (Jieao®) (Consistency evaluation)</td>
<td>Digestive system diseases</td>
<td>Beijing Sihuan</td>
<td>Small test development, Pilot scale up, Process Validation, BE, Submit, Listed</td>
</tr>
<tr>
<td>Midazolam Oromucosal Solution</td>
<td>Neuropsychiatric</td>
<td>Jilin Jinseng</td>
<td>Small test development, Pilot scale up, Process Validation, BE, Submit, Listed</td>
</tr>
<tr>
<td>Phloroglucinol Injection</td>
<td>Digestive system diseases</td>
<td>Jilin Zhen’ao</td>
<td>Small test development, Pilot scale up, Process Validation, BE, Submit, Listed</td>
</tr>
<tr>
<td>Octreotide Acetate Injection</td>
<td>Digestive system diseases</td>
<td>Benxi Hengkang</td>
<td>Small test development, Pilot scale up, Process Validation, BE, Submit, Listed</td>
</tr>
<tr>
<td>Flurbiprofen Axetil Injection</td>
<td>Neuropsychiatric</td>
<td>Benxi Hengkang</td>
<td>Small test development, Pilot scale up, Process Validation, BE, Submit, Listed</td>
</tr>
<tr>
<td>Cefuroxime Sodium for Injection and Sodium Chloride Injection</td>
<td>Anti-infective</td>
<td>Ruiye Pharmaceutical</td>
<td>Small test development, Pilot scale up, Process Validation, BE, Submit, Listed</td>
</tr>
<tr>
<td>Cefazidime for Injection and Sodium Chloride Injection</td>
<td>Anti-infective</td>
<td>Ruiye Pharmaceutical</td>
<td>Small test development, Pilot scale up, Process Validation, BE, Submit, Listed</td>
</tr>
<tr>
<td>Cefodizime Sodium for Injection and Sodium Chloride Injection</td>
<td>Anti-infective</td>
<td>Ruiye Pharmaceutical</td>
<td>Small test development, Pilot scale up, Process Validation, BE, Submit, Listed</td>
</tr>
<tr>
<td>Cefodizime Sodium for Injection and 5% Glucose Injection</td>
<td>Anti-infective</td>
<td>Ruiye Pharmaceutical</td>
<td>Small test development, Pilot scale up, Process Validation, BE, Submit, Listed</td>
</tr>
</tbody>
</table>
Generic Drugs: Academic Promotion Allows Existing Products to Regain Market Share, and New Products to Enjoy Strong Growth

**Products in Key Monitoring Drug List**

- **Kelinao**® (Cinepazide Maleate Injection) is a blockbuster product for the treatment of stroke. Its annual terminal sales in the Chinese market once ranked first among all single products.
- **2020**: New indication for the treatment of acute ischemic stroke is approved by NMPA.
- **Kelinao**® has successfully completed 1,301 large-scale clinical confirmatory studies on acute ischemic stroke. The results of the study prove that the product can effectively improve the prognosis of stroke patients and reduce the disability rate.
  → Raising the possibility for Kelinao to enter the National Reimbursement in the future, and sales is expected to see substantial rebound

**Newly-launched products in recent years**

- Research results of products such as Jieao®, Huineng®, and Mainuoang® (Floium Ginkgo Extract And Tertram Ethytprazine Sodium Chloride Injection) have been published in "Chinese Journal of Emergency Medicine", "European Journal of Pharmacology" and other journals.
- A number of products have successfully completed consistency evaluation, improving their chances of entering the National Reimbursement.
  → Multiple varieties of "non-PVC solid-liquid double chamber bag infusion" were approved, and Sihuan was the first and only domestic enterprise to obtain registration approval for this ready-to-use infusion product
  → Has obtained production approvals for multiple varieties and specifications of this formulation of Ceftazidime, Cefuroxime Sodium and Cefodizime sodium, and is expected to successively obtain other production approvals covering the first-line drugs of mainstream antibiotics in China.
  → As this is a convenient dosage form, it is expected to be widely used under a variety of medical conditions. Products will go on sale in 2021, promoting strong business growth

**Focus on product differentiation**

- **Mature products**
  - Consolidate the market position of existing mature products such as cerebroside carnosine and troxerutin hydrolysate
  - Fast-track the growth of mature products by strengthening the penetration into the secondary and lower-tier hospitals as well as the self-funded drug market

- **Growth products**

- **New products**

- Leverage the Group’s solid marketing and promotion platform, extensive distributors recruitment, regular professional academic conferences, the Group aims to improve expert recognition of new products such as troxerutin and piracetam, and quickly tap into the market

---

- Evidence-based research reshapes the market position of Cinepazide Maleate
- Accelerate the process of consistency evaluation to facilitate market penetration
- Develop customized sales and promotion plan
High-efficiency and Low-cost Modern Production Platform with Significant Cost Advantages to Counter Centralised Procurement

API platform

Jilin Kangtong
- In April 2020, by integrating Jilin Huikang and Jilin Shengtong, the Group looks to build the most competitive international API and intermediate production platform. With its full industry chain advantage, it serves five major segments: APIs, advanced intermediates, primary intermediates, food additives, CMO/CDMO, with 1,000-ton capacity

ChemPion Biotechnology
- Completed equity investment in ChemPion Biotechnology in 2020
- Innovative and professional CMC technology development platform
- Equipped with featured API intermediate catalog products, which are complementary to Sihuan’s API
- Strengthen the Group’s R&D capabilities in continuous flow bioprocessing and enzymatic process

Tianjin Zhongrui
- Completed equity investment in Zhongrui (Inner Mongolia) in May 2020
- Strong brand equity with 20+ years of experience in the API industry
- More than 20 products to further enrich the Group’s API production capacity, and ensure the stable supply of APIs
- Further increase Jilin Kangtong’s production capacity in APIs and facilitate the development of international market

Generic Drug Platform

Beijing Sihuan
- In 2006, the acquisition was completed
- Production base with the most complete dosage forms: sterile powder injections, Lyophilized powder injections, small-volume injections, tablets, capsules, and granules
- Annual production capacity: small-volume injections 200 million bottles / solid preparations 550 million pieces
- There are currently 39 varieties and 61 specifications, with its Cinepazide Maleate injection winning the the Chinese Patent Gold Award; its Roxatidine Acetate Hydrochloride Acetate winning the second prize of Beijing Patent Invention
- MAH holder that can provide high-quality R&D pilot services and technological innovation services

Jilin Jinsheng
- Founded in 2014
- The most advanced fully automatic Lyophilized powder product base in China, with a production capacity of 100 million bottles/annum
- The largest 40m³ Lyophilized powder production machine in China
- In April 2014, the first Lyophilized powder production machine passed GMP certification; in March 2016, the second machine also passed the GMP certification, with it being the first sterile preparation certified and inspected production line by the Jilin Province
- Currently has 33 Lyophilized powder injection products, including 28 new drug and 8 exclusive drug, such as an exclusive patented variety used for the treatment of peripheral nerve injury, compound three-dimensional B (II) injection, etc.

Jilin Sihuan
- In 2011, the acquisition was completed
- 6 first-class ampoule bottle of water injection production lines and 1 vial bottle water injection production line, with a production capacity of 210 million bottles of injection products/annum
- The production workshops for ordinary/antitumor oral solid preparations are currently under construction at high standard and high productivity

Honghe Pharmaceutical
- In 2017, the acquisition was completed
- Obtained production approvals for Monoammonium Glycyrrhizinate and Cysteine and Sodium Chloride Injection (Huineng®), which is included in the NDRL, and for Floium Ginkgo Extract And Tertram Ethyppyrazine Sodium Chloride Injection (Mainuokang®)
- Both products were launched in most provinces and cities in China, achieving significant sales

Industrial hemp (CBD) and modern Chinese medicine R&D, production and sales platform

Jilin Aokang
- Production base of industrial hemp and modern Chinese medicine, and to jointly establish the "Northern Industrial Hemp Research Center” with IBFC-CAAS
- Kick off “Internet + medicine” industrial e-commerce platform, aiming to build a comprehensive, industrial pharmaceutical e-commerce platform that serves all enterprises
Professional Sales Team Covering Nearly 15,000 Hospitals Nationwide, Allowing Quick Monetization of New Products

A comprehensive network with vertical and horizontal penetration

>3,000 distributors and >20,000 sales personnel, of which around 40% only sells Sihuan’s products

14,460
Number of hospitals covered in 2020

2,000
Class III hospital

5,941
Class II hospital

6,969
other hospitals

100% coverage
First-tier cities
Beijing, Shanghai, Guangzhou, Shenzhen

100% coverage
New first-tier cities
Chengdu, Chongqing, Hangzhou, Wuhan, Xi'an, Tianjin, Suzhou, Nanjing, Zhengzhou, Changsha, Dongguan, Shenyang, Qingdao, Hefei, Foshan

Excellent marketing and sales model
Sihuan Pharmaceutical

Central/Regional Marketing Department
Marketing Training Department
Commercial Sales Department
Pharmacovigilance Department
Department of Medical Sciences

Professional sales and marketing team
Distributor
Hospitals and doctors
Patients

A team of 1,000 professional sales and marketing personnel

Product Manager – All with medical background and 8+ years of industry experience
Responsible for organizing and participating in national, provincial and municipal academic conferences, holding hospital department seminars, formulating market strategies, visiting industry experts, and providing product knowledge training to distributors

Sales Manager – 12+ years of industry experience
Responsible for executing drug bidding, screening and selecting distributors, supervising the sales progress of distributors, and providing support and services to distributors to achieve sales targets

Medical manager, pharmacovigilance manager, marketing training manager – Master’s degree or above in medicine, 6+ years of industry experience
Master's degree or above in medicine, with 6+ years of industry experience; responsible for coordinating the post-marketing product medical evaluation, interviewing industry experts and leaders, and constructing and implementing the Group’s PV system
Pharmaceutical sector

Innovative Drugs
China's leading innovative biological drug R&D platform
## Innovative Drugs: R&D Platform

**Fast Follower to First in Class**

A leading domestic biopharmaceutical company with comprehensive R&D capabilities in both fields of small molecule and large molecule R&D field:

- Oncology, metabolic disorders, MDR bacterial infection, digestion and men’s health

**R&D team**

- Led by a management team with Ph.D., overseas and multinational pharmaceutical companies experience
- The pre-clinical team has 150+ people, the clinical team has 80+ people, and more than 40% of the R&D team members have master’s or doctoral degrees
- A total of 200+ R&D personnel

**Platform Advantage**

- Innovative patent drug R&D, with completely independent intellectual property rights, without relying on CRO
- Can develop global Out-Licensing

**Product Pipeline**

- Successfully developed 10+ innovative drugs at the clinical stage
- 600+ invention patent applications
- Aim to arrange 1-2 product IND applications per year
- More than 5 innovative drug products to be launched in the next five years

**Major Development**

- Introduced CMG-SDIC as a shareholder, which has invested RMB800 million for 18.6% equity in Xuanzhu Biopharmaceutical
- Attracted another two funds to invest, with total amount reaching RMB160 million
- Post-investment valuation of RMB4.5 billion
- Acquired Combio Pharmaceutical to become a biopharmaceutical company with comprehensive innovative drug R&D capabilities in both the small and large molecules

### Birociclib

**CDK4/6 inhibitor for HR+/HER2- advanced breast cancer (phase II–III clinical trials)**

Breast cancer: 1.1 million breast cancer patients accumulated in 5 years till 2018

- The number of hormone-positive late-stage breast cancer patients (including early-stage and late-stage breast cancer to late-stage patients) requiring treatment is 88,000
- Breast cancer is the second most common tumor in China, with approximately 1.4 million patients in 2018
- In 2018, there were 480,000 advanced breast cancer (ABC) patients in China, and it is estimated that there will be approximately 1.4 million ABC patients in 2035
- ABC seriously threatens women’s health, and there is an urgent need for drugs that can prolong life and improve quality of life

**XZP-3621**

**ALK inhibitor for NSCLC (phase I clinical trials)**

Lung cancer: one of the leading causes of cancer deaths in the world, among which NSCLC accounts for about 85% of the total number of lung cancer patients

- XZP-3621 showed outstanding activity on NSCLC patients with resistance against first-generation ALK inhibitor Crizotinib. It also shows clinical efficacy on patients with resistance against some second-generation ALK inhibitors in NSCLC
- XZP-3621 has initially demonstrated clinical efficacy for subjects who have previously used the first/second generation ALK inhibitors

### Anaprazole Sodium

**A new generation of patented digestive PPIs (Proton Pump Inhibitors) drug (completed clinical phase III enrollment)**

Peptic ulcer: 1.2 million patients with duodenal ulcer in need of treatment in 2019

- A new generation of drug for digestive diseases: the only PPI independently developed in China, with better-than-peers safety and symptom relief functions
## Innovative Drugs: World-class Team of Top Scientists

<table>
<thead>
<tr>
<th>Role</th>
<th>Name</th>
<th>Tenure</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>R&amp;D</strong></td>
<td>Ms. Xu, M.D.</td>
<td>25 years</td>
</tr>
<tr>
<td>Chairman</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dr. Shi, Ph.D.</td>
<td>Chief Scientific Officer, Vice Chairman</td>
<td>30 years</td>
</tr>
<tr>
<td>Dr. Lee, M.D., Ph.D.</td>
<td>Chairman &amp; General Manager of Shandong Xuanzhu</td>
<td>20 years</td>
</tr>
<tr>
<td>Dr. Liu, Ph.D.</td>
<td>Vice President of Medicinal Chemistry</td>
<td>20 years</td>
</tr>
<tr>
<td>Mr. Yang, M.D.</td>
<td>Head of Strategy and Project Management Department</td>
<td>20 years</td>
</tr>
<tr>
<td>Ms. Zhang, M.D.</td>
<td>Head of Strategic Marketing Department</td>
<td>25 years</td>
</tr>
<tr>
<td>Dr. Zhu, Ph.D.</td>
<td>General Manager of Xuanzhu Combio Pharmaceutical</td>
<td>20 years</td>
</tr>
<tr>
<td><strong>BD</strong></td>
<td>Joyce Pei, Ph.D., MBA SVP, Global Head of Oncology BD</td>
<td>30 years</td>
</tr>
</tbody>
</table>

**Innovative Drug Pipeline: With Complete Independent Intellectual Property Rights**

Focusing on diseases with large markets and unmet clinical needs such as Oncology, metabolic disorders, MDR bacterial infection, digestion and men’s health, with core products entering phase II and phase III clinical trials

<table>
<thead>
<tr>
<th>Treatment Field</th>
<th>Target</th>
<th>New Drug Project Name</th>
<th>Indications</th>
<th>Preclinical Stage</th>
<th>Clinical Stage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tumor</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Breast Cancer</td>
<td>CDK4/6 Inhibitor</td>
<td>Biorociclib</td>
<td>Breast Cancer (HR+/HER2- / End-line treatment)</td>
<td>LI/LO</td>
<td>Clinical Phase I</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Breast Cancer (HR+/HER2- / Second-line treatment with Fulvestrant )</td>
<td></td>
<td>Clinical Phase II</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Breast Cancer (HR+/HER2- / Combined with AI first-line treatment)</td>
<td></td>
<td>Clinical Phase III</td>
</tr>
<tr>
<td></td>
<td>HER2 D4/D2 Bispecific Antibody</td>
<td>KM-257</td>
<td>HER2 Overexpression Tumors (cholangioma, breast cancer, Herceptin resistance)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>HER2 D4/D2 Bispecific antibody-ADC</td>
<td>KM-254-ADC</td>
<td>HER2 Low Expression (gastric cancer, breast cancer, lung cancer)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-small Cell Lung Cancer</td>
<td>ALK/ROS1 Inhibitor</td>
<td>XZP-3621</td>
<td>NSCLC(ALK positive, resistance to previous generation and some ALK inhibitors) Second-line treatment</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>EGFR-TKI</td>
<td>XZP-5809</td>
<td>NSCLC/EGFR Positive</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Antitumor</strong></td>
<td>NTRK/ROS1 Inhibitor</td>
<td>XZP-P6955</td>
<td>Locally advanced/metastatic solid tumors with NTRK/ROS1 fusion and mutation</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Not shown</td>
<td>XZP-P107</td>
<td>Solid Tumor</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>Not shown</td>
<td>XZP-P270</td>
<td>Solid Tumor</td>
<td></td>
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<tr>
<td></td>
<td>Not shown</td>
<td>XZP-P280</td>
<td>Solid Tumor</td>
<td></td>
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<tr>
<td></td>
<td>Not shown</td>
<td>XZP-P283</td>
<td>Solid Tumor</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Not shown</td>
<td>XZP-P291</td>
<td>Solid Tumor</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Not shown</td>
<td>XZP-P294</td>
<td>Solid Tumor</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Endocrine Metabolism</strong></td>
<td>Diabetes (DM)</td>
<td>SGLT2 Inhibitor</td>
<td>Type II diabetes – Monotherapy</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Non-alcoholic Steatohepatitis (NASH)</td>
<td>FXR Receptor Agonist</td>
<td>Type II diabetes - combined with metformin</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>XZP-5610</td>
<td>Type II Diabetes- Kidney dysfunction Treatment</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>XZP-6019</td>
<td>NASH (Non-alcoholic Steatohepatitis)</td>
<td></td>
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</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>PBC (primary biliary cholangitis)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Anti-infective and other fields</strong></td>
<td>Aminoglycoside Antibiotics</td>
<td>Plazomicin</td>
<td>cUTI (complex urinary tract infection, FDA approved)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Carbenapen Antibiotics</td>
<td>Benapenem</td>
<td>cUTI (Complex Urinary Tract Infection)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Peptic Ulcer</td>
<td>PPIs (Proton-pump Inhibitor )</td>
<td>Anaproxazole Sodium</td>
<td>DU (Duodenal Ulcer)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benign Prostatic Hyperplasia</td>
<td>PDE5i (Phosphodiesterase Inhibitor )</td>
<td>Fadanafil</td>
<td>ED (Erectile Dysfunction)</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>PAH (Primary Pulmonary Hypertension, WHO Class I )</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A clear R&D pipeline has been established for therapeutic areas with significant clinical needs, including Oncology, metabolic disorders, MDR bacterial infection, digestion and men’s health etc. Protected by global IP, with out-licensing opportunities
**Innovative Drugs: Business Progress**

The blockbuster product Birociclib leads similar competitors in clinical progress

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**R&D progress of core small molecule drugs**

<table>
<thead>
<tr>
<th>Innovative patent drugs with independent R&amp;D</th>
<th>Chinese market size (RMB)</th>
<th>Latest progress</th>
<th>NDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Birociclib (CDK4/6 Inhibitor)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Single-drug end-line treatment of HR+/HER2- advanced breast cancer</td>
<td>~12.8 billion(^1) (2025)</td>
<td>• September 2020: Entered phase II clinical monotherapy</td>
<td>2022</td>
</tr>
<tr>
<td>• Combined with fulvestrant as second-line treatment of HR+/HER2- advanced breast cancer</td>
<td></td>
<td>• Phase I clinical enrollment</td>
<td>2024</td>
</tr>
<tr>
<td>• Combined AI first-line treatment of HR+/HER2- advanced breast cancer</td>
<td></td>
<td>• Phase I clinical enrollment</td>
<td>2025</td>
</tr>
<tr>
<td>XZP-3621</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• ALK target inhibitor for non-small cell lung cancer</td>
<td>~2.7 billion(^2) (2025)</td>
<td>• March 2019: Entered phase I clinical</td>
<td>2023</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 2020: Phase I clinical enrollment</td>
<td></td>
</tr>
<tr>
<td>Anaproxol sodium</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• A new generation of digestive system PPI patent drug</td>
<td>~8.3 billion (2019)</td>
<td>• 2020 12th: Phase III clinical data lock-up and moving to data analysis</td>
<td>2021</td>
</tr>
</tbody>
</table>

---

**Financing and investment**

- **January 26, 2021**
  - Acquired Beijing Combio Pharmaceutical Inc.
  - Expanded its technical capability by entering the field of large-molecule bi-specific antibody products

- **August 21, 2020**
  - CMG-SDIC invested RMB800 million
  - Attracted another RMB160 million from other institutions, with post-investment valuation amounted to RMB4.5 billion

- **February 20, 2020**
  - Acquired Achaogen, Inc., which was incorporated in Delaware, USA
  - Obtained all rights and intellectual property rights in the new generation of aminoglycoside antibiotic Plazomicin in Greater China

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Innovative drugs: Acquisition of Combio Pharmaceutical
Became a domestic biopharmaceutical company with comprehensive innovative drug R&D capabilities in the fields of both small molecules and large molecules

- Fully expanded the quantity and variety of the Company’s innovative drug product pipeline, and introduced two high-potential antibody technology platforms
- With independent R&D teams in both China and overseas, and management team has 20+ years of R&D and management experience
- Possesses a powerful independent R&D platform to conduct R&D on bispecific antibodies and ADC drugs at the same time

Two unique antibody technology platforms
Mab Edit antibody editing platform / Mebs-Ig innovative bispecific antibody platform

- Antibody editing (Mab-Edit): Targeted and precise modification and transformation of antibodies, including knockout, substitution and addition of sugars in antibody sugar chains, targeted coupling of antibody payloads, precise improvement of antibody Fab and FC engineering, etc., to enhance the function and activity of the antibody itself.
- Combio Pharmaceutical is the first company to use gene editing technology to knock out fucose to improve ADCC. The method patent has been authorized by China to develop a series of products.
- The FUT8+/+ gene of the suspended CHO engineering cell line is completely knocked out at designated points, which can produce fucose-de-fucose antibody molecules, the fucose remove efficiency reaches 100%, which is an internationally leading level.
- More than 10 clinically confirmed targets (such as CD20, Her2, EGFR, CCR4, CTLA4, PDGFR, CD38, CD2, CD19, MUC1, etc.) for hematoma, solid tumors, and autoimmune diseases can be developed for the second generation "Me Better" antibody drugs or innovative bispecific antibodies.

Top compound research team
Complementary across disciplines and industries

- All members of the Combio Pharmaceutical technical management team have over 15 years of biopharmaceutical development experience. Participated in or presided over over 15 biological products including antibodies that have obtained clinical approvals. Among them, the drugs marketed in China and overseas include Nito Blinatumomab and bispecific antibody (Blinatumomab) injection.
- Based on the deep complementation of disciplinary advantages and industrial advantages, the company can quickly transform cutting-edge cognition into clinical applications, leading the antibody drug industry.

Experienced management
Zhu Xiaodong: General Manager of Xuanzhu Combio Biopharmaceutical

- Ph.D. jointly cultivated by the Institute of Microbiology, Chinese Academy of Sciences and University of Oxford, postdoctoral and researcher at the University of California, San Francisco, former chief scientific officer of Biotech.
- More than 20 years of biopharmaceutical research and development, project management experience. Responsible for and participated in a number of national major antibody-based new drug creation special projects, led or participated in more than ten innovative biological drugs to the clinical research stage.
Innovative Drugs: Acquisition of Combio Pharmaceutical
The world’s first bispecific antibody platform + Best-in-Class products, enhancing Xuanzhu Biopharmaceutical’s corporate value

Promising commercialized prospect for key products
Complements with Xuanzhu Biopharm with continuous innovative R&D

**KM257/252**
- Bispecific antibody drugs for cholangiocarcinoma, breast cancer, gastroesophageal cancer, etc.
- Follows Zymeworks’ bispecific antibody drug candidate ZW25
- KM257 has a better molecular design than ZW25, and may have better potential in drug activity, stability and safety, and belongs to the best-in-class multifunctional antibody molecule

**KM254-ADC**
- Broad-spectrum anti-tumor antibody drugs targeting breast, gastric, colorectal, and lung cancers with HER2 low expression
- Follows Zymeworks’ ADC ZW49 and AstraZeneca’s innovative drug DS8201
- *BeiGene has obtained* the exclusive R&D and commercialization rights of ZW25 and ZW49 in Asia (except Japan), Australia and New Zealand with a down payment of up to US$40 million and a milestone payment of up to US$390 million. ZW25 and ZW49 are currently separately in clinical phase II and clinical phase I.

<table>
<thead>
<tr>
<th>Variety</th>
<th>Indications</th>
<th>Screening evaluation</th>
<th>Preclinical strain technolog y and pharmacy</th>
<th>Security Evaluation Report</th>
<th>Clinica l stage</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>KM257</td>
<td>HER2 high expression tumors, such as cholangiocarcinoma, breast cancer, Herceptin resistance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>bispecific antibody</td>
</tr>
<tr>
<td>KM254ADC</td>
<td>Low expression of HER2, such as stomach cancer, breast cancer, lung cancer</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>bispecific antibody-ADC</td>
</tr>
<tr>
<td>KM252</td>
<td>Cholangiocarcinoma, bladder cancer and colorectal cancer</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>bispecific antibody</td>
</tr>
<tr>
<td>KM211</td>
<td>Middle East Respiratory Syndrome</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>GP protein</td>
</tr>
<tr>
<td>KM219</td>
<td>Ebola Virus Disease</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>GP protein</td>
</tr>
<tr>
<td>KM320</td>
<td>diabetes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Diabetes drug</td>
</tr>
<tr>
<td>KM218</td>
<td>Solid tumor</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Bipecific antibody</td>
</tr>
<tr>
<td>KM216</td>
<td>Solid tumor</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Bipecific antibody</td>
</tr>
<tr>
<td>KM211</td>
<td>Solid tumor</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Bipecific antibody</td>
</tr>
<tr>
<td>UC1001</td>
<td>Solid tumor</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>University of California cooperation</td>
</tr>
<tr>
<td>KM113</td>
<td>Rheumatoid Arthritis</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Biosimilar</td>
</tr>
<tr>
<td>KM118</td>
<td>Advanced breast cancer</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Biosimilar</td>
</tr>
</tbody>
</table>
Development Strategy and Outlook
Investment Highlights

Innovation-driven with both generic and innovative drugs R&D
Two cutting-edge R&D platforms:
Innovative drugs and generic drugs with high technological barriers, with independent intellectual property rights

Successfully building the high-growth Sihuan Medical Aesthetics platform
Super accelerater for corporate value enhancement:
The type A botulinum toxin product ”Letybo” targets the RMB12.5+ billion market

Full dosage form, highly efficient and cost-effective production platform
Solid foundation:
In a defensive position in response to centralized procurement with cost advantages and affluent production capacity to develop high demand CDMO business

Comprehensive, professional and efficient academic marketing platform
Possess a strong "monetization" ability:
To ensure that products quickly achieve full market coverage and market penetration

Ample cash and solid financial position
Sufficient resources for development:
As of 31 Dec 2020, cash on hand reached RMB4.6 billion, interest-bearing loan amounted to just RMB750 million

Subsidiary MeiYan KongJian was awarded
The “Best New Brand Value Enhancement Award” in So-Young's 2020 Asia Pacific Medical Aesthetics Industry Ceremony

Gelonghui
“Awards

The 5th “Listed Enterprises of the Year 2020”

Asianbrand
“The 2nd “China’s Top 500 Listed Companies”

Gelonghui
“2020 Best PR Team Award”
Development Strategies: Simultaneous Development of Multiple Business Sectors

Promoting the Development of Sihuan’s Two-wheeled Drive Strategy of Sihuan Medical Aesthetics and Biopharmaceutical

Medical Aesthetics
- Establish a network covering 3,000+ distributors for Letybo products, and strive to obtain 30% market share in three years
- Numerous products are going to be launched on the market in upcoming years, including hyaluronic acid, PLLA hybrid gel, PLLA filler and Ellanse
- To build a leading medical aesthetics in China, as an accelerator to enhance corporate value

Industrial Hemp and Modern Chinese Medicine
- Strive to establish the largest industrial hemp R&D, production and sales platform in the Northern China

API / CDMO
- To be a leading integrated company with “API + CDMO + Pharmaceutical Preparation”

Innovative Drugs
- Expedite the completion of clinical trials of blockbuster products Bircocilhib and Anaproxole sodium etc.
- To become a leading biopharmaceutical company with comprehensive innovative drug R&D capabilities in the fields of both small molecules and macromolecules

High-end Generic Drugs
- A number of high-end generic drugs have been launched on the market successively, driving the continuous growth of the company's revenue and profitability
- The new indication for the blockbuster product Kelinao for acute ischemic stroke has been approved, and sales are expected to rebound significantly
- A variety of non-PVC solid-liquid double chamber bag infusion products are launched on the market, which will bring significant revenue growth
**M&A Strategies**

**Speed up international M&As and the acquisition of innovative pharmaceutical products with high technical barriers**

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**Innovative Drugs**

- Obtain new products and technologies through overseas cooperation and authorisation
- Focus on the field of breast cancer to introduce ≥2 innovative drugs every year
- Integrate global high-quality resources and accelerate business development

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**Medical Aesthetics**

- Seek multi-dimensional international business cooperation to carefully build the Sihuan Medical Aesthetics platform
- Take the cooperation with Hugel as a precedent to attract international partners to jointly develop the market
- Focus on introducing leading international innovative products that enjoy competitive advantages in the local market and are suitable for Chinese users

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**Generic Drugs with High Technological Barriers**

- Focus on business synergy and resource integration
- Raise existing technological barriers through M&As and cooperation
- Speed up product cultivation and broaden the coverage of existing product lines

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**API / CDMO**

- Three development strategies: vertical extension + horizontal integration + specialization
- Vertical integration: to complement existing blank business sectors through M&As, and creating a one-stop service platform
- Horizontal expansion: to acquire idle production capacity from pharmaceutical companies to increase Sihuan’s production capabilities
- Specialization: to deeply cultivate in subdivision fields with the help of technical advantages, to complement the functional modules of the one-stop service platform
2020 Financial Highlights
2020 Annual Results Highlights
The stable and high-value generic drug business remains a strong "cash cow", supporting its R&D and new business development

- Sales of non-key monitoring drug grew rapidly
- Expanding R&D investment

- 2H20 revenue and net profit increased rapidly compared with 1H20
- Overall performance has hit a turnaround point

**Revenue from non-key monitoring drugs**
- RMB 1.80 billion
- +108.2% yoy
- 73.0% of revenue contribution from non-key monitoring drugs
- RMB 729 million
- +43.0 ppt yoy
- +21.7% yoy

**R&D expenses**
- Approximately RMB 1.41 billion
- Approximately RMB 0.38 billion

- 2H20 revenue from continuing operation: +33.7% HoH
- 2H20 net profit from continuing operation: +124.1% HoH

**Healthy financial position**
- Revenue from continuing operation: RMB 2.46 billion
- Adjusted net profit*: RMB 1.01 billion
- Cash on hand: RMB 4.6 billion
- Gearing ratio**: 8.2%
- Proposed final dividend per share: RMB 1.3 cents

*Net profit – R&D expenses + R&D expenses on generic drugs
**Interest-bearing loans / Equity attributable to owners of the Company
### 2020 Annual Results Overview

“Cash cow” business generic drug is the main revenue/profit contributor in 2020

#### For the year ended 31 December

<table>
<thead>
<tr>
<th>RMB '000</th>
<th>2020</th>
<th>2019</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from continuing operation</td>
<td>2,464</td>
<td>2,878</td>
<td>-14.4%</td>
</tr>
<tr>
<td>Products excluded from “Key Monitoring Drug List”</td>
<td>1,799</td>
<td>864</td>
<td>+108.2%</td>
</tr>
<tr>
<td>Products included in “Key Monitoring Drug List”</td>
<td>665</td>
<td>2,014</td>
<td>-67.0%</td>
</tr>
<tr>
<td>Gross profit from continuing operation</td>
<td>1,914</td>
<td>2,289</td>
<td>-16.4%</td>
</tr>
<tr>
<td>Operating profit/(loss) from continuing operation</td>
<td>787</td>
<td>(2,406)</td>
<td>Loss to profit</td>
</tr>
<tr>
<td>Net Profit/(loss) from continuing operation</td>
<td>547</td>
<td>(2,713)</td>
<td>Loss to profit</td>
</tr>
<tr>
<td>Profit/(loss) from continuing operation attributable to owners of the Company</td>
<td>503</td>
<td>(2,718)</td>
<td>Loss to profit</td>
</tr>
<tr>
<td>Gross profit margin from continuing operation</td>
<td>77.7%</td>
<td>79.5%</td>
<td>-1.8 p.p.</td>
</tr>
<tr>
<td>Operating profit margin from continuing operation</td>
<td>31.9%</td>
<td>N/A</td>
<td>Loss to profit</td>
</tr>
<tr>
<td>Profit for the year margin from continuing operation</td>
<td>22.2%</td>
<td>N/A</td>
<td>Loss to profit</td>
</tr>
<tr>
<td>Net profit margin from continuing operation</td>
<td>20.4%</td>
<td>N/A</td>
<td>Loss to profit</td>
</tr>
<tr>
<td>Earnings per share from continuing operation (RMB cents)</td>
<td>5.3</td>
<td>(28.7)</td>
<td>Loss to profit</td>
</tr>
<tr>
<td>Dividends (RMB cents)</td>
<td>15.0</td>
<td>1.7</td>
<td>+782.4%</td>
</tr>
<tr>
<td>Interim Dividend</td>
<td>0.1</td>
<td>0.4</td>
<td>-75.0%</td>
</tr>
<tr>
<td>Final Dividend</td>
<td>1.3</td>
<td>1.3</td>
<td>--</td>
</tr>
<tr>
<td>Special Dividend</td>
<td>13.6</td>
<td>0</td>
<td>--</td>
</tr>
</tbody>
</table>
The Rapid Growth of Non-key Monitoring Drugs is a Strong “Cash Cow”

Strong marketing capabilities to promote rapid commercialization of new products

Non-key Monitoring Drugs
Revenue in 2020 increased by 108.2% yoy

Non-key Monitoring Drugs
Revenue accounted for 73.0% in 2020, a yoy increase of 43.0p.p.
R&D Expenses Ammounted to RMB730 million

A solid foundation for future growth

R&D Expenses

<table>
<thead>
<tr>
<th>Category</th>
<th>2019</th>
<th>2020</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical Aesthetic and Others</td>
<td>40,444</td>
<td>38,304</td>
<td>-2.1%</td>
</tr>
<tr>
<td>Innovative Drug</td>
<td>199,146</td>
<td>263,120</td>
<td>+32.3%</td>
</tr>
<tr>
<td>Generic Drug</td>
<td>359,363</td>
<td>427,733</td>
<td>+19.4%</td>
</tr>
<tr>
<td>Medical Aesthetic and Others</td>
<td>40,444</td>
<td>38,304</td>
<td>-2.1%</td>
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<td>359,363</td>
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</tr>
</tbody>
</table>

Adjusted net profit *: RMB1,012.8 million

*Adjusted net profit = Net profit + R&D expenses – Generic drug R&D expenses

Medical Aesthetics
Super accelerator for corporate value enhancement

- Being the exclusive distributor of type A botulinum toxin for injection (Letybo 100U/50U, trade name: Letybo), the product received official approval to launch in China and strives to obtain a 30% market share in three years
- Over 10 products are going to be introduced to the market in the upcoming years, including hyaluronic acid, PLLA gel, PLLA filler and Ellansed

Industrial Hemp and Modern Chinese Medicine
R&D and industrialization of high-content CBD medicinal and medical materials

- The only company with high CBD content scientific cultivation qualification of industrial hemp in Jilin Province
- Between May and November 2020, the Group was successful in the research and planting of high-content CBD varieties of industrial hemp

API / CDMO
"API + CDMO + Preparation" integrated strategy

- Enhance R&D and production capacity of raw materials for APIs, advanced intermediates, KSM/SM, and health care products
- Leverage on enzyme digestion technology to develop biopharmaceutical CDMO business

Innovative Drugs
China’s leading innovative biopharmaceutical R&D platform

- Key products have entered phase II and phase III clinical trials.
- Independent intellectual property rights for over 20 innovative drugs

High-end generic drugs
A powerful “cash cow” with a strong product pipeline under development

- The pipeline under research contains 53 generic drugs with high technical barriers, which will bring continuous growth in future revenue
- Multiple generic drug products have obtained drug production approvals issued by NMPA

Adjusted net profit *: RMB1,012.8 million

*Adjusted net profit = Net profit + R&D expenses – Generic drug R&D expenses
Appendix
Founded in 2001, listed on the Hong Kong Main Board in 2010, enlisted in MSCI China SmallCap, HSCI – Healthcare Index and SZ-HK Stock Connect

- A conglomerate pharmaceutical company integrating research and development, production and sales
- Ranked sixth in China's cardiovascular and cerebrovascular prescription drug market from the beginning of 2020 to the second quarter
- Excellent corporate governance, transparent financial disclosure and good financial position
- Managed by a professional international management team with more than 20 years of experience in the medical industry
- Focusing on high-growth treatment fields benefiting from policies, such as tumor, medical aesthetics, CCV, etc.
- Powerful medical aesthetic platform and innovative drug research and development platform, with comprehensive and high-quality product pipelines
- Our high-quality product channels and strong sales team are the main driving force for the company's long-term growth in business and revenue
- Five-year overall development strategy: Adhere to the core values of independent innovation, research and development, and cultivate high-quality production enterprises
- Committed to becoming a competitive international pharmaceutical company in China, each subsidiary cooperates to achieve synergy in different business areas and promote innovation and development
## Company History

### 2001 - 2006
- Hainan Sihuan Pharmaceutical Co., Ltd. was founded
- Acquired Beijing Sihuan Pharmaceutical Co., Ltd.
- Invested and privatized by MSPEA and major shareholders, and then the company was delisted from the Singapore Stock Exchange (SGX-ST)

### 2007 - 2009
- Acquired 60% of Xuanzhu Biopharmaceutical’s equity to enhance innovative drug research and development capabilities
- Acquired the remaining 40% equity of Xuanzhu Biopharmaceutical in 2012
- Top 100 listed companies in Hong Kong

### 2011 - 2012
- Class 1.1 innovative drugs approved for phase II/III clinical trials

### 2016
- Established a global business development center
- New digestive system drug Anaprazole Sodium started Phase II clinical trial in China
- Insulin Degludec was approved to conduct clinical trial
- Insulin Aspart obtained the approval to conduct phase III clinical trial

### 2018
- Completed Xuanzhu Biopharm’s A round of equity financing, introduced SDIC as a shareholder to invest RMB800 million for 18.6% equity
- Obtained the approval of Hugel Botulinum toxin product in China, Sihuan enjoys the exclusive distribution right of the product
- CDK4/6 inhibitor Birociclib entered clinical registration stage
- Cinepazide Maleate Injection (Kelinao) approved for stroke new indication
- It is the first and exclusive domestic enterprise to obtain approvals for products of multiple varieties and specifications of powder-liquid double-chamber bags
- Insulin Degludec commenced Phase III clinical trial
- Liraglutide commenced Phase I clinical trial

### 2020
- Class III 1.1 innovative drugs approved for clinical trials
- Innovative patent drug Birociclib was approved for clinical trials
- Insulin Degludec completed clinical trial application
- Insulin Aspart completed clinical trial application
- Cinepazide Maleate Injection (Kelinao) completed a large-scale clinical trial after it was launched, and the efficacy was verified
- Gallicifloxin commenced phase III clinical trial
- Introduced Liraglutide into product pipeline

---

- Listed on the Main Board of Singapore Securities Exchange
- Became the pharmaceutical company with the largest market share of CCV prescription drugs in China
- Ranked fourth in Forbes’ 2010 ranking of China’s most promising companies and first among pharmaceutical companies
- Listed on the main board of the Hong Kong Stock Exchange
- Class III 1.1 innovative drugs approved for clinical trials
- Signed a cooperation agreement with Hugel, Inc
- Innovative patent drug Birociclib was approved for clinical trials
- Insulin Degludec completed clinical trial application
- Insulin Aspart completed clinical trial application
- Cinepazide Maleate Injection (Kelinao) completed a large-scale clinical trial after it was launched, and the efficacy was verified
- Gallicifloxin commenced phase III clinical trial
- Introduced Liraglutide into product pipeline
Main Products

**Letybo 100U**
Anti-aging product: short course of treatment, quick effect, short minimally invasive wound repair period, the fourth type of Botulinum toxin A approved for market in China

Letybo 100U is positioned as a high-quality, cost-effective product, far higher than the industry requirements, opening up the market space for Botulinum toxin products

<table>
<thead>
<tr>
<th>Insufficient market penetration of Botox products with large demand</th>
<th>High purity, high effect and high quality</th>
<th>Cost-effective product positioning for beauty track</th>
<th>International vision to become a first-class medical beauty platform</th>
</tr>
</thead>
<tbody>
<tr>
<td>• The market potential is huge: Botulinum toxin sales in mainland China are expected to explode in the next five years, reaching <strong>$1.8 billion</strong> in 2025</td>
<td>• In terms of purity, it has 99.5% effective 900kDa protein, which is far higher than the purity requirement of the industry (The approval benchmark of Korean Food and Drug Administration is over 95% effective 900kDa protein content).</td>
<td>• The company strategically established direct sales and agent team, the business has covered more than 200 cities, cooperation agencies reached more than 800</td>
<td>• Actively promote the future product pipeline planning, seek multi-dimensional international business cooperation, and introduce international innovative leading products that not only enjoy competitive advantages in the local market, but also have great potential to adapt to Chinese users</td>
</tr>
<tr>
<td>• The compound annual growth rate of China's medical beauty market in the next five years will exceed 25%, and the size of China's medical beauty market will reach us <strong>$45.3 billion</strong> in 2022</td>
<td>• In terms of effect, it has the same efficacy and safety as Allergan’s Botox that has launched to market</td>
<td>• Give full consideration to the characteristics of various markets in China, set reasonable prices, and expand the market recognition of products and brands</td>
<td>• The core products, such as hyaluronic acid (Sihuan is the exclusive agent of Hugel from South Korea) and PLLA (independently developed), are also in the stage of registration and clinical development respectively</td>
</tr>
<tr>
<td>• In terms of quality, we adopt strict production standards to produce uniform and stable products with more strict management benchmark</td>
<td></td>
<td>• The target population will take into account the needs of young to elderly people, shape cost-effective product positioning</td>
<td></td>
</tr>
</tbody>
</table>
Liraglutide/Semaglutide

GLP-1 product: New type of anti-diabetic drug with a huge market, which complements the mechanism of other hypoglycemic drugs

The Group’s liraglutide project, developed for the treatment of type 2 diabetes and obesity, has completed its Phase I clinical study and obtained preliminary bioequivalence results on pharmacokinetics and pharmacodynamics. The Group is currently in communication with the Phase III development programme for obesity and expect to enter Phase III clinical trial soon.

<table>
<thead>
<tr>
<th>Blockbuster product in diabetes field with impressive market size</th>
<th>With dual effects as reducing blood sugar and weight loss</th>
<th>New type of GLP-1</th>
<th>Great potential for Semaglutide Oral tablet is in the research stage</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Liraglutide, a glucagon-like peptide-1 (GLP-1) agonist, is approved by the US FDA for the treatment of adults and people over 10 years of age with type 2 diabetes, and for reducing the risk of heart attack, stroke and cardiovascular death in people with type 2 diabetes, in addition to showing potential in clinical trials for weight loss and improvement of obesity-related comorbidities.</td>
<td>• Two indications: can not only effectively reduce blood sugar, but also effectively reduce weight. In addition, it has cardiovascular protection function and can also protect the pancreatic β cells of diabetic patients to a certain extent</td>
<td>• Semaglutide is a long-acting GLP-1 product, which is more effective than liraglutide and is known as the best GLP-1 agonist. Clinical studies have shown that after 12 weeks of treatment, HbA1c in the 0.8 mg and 1.6 mg semaglutide groups decreased by 1.45 and 1.69, respectively, while the control 1.2 mg and 1.8 mg liraglutide groups decreased by 1.18 and 1.34, respectively</td>
<td>• According to Cortellis forecasts, the sales of semaglutide injections will reach US$5.666 billion in 2025, and the sales of semaglutide tablets will reach US$3.795 billion.</td>
</tr>
<tr>
<td>• Victoza (liraglutide), developed by Novo Nordisk, saw a significant volume release following its entry into the national health insurance list in 2017, with revenues reaching RMB926 million in 2019, up 70% year-on-year.</td>
<td>• Only needs to be injected once a day, and no symptoms of hypoglycemia during use. It can be combined with insulin degludec, which is also injected once a day</td>
<td>• Once a week for treatment to improve blood glucose control in patients with type 2 diabetes, no risk of hypoglycemia, and cardiovascular benefits</td>
<td>• According to the current historical sales of GLP-1 drugs in sample hospitals, combined with the RDPAC report and annual reports of some listed companies, semaglutide products injection is expected to sell 10,000 units when it is launched in China in 2021, and to reach 580,000 in 2025, 1.3 million in 2030</td>
</tr>
<tr>
<td>• According to Cortellis forecasts, the sales of semaglutide injections will reach US$5.666 billion in 2025, and the sales of semaglutide tablets will reach US$3.795 billion.</td>
<td>• The Group’s liraglutide project, developed for the treatment of type 2 diabetes and obesity, has completed its Phase I clinical study and obtained preliminary bioequivalence results on pharmacokinetics and pharmacodynamics. The Group is currently in communication with the Phase III development programme for obesity and expect to enter Phase III clinical trial soon.</td>
<td>• In terms of weight loss, semaglutide also showed a better effect than liraglutide.</td>
<td>• It is estimated that the original tablet product is expected to go on sale in 2022, and the Group’s semaglutide tablet is also in the research stage</td>
</tr>
</tbody>
</table>

Main Products
**Main Products**

**Janagliflozin**

SGLT-2 inhibitor and other hypoglycemic agents are complementary in mechanism. They can be used in combination, not only in the existing market, but also for cardiac and renal protection, with additional incremental market space.

**Recommended by 2019ACC/AHA experts and 2018ADA/EASD combined guidelines, SGLT2 inhibitor for primary and secondary prevention of cardiovascular/renal benefits**

<table>
<thead>
<tr>
<th>Benefit of diabetes patients' heart and kidney with huge market</th>
<th>The market share of oral hypoglycemic drugs has great growth potential, and it will become the mainstream drug in the oral hypoglycemic drugs market</th>
<th>Treatment path positioning, a variety of combined drugs, broad market prospects</th>
<th>Competitive advantage in sugar excretion</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 80% of people with diabetes are associated with heart and kidney risks. Currently, the market size of Type 2 diabetes in China is about 30 billion</td>
<td>• Globally, SGLT2 inhibitors account for 20.79% of the oral hypoglycemic drug market (2018), and are expected to have the first market share (38.51%) by 2024, becoming the mainstream drug in the oral hypoglycemic drug market</td>
<td>• Indication to be approved: Janagliflozin monotherapy</td>
<td>• The daily glucose release in the Janagliflozin low-dose group was similar to that in the high-dose Dapagliflozin group</td>
</tr>
<tr>
<td>• Monotherapy - to be the first choice in the guidelines for patients with type 2 diabetes with heart and kidney risk factors</td>
<td>• 2017, the market size of oral hypoglycemic drugs in public hospitals in China was about 15 billion yuan. With increasing evidence-based medicine evidence of cardiovascular/kidney benefits, SGLT2 inhibitor sales in China's oral hypoglycemic drug market have great potential for growth</td>
<td>• Proposed indications: Janagliflozin combined with metformin for treatment</td>
<td>• The daily sugar excretion in the high-dose Janagliflozin group was about 15g higher than that in the high-dose Dapagliflozin group</td>
</tr>
<tr>
<td>• It can be combined with Metformin, Insulin, Acarbose and other potential drugs</td>
<td>• Clinical research and development plan to expand potential target market</td>
<td>• Planned indications: Janagliflozin combined with acarbose for treatment</td>
<td></td>
</tr>
<tr>
<td>• Clinical research and development plan to expand potential target market</td>
<td></td>
<td>• Planned indications: Janagliflozin combined with insulin therapy (or combined with Metformin)</td>
<td></td>
</tr>
</tbody>
</table>
## Main Products

### Insulin Degludec

Combination of Insulin Degludec series, to seize the high ground in the field of insulin

**Pipeline layout of Insulin Degludec+Insulin Degludec/Aspart+Insulin Degludec /Liraglutide cover the entire field of insulin administration**

<table>
<thead>
<tr>
<th>Insulin Degludec</th>
<th>Insulin Degludec/Aspart</th>
<th>Insulin Degludec/Liraglutide</th>
<th>Leading progress in Insulin Degludec clinical trials</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Ultra long-acting insulin of the fourth generation analogues</td>
<td>• The world’s first soluble double insulin preparation</td>
<td>• Long-acting insulin + GLP1 compound preparation</td>
<td>• Clinical progress: Currently phase I and III clinical trials are carried out simultaneously. The current progress is as follows:</td>
</tr>
<tr>
<td>• The first type insulin allows patients to be injected at any time of day</td>
<td>• The problem of uneven use of premix products was significantly improved</td>
<td>• Significantly reduce blood sugar with weight loss effect</td>
<td>• 80% of Phase I clinical case enrollment was completed</td>
</tr>
<tr>
<td>• For a duration of up to 42 hours, hypoglycemia symptoms were significantly improved, and better patients experience Insulin Glargine third generation</td>
<td>• Very suitable for Chinese market, obvious substitution advantages over all the second and third generation premixed products in the future</td>
<td>• Compared with basic + dietary insulin, it can reduce the number of injections, improve patient compliance, and reduce treatment costs</td>
<td>• The phase III clinical study commencement was approved by the Genetic Office in October 2020</td>
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- **Main Products**

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  - • The first type insulin allows patients to be injected at any time of day
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**Main Products**

### Birociclib

Blockbuster product for HR+/HER2- ABC: CDK4/6 inhibitor is used to prolong life, change the market landscape of ABC, and will occupy the mainstream position in the market.

**Birociclib has unique value over MNC’s and local CDK4/6 inhibitors, Abemaciclib comparable clinical effective and over Palbociclib and Ribociclib**

<table>
<thead>
<tr>
<th>Huge unmet medical need for HR+/HER2- ABC market</th>
<th>CDK4/6 inhibitors will be the main therapeutic agents for HR+/HER2-ABC with long treatment time, great commercial value and market potential</th>
<th>Birociclib has obvious advantages over MNCs and domestic CDK4/6 inhibitors</th>
<th>Phase I clinical data have confirmed the antitumor effect (POC) of this product</th>
</tr>
</thead>
</table>
| • Large number of patients: BC is the second most common cancer in China, with estimated 1.4 million patients in 2018 | • CDK4/6 inhibitors significantly prolong patient life (~1.5 years)  
  • The median PFS of the patients was significantly prolonged:  
    ✓ 1 line: 28.2 months  
    ✓ 2 lines: 16.4 months  
    ✓ Final line: 6 months  
  • High growth & Mainstream drugs: It is expected that CDK4/6 inhibitors will occupy the first place in BC market in 2024  
  • The CAGR of CDK4/6 inhibitors (39.12%) is much higher than the CAGR of BC market (10.4%) | • The first Abemaciclib fast follower, will be listed first in China as an domestic innovative drug  
  • There is a wider indication population in China than MNCs CDK4/6 inhibitors (for patients with multi-line failure)  
  • Preclinical/preliminary clinical data suggested that Birociclib is similar to Abemaciclib and superior to Palbociclib and Ribociclib  
  ✓ Monotherapy with patients with multiple-lines treatment  
  ✓ HR+/HER2- ABC moving to 1st line or 2nd line combination therapy  
  ✓ Bone marrow suppression is mild and good safety profile  
  ✓ Effective for brain metastases | • PR (tumor size reduction of 62.5% from baseline) has been observed in ABC subjects following advanced HR+/HER2-end-line treatment |

- PR (tumor size reduction of 62.5% from baseline) has been observed in ABC subjects following advanced HR+/HER2-end-line treatment.
Main Products

Anaprazole Sodium

New generation of PPI for acid related digestive diseases: the only PPI independently developed in China, with better safety profile in the class.

With a lower risk of drug-drug interactions and a long half-life, indicating better efficacy than similar products. The Phase II clinical data proves the drug-making properties, and the Phase III (DU) key registration trial is moving to data clean and analysis

<table>
<thead>
<tr>
<th>Drug</th>
<th>Drug-Drug Interactions (DDI)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anaprazole</td>
<td>Low DDI Risk</td>
</tr>
<tr>
<td>Rabeprazole</td>
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</tr>
<tr>
<td>Omeprazole</td>
<td>Diazepam, Warfarin, Phenytoin, Clarithromycin</td>
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<td>Lansoprazole</td>
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<td>Carbapenep, Caffeine, Diazepam, Diclofenac, Digoxin, etc</td>
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<td>Esomeprazole</td>
<td>Ketoconazole, Itraconazole, Diazepam, Citalopram, Promethzaome, Phemutoin, etc</td>
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<tr>
<td>Ilaprazole</td>
<td>Midazolam</td>
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</tbody>
</table>

- Cankerous disease is the most common disease of digestive system in clinical, its incidence rate has increasing trend, currently there are about 60 million patients in China
- Helicobacter Pylori infection rate in China is more than 50 percent, reaching 800 million patients. PPI is widely used in the elimination of Helicobacter Pylori (HP) clinically, and has a great market potential

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### Main Products

**Anaprazole Sodium**

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<th>Gastric acid-related diseases (such as DU, assisted HP eradication) is the largest digestion market and have a large population</th>
<th>China’s anti-ulcer drug market is huge and continues to grow. PPI drugs take the majority of 1st line drug use market share and Rabeprazole took the main PPT market</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower risk of drug-drug interactions with good safety profile</td>
<td>Potential better efficacy in symptom relief compared with Rabeprazole</td>
</tr>
</tbody>
</table>

- Anaprazole Sodium is effective in treating duodenal ulcer, promoting ulcer healing and relieving symptoms with good safety
- Sigle configuration, long half-life, potentially better symptom relief

### Drug-Drug Interactions (DDI)

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### T ½ (h)

- Rabeprazole: 1.1-2.3
- Anaprazole Sodium: 1.6-2.3
**Main Products**

**KM257/252 and KM254-ADC**

Bispecific antibody drugs and bispecific antibody ADCs against solid tumor with HR+/HER2-, e.g. breast cancer, gastroesophageal cancer with HR+/HER2-
target

With optimized structure design, KM257 bring high clinical potential for drug activity, stability and safety compared to ZW25, ZW 49, DS8201

<table>
<thead>
<tr>
<th>With optimized structure design</th>
<th>Have great market potential</th>
<th>Support from Antibody technological platform Mebs-Ig</th>
<th>More effective to inhibit tumour growth activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>• KM257/252 is Bispecific antibody drugs for solid tumor with HR+/HER2-, e.g. breast cancer, gastroesophageal cancer, etc., targeting HER2 D4/D2</td>
<td>BeiGene has obtained the exclusive R&amp;D and commercialization rights of ZW25 and ZW49 in Asia (except Japan), Australia and New Zealand with a down payment of up to US$40 million and a milestone payment of up to US$390 million. ZW25 and ZW49 are currently separately In clinical phase II and clinical phase I.</td>
<td>• Mebs-Ig (Mab Edit Bispecific Immunoglobin) refers to antibody-edited bispecific antibodies. mab Edit (&quot;antibody editing&quot;) is a concept first proposed by Dr. Zhu, with reference to the term &quot;gene editing&quot; in its meaning. It is defined as the targeted and precise modification and modification of antibodies, including the knockout, substitution and addition of glycans in the antibody glycan chain, the targeted coupling of antibody payload, and the precise improvement of antibody Fab and FC engineering.</td>
<td>• KM254-ADC is one of the best bispecific antibody ADC drugs of its kind domestically and abroad. as it recognizes two epitopes of HER2, it has a higher endocytic activity compared to RC48 and DS-8201, and mechanistically can better exert the tumor-killing ability of the toxin molecule.</td>
</tr>
<tr>
<td>• Competitive to Zymeworks’ bispecific antibody drug candidate ZW25</td>
<td></td>
<td></td>
<td>• KM254-ADC shows more superior anti-tumor growth activity. A comparative trial with DS-8201 is also underway</td>
</tr>
<tr>
<td>• KM257 has a optimized structure design over ZW25, and may have high potential in drug activity, stability and safety, and step up to the best-in-class multifunctional Bis-antibody</td>
<td></td>
<td></td>
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<tr>
<td>• KM254-ADC is broad-spectrum anti-tumor antibody drugs targeting breast, gastric, colorectal, and lung cancers with HER2 low expression, targeting HER2D4/D2.</td>
<td></td>
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<tr>
<td>• Follows Zymeworks’ ADC ZW49 and AstraZeneca’s innovative drug DS8201</td>
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</tbody>
</table>
Main Products

Kelinao® : Cinepazide Maleate Injection

At the end of 2020, a new indication was approved for improving neurological symptoms, activities of daily living and dysfunction caused by acute stroke

Kelinao is currently the only approved drug in the field of stroke treatment since the launch of post-launch clinical research in China

<table>
<thead>
<tr>
<th>Benefit cerebral stroke patients with extensive target market size</th>
<th>Complete large-scale clinical research to reshape the market</th>
<th>New indications approved Hope to return to NRDL and achieve a substantial rebound in sales</th>
<th>Over the past clinical use Kelinao showed good safety profile</th>
</tr>
</thead>
<tbody>
<tr>
<td>• The stroke is a “Four High” disease with high incidence, high disability, high mortality and high recurrence rate.</td>
<td>• Kelinao has successfully completed a large-scale clinical study of 1,301 cases of acute ischemic stroke. The results of the study prove that the product can effectively improve the prognosis of stroke patients and reduce the disability rate.</td>
<td>• Kelinao's new indication for the treatment of acute ischemic stroke was approved by the NMPA, once again proving its clinical value as a treatment for cerebrovascular disease. It will bring treatment benefits for more unmet stroke patients in the future, and have positive impact on the operation results of the Group.</td>
<td>• Kelinao is a kind of weak calcium ion antagonist with a unique synergism of endogenous adenosine, and it can effectively improve the blood supply in the cerebral ischemic area.</td>
</tr>
<tr>
<td>• The China Burden of Disease Report published on the “Lancet” in 2019 showed that the stroke has been the most common death cause for the Chinese population from 1990 to 2017, and there were more than 2 million new patients of stroke every year, which ranked the first in the world.</td>
<td>• The main results of the study have been published in the journal “BMC Neurology” in July 2020. The secondary results have also been accepted by the Chinese Journal of Neurology</td>
<td>• Kelinao's new indication for the treatment of acute ischemic stroke was approved by the NMPA, once again proving its clinical value as a treatment for cerebrovascular disease. It will bring treatment benefits for more unmet stroke patients in the future, and have positive impact on the operation results of the Group.</td>
<td>• In 2018, the sales ranking of C04 therapeutics (cerebrovascular and peripheral vascular therapeutics) were alprostadil, vinpocetine, troxerutin cerebroprotein hydrolysate, deproteinized calf serum, butylphthalide, and citicophosphoric acid. Alkali, Cinepazide, Compound Tripotide</td>
</tr>
<tr>
<td>• According to data from IQVIA, the market size of stroke prescription drugs in China has reached RMB120 billion in 2019.</td>
<td></td>
<td>• Kelinao showed good safety profile</td>
<td>• As the first marketed Cinepazide Maleate Injection in China, Kelinao has been widely used in the treatment of cardiovascular, cerebrovascular and peripheral vascular diseases since 2002, and accumulated clinical use experience of more than 6 million people, which demonstrated a good safety profile</td>
</tr>
</tbody>
</table>
Main Products

Beijing Ruiye - Double-chamber bag series of antibiotic products

Obtained the first domestic exclusive approval for a solid-liquid double-chamber bag, with significant advantages in policy, market and cost

<table>
<thead>
<tr>
<th>Big infusion field</th>
<th>Technical research on solid-liquid double-chamber bag with dosage form advantage</th>
<th>A huge market for cephalosporin antibiotics</th>
<th>Beijing Ruiye has obtained production approvals for multiple varieties and specifications of cephalosporins</th>
</tr>
</thead>
</table>
| • The development speed of China’s infusion industry is accelerating, with an annual growth rate of nearly 20% | • The large infusion packaging for solid-liquid double-chamber bags has the advantages of fast, convenient, and suitable for clinical applications in harsh environments. However, because of its high technical barriers and difficult research and development, currently only pharmaceutical companies in the United States and Japan in the world to manufacture the solid-liquid double-chamber bags, which is high technology research and development barriers.  
  • Beijing Ruiye has the first domestic approval for solid-liquid double-chamber bags, and it is also the only domestic company with this technology. Compared with many peer companies and some large-scale domestic infusion companies that are still exploring the packaging form of solid-liquid double-chamber bag packaging materials, Beijing Ruiye is ahead of the time for at least 2 to 5 years. | • In terms of the scale of cephalosporins, according to the IQVIA CHPA database, the sales of systemic antibacterial drugs in 2019 were RMB 127.696 billion, of which the sales of cephalosporins were RMB 49.562 billion, accounting for 40% of the systemic antibacterial drugs market.  
  • At present, Ceftazidime, Cefuroxime Sodium and Cefodizime sodium, all are solid injections which approved for production in China. The total sales amount of the three is RMB 10.111 billion, accounting for 7.9% of the cephalosporin drug market. | • Beijing Ruiye currently has the leading technology of non-PVC solid-liquid double-chamber bag ready-to-match infusion.  
  • Beijing Ruiye has obtained production approvals for multiple varieties and specifications of this formulation of Ceftazidime, Cefuroxime Sodium and Cefodizime sodium, and is expected to successively obtain other production approvals covering the first-line drugs of mainstream antibiotics in China. At the same time, due to the convenient use of this dosage form, it is expected to be widely used under a variety of medical conditions. |

Beijing Ruiye - Double-chamber bag series of antibiotic products

Obtained the first domestic exclusive approval for a solid-liquid double-chamber bag, with significant advantages in policy, market and cost
Thank you!

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