Haixi Pharma (2637 HK)

Redefining ocular fundus disease treatment

BUY (Initiate)

Target Price	**HK$280.00**
Up/Downside	**56.5%**
Current Price	**HK$178.90**

Haixi Pharma (Haixi) is an innovation-oriented, commercial-stage pharmaceutical company that integrates R&D, production and sales capacities. It has a diversified product portfolio in the largest and fastest-growing therapeutic areas in China, with 15 approved generic products and 4 innovative products under development. Notably, HXP056 is a potential world's first oral therapy for the treatment of ocular fundus diseases, possessing substantial market opportunities. We initiate coverage on Haixi with a BUY rating and a TP of HK$280.00.

- **HXP056, potentially the world's first oral drug for retinal diseases.** Internally developed by Haixi, HXP056 is a potential world's first oral therapy for the treatment of ocular fundus diseases. Haixi has already completed patient enrollment of Phase 1 study on wet age-related macular degeneration (wAMD) in China, with a Phase 2 dose expansion trial initiated in 4Q25. There are substantial opportunities for oral therapies in global ocular fundus disease market. Globally, ~19.6–39.2mn patients are affected by wAMD, ~48.5mn patients have diabetic macular edema (DME) and ~28.6mn patients are living with retinal vein occlusion (RVO), according to WHO. The immense medical needs from ocular fundus diseases continues to drive the emergence of innovative therapies, with anti-VEGF agents obtaining absolute market dominance. However, intravitreal injection of anti-VEGF agents as a route of administration has let to poor patient adherence. Researches (source 1; source 2) found a decrease of 45% regarding injection frequency from Year 1 to Year 2, with the fear of intravitreal injection as the leading cause (29.6%) of non-adherence. As a result, non-invasive treatment, such as oral drugs, represents one major R&D route of next-gen treatment for ocular fundus diseases. The global R&D pipeline of non-invasive therapies for retinal diseases remains relatively limited, with Haixi's HXP056 standing among first-tier candidates and holding the potential to be out-licenced.
- **C019199, a novel multi-mechanism immuno-modulator**. As the most advanced clinical-stage candidate in Haixi's innovative drug pipeline, C019199 is an innovative multi-mechanism immuno-modulator targeting CSF-1R/DDR1/VEGFR2. Haixi has posted a Phase III clinical trial of C019199 as a monotherapy for treating osteosarcoma in China in May 2026 and expects to initiate Phase III clinical trial for osteosarcoma in the US going forward. C019199 is poised to fill the treatment gap for third-line and advanced osteosarcoma, addressing a critical unmet medical need globally.
- **Generic drugs as cash cow to support innovation.** Haixi uses its generic drug business as a financial engine to support innovation. The rapid, self-generated cash flows from generics ensure consistent capital support for advancing its innovative drug portfolio. By end-2025, Haixi had 15 approved generic drug products, among which 3 drugs have top 2 market positions.
- **Initiate at BUY**. Our TP of HK$280.00 is based on a 10-year DCF model with WACC of 13.2% and terminal growth of 2.0%. We forecast Haixi's revenue to grow by 19.1%/ 17.7%/ 16.6% YoY and net profit to increase by 18.9%/ 16.2%/ 14.9% YoY in 2026E/ 27E/ 28E, respectively.

Earnings Summary

(YE 31 Dec)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue (RMB mn)	467	582	693	816	951
YoY growth (%)	47.4	24.8	19.1	17.7	16.6
Net profit (RMB mn)	136.1	177.0	210.5	244.6	281.1
YoY growth (%)	15.9	30.1	18.9	16.2	14.9
EPS (Reported) (RMB)	na	2.55	2.67	3.11	3.57
Consensus EPS (RMB)	na	na	5.50	6.60	7.70
P/E (x)	na	60.8	57.9	49.8	43.4

Source: Company data, Bloomberg, CMBIGM estimates

China Healthcare

Jill WU, CFA
(852) 3900 0842
jillwu@cmbi.com.hk

Benchen HUANG, CFA
huangbenchen@cmbi.com.hk

Stock Data

Mkt Cap (HK$ mn)	14,080.7
Avg 3 mths t/o (HK$ mn)	73.1
52w High/Low (HK$)	NA/NA
Total Issued Shares (mn)	78.7

Source: FactSet

Shareholding Structure

Kang Xinshan and Feng Yan	35.2%
Tu Liandong	20.3%

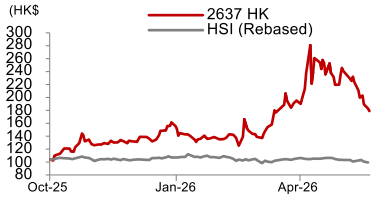
Source: HKEx

Share Performance

	Absolute	Relative
1-mth	-24.2%	-18.6%
3-mth	28.5%	32.9%
6-mth	38.0%	42.9%

Source: FactSet

12-mth Price Performance



Source: FactSet

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Investment thesis

HXP056 – potentially the world's first oral drug for retinal diseases

Internally developed by Haixi, HXP056 is a potential world's first oral therapy for the treatment of ocular fundus diseases. Haixi has already completed patient enrollment of Phase 1 study on wAMD in China, with a Phase 2 dose expansion trial initiated in 4Q25.

There are substantial opportunities for oral therapies in global ocular fundus disease market. Driven by global population aging and the rising prevalence of chronic diseases such as diabetes, the global patient pool with ocular fundus diseases is substantial and expanding. Globally, ~19.6–39.2mn patients are affected by wAMD, ~48.5mn patients have DME and ~28.6mn patients are living with RVO. This immense medical need from ocular fundus diseases continues to drive the emergence of innovative therapies. Consequently, the global retinal disease drug market has grown steadily, reaching US$13.7bn in 2023 and is projected to expand at a CAGR of 9.4% to US$25.7bn by 2030, according to Grand View Research. The vast market spawns multiple blockbuster drugs, with anti-VEGF agents obtaining absolute market dominance. For example, aflibercept, developed by Regeneron and Bayer, has achieved sustained global sales growth since approval in 2011, peaking at US$9.6bn in 2022 and consistently ranking among the world's top-selling drug list.

However, intravitreal injection of anti-VEGF agents as a route of administration presents substantial barriers across clinical practice, patient psychology, and healthcare resource allocation, leading to poor patient adherence. Researches (source 1; source 2) found a decrease of ~45% regarding injection frequency from Year 1 to Year 2, with the fear of intravitreal injection as the leading cause (29.6%) of non-adherence. As a result, the R&D of next-generation treatment for ocular fundus diseases is pursuing multiple strategic axes to overcome the limitations of conventional anti-VEGF therapies, including extended durability (sustained-release implants), one-time curative therapies (gene therapies), novel targets (Ang-2) and non-invasive delivery (oral drugs). The global R&D pipeline of non-invasive therapies for retinal diseases remains relatively limited, suggesting a favorable future competitive landscape. For oral therapies targeting wAMD, DME, and RVO, first-tier candidates have progressed to Phase II clinical trials, including Boehringer Ingelheim's BI1815368, EnnovaBio's ENN0403, and Haixi's HXP056.

HXP056, an oral small-molecule candidate, offers a potentially game-changing approach to treating retinal vascular diseases. HXP056 has demonstrated superior blood-retinal barrier penetration, with half-life in eyeball ~12-fold longer than that in plasma. Moreover, BN rat model shows HXP056 in the retina-choroid and posterior sclera remained at ~15% of peak concentration (compared with levels below lower limit of quantification in other organs) at 24 hours post single oral dosing, demonstrating the sustained enrichment of HXP056 in the ocular fundus. In hVEGFA-TG transgenic mouse models, HXP056 demonstrated a clear dose-response relationship and preclinical superiority over aflibercept in suppressing pathological neovascularization, indicating its promising potential as an oral therapy for retinal vascular diseases.

C019199 – a novel multi-mechanism immuno-modulator

As the most advanced clinical-stage candidate in Haixi's innovative drug pipeline, C019199 is an innovative multi-mechanism immuno-modulator targeting CSF-1R/DDR1/VEGFR2. Haixi has posted a Phase III clinical trial of C019199 as a monotherapy for treating osteosarcoma in China in May 2026 and expects to initiate Phase III clinical trial for osteosarcoma in the US going forward.

Haixi is actively pursuing a comprehensive clinical development plan to capture the full potential of C019199 with a focus on solid tumors, particularly osteosarcoma, breast cancer, colorectal cancer, pancreatic cancer and tenosynovial giant cell tumor (TGCT). C019199 is poised to fill the treatment gap for third-line and advanced osteosarcoma, addressing a critical unmet medical need globally. Haixi announced results of the Phase Ib clinical trial of C0191999 as treatment of osteosarcoma in 2025 ASCO. With 30 patients included in the statistical analysis, one patient achieved a partial response with an objective response rate (ORR) of 3.3%), while the majority of patients achieved stable conditions with a disease control rate (DCR) of 73.3%. Median progression-free survival (PFS) was 181 days, and the 3-month PFS rate was 66.7%. Moreover, Haixi announced updated results for the Phase II trial of C019199 in combination with anti-PD-1 mAbs in patients with advanced malignant solid tumors in 2025 ASCO. With a median follow-up time of 2.4 months, tumor shrinkage in target lesions was observed in 12 out of 14 patients (86%). Two patients achieved partial response (PR), while 10 patients had stable disease (SD), yielding an ORR of 14% and a DCR of 86%.

Generic drugs as cash cow to support innovation

Adhering to the principle of “fast-follow fuels innovation, innovation shapes the future (仿制助力创新,创新驱动未来),” Haixi uses its generic drug business as a financial engine to support innovation. The rapid, self-generated cash flow from generics ensures consistent capital support for advancing the Company's innovative drug portfolio. By the end of 2025, Haixi had 15 approved generic drug products, among which 3 drugs have top 2 market positions. Among them, four were selected in the national VBP schemes and continued to make significant contributions to the company’s revenue. The four drug products selected in the national VBP schemes include: Anbili (安必力), Haihuitong (海慧通), Ruiantuo (瑞安妥) and Saixifu (赛西福), together accounting for 90.7% of total revenue of Haixi in 2025.

Initiate at BUY with TP of RMB280.00

We derive a TP of HK$280.00 on a 10-year DCF valuation with WACC of 13.2% and terminal growth rate of 2.0%. We expect Haixi’s total revenue to reach RMB693mn/ RMB816mn/ RMB951mn in 2026E/ 27E/ 28E, representing YoY growth of 19.1%/ 17.7%/ 16.6%, respectively, driven by the steady contributions of its generic products currently in VBP schemes as well as those to be included in future VBP schemes, along with newly-approved generic product going forward. We expect Haixi’s innovative pipeline, particularly C019199 and HXP056, to serve as a major driver for the Company’s long-term growth prospects. For the bottomline, we expect Haixi to book net profit of RMB211mn/ RMB245mn/ RMB281mn in 2026E/ 27E/ 28E, with YoY growth of 18.9%/ 16.2%/ 14.9%, respectively.

Investment risks

1) Price restrictions from VBP schemes and inclusion/exclusion from such schemes; 2) clinical development and commercialization of its innovative drug candidates; 3) reliance on third parties to manufacture products.

HXP056 – potentially the world's first oral drug for retinal diseases

Internally developed by Haixi, HXP056 is a potential world's first oral drug therapy for the treatment of ocular fundus diseases such as wet age-related macular degeneration (wAMD), diabetic macular edema (DME), and retinal vein occlusion (RVO). Haixi has already completed patient enrollment of Phase 1 study on wAMD in China, with a Phase 2 dose expansion clinical trials initiated in 4Q25.

Figure 1: Clinical development plans for HXP056

Project Name	Therapeutic area	Target/ MOA	Dosage Form	Expected registration category	Mono/ Combo	Intended Indications	Pre-Clinical	IND	Phase I	Phase II	Phase III
HXP056	Ophthalmology	VEGFR2	Oral	Class I chemical drugs	Mono	Wet age-related macular degeneration (wAMD)	China				
						Diabetic macular edema (DME)	China				
						Retinal vein occlusion (RVO)	China				

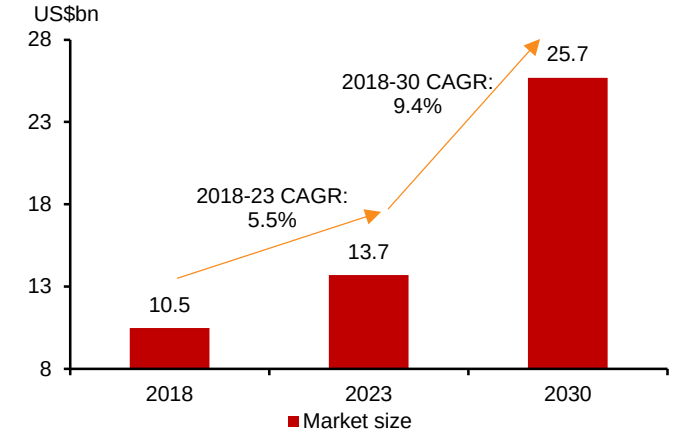
Source: Company data, CMBIGM

Substantial opportunities for oral therapies in global ocular fundus disease market

"Ocular fundus" refers to the interior, posterior structures of the eye, encompassing the retina, optic nerve head, macula, retinal vasculature, inner choroid, and the adjacent posterior vitreous cortex. Ocular fundus diseases comprise all pathological conditions arising within these anatomical regions, with major indications including age-related macular degeneration (AMD), diabetic macular edema (DME), retinal vein occlusion (RVO), retinal detachment, vitreous hemorrhage, inherited retinal dystrophies, etc.

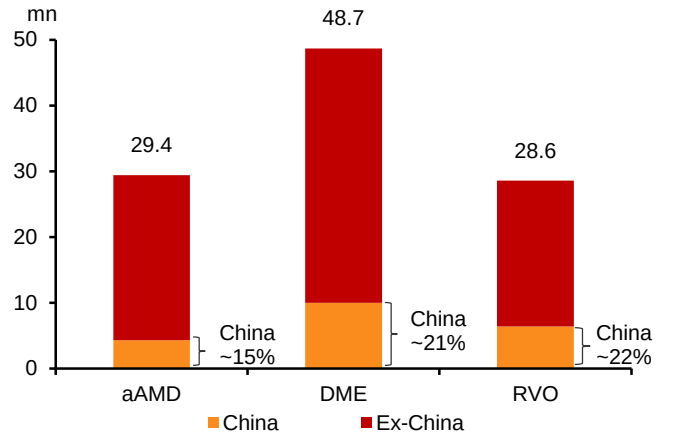
Driven by global population aging and the rising prevalence of chronic diseases such as diabetes, the global patient pool with ocular fundus diseases is substantial and expanding, imposing a significant burden on healthcare systems worldwide. According to the WHO World Report on Vision, the global population affected by AMD reached 196mn in 2020, with wet AMD (wAMD) accounting for 10–20% of the cases (~19.6–39.2mn patients). The WHO report also indicated that the global diabetic retinopathy (DR) population stood at 146mn, with approximately one-third progressing to DME (~48.5mn patients). A meta-analysis estimated an overall RVO prevalence of 0.52% among adults globally (branch RVO [BRVO] prevalence: 0.44%), corresponding to ~28.6mn patients with RVO, based on an estimated global adult population of 5.5bn in 2020. China bears one of the heaviest burdens of ocular fundus diseases globally. Data disclosed by Kanghong Pharmaceutical (002773.CH, NR) indicate that China has approximately 4.3mn wAMD patients, over 30mn DR/DME patients, and roughly 6.4mn RVO patients. This immense medical need from ocular fundus diseases continues to drive the emergence of innovative therapies. Consequently, the global retinal disease drug market has grown steadily, reaching US$13.7bn in 2023 and is projected to expand at a CAGR of 9.4% to US$25.7bn by 2030, according to Grand View Research.

Figure 2: Global retinal diseases treatment market size



Source: Grand View Research, CMBIGM

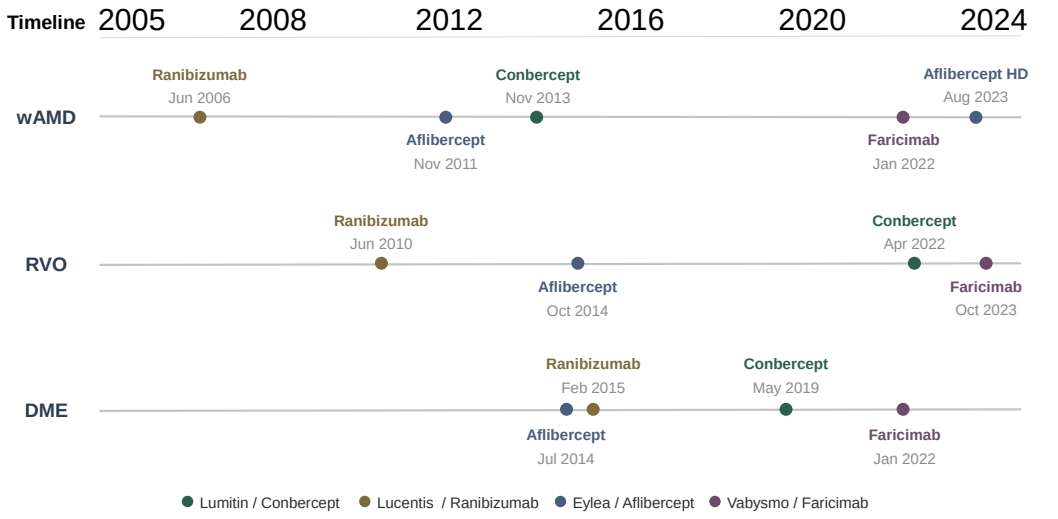
Figure 3: Global number of patients with retinal diseases



Source: WHO, CMBIGM

The vast market spawns multiple blockbuster drugs, with anti-VEGF agents obtaining absolute dominance. Major international ophthalmology clinical guidelines, including those from the American Academy of Ophthalmology (AAO), European Society of Retina Specialists (EURETINA), and the Chinese Society of Retinal Diseases (中国眼底病学会), recommend anti-VEGF therapies as the first-line treatment for wAMD, DME, and RVO. Currently approved anti-VEGF agents by US FDA and China's NMPA primarily include ranibizumab, aflibercept, faricimab, and conbercept, all of which are indicated for the high-prevalence conditions of wAMD, DME, and RVO.

Figure 4: Time of first approvals of representative anti-VEGF therapies by FDA/NMPA



Source: Company data, PharmCube, CMBIGM

Poor patient adherence to intravitreal injection is driving the shift toward treatment with better dosing convenience. Despite recommended as the first-line treatment for ocular fundus diseases, intravitreal injection as a route of administration presents substantial barriers across clinical practice, patient psychology, and healthcare resource allocation. Eye is an exquisitely sensitive organ, and intravitreal injection evokes inherent anxiety in most patients. This psychological burden frequently leads to treatment refusal upon diagnosis or dose reduction and treatment discontinuation after initial injections. A real-world study demonstrates a marked decline in the average injection frequency of

aflibercept from Year 1 (7.2–8.4 injections) to Year 2 (2.5–6.1 injections), a decrease of 45% (at midpoint). A single-center retrospective study identified fear of intravitreal injection as the leading cause (29.6%) of non-adherence to standardized treatment protocols.

Accordingly, extending dosing intervals has become a central focus of anti-VEGF drug development and a key competitive differentiator after approval. Among currently approved anti-VEGF agents, ranibizumab, the first-to-market of its kind, has a maximum labeled dosing interval of only 4 weeks for wAMD. Subsequently approved aflibercept extended the interval to 8 weeks. More recently, faricimab and Eylea HD (high-dose aflibercept), both approved since 2022, support dosing intervals of up to 16 weeks, representing a meaningful improvement in treatment convenience from ranibizumab.

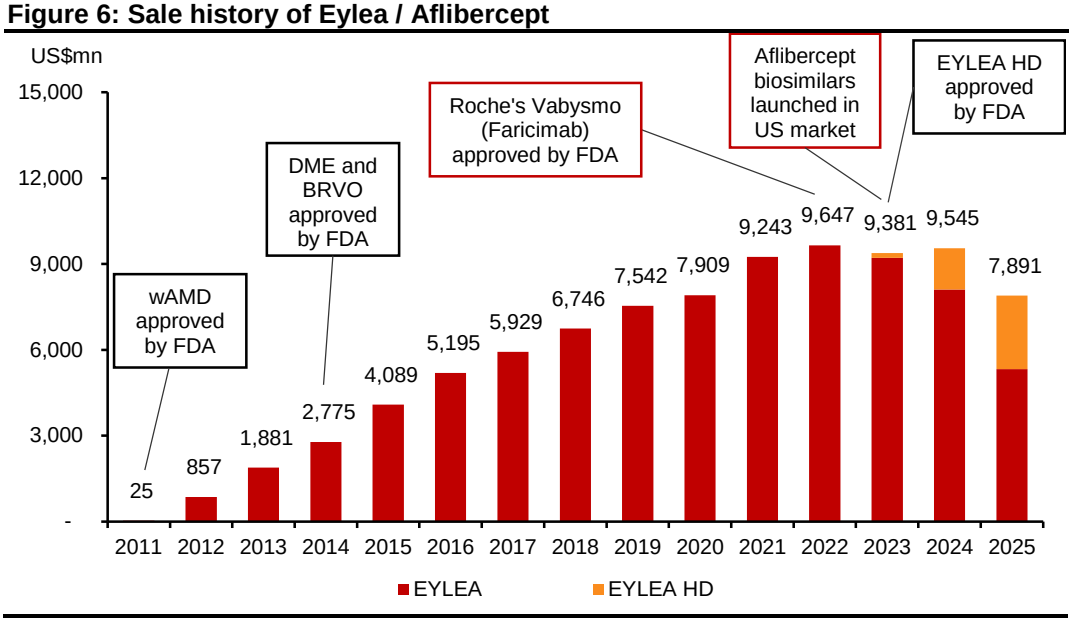
Figure 5: Recommended regimens of representative anti-VEGF therapies

Drug	Time of first approval	Recommended regimens			Max interval of dosing based on recommended regimens (wAMD)
		wAMD	RVO	DME	
Lucentis / Ranibizumab	2006 (FDA)	Once a month	Once a month	Once a month	1 month
Eylea / Aflibercept	2011 (FDA)	Once every 4 weeks for the first 3 months, followed by once every 8 weeks (2 months)	Once every 4 weeks	Once every 4 weeks for the first 5 injections, followed by once every 8 weeks	2 months
Lumitin / Conbercept	2013 (NMPA)	1) Once a month for the first 3 months, followed by once every 3 months. 2) Once monthly for the first 3 months, with subsequent dosing on an as-needed basis	Once a month until optimal visual acuity is achieved and/or signs of disease activity resolve	Once a month for the first 3 months, with subsequent dosing on an as-needed basis	3 months
Vabysmo / Faricimab	2022 (FDA)	Once every 4 weeks (± 7 days) for the first 4 doses, followed by one of the following three regimens: 1) Weeks 28 and 44; 2) Weeks 24, 36 and 48; or 3) Weeks 20, 28, 36 and 44.	Once every 4 weeks (± 7 days)	Dosed by one of the two dose regimens: 1) once every 4 weeks (± 7 days) for at least 4 doses, followed by up to once every 8 week; 2) once every 4 weeks for the first 6 doses, followed by once every 8 weeks (2 months)	4 months
Eylea HD	2023 (FDA)	Once every 4 weeks (± 7 days) for the first 3 doses, followed by once every 8 to 16 weeks (± 1 week).	Once every 4 weeks (± days) for the first 3 to 5 doses, followed by once every 8 weeks (± 1 week).	Once every 4 weeks (± 7 days) for the first 3 doses, followed by once every 8 to 16 weeks (± 1 week).	4 months

Source: Company data, PharmCube, CMBIGM

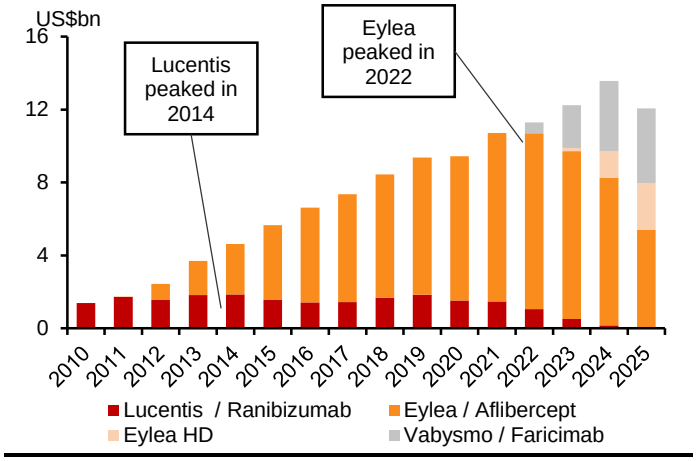
Notwithstanding persistent adherence challenges, anti-VEGF agents have achieved remarkable commercial success. Aflibercept received its initial FDA approval for wAMD in 2011, five years after ranibizumab (approved by FDA in 2006). However, leveraging reduced injection frequency, higher binding affinity, and a suitable commercialization strategy, aflibercept has achieved sustained global sales growth, peaking at US$9.6bn in 2022 and consistently ranking among the world's top-selling drug list. To counter competition from emerging innovative therapies and biosimilars, Regeneron launched Eylea HD (high-dose aflibercept) in 2023, extending the dosing interval from every 4–8 weeks to every 8–16 weeks (with potential extension to 20 weeks). In 2025, Eylea HD generated a full-year revenue of US$2.57bn, representing 32.6% of total aflibercept franchise sales, a dramatic increase from just 1.8% in 2023. Later, as the only approved bispecific antibody targeting both VEGF and Ang-2 for retinal diseases, Roche's faricimab capitalized on the 4-month dosing interval and first-mover advantage over Eylea HD to rapidly capture market share, achieving CHF4.1bn (~US$4.9bn) of global sales by its fourth post-launch year.

Figure 6: Sale history of Eylea / Aflibercept



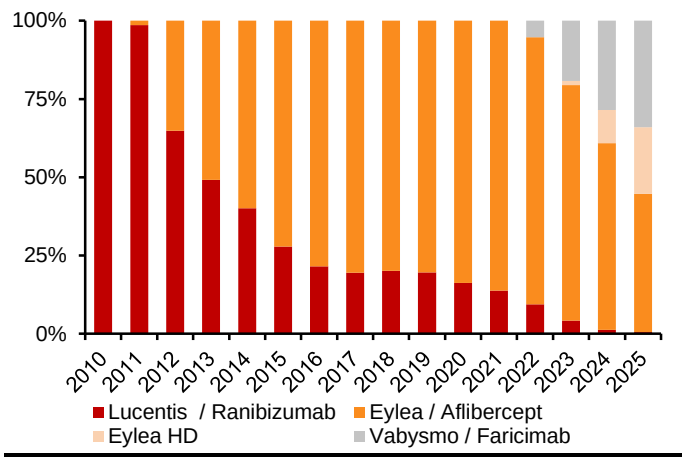
Source: Company data, CMBIGM

Figure 7: Sales comparison of representative anti-VEGF therapies



Source: Company data, CMBIGM

Figure 8: Sales split of representative anti-VEGF therapies



Source: Company data, CMBIGM

The R&D of next-generation treatment for ocular fundus diseases is pursuing multiple strategic axes to overcome the limitations of conventional anti-VEGF therapies:

- Extended durability: Port Delivery Systems (PDS) by Roche and sustained-release implants aim to reduce intravitreal injection frequency, alleviating treatment burden and patient attrition.
- One-time curative approaches: Gene therapies seek to achieve durable, life-long disease control, fundamentally transforming the long-term management paradigms for retinal diseases.
- Novel targets: Ang-2, integrins, and complement pathway modulators are being explored to address resistance and suboptimal response for conventional anti-VEGF.
- Non-invasive delivery: Topical eye drops and oral small molecules are under active investigation to circumvent invasive procedures and improve adherence.

These converging innovations, spanning dosing durability, curative potential, mechanism of action, and route of administration, are collectively advancing ocular fundus disease therapeutics toward more durable, convenient, and potentially curative treatment models.

Figure 9: Development strategies for retinal diseases therapies

Mechanism	Examples
Long-acting formulations	Long-Acting Sustained-Release Drug Delivery System: Roche's implantable intraocular sustained-release device, Port Delivery System (PDS), received FDA approval for marketing in 2021. It provides continuous release of ranibizumab with a dosing interval of once every six months. However, due to safety concerns, Roche recalled PDS in 2022.
	Biodegradable Sustained-Release Implant: Ocular Therapeutix's intravitreal implant AXPAXLI (OTX-TKI; active ingredient: axitinib) is currently in Phase 3 clinical trials and holds the potential to achieve a once-yearly dosing regimen. However, concerns have been raised regarding the superiority of its efficacy data compared with aflibercept, largely attributable to limitations in the design of its Phase 3 trial.
	Higher-Dose Formulation: The high-dose version of aflibercept (8 mg vs. 2 mg) received FDA approval in 2023 and has booked rapid sales growth. However, its long-term safety profile remains to be fully characterized through continued post-marketing surveillance.
One-time curative therapies	Gene Therapy: ABBV-RGX-314, co-developed by AbbVie and REGENXBIO, is the World's first gene therapy for wAMD to advance to Phase 3 clinical trials. Nevertheless, a true one-time curative outcome has yet to be achieved as some patients still require supplemental injections.
	Cell Therapy: RG6501 (OpRegen), co-developed by Lineage Cell Therapeutics and Roche, is an allogeneic retinal pigment epithelial (RPE) cell suspension indicated for geographic atrophy (GA), the later stage of wAMD. It is currently being evaluated in a Phase 2 clinical trial.
Novel targets	ANG-2: Acting synergistically with VEGF-A, ANG-2 plays a pivotal role in regulating vascular stability and permeability. Inhibition of ANG-2 restores pericyte coverage, attenuates vascular leakage, and enhances vascular integrity. Faricimab, a representative agent targeting this pathway, received FDA approval in 2022.
	Complement: IBI302, developed by Innovent Biologics /信达生物, is the world's first ophthalmic bispecific molecule that simultaneously targets both VEGF and the complement system, enabling an extended dosing interval of 12 weeks. Innovent expects to submit NDA for IBI302 soon.
	FGF: RC28-E, developed by Remegen / 荣昌生物, is a first-in-class VEGF/FGF dual-target fusion protein that enables an extended dosing interval of 8 to 12 weeks. Remegen submitted NDA for this agent to NMPA in Sep 2025.
Non-invasive administration	Oral Administration: HXP056 developed by Haixi Pharma / 海西新药 (Phase 2 clinical trial).
	Subcutaneous Administration: D-4517.2 developed by Ashvattha Therapeutics (Phase 2 clinical trial).
	Ophthalmic Solution: RA1115-B1 developed by Raymon Pharma / 锐明新药 (Phase 1 clinical trial).

Source: PharmCube, Company data, CMBIGM

The global R&D pipeline of non-invasive therapies for retinal diseases remains relatively limited, suggesting a favorable future competitive landscape. Oral tablets/ capsules and topical ophthalmic solutions represent the predominant non-invasive novel treatments, designed to overcome the adherence bottleneck inherent to intravitreal injection regimens. In addition, target diversification is evident: beyond the clinically validated VEGF, novel mechanisms now encompass inflammatory and metabolic pathways, such as RBP4, HIF-2α, Lp-PLA2, and gap junction modulation. Chinese biopharmaceutical companies occupy prominent positions within this R&D pipeline, underscoring the growing competitiveness of domestic innovation in the non-invasive retinal therapy space.

Belite Bio's RBP4 inhibitor tinlarebant has advanced to Phase III clinical trials in both China and the US for geographic atrophy (GA), the advanced stage of dry AMD (dAMD), and is poised to become the first globally approved oral therapy for retinal diseases. Specifically, RBP4 serves as the sole carrier protein for retinol transport to the eye and the inhibition of

RBP4 targets the pathogenic accumulation of toxic metabolites driving retinal pigment epithelium (RPE) atrophy in dAMD/GA. In contrast, wAMD, DME, and RVO are predominantly VEGF-driven retinal vascular disorders. Consequently, global RBP4 inhibitor development is currently focused on Stargardt disease, GA, and dAMD, with no active clinical programs in wAMD, DME, or RVO. For oral therapies targeting wAMD, DME, and RVO, first-tier candidates have progressed to Phase II clinical trials, including Boehringer Ingelheim's BI1815368, EnnovaBio's ENN0403, and Haixi's HXP056 (targeting the clinically validated VEGF pathway).

Figure 10: Summary of non-invasive therapies in clinical development for retinal diseases

Product	Target	Company	Indication	Clinical stage in China	Clinical stage in US	Formulation
Tinlarebant	RBP4	Belite Bio	GA	Phase 3	Phase 3	Tablet
BI1815368	NA	Boehringer Ingelheim	wAMD、DME	Phase 2	Phase 2	Tablet
ENN0403	VAP-1	EnnovaBio (轶诺药业)	DME	Phase 2		Capsule
HXP056	**VEGFR2**	**Haixi Pharma (海西新药)**	**wAMD、DME、RVO**	**Phase 1/2**		**Tablet**
RA1115-B1	VEGFR2	Raymon Pharma (锐明新药)	wAMD、DME	Phase 1		Eye Drop
SR1375	Lp-PLA2	SIMR Bio (赛默罗生物)	DME	Phase 1		Capsule
JMKX003948	HIF-2α	Jemincare (济民可信)	AMD、DME、RVO	Phase 1		Eye Drop
RM301B	NA	Ruimu Bio (瑞沐生物)	RVO	Phase 1		Eye Drop
Nurandociguat	sGC	Bayer	DR	Phase 1	Phase 1	Tablet
BT01001	FGFR; VEGFR	BEYANG Therapeutics (必扬医药)	DR	Phase 1		Eye Drop
HSK39297	CFB	Haisco (海思科)	AMD	IND		Tablet
PAN-90806	VEGFR2	Zhaoke Ophthalmology (兆科眼科); PanOptica	wAMD	IND	Phase 2	Eye Drop
QA-102	NA	MingMed Bio (因明生物)	dAMD	IND	Phase 2	Capsule
FWY003	NA	Novartis	GA		Phase 2	Capsule
RZ402	PKK	Rezolute Bio	DME		Phase 2	Tablet
Danegaptide	Gap junction	Breye Therapeutics	wAMD、DME、DR		Phase 1/2	Oral peptide

Source: PharmCube, CMBIGM

Business development activity in the ocular fundus disease sector reflects clear trends toward technological advancement and target diversification. In terms of modality, gene therapies dominate headline transactions, signaling industry conviction in one-time curative treatments for retinal diseases. Bispecific antibodies and oral small molecules are also attracting significant interest. Beyond VEGF, target expansion now includes the Wnt signaling pathway (LRP5/Fzd4), complement cascade (C5, CFI), and optogenetics (opsin). While out-licensing deal size in ophthalmology remains modest relative to oncology or immunology, the sector has witnessed several landmark M&A transactions, including Merck & Co.'s US$3bn acquisition of EyeBio in May 2024 and Astellas' US$5.9bn acquisition of Iveric Bio in May 2023. Chinese companies are increasingly active in global ophthalmic asset transactions. Notably, RemeGen out-licensed the exclusive right of its dual-target fusion protein, RC28-E, in Greater China, South Korean, and select Southeast Asian rights to Santen Pharmaceutical in Aug 2025 for an upfront payment of RMB250mn.

Figure 11: M&A and licensing transactions in global retinal diseases market

Date	Licensor / acquiree	Licensee / acquirer	Product / core asset	Type	Target	Upfront (US$ mn)	Deal size (US$ mn)	Region	Development status	
									At the time of deal	Latest
License										
May 2026	Curacle Co., Ltd.	Memento Medicines	MT-103	Bispecifics / injection	VEGF/ Ang-2	4	1,080	Global	Pre-clinical	Pre-clinical
Oct 2025	4D Molecular Therapeutics	Otsuka	4D-150	Gene therapy / injection	VEGF	85	471+ royalty	APAC (incl. Japan, China and Australia)	Phase 3	Phase 3
Oct 2025	UgeneX Therapeutics (星明优健)	AviadoBio	UGX-202	Gene therapy / injection	Opsin		413+ royalty	Global excl. Greater China	Phase 1	Phase 1
Aug 2025	Remegen (荣昌生物)	Santen	RC28-E	Bispecific fusion protein / injection	VEGF/ FGFR	35	180+ royalty	Greater China, South Korea, certain Southeast Asian countries	Phase 3	NDA
Oct 2022	Surrozen	BI	SZN-413	Bispecifics / injection	LRP5/ Fzd4	12.5	599+ royalty	Global	Pre-clinical	Pre-clinical
Dec 2021	Lineage Cell Therapeutics	Roche	OpRegen	Gene therapy / injection	RPE	50	670+ royalty	Global	Phase 1	Phase 2
Oct 2021	Curacle Co., Ltd.	Théa Open Innovation	CU06-RE	Oral	VEGF	6	2,000	Global excl. Asia	Phase 1	Phase 2
Sep 2021	REGENXBIO Inc.	AbbVie	RGX-314	Gene therapy / injection	VEGF	370	1,750+ royalty	Global	Phase 2	Phase 3
M&A										
Oct 2025	Adverum Bio	Eli Lilly	ADVM-022	Gene therapy / injection	VEGF		262	Global	Phase 3	Phase 3
May 2024	EyeBio	Merck Inc	Restoret	Trispecifics / injection	LRP5/ Fzd4	1,300	3,000	Global	Phase 2/3	Phase 2/3
May 2023	Iveric Bio	Astellas	Avacincaptad Pegol	RNA aptamer / injection	C5		5,900	Global	NDA	Marketing
Dec 2021	Gyroscope Therapeutics	Novartis	GT005	Gene therapy / injection	CFI	800	1,500	Global	Phase 2/3	Terminated
Mar 2019	Nightstar Therapeutics	Biogen	NSR-REP1	Gene therapy / injection	REP1		877	Global	Phase 3	Terminated

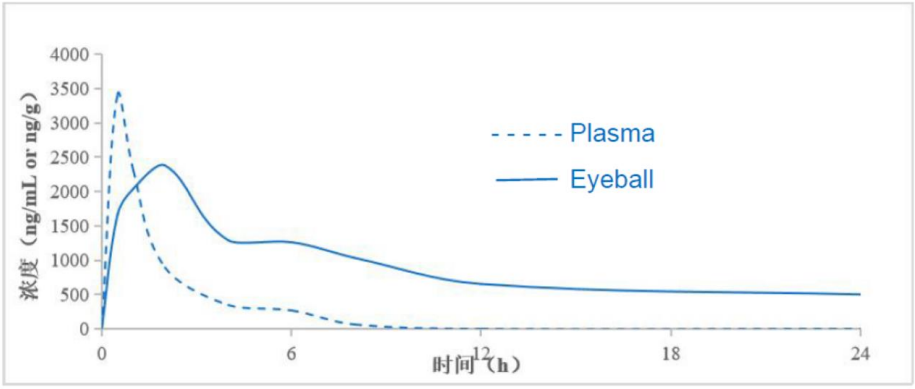
Source: Company data, PharmCube, CMBIGM

HXP056 shows encouraging preclinical profile

Ocular fundus disease treatment has long been constrained by the patient-unfriendly administration via intravitreal injection. All currently approved anti-VEGF therapies, including ranibizumab, aflibercept, and faricimab, require intravitreal administration. Although these agents have established themselves as the gold standard for treating major retinal diseases, the invasive nature of intravitreal injection carries risks of endophthalmitis and retinal injury, while the fear of frequent intravitreal injection and the burden of frequent clinic visits result in poor real-world adherence. Against this backdrop, HXP056, an oral small-molecule candidate, offers a potentially game-changing approach to treating retinal vascular diseases. We believe HXP056 has the potential to become the first orally administered therapy for ocular fundus diseases.

HXP056 has demonstrated superior blood-retinal barrier penetration. A longstanding challenge in ocular drug development is the blood-retinal barrier (BRB), which necessitates sufficient drug penetration to achieve therapeutic concentrations in the posterior segment while minimizing associated toxicity arising from systemic exposure. Preclinical data for HXP056 demonstrate an elegant resolution of this paradox. Following a single 10 mg/kg oral dose in mice, plasma concentrations exhibited rapid absorption followed by swift elimination, with a half-life of only 1.7 hours and near-complete clearance in 12 hours. In contrast, HXP056 concentrations in eyeball rose relatively gradually but was eliminated extremely slowly, with a half-life as long as 19.9 hours, approximately 12-fold longer than that in plasma. Additionally, exposure metrics over time revealed an ocular AUC_{0-24} of 31,286 h*ng/mL versus a plasma AUC_{0-24} of 6,076 h*ng/mL, yielding an ocular-to-plasma AUC ratio of 5.1. The half-life and AUC_{0-24} of HXP056 indicate efficient local enrichment within the eye with limited systemic exposure. This PK profile, characterized by prolonged ocular residence and rapid systemic clearance, provides a pharmacokinetic foundation supporting both the safety and efficacy of oral administration.

Figure 12: Rapid systemic clearance with sustained ocular exposure of HXP056

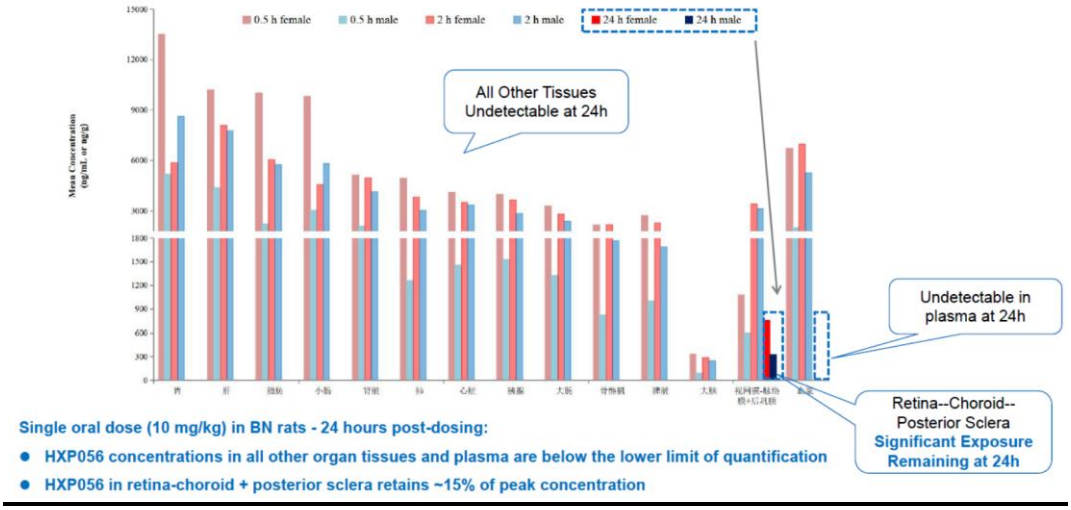


HXP056: Rapid Systemic Clearance with Sustained Ocular Exposure							
Drug	Species	Dose mg/kg	Plasma		Eyeball		E/P (AUC)
			$T_{1/2}$ (h)	$AUC_{0-24\,h}$ h*ng/mL	$T_{1/2}$ (h)	$AUC_{0-24\,h}$ h*ng/mL	
HXP056	C57 Mice	10	1.7	6076	19.9	31286	5.1

Source: Company data, CMBIGM

Tissue distribution studies in Brown Norway (BN) rats further substantiate HXP056's favorable therapeutic window. At 24 hours post single oral dosing (10 mg/kg), HXP056 concentrations in stomach, liver, adipose tissue, small intestine, kidney, lung, heart, pancreas, large intestine, skeletal muscle, spleen, brain, and plasma had all fallen below the lower limit of quantification, indicating negligible systemic tissue accumulation. Conversely, drug levels in the retina-choroid and posterior sclera remained at approximately 15% of peak concentration, demonstrating the sustained enrichment of HXP056 in the ocular fundus.

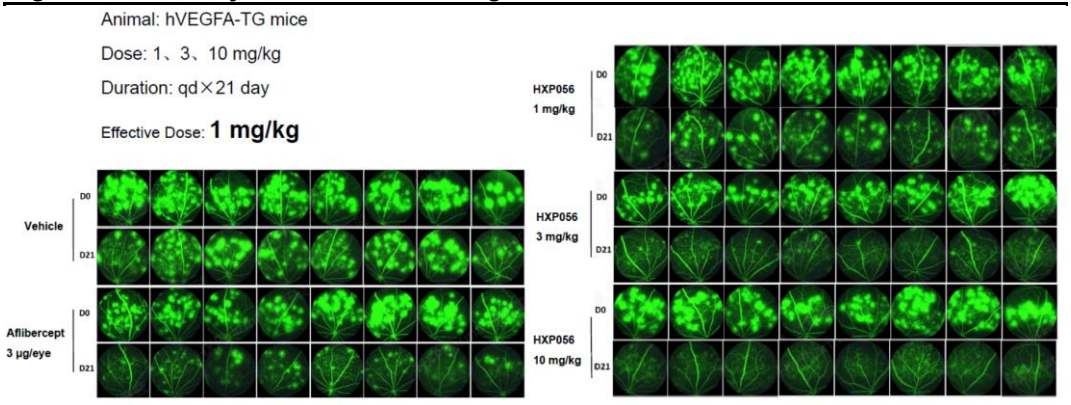
Figure 13: Ocular exposure of HXP056 in different organs



Source: Company data, CMBIGM

In hVEGFA-TG transgenic mouse models, HXP056 demonstrated a clear dose-response relationship and preclinical superiority over aflibercept. Fluorescein fundus angiography revealed extensive fluorescein leakage (indicative of pathological neovascularization) at baseline (Day 0). Following 21 days of oral dosing of HXP056, leakage was significantly suppressed across the 1, 3, and 10 mg/kg cohorts in a dose-dependent manner, with near-complete resolution observed at the highest dose. Most compellingly, oral HXP056 (10mg/kg) outperformed intravitreally administered aflibercept in this model. Given that aflibercept represents one of the most efficacious agents in current clinical practice for wAMD and related conditions, HXP056, with the potential of matching or exceeding efficacy of injected aflibercept in animal models, shows its promising potential as an oral therapy for retinal vascular diseases.

Figure 14: Efficacy of HXP056 in transgenic mouse models



Source: Company data, CMBIGM

Actively advancing HXP056 clinical development

Haixi has completed Phase I enrollment for HXP056. Haixi initiated patient recruitment for HXP056 in Chinese wAMD patients in early Jul 2025, and has completed recruitment for both the Single Ascending Dose and Multiple Ascending Dose cohorts in the Phase I trial. Dose-limiting toxicity (DLT) assessments and pharmacokinetic data collection have been concluded following four weeks of continuous dosing. Preliminary Phase I data in wAMD patients indicate that HXP056 is well-tolerated with a favorable safety profile and exhibits a clear dose-exposure relationship. Early signals of morphological and functional retinal

improvement have been observed in both treatment-naïve and previously treated wAMD participants.

Figure 15: Clinical results of Phase 1 of HXP056

Safety	Efficacy
• Well tolerated with a favorable safety profile	• Exhibited a clear dose-exposure relationship • Preliminary improvements in fundus morphology and retinal function observed in both treatment-naïve and previously treated wAMD patients

Source: Company data, CMBIGM

Haixi has initiated Phase II dose expansion duty in 4Q25. A Phase 1/2 multicenter, open-label, single-arm study (CTR20251878) is evaluating the safety, tolerability, PK, and preliminary efficacy of HXP056 in wAMD patients in China. The Phase 1 part aims to establish the maximum tolerated dose (MTD), recommended Phase 2 dose (RP2D), DLT profile, and single/ multiple-dose PK profile. The Phase II part will further investigate the safety, efficacy, and PK of HXP056. The Phase 1/2 trial plans to enroll 198 wAMD patients aged 50–85 years China. Primary endpoints include DLT incidence and adverse event (AE)/serious adverse event (SAE) rates for Phase 1, and change in Best-Corrected Visual Acuity (BCVA) letters from baseline for Phase 2. The first subject signed informed consent on Jun 24, 2025.

If successfully approved, HXP056 would fundamentally redefine the ocular fundus disease treatment paradigm. Oral administration not only eliminates procedure-related risks associated with intravitreal injection but, more importantly, shifts the treatment setting from high-frequency in-clinic injections to home-based self-administration, thereby addressing the challenges of long-term non-adherence of conventional anti-VEGF agents. For chronic conditions requiring sustained or lifelong intervention, such as wAMD, DME, and RVO, an oral formulation represents a transformative improvement in quality of life and a substantial expansion of the addressable patient population. Patients previously unable to access guideline-directed anti-VEGF therapies due to age, mobility limitations, or fear of intravitreal injection would gain access to treatment for the first time. Nevertheless, critical translational variables remain from preclinical data to clinical evidence. Differences in BRB permeability between rodents and humans, long-term retinal safety of chronic oral dosing, and whether oral bioavailability can sustain adequate concentrations for continuous VEGF pathway suppression all require rigorous validation in subsequent clinical trials.

C019199 – a novel multi-mechanism immuno-modulator

Overview of C019199

As the most advanced clinical-stage candidate in Haixi's innovative drug pipeline, C019199 is an innovative multi-mechanism immuno-modulator targeting CSF-1R/DDR1/VEGFR2. Haixi has posted a Phase III clinical trial of C019199 as a monotherapy for treating osteosarcoma in China in May 2026 and expects to initiate Phase III clinical trial for osteosarcoma in the US going forward.

Figure 16: Clinical development plans for C019199

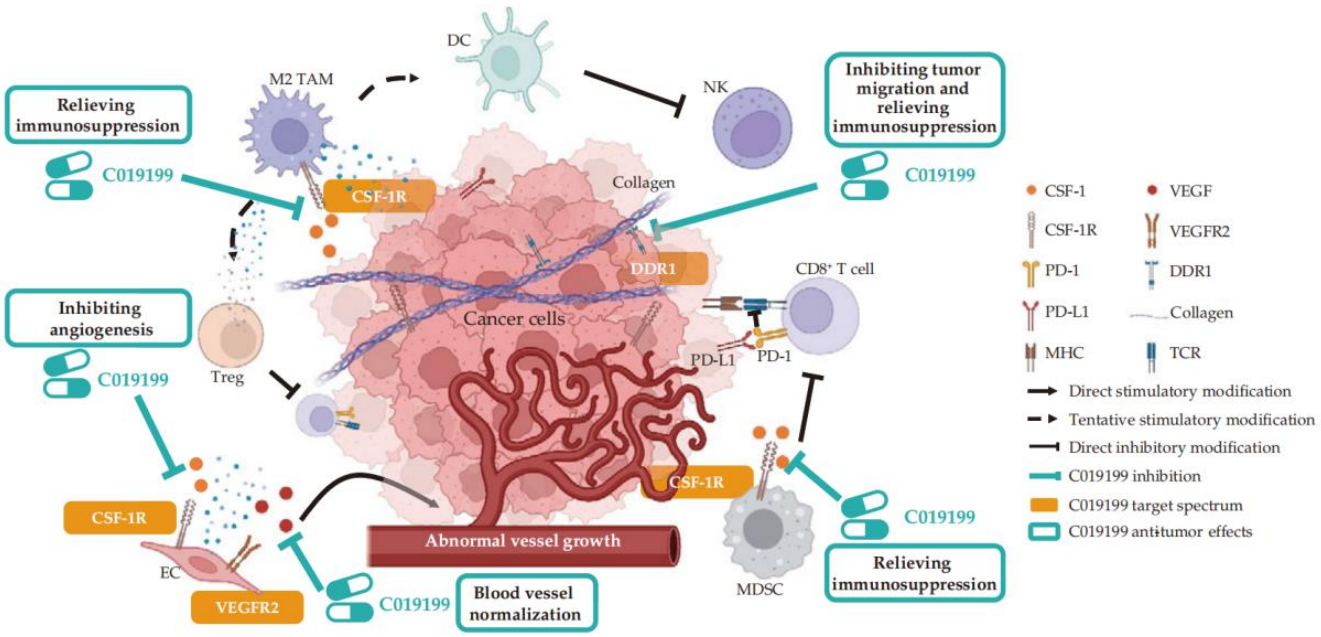
Project Name	Therapeutic area	Target/ MOA	Dosage Form	Expected registration category	Mono/ Combo	Intended Indications	Pre-Clinical	IND	Phase I	Phase II	Phase III
C019199	Oncology	CSF-1R/ DDR1/ VEGFR2 Immuno-oncology therapy	Oral	Class I chemical drugs	Mono	Osteosarcoma	China				
							U.S.				
						HER2- breast cancer	China				
						Tenosynovial giant cell tumor (TGCT)	China				
						Melanoma	China				
					Combo (anti-PD-1 mAbs)	Triple-negative breast cancer (TNBC)	China				
							U.S.				
						Colorectal cancer (CRC)	China				
						Pancreatic cancer	China				
						Gastric cancer	China				
						Esophageal squamous cell carcinoma	China				
						Head and neck squamous cell carcinoma	China				

Source: Company data, CMBIGM

C019199 is Haixi's potential first-in-class innovative drug candidate at clinical-stage with over ten indications. Developed in-house, C019199 is a small molecule immuno-modulator targeting CSF-1R/DDR1/VEGFR2. Through the synergistic effects on these three targets, it can simultaneously regulate the tumor immunosuppressive microenvironment, inhibit tumor angiogenesis, and suppress tumor cell division, growth, migration, and invasion across multiple pathways, thus yielding a comprehensive anti-tumor effect. C019199 is currently evaluated as monotherapy or in combination with other therapies to treat solid tumors in clinical trials. C019199 has the potential to become the first-in-class therapy specifically indicated for osteosarcoma globally, filling the treatment gap for second-line and later-stage advanced osteosarcoma.

C019199 modulates the immunosuppressive tumor microenvironment and innovatively exerts synergistic anti-tumor effects through the selective inhibition of three targets (including CSF-1R,DDR1,VEGFR2). It inhibits tumor angiogenesis and suppresses multiple pathways involved in tumor cell division, growth, migration, and invasion.

Figure 17: The immunosuppressive tumor microenvironment that C019199 targets



Source: Company data, CMBIGM
Note: CSF-1: Colony stimulating factor 1; CSF-1R: Colony stimulating factor 1 receptor; PD-1: Programmed death protein 1; PD-(L)1: Programmed cell death-ligand 1; MHC: Major histocompatibility complex; VEGF: Vascular endothelial growth factor; VEGFR2: Vascular endothelial growth factor receptor 2; DDR1: Discoidin domain receptor tyrosine kinase 1; TCR: T-cell receptor; DC: Dendritic cell; MDSC: Myeloid-derived suppressor cell; TAM: Tumor-associated macrophage; EC: Endothelial cell; Treg: Regulatory T Cell; NK: Natural killer cell.

Market opportunity for C019199

According to CIC, oncology was the largest therapeutic area in terms of sales revenue in not only China but also the world in 2023, representing 12.6% and 14.2% of the Chinese and global pharmaceutical market, respectively. In terms of sales revenue, oncology market in China grew at a CAGR of 11.0% from RMB143.3bn in 2018 to RMB267.6bn in 2024, which is further expected to increase at a CAGR of 15.5% to RMB850.3bn by 2032; at the same time, the global oncology market expanded at a CAGR of 12.5% from US$129.0bn in 2018 to US$262.1bn in 2024, and is projected to grow at a CAGR of 8.9% to US$519.6bn by 2032. The significant unmet medical needs, increase in patients' affordability and willingness to pay for treatment, and favorable government policies will continue to drive the rapid growth of the oncology pharmaceutical market, in our view.

Specifically, Haixi is actively pursuing a comprehensive clinical development plan to capture the full potential of C019199 with a focus on solid tumors, particularly osteosarcoma, breast cancer, colorectal cancer, pancreatic cancer and TGCT. According to CIC, the market size for osteosarcoma remained relatively stable between 2018 and 2024, primarily due to the lack of effective treatments specifically targeting osteosarcoma. Moreover, breast cancer is the most commonly diagnosed malignant tumor among women, the second most commonly diagnosed cancer and the first cause of death from malignant tumors in the world. Colorectal cancer is the third most commonly diagnosed and the second most deadly cancer in the world. Pancreatic cancer is mostly diagnosed in advanced stage, with 80-90% of the patients having unresectable tumors when diagnosed, which provides a broad development prospect for efficacious treatments.

Clinical development plan of C019199

Haixi initiated the development of C019199 in 2015. In Jul 2020, the Company received IND approval from the NMPA for treating locally advanced or metastatic solid tumors in China. The Company had completed the Phase Ia dose escalation study in June 2022, and commenced the Phase Ib/II trial for TGCT and osteosarcoma in Jun 2022 and Oct 2023, respectively. Haixi posted a Phase III clinical trial of C019199 as a monotherapy for treating osteosarcoma in China in May 2026.

In April 2023, Haixi received IND approval from the NMPA for C019199 in combination with anti-PD-1 mAbs for the treatment of advanced malignant solid tumors in China. The Company completed the Phase I trial in Dec 2023. It then commenced the Phase II trial for various solid tumors in Jan 2024 and expected to advance the candidate into Phase III registrational trials in China in 2H25. In 2025, the Company targeted to initiate Phases I/II clinical trials for osteosarcoma and combination therapy with anti-PD-1 mAbs in the US after obtaining FDA approval.

Figure 18: Details of C019199's clinical development plan

Mono/Combo -therapy	Trial Phase	Indication	Region	Trial Status	Expected Trial Start/ Completed Date
Mono	Ia	Locally advanced or metastatic solid tumors	China	Completed	Mar 2021
	Ib/II	TGCT	China	Ongoing	Jun 2022
		Osteosarcoma	China	Ongoing	Oct 2023
	III	Osteosarcoma	China	Ongoing	Posted in May 2026
	I/II	Osteosarcoma	US	Planned	2026E
Combo	I	Advanced malignant solid tumors	China	Completed	Jul 2023
	II		China	Ongoing	Jan 2024
	III	TNBC	China	Planned	2026E
	I/II	TNBC	US	Planned	2026E

Source: Company data, CMBIGM

Summary of Clinical Trial Data

1. C019199 Phase I Clinical Trial (CTR20202045)

This is a multicenter, open-label, dose-escalation Phase I clinical study evaluating the safety, tolerability, pharmacokinetics (PK) characteristics, and anti-tumor activity of oral C019199 tablets as monotherapy in patients with locally advanced or metastatic solid tumors in China. The trial consists of two parts: Phase Ia dose escalation study, which was completed in June 2022, and Phase Ib expansion study, which is currently ongoing.

(a) Phase Ia dose escalation study:

• Safety results: C019199 shows a favorable safety and tolerability profile across the dosage range of 50mg to 600mg QD. The majority of treatment-related adverse events (trAEs) were grade 1-2, which were manageable and reversible. trAEs were primarily observed in the BID dosing group. Only six subjects withdrew from the trial due to AEs, which mainly occurred in the BID group. A total of two instances of DLT occurred in the

300mg BID dosing group. Compared to the BID dosing regimen at comparable doses, the QD dosing demonstrated fewer side effects, making it the recommended dosing method for the expansion study.

• Efficacy Results: Preliminary efficacy of C019199 was observed in advanced malignant solid tumors, with a notably higher response rate in patients with colorectal cancer. In the QD dosing group, the average median PFS was 112 days, while in the BID dosing group, the average median PFS was 37 days.

(b) Phase Ib expansion study:

• The primary objective of the Phase Ib expansion study is to observe the anti-tumor activity and safety of C019199 tablets in patients with locally advanced or metastatic solid tumors. The secondary objective is to investigate the PK profile of C019199 tablets in patients with locally advanced or metastatic solid tumors. Haixi initiated a Phase Ib trial on treating osteosarcoma, breast cancer and TGCT.

Haixi initiated the Phase Ib/II clinical trial for osteosarcoma in 2023 with 42 patients enrolled. Haixi also initiated the Phase Ib clinical trial for TGCT in 2023 with 31 patients enrolled. As of Sep 30, 2025, subjects in the Phase Ib clinical trial have shown good overall responses and well tolerable safety profiles.

Haixi announced results of the Phase Ib clinical trial of C0191999 as treatment of osteosarcoma in 2025 ASCO. With 30 patients included in the statistical analysis, one patient achieved a partial response (an ORR of 3.3%), while the majority of patients achieved stable conditions with a DCR of 73.3%. Median PFS was 181 days, and the 3-month PFS rate was 66.7%. The most common treatment-related adverse events (TRAEs) were leukopenia (60%) and increased creatine phosphokinase (53.3%), while grade 3 or higher TRAEs were observed in 7 patients (23.3%) including neutropenia (3 pts) and lymphopenia (2 pts).

Figure 19: The safety results and efficacy results of C019199 as monotherapy in osteosarcoma and TGCT in Phase Ib expansion study

Indication	Safety results	Efficacy results
Osteosarcoma	• C019199 has a favorable safety and tolerability profile with a dosage of 200mg QD (once daily). • The majority of AEs were grade 1-2, and the incidence of trAEs at grade 3 or above is 23.3%.	• C019199 has achieved a median PFS of over six months, which is significantly longer than the PFS of typical chemotherapy, being two to three months. • The DCR is 73.3%.
TGCT	• C019199 has a tolerable safety profile, and the majority of AEs were grade 1-2.	• Tumor shrinkage was observed in more than 95% of the TGCT subjects.

Source: Company data, CMBIGM

2. Phase I/II Clinical Trials for C019199 in combination with anti-PD-1 mAbs (CTR20231960)

This is a multicenter, open-label and single-arm Phase I/II clinical study of C019199 in combination with anti-PD-1 mAbs for the safety, tolerability and preliminary efficacy in patients with advanced malignant solid tumors. A total of 10 patients with advanced solid tumors were enrolled in Phase I trial, while, as of Sep 30, 2025, over 100 patients were enrolled in Phase II trial. Phase I trial was completed in Dec 2023 and Phase II trial is currently ongoing. The primary objective of Phase I trial is evaluating the safety and tolerability of C019199 in combination with anti-PD-1 mAbs with secondary objectives

including preliminary efficacy such as ORR, duration of overall response (DOR), overall survival (OS) and DCR, while the primary purpose of the Phase II trial contains ORR and PFS of C019199 in combination with anti-PD-1 mAbs, with secondary objective covering the safety profile, DOR, OS and DCR.

• Safety results. In the Phase I trial, C019199 has a favorable safety and tolerability profile with a dosage range of 100 mg to 300 mg QD, and an anti-PD-1 mAb dosage of 200 mg every three weeks. The majority of AEs were grade 1-2.

• Efficacy results. Based on the preliminary clinical data from Phase II trial, C019199 combined with anti-PD-1 mAbs has a therapeutic effect on a variety of advanced malignant solid tumors, especially triple-negative breast cancer (TNBC). Specifically, all of the TNBC patients experienced tumor shrinkage, with two achieving partial response (PR) and two others nearing PR, resulting in a DCR of 100%. For both colorectal and pancreatic cancer patients, a significant portion experienced tumor growth control or even tumor shrinkage.

Haixi announced updated results for the Phase II trial of C019199 in combination with sintilimab in TNBC in 2025 ASCO. With a median follow-up time of 2.4 months, tumor shrinkage in target lesions was observed in 12 out of 14 patients (86%). Two patients achieved partial response (PR), while 10 patients had stable disease (SD), yielding an objective response rate (ORR) of 14% and a disease control rate (DCR) of 86%. Median progression-free survival (PFS) and median overall survival (OS) have not yet been reached. The most frequent (≥10%) grade ≥3 treatment-related adverse events (TRAEs) were neutropenia (17.6%), thrombocytopenia (11.8%) and elevated aspartate aminotransferase (11. 8%).

Figure 20: The safety results and efficacy results of C019199 as combo-therapy

Indication	Efficacy results
TNBC	• All patients enrolled experienced tumor shrinkage, with two achieving PR and two others nearing PR, resulting in a DCR of 100%. • 2025 ASCO: 86% patients enrolled experienced tumor shrinkage, with an ORR of 14% and a DCR of 86%.
Colorectal cancer	• Has shown clinical benefits with tolerable safety to colorectal patients where a significant portion of them experienced tumor growth control or even tumor shrinkage.
Pancreatic cancer	• Among more than ten enrolled pancreatic cancer patients who had undergone multiple lines of prior treatment, a significant portion experienced tumor growth control or even tumor shrinkage.

Source: Company data, CMBIGM

3. C019199 Phase IIII Clinical Trial (CTR20261818)

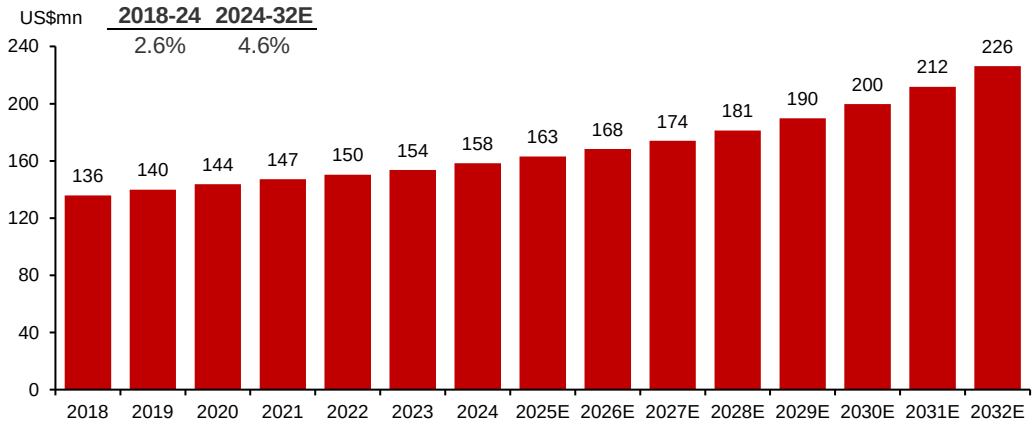
In May 2026, Haixi posted on NMPA website a randomized, controlled, open-label, multicenter Phase III clinical trial (CTR20261818) in China evaluating C019199 as a monotherapy in patients with osteosarcoma. The primary purpose of this study is to assess the efficacy and safety of C019199 compared with gemcitabine plus docetaxel in patients with osteosarcoma who have failed prior second-line therapy. A total of 120 patients are planned for enrollment. The primary endpoint is progression-free survival (PFS) assessed by a blinded independent review committee (BIRC), while secondary endpoints include overall survival (OS), BIRC-assessed objective response rate (ORR), disease control rate (DCR), duration of response (DOR), and safety.

Overview of five main cancers that C019199 targets

Overview of osteosarcoma

Osteosarcoma is a high-grade, osteoid-producing malignancy of mesenchymal origin. It represents the most common primary bone cancer, accounting for approximately 11.7% of all primary bone tumors. The disease is characterized by its aggressive nature and poor prognosis, with a high propensity for distant metastasis often within a short period, particularly to the lungs. According to CIC, the global incidence of osteosarcoma has slightly increased from 23.1k in 2018 to 24.6k in 2024 with a CAGR of 1.1% and is expected to grow to 27.2k by 2032 at a CAGR of 1.3%. The incidence of osteosarcoma in China remained stable between 2018 and 2024. The number of osteosarcoma patients in China is expected to increase at a CAGR of 0.2% to reach 4.4k by 2032. The global market size of osteosarcoma drugs increased from US$136mn in 2018 to US$158mn in 2024, representing a CAGR of 2.6%, and is projected to increase to US$226.2mn by 2032, representing a CAGR of 4.6%.

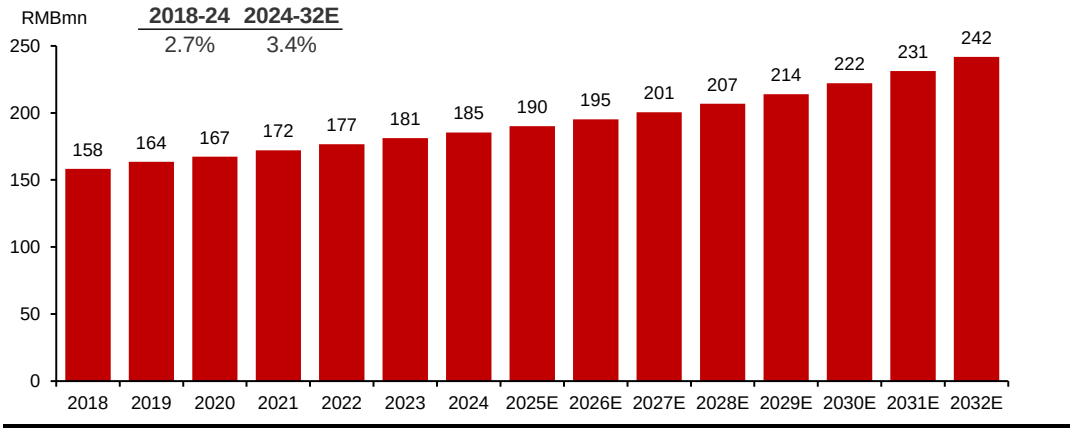
Figure 21: Global osteosarcoma drug market size, 2018-2032E



Source: CIC, CMBIGM

From 2018 to 2024, the osteosarcoma drug market in China booked steady growth from RMB158.3mn to RMB185mn with a CAGR of 2.7%, primarily due to the lack of effective, specialized treatments beyond conventional chemotherapy. However, with a surge in clinical trial activities and promising drug candidates emerging in recent years, the market potential in China is expected to be released continuously. The market size of osteosarcoma drugs is projected to grow to RMB242mn by 2032 at a CAGR of 3.4%, per CIC. There are a growing number of clinical trials in progress, with some of the drugs showing significant clinical potential. The anticipated market growth will also be fueled by the potential approval of new therapies, which are expected between 2025 and 2030, offering improved treatment options for osteosarcoma patients.

Figure 22: China's osteosarcoma drug market size, 2018-2032E



Source: CIC, CMBIGM

Figure 23: The global clinical pipelines of innovative drugs for osteosarcoma

Drug name/code	Target	Company	Phase	Indications	First Posted Date	Trial Number	Location
ZKAB001	PD-L1	Zhaoke (Guangzhou) Oncology Pharm	III	Osteosarcoma maintenance therapy	2019-12-26	CTR20192678	China
HS-20093	VEGF, KIT, TOP2; PD-L1, PDGFR-β, CD276, FGFR,	Hansoh BioMedical	III	Relapsed or Refractory Osteosarcoma and Other Sarcomas	2025-04-18	CTR20251474	China
Olaparib With Ceralasertib	PARP, ATR	AstraZeneca	II	Recurrent Osteosarcoma	2020-06-04	NCT04417062	US
ALMB-0168	GJA1	Enlemai Biotechnology	II	Osteosarcoma	2021-09-09	CTR20210451	China
Cabozantinib and BSC	NTRK, c-Met, ROS, VEGFR, RET, AXL, FLT3,KIT	Ipsen	II	Children and AYA2 With Osteosarcoma	2024-04-02	NCT06341712	Global
ZN-c3	Wee1	K-Group, Beta	I/II	Osteosarcoma	2021-04-06	NCT04833582	Global
Vactosertib	TGF-β1	MedPacto	I/II	Recurrent, Refractory or Progressive Osteosarcoma	2022-10-20	NCT05588648	Global
CD99 CAR-T	CD99	Bio-raid	I/II	Osteosarcoma or soft tissue sarcoma	2024-12-03	CTR20244485	China
C019199	CSF1R, DDR1, VEGFR2	Haixi Pharma	I/II	Advanced Solid Tumors including Osteosarcoma	2023-06-30	CTR20231960	China
Cabozantinib With Ifosfamide	NTRK, c-Met, ROS, VEGFR, RET, AXL, FLT3, KIT	Exelixis	I	Ewing's Sarcoma and Osteosarcoma	2023-12-05	NCT06156410	US
TQB2928	CD47, SIRPA	Chia Tai Tianqing Pharma	I	Osteosarcoma	2024-01-29	CTR20240257	China
IM-83 (CAR-T)	GPC3	Yimiao Medical Technology	I	Osteosarcoma	2024-05-30	CTR20241991	China

Source: CIC, CMBIGM
Notes: BSC stands for best supportive care. AYA stands for adolescents and young adults. Trials conducted in more than one country/region denoted as Global.

Overview of TGCT

Tenosynovial giant cell tumor (TGCT) is a rare, benign tumor originating from the synovial tissue of joints and tendon sheaths, often linked to CSF1 gene aberrations. Although non-life-threatening, TGCT can impair joint function and mobility, primarily affecting younger patients. Globally, TGCT cases increased from 384.2k in 2018 to 408.0k in 2024, with a projected rise to 453.0k by 2032. Note that the incidence of TGCT in China has remained stable but is expected to grow slightly due to improved diagnostics. Primary treatments include surgery, systemic therapies, and radiotherapy, with surgery being the preferred option. Pexidartinib, the only FDA-approved drug for TGCT, is currently unavailable in China. Globally, the TGCT drug market grew from US$437.6mn in 2018 to US$784.8mn in 2024, and is projected to reach US$1,613.7mn by 2032 with a CAGR of 9.4%, according to CIC. In China, the market is expected to expand rapidly from RMB156.9mn in 2024 to RMB1,542.7mn by 2032, driven by anticipated approvals of innovative targeted therapies.

Figure 24: Global clinical pipelines of innovative drugs for TGCT

Drug name/code	Target	Company	Phase	Indications	First Posted Date	Trial Number	Location
Pexidartinib	KIT, CSF1R, FLT3	Daiichi Sankyo	NDA	TGCT	2025-01-25		China
			II	TGCT	2021-01-11	NCT04703322	Japan
Pimicotinib	CSF1R	Abbisko Therapeutics	NDA	TGCT	2025-06-09		China
			I	TGCT	2019-12-10	NCT04192344	Global
Emactuzumab	CSF-1R	SynOx Therapeutics	III	TGCT	2022-06-14	NCT05417789	Global
AMB-05X	CSF1R	AmMax Bio	II	TGCT	2022-04-27	NCT05349643	Global
C019199	CSF1R, DDR1, VEGFR2	Haixi Pharma	I	TGCT	2022-12-09	CTR20223103	China
SYHA-1813	VEGFR, CSF1R	Runshi Pharma	I	TGCT	2021-06-03	CTR20210775	China
BC-006 injection	CSF1R	Dragon Boat Bio	I	Solid tumors including TGCT	2021-07-23	CTR20211792	China
HMPL-653	CSF1R	Hutchison MediPharma	I	TGCT	2022-01-18	CTR20213205	China

Source: CIC, CMBIGM
Notes: Pexidartinib has only been approved in the USA. Haixi has completed Phase I clinical trial as of Sep 30, 2025. Trials conducted in more than one country/region denoted as Global.

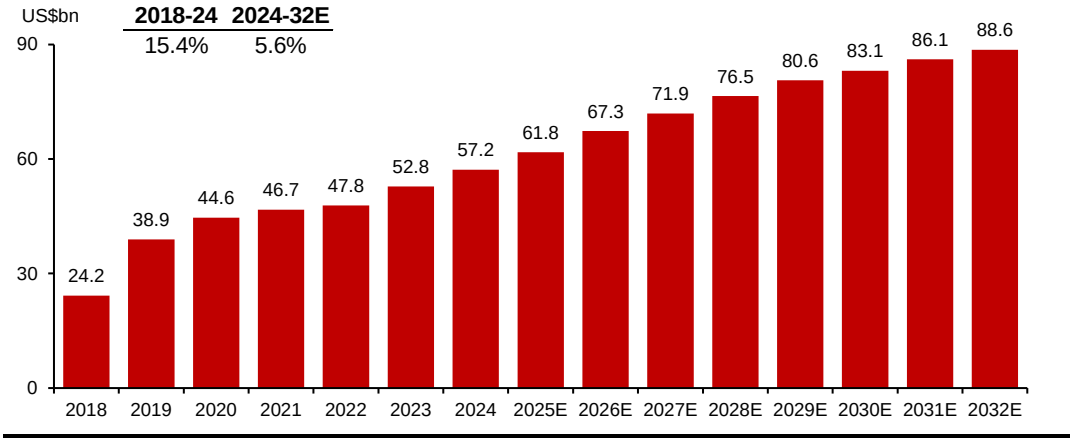
Overview of breast cancer

Breast cancer (BC) is the most commonly diagnosed malignant tumor in women as well as the leading cause of cancer-related deaths worldwide (670,000 deaths in 2022). Globally, the incidence of breast cancer increased from 2.09mn in 2018 to 2.40mn in 2024 and is projected to further reach 2.75mn by 2032 with a CAGR of 1.7%, while in China, BC incidence is expected to grow at an even faster CAGR of 1.9% during the same period, according to CIC. Specifically, metastatic breast cancer accounts for about 30% of all BC cases, with HER2- BC making up 80% of these. TNBC is the most aggressive and challenging subtype of BC due to the lack of estrogen, progesterone and HER2 receptor. TNBC treatment strategies include monotherapies like paclitaxel and docetaxel or combination therapies involving taxanes, gemcitabine, and platinum-based drugs. As of Sep 30, 2025, over 5 innovative therapies had been approved for the treatment of TNBC around the world, including targeted therapies and immunotherapies, with over 5 ongoing clinical pipelines of immuno-oncology combination therapies in Phase II and beyond.

Globally, the breast cancer drug market experienced steady growth from US$24.2bn in 2018 to US$57.2bn in 2024, representing a CAGR of 15.4%, which is projected to reach US$88.6bn by 2032 at a CAGR of 5.6%, based on CIC forecasts. In China, the breast

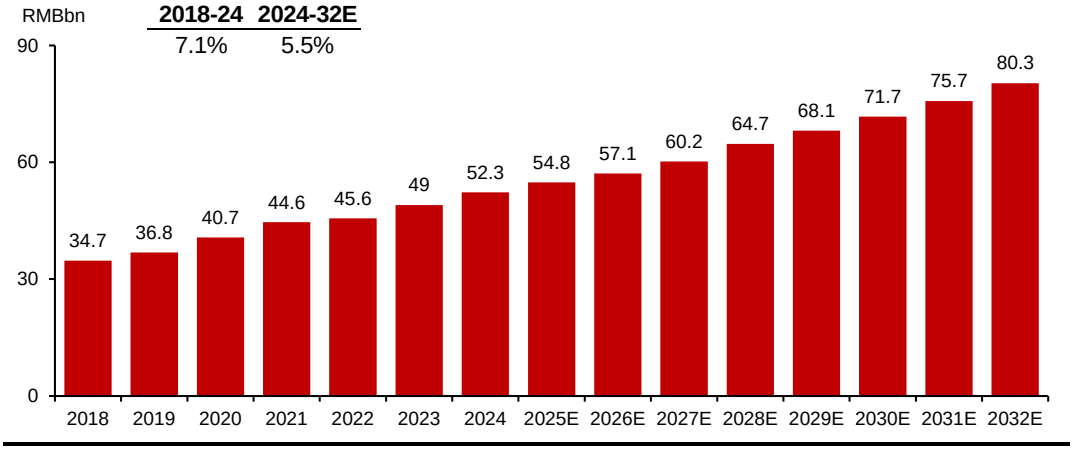
cancer drug market showed stable growth, rising from RMB34.7bn in 2018 to RMB52.3bn in 2024 with a CAGR of 7.1%. This growth trend is expected to continue, pushing the market size to reach RMB80.3bn by 2032, representing a CAGR of 5.6%, according to CIC.

Figure 25: Global market size of drugs for breast cancer, 2018-2032E



Source: CIC, CMBIGM

Figure 26: Market size of drugs for breast cancer in China, 2018-2032E



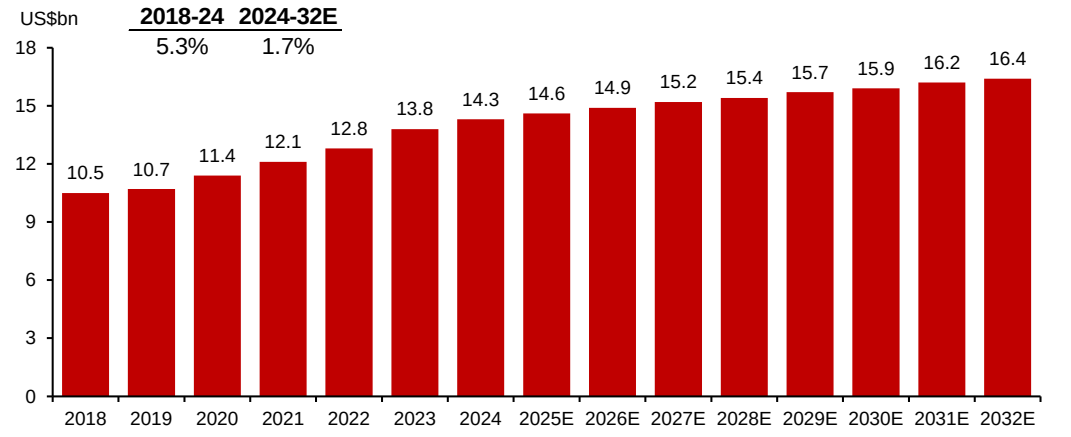
Source: CIC, CMBIGM

Overview of colorectal cancer

As the third most common malignancy and the second most deadly cancer, the global incidence of colorectal cancer in 2024 reached 2.0mn, and is expected to further increase to 2.5mn in 2032, primarily driven by the projection of aging trend and population growth; in China, 556.4k people were affected by colorectal cancer in 2024, and such number is projected to increase to 699.7k in 2032, based on CIC data. As of Sep 30, 2025, globally over 10 innovative therapies had been approved for treating colorectal cancer, with over 15 ongoing clinical pipelines of immuno-oncology combination therapies in Phase II and beyond.

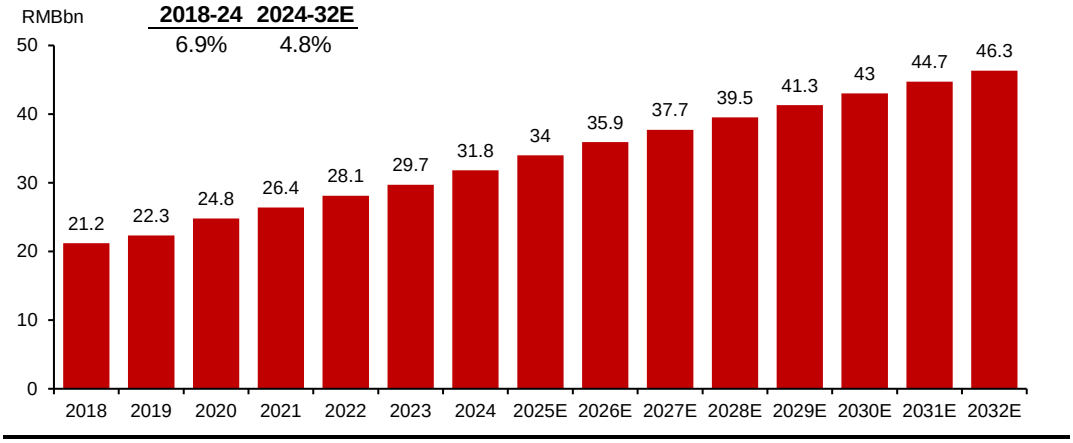
The global colorectal cancer drug market saw rapid growth, increasing from US$10.5bn in 2018 to US$14.3bn in 2024. The market is projected to reach US$16.4bn by 2032 at a CAGR of 1.7%. China's colorectal cancer drug market recorded stable growth, rising from RMB21.2bn in 2018 to RMB31.8bn in 2024, representing a CAGR of 6.9%, and is estimated to reach RMB46.3bn by 2032 at a CAGR of 4.9%.

Figure 27: Global market size of colorectal cancer drugs, 2018-2032E



Source: CIC, CMBIGM

Figure 28: Market size of colorectal cancer drugs in China, 2018-2032E



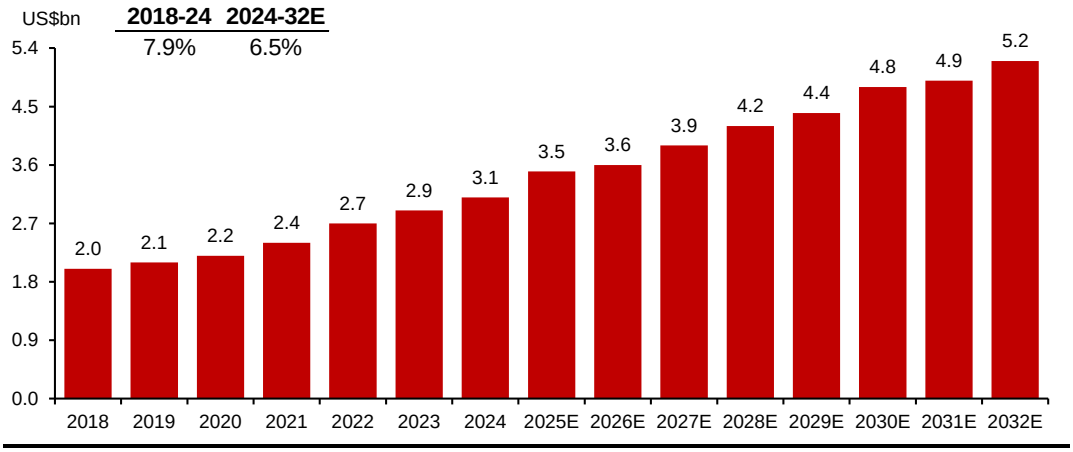
Source: CIC, CMBIGM

Overview of pancreatic cancer

Pancreatic cancer is a highly aggressive disease which can transform pancreatic cells into malignant tumors with the potential to invade surrounding tissues. Pancreatic cancer is often diagnosed at an advanced stage, with 80% to 90% of patients presenting with unresectable tumors upon diagnosis, limiting the curative options available and contributing to poor outcomes. Globally, 530.9k people were affected by pancreatic cancer, and such number is projected to reach 661.6k by 2032. Similarly in China, the number of new pancreatic cases increased from 106.2k in 2018 to 125.0k in 2024, which is projected to reach 146.9k in 2032, per CIC. As of Sep 30, 2025, over 5 innovative therapies were approved for treating pancreatic cancer, with over 5 ongoing clinical pipelines of immuno-oncology combination therapies in Phase II and beyond.

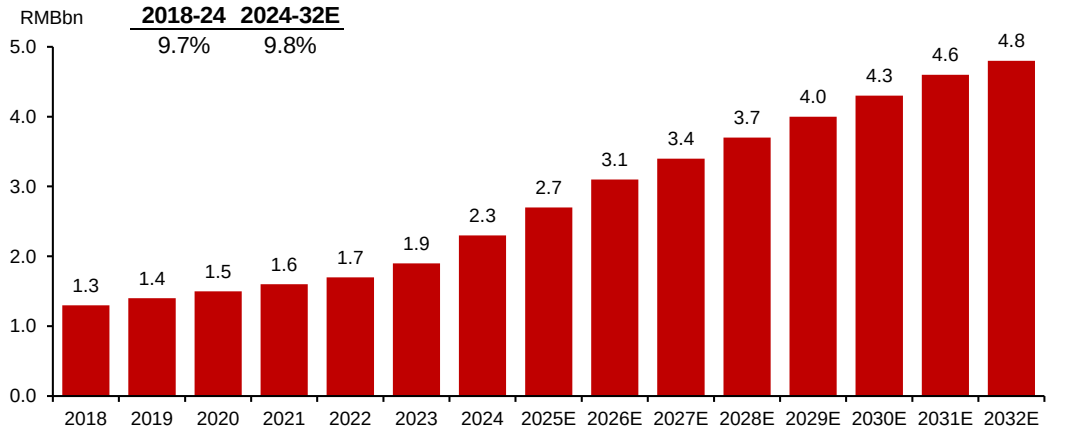
The market size of global pancreatic cancer increased from US$2.0bn in 2018 to US$3.1bn in 2024, which is estimated to reach US$5.2bn by 2032 at a CAGR of 6.5%. In China, the pancreatic cancer drug market increased from RMB1.3bn in 2018 to RMB2.3bn in 2024, representing a CAGR of 9.7%, and is anticipated to reach RMB4.8bn by 2032, with a CAGR of 9.8%, according to CIC.

Figure 29: Global market size of pancreatic cancer drugs, 2018-2032E



Source: CIC, CMBIGM

Figure 30: Market size of pancreatic cancer drugs in China, 2018-2032E



Source: CIC, CMBIGM

Generic drugs as cash cow to support innovation

Adhering to the principle of "fast-follow fuels innovation, innovation shapes the future (仿制助力创新,创新驱动未来)," Haixi uses its generic drug business as a financial engine to support innovation. The rapid, self-generated cash flow from generics ensures consistent capital support for advancing the Company's innovative drug portfolio. The Company has a diversified product portfolio and pipeline in the largest and fastest-growing therapeutic areas in China, complemented by a well-thought international strategic plan to expand its business overseas. As of Sep 30, 2025, the Company's commercialized product portfolio primarily consisted of generic drugs targeting digestive system diseases, cardiovascular system diseases, endocrine system diseases, nervous system diseases and inflammatory diseases.

A growing list of approved generic drugs

As of Sep 30, 2025, Haixi's generic product portfolio consisted of (i) two drugs for digestive system diseases; (ii) one drug for endocrine system diseases; (iii) six drugs for cardiovascular system diseases; (iv) five drugs for inflammatory diseases; and (v) one drug for nervous system diseases. Moreover, the Company has five generic drug candidates at the abbreviated new drug application (ANDA) stage, three at the bioequivalence stage, and over ten under development.

Figure 31: Generic drugs that Haixi has commercialized

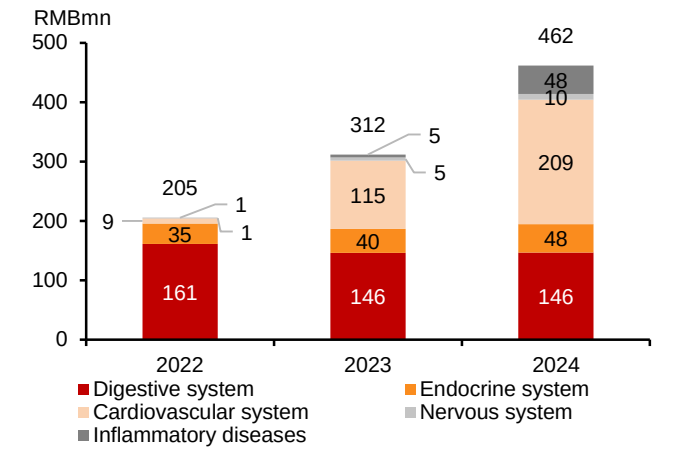
Therapeutic area	Trademark	Generic Name	VBP Inclusion	End date of VBP inclusion validity period	Indication	Date of ANDA Approval	Remarks
Digestive System	安必力	Mosapride Citrate Tablets	Selected in the National VBP Scheme	Jun 30, 2026	Functional dyspepsia	Jun 17, 2020	The first product of its kind regarded as passing the consistency evaluation in China
	安立定	Rebamipide Tablets	Selected in the Provincial VBP Scheme	Dec 31, 2026	Gastric mucosal lesions in acute gastritis and acute exacerbation of chronic gastritis	Apr 24, 2024	The third product of its kind regarded as passing the consistency evaluation in China
Cardio-vascular System	海慧通	Amlodipine Besilate and Atorvastatin Calcium Tablets	Selected in the National VBP Scheme	Dec 31, 2025	Hypertension, coronary heart disease, and hypercholesterolemia	Jan 30, 2022	/
	海必平	Valsartan and Amlodipine Tablets (I)	Selected in the Provincial VBP Scheme	Dec 31, 2025	Hypertension	Apr 19, 2022	/
	海可喜	Valsartan Tablets	Selected in the Provincial VBP Scheme	Jun 30, 2026	Hypertension	Jun 28, 2022	/
	海惠宁	Bisoprolol Fumarate and Amlodipine Besilate Tablets	No National VBP Scheme Yet	/	Hypertension	Dec 1, 2024	/
	海立平	Benidipine Hydrochloride Tablets	No National VBP Scheme Yet	/	Primary hypertension, angina pectoris	Jul 30, 2025	/

	舒安亚	Nicergoline Tablets	No National VBP Scheme Yet	/	Acute or chronic cerebrovascular disease or cerebral metabolic disorders	Nov 28, 2023	The second product of its kind regarded as passing the consistency evaluation in China
Endocrine System	瑞安妥	Cinacalcet Hydrochloride Tablets	Selected in the National VBP Scheme	Dec 31, 2025	SHPT (secondary hyperparathyroidism)	Mar 16, 2021	/
Nervous System	安优凡	Escitalopram Oxalate Tablets	Selected in the Provincial VBP Scheme	Dec 31, 2025	Depression, generalized anxiety disorder, and panic disorder	Mar 23, 2021	/
Inflammation	安妥飞	Celecoxib Capsules	Not participated	/	Including but not limited to osteoarthritis, rheumatoid arthritis, and ankylosing spondylitis	Oct 11, 2021	/
	赛西福	Hydroxychloroquine Sulfate Tablets	Selected in the National VBP Scheme	Dec 31, 2027	Rheumatoid arthritis, juvenile chronic arthritis, systemic and discoid lupus erythematosus	Oct 27, 2023	The second product of its kind regarded as passing the consistency evaluation in China
	安飞平	Diclofenac Sodium Enteric-coated Tablets	No National VBP Scheme Yet	/	Anti inflammatory and analgesic effect	Jun 28, 2024	The first product of its kind regarded as passing the consistency evaluation in China
	盈安可	Cobamamide Capsules	No National VBP Scheme Yet	/	Anemia and neuroinflammations	Aug 5, 2024	The fifth product of its kind regarded as passing the consistency evaluation in China
	及舒宁	Cetirizine Hydrochloride Oral Solution	No National VBP Scheme Yet	/	Allergic rhinitis, allergic conjunctivitis, urticaria, etc	Jun 17, 2025	/

Source: Company data, CMBIGM
Note: All of the commercialized generic drugs were developed in-house, commercialized in mainland China, and registered as the third or fourth category of chemical drugs. They have been included in medical insurance catalogs.

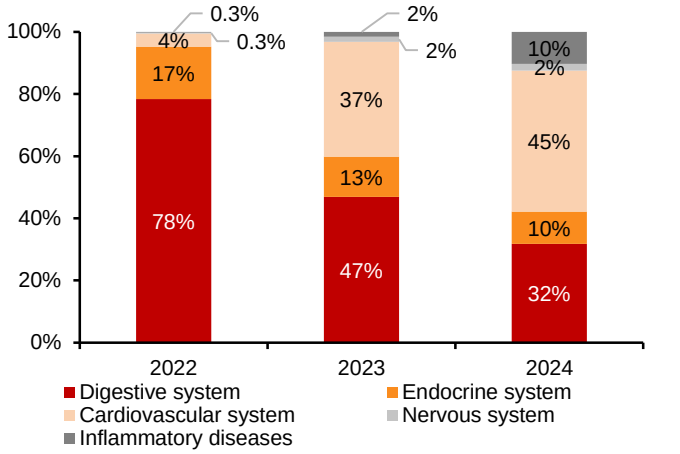
Haixi's revenue from the sales of pharmaceutical products was primarily generated from the sales of nine generic drugs in five therapeutic areas. By therapeutic area, digestive system and cardiovascular system are the largest revenue sources, contributing 31.7% of 45.4%, respectively, of total revenue in 2024. By product, Anbili (安必力) and Haihuitong (海慧通) are the top2 revenue drivers, representing 31.6% of 40.6%, respectively, of total revenue in 2024. Note that Saixifu (赛西福), approved in Oct 2023, accounted for 9.5% of total revenue in 2024. By sales channel, sales via VBP schemes are absolutely the largest source for revenue, contributing 90.0% of total revenue in 2024. Haixi has also been exploring direct sales since 2023, which accounted for 2.7% of total revenue in 2024.

Figure 32: Revenue by therapeutic area



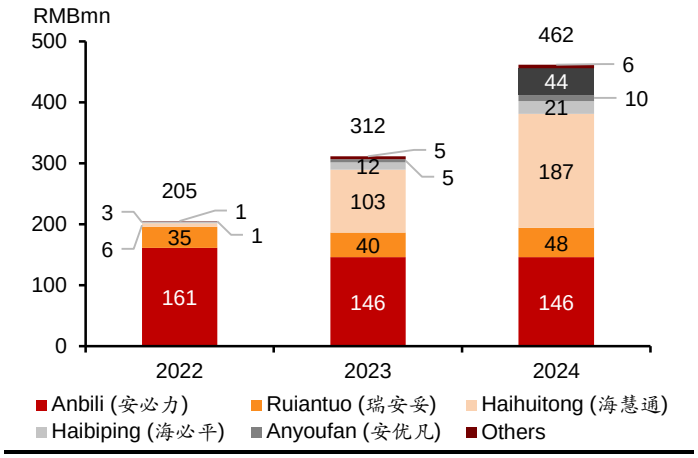
Source: Company data, CMBIGM

Figure 33: Revenue breakdown by therapeutic area



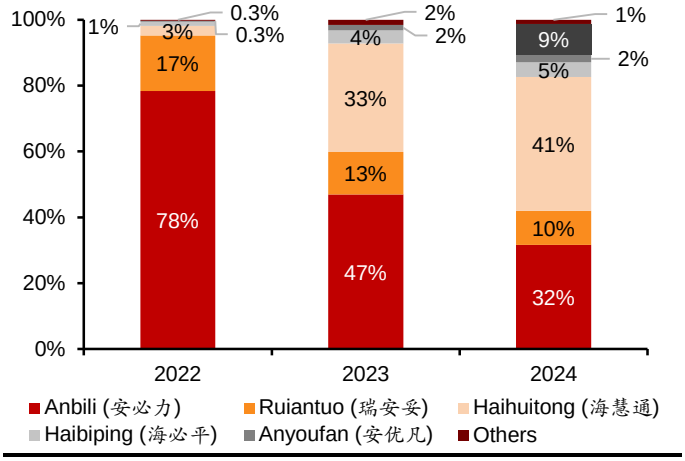
Source: Company data, CMBIGM

Figure 34: Revenue by product



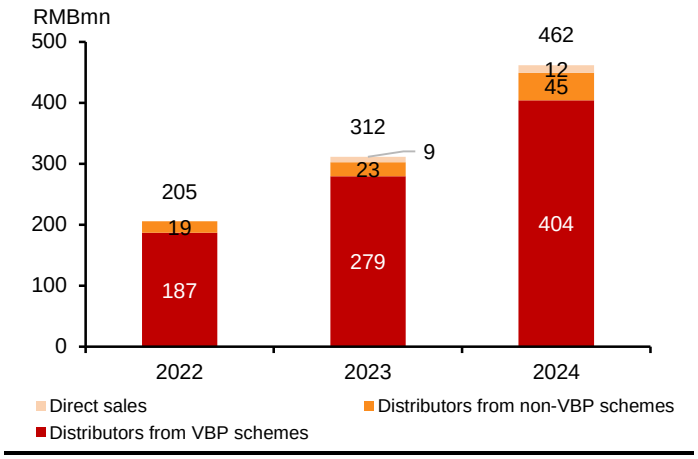
Source: Company data, CMBIGM

Figure 35: Revenue breakdown by product



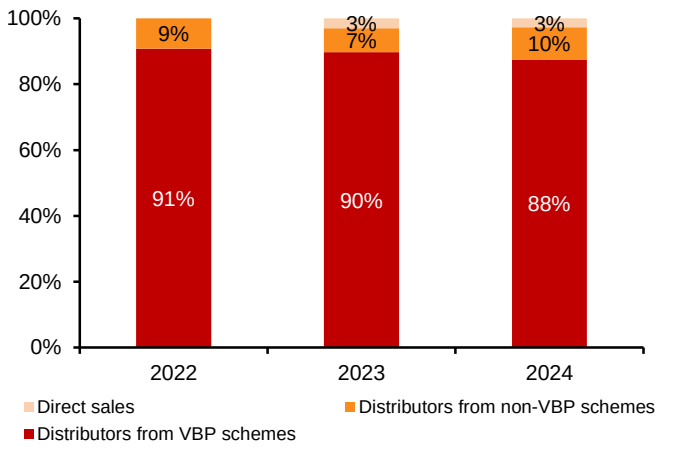
Source: Company data, CMBIGM

Figure 36: Revenue by sales channel



Source: Company data, CMBIGM

Figure 37: Revenue breakdown by sales channel



Source: Company data, CMBIGM

Generic Drugs for Digestive System Diseases

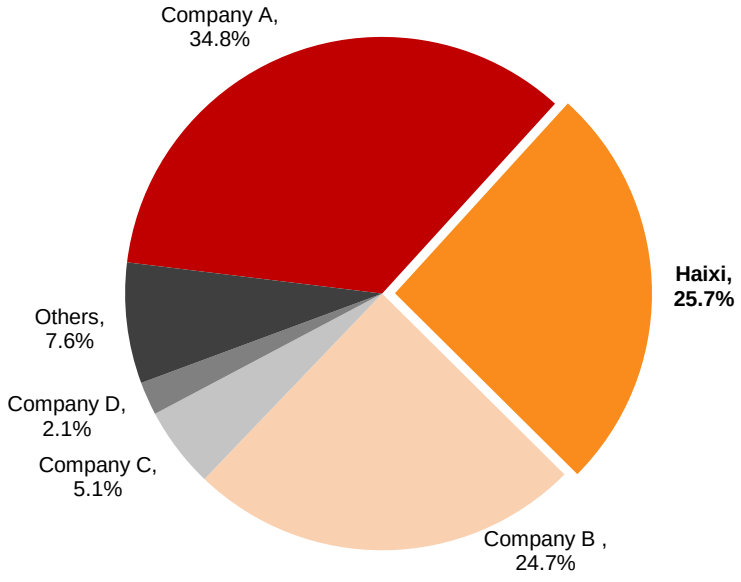
As of Sep 30, 2025, Haixi had commercialized two drugs for digestive system diseases, namely Anbilsi (安必力) and Anliding (安立定). In 2022, 2023 and 2024, the company's sales of drugs for digestive system diseases amounted to RMB161.0mn, RMB146.1mn and RMB146.5mn, respectively, accounting for 78.4%, 46.9% and 29.6% of the revenue from sales of pharmaceutical products, respectively.

Anbili (安必力) (mosapride citrate tablets)

Anbili (安必力) is a selective 5-HT4 receptor agonist characterized by low adverse drug reactions, no cardiac toxicity, ability to enhance gastrointestinal motility and efficacy across multiple indications. It is primarily used for treating functional dyspepsia, gastroesophageal reflux, gastroparesis, constipation, and capsule endoscopy, among other conditions. The originator product of Anbili (安必力) was first launched in China in 2000. In June 2020, Anbili (安必力) became the first-to-market generic of mosapride citrate tablets that was regarded as passing the consistency evaluation in China and was granted marketing approval by the NMPA. It was selected in the Fourth National VBP Scheme in February 2021 and has been included in the NRDL.

The market size of mosapride in China in terms of sales revenue experienced a decline in 2022, driven by the reduced unit prices of mosapride citrate tablets after the inclusion in the national VBP scheme. The market size of mosapride in China reached RMB567.5mn in 2024, which is projected to grow to RMB853.2mn by 2032 at a CAGR of 5.2%, according to CIC. As of Sep 30, 2025, 12 mosapride citrate tablets were approved for sale in China, including one originator product and ten generic drugs. Anbili (安必力), with a revenue of RMB146.0mn in 2024, captured a market share of 25.7%, ranking second in terms of sales revenue in China, according to CIC.

Figure 38: The competitive landscape of China's mosapride market in terms of revenue in 2024



Source: CIC, CMBIGM

Anliding (安立定) (rebamipide tablets)

Anliding (安立定) is an inhibitor of the ubiquitin-associated and SH3 domain-containing protein B (UBASH3B), alleviating gastric mucosal damage through its mucosal protective, ulcer healing, and anti-inflammatory actions. The product is primarily used for treating acute gastritis and the acute phase of chronic gastritis. The originator product of Anliding (安立定) was first launched in China in 2002. Anliding (安立定) was regarded as passing the consistency evaluation and was granted marketing approval by the NMPA in April 2024.

According to CIC, the rebamipide market in China in terms of sales revenue grew from RMB609.0mn in 2018 to RMB957.7mn in 2024, and is expected to reach RMB1,392.8mn by 2032 with a CAGR of 4.8%. As of Sep 30, 2025, 17 rebamipide tablets have been granted marketing approvals in China, including one originator product and 15 generic drugs.

Generic Drugs for Cardiovascular System Diseases

As of Sep 30, 2025, Haixi had commercialized five drugs for cardiovascular system diseases, including Haihuitong (海慧通), Haibiping (海必平), Haikexi (海可喜), Haihuining (海惠宁) and Shuanya (舒安亚). In 2022, 2023 and 2024, cardiovascular system diseases generated revenue of RMB8.6mn, RMB115.0mn and RMB209.5mn, respectively, accounting for 4.2%, 36.9% and 45.4% of the revenue from sales of pharmaceutical products, respectively.

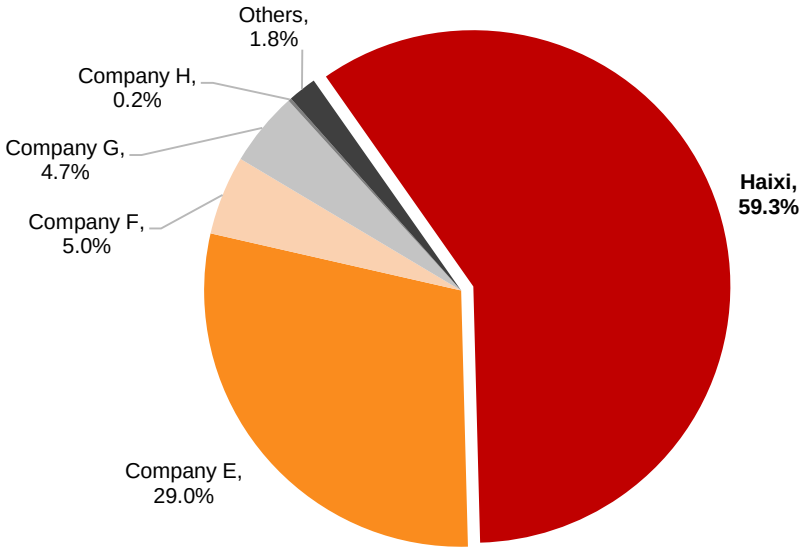
According to CIC, cardiovascular system diseases were the fifth largest therapeutic area in China in terms of sales revenue in 2023, accounting for 7.4% of the overall pharmaceutical market. According to CIC, the market size of drugs for cardiovascular system diseases in China was RMB130.2bn in 2024, and is projected to increase at a CAGR of 1.0% to RMB140.5bn by 2032.

Haihuitong (海慧通) (amlodipine besilate and atorvastatin calcium tablets)

Haihuitong (海慧通) is a compound medication consisting of two cardiovascular medications: amlodipine besilate, a long-acting calcium channel blocker, and atorvastatin calcium, a lipid-lowering agent. This fixed-dose combination drug is recommended as a first-line treatment for hyperlipidemia, hypertension and coronary heart disease. The originator product of Haihuitong (海慧通) was first launched in China in 2008. In January 2022, Haihuitong (海慧通) was granted marketing approval by the NMPA, and was later selected in the Eighth National VBP Scheme in April 2023.

In terms of sales revenue, the market size of amlodipine besilate and atorvastatin calcium in China grew from RMB644.2mn in 2018 to RMB995.9mn in 2022. The market size declined in 2023 due to the reduced unit prices of amlodipine besilate and atorvastatin calcium tablets following their inclusion in the national VBP scheme. The market size of amlodipine besilate and atorvastatin calcium reached RMB509.7mn in 2024 and is projected to grow at a CAGR of 3.8% to RMB701.8mn by 2032, according to CIC. As of Sep 30, 2025, 25 amlodipine besilate and atorvastatin calcium tablets were approved for sale in China, including two originator product and 23 generic drugs. With a revenue of RMB187.3mn in 2024, Haihuitong (海慧通) gained a substantial market share of 59.3%, ranking first in terms of sales revenue among all 5mg/10mg amlodipine besilate and atorvastatin calcium tablets in China.

Figure 39: Market share of amlodipine besilate and atorvastatin calcium (5mg/10mg) in China, by revenue in 2024



Source: CIC, CMBIGM

Other Cardiovascular Products

As of Sep 30, 2025, Haixi had commercialized four other drugs for cardiovascular system diseases.

Figure 40: Haixi's other commercialized products in cardiovascular area

Brand name	Common name	Date of ANDA Approval
Haibiping (海必平)	Valsartan and amlodipine tablets (I)	Apr 19, 2022
Haikexi (海可喜)	Valsartan tablets which is an ARB used primarily to treat hypertension	Jun 28, 2022
Haihuining (海惠宁)	Bisoprolol fumarate and amlodipine besilate tablets used primarily to treat hypertension	Dec 1, 2024
Shuanya (舒安亚)	Nicergoline Tablets	Nov 28, 2023

Source: Company data, CMBIGM

Generic Drug for Endocrine System Diseases

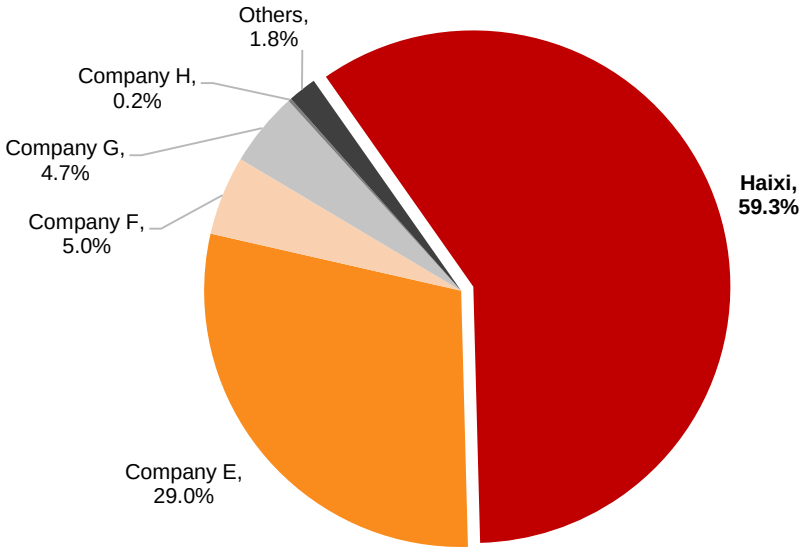
As of Sep 30, 2025, Haixi had commercialized one product for endocrine system diseases, which is Ruiantuo (瑞安妥). In 2022, 2023 and 2024, the sales of Ruiantuo (瑞安妥) amounted to RMB34.6mn, RMB40.3mn and RMB47.9mn, respectively, accounting for 16.9%, 12.9% and 10.4% of the revenue from sales of pharmaceutical products, respectively. Common endocrine system diseases are mainly caused by abnormal up-regulation or down-regulation of hormone level, including gigantism, dwarfism, T1DM, hyperthyroidism, and cretinism. According to CIC, the market size of drugs for endocrine system diseases in China in terms of sales revenue increased from RMB82.7bn in 2018 to RMB99.7bin in 2024, which is expected to grow to RMB125.0bn in 2032 at a CAGR of 2.9%.

Ruiantuo (瑞安妥) (cinacalcet hydrochloride tablets)

Ruiantuo (瑞安妥) is a calcium-sensing receptor agonist that reduces the levels of parathyroid hormone, calcium, phosphate and the calcium-phosphate product by enhancing the calcium-sensing receptor's sensitivity to the calcium levels in the bloodstream, and is primarily used for treating secondary hyperparathyroidism (SHPT) for patients with chronic kidney disease on maintenance dialysis, hypercalcemia for patients with parathyroid carcinoma, and hypercalcemia for patients with primary hyperparathyroidism. The originator product of Ruiantuo (瑞安妥) was first approved in China in 2014. Ruiantuo (瑞安妥) obtained the marketing approval by the NMPA in March 2021, and was also successfully selected in the Fifth National VBP Scheme in June 2021.

The market size of cinacalcet in China experienced a decline in 2022 due to the reduced unit prices of cinacalcet hydrochloride tablets following their inclusion in the national VBP scheme. The market size of cinacalcet was RMB287.2mn in 2024, which is projected to grow at a CAGR of 9.1% to RMB576.2mn in 2032, according to data from CIC. As of Sep 30, 2025, 13 cinacalcet products have been approved in China, including one originator product and 12 generic drugs. Ruiantuo (瑞安妥) generated a revenue of RMB47.9mn in 2024, representing a market share of 16.7% and ranking second in terms of sales revenue in China.

Figure 41: The competitive landscape of China's cinacalcet market in terms of revenue in 2024



Source: CIC, CMBIGM

Generic Drugs for Nervous System Diseases

As of Sep 30, 2025, Haixi had commercialized Anyoufan (安优凡), escitalopram oxalate tablets, which is a pure S-enantiomer of the bicyclic phthalane derivative citalopram that inhibits 5-HT reuptake in the central nervous system, thereby enhancing central serotonergic function. Anyoufan (安优凡) generated revenue of RMB0.6mn, RMB5.4mn and RMB10.1mn in 2022, 2023 and 2024, respectively, accounting for 0.3%, 1.7% and 2.2% of the total revenue from sales of pharmaceutical products, respectively.

Generic Drugs for Inflammatory Diseases

As of Sep 30, 2025, Haixi had commercialized four drugs for inflammatory diseases, including Saixifu (赛西福), Antuofei (安妥飞), Yinganke (盈安可) and Anfeiping (安飞平). In 2022, 2023 and 2024, the drugs for inflammatory diseases contributed revenue of RMB0.5mn, RMB4.8mn and RMB47.6mn, respectively, representing 0.3%, 1.5% and 10.3% of the total revenue from sales of pharmaceutical products, respectively. Particularly, the market size of drugs for rheumatic diseases in China recorded a CAGR of 1.4% from RMB19.8bn in 2018 to RMB20.4bn in 2024, and is projected to reach RMB22.7bn in 2032 with a CAGR of 1.4%, according to CIC.

Saixifu (赛西福) (hydroxychloroquine sulfate tablets)

Saixifu (赛西福) can interfere with metabolic enzyme activity and inhibit DNA replication and is primarily used to treat rheumatoid arthritis, juvenile chronic arthritis, systemic and discoid lupus erythematosus. The originator product of Saixifu (赛西福) was first launched in China in 1995. In October 2023, NMPA granted marketing approval to Saixifu (赛西福), which was successfully selected in the provincial VBP schemes in Fujian and Hebei in Dec 2023 and Jun 2024, respectively, and in the Tenth National VBP Scheme in Dec 2024. Additionally, the market size of hydroxychloroquine in China grew at a CAGR of 7.7% from RMB1,153.4mn in 2018 to RMB1,796.9mn in 2024. As of Sep 30, 2025, 13 hydroxychloroquine sulfate tablets were approved for sale in China, including one originator product and 12 generic drugs.

Other Inflammatory Products

As of Sep 30, 2025, Haixi had commercialized three other drugs for inflammatory diseases, including (i) Antuofei (安妥飞), a generic of celecoxib capsules; (ii) cobamamide capsules; and (iii) Anfeiping (安飞平), a generic of diclofenac sodium enteric-coated tablets.

A rich pipeline of generic drug candidates

Haixi's pipeline of generic drug candidates primarily focuses on drugs for digestive system diseases, cardiovascular system diseases, inflammatory diseases and nervous system diseases, all of which possess high entry barriers and significant unmet clinical needs. The Company expected all these generics candidates to gain marketing approved by the NMPA in 2025 or 2026. Specifically, Haixi aims to get marketing approvals for three to five generic drugs each year in the next five years.

Figure 42: Selected information on the company's generic drug candidates

Pipeline of Generic Drug Candidates — Products under Development								
Drug Name	Dosage Form	Indication	Pre-Clinical	BE Study	ANDA	ANDA Approval	Expected Upcoming Milestone	Origin
Sodium Valproate Sustained-Release Tablets (I)	Oral	Epilepsy	China				Expected to obtain approval in 2025	Collaborative R&D
Sodium Potassium Magnesium and Calcium Concentrated Solution for Injection	Injection	Electrolyte supplementation	China				Expected to obtain approval in 2026	Collaborative R&D
Pentoxifylline Sustained-release Tablets	Oral	Brain dysfunction and peripheral blood circulation disorders	China				Expected to obtain approval in 2026	Developed in-house
Paracetamol Ibuprofen Tablets	Oral	Mild to severe pain	China				Expected to obtain approval in 2026	Collaborative R&D
Polaprezinc Granules	Oral	Gastric mucosal protection	China				Expected to obtain approval in 2026	Developed in-house
Iguratimod Tablets	Oral	Arthritis	China				Expected to submit ANDA in 2025	Developed in-house
Pinaverium Bromide Tablets	Oral	Irritable bowel syndrome and functional disorders of biliary tract	China				Expected to submit ANDA in 2025	Developed in-house
Lercanidipine Hydrochloride Tablets	Oral	Hypertension	China				Expected to submit ANDA in 2025	Developed in-house

Source: Company data, CMBIGM

Competitive strengths and strategies of Haixi

Robust, scalable and sustainable product portfolio and pipeline

Commercialized generic drugs

Sales of generic drugs are an important source of Haixi's cash flow, and VBP schemes are the key driving force behind its expansion of market share in generic drugs. As of Sep 30, 2025, Haixi had 15 fast-to-market and high-quality generic drugs with high technical barriers approved for marketing. Those commercialized generics products have been generating rich cash flow to fuel its rapid revenue growth as well as support its innovative R&D strategies. The flagship generic drugs in the company's product portfolio include Anbili (安必力), Haihuitong (海慧通), Ruiantuo (瑞安妥) and Saixifu (赛西福). Particularly, Anbili (安必力), Haihuitong (海慧通) and Ruiantuo (瑞安妥) ranked second, first and second, respectively, in terms of their sales in each of their respective product category in China, with market shares of 25.7%, 59.3% and 16.7% in 2024, according to CIC. Note that all of the above-mentioned four generic products were successfully selected in the National VBP Scheme and included in the NRDL.

Figure 43: Haixi's commercialized products which were selected in VBP schemes as of Sep 2025

Product	National/Provincial	Selected in VBP scheme since
Anbili (安必力)	National	February 2021
Ruiantuo (瑞安妥)	National	June 2021
Haihuitong (海慧通)	National	April 2023
Saixifu (赛西福)	National	December 2024
Anyoufan (安优凡)	Provincial	September 2022
Anliding (安立定)	Provincial	December 2024
Haibiping (海必平)	Provincial	June 2022
Haikexi (海可喜)	Provincial	May 2024

Source: Company data, CMBIGM

Generic drug candidates

As of Sep 30, 2025, Haixi has also developed a pipeline of generic drug candidates in the BE (bioequivalence) studies or ANDA stage, including generics of paracetamol ibuprofen tablets, benidipine hydrochloride tablets, pentoxifylline sustained-release tablets, and cetirizine hydrochloride oral solution, to name a few. The Company expected all these products to be approved for marketing by the NMPA in 2025 or 2026. Supported by its continuous R&D efforts in consistency evaluation process, Haixi aims to obtain marketing approvals for three to five generic drugs each year in the next five years.

Pipeline of innovative drug candidates

Haixi's R&D of innovative drugs is based on its insights in inflammation and immunomodulation with a strategic focus on multi-target small molecule drugs. Multi-target small molecule drugs can simultaneously act on selective targets within a disease network, thus producing synergistic effects to the indications. The advantages of multi-target small molecule drugs primarily include improved efficacy, reduced drug resistance and simplified treatment regimens. As of Sep 30, 2025, Haixi had established an innovative pipeline of four drug candidates, including two in clinical stage.

A potential first-in-class innovative drug product, C019199 is a multi-mechanism immuno-modulator targeting CSF-1R/ DDR1/ VEGFR2. Haixi is investigating the efficacy and safety of C019199 as both monotherapies and combination treatment with anti-PD-1 mAbs. Haixi expected to complete the Phase II clinical trial for HER2-breast cancer in monotherapy in 2025 while expecting to initiate Phase III clinical trials for C019199 for osteosarcoma and TNBC in combination with anti-PD-1 mAbs in China in 1H26. Other innovative drug candidates in Haixi's pipeline include HXP056, a potential first oral drug therapy treating ocular fundus diseases such as wAMD, DME and RVO, HXP089, designed for the treatment of glioma, and HXP090, an innovative candidate for idiopathic pulmonary fibrosis (IPF).

Strong commercialization capabilities

Haixi has established a sales team of 37 employees with an average of ~10 years of experience in the pharmaceutical industry. In 2022, 2023 and 2024, the average per capita sales revenue by Haixi's sales team reached RMB10.8mn, RMB10.0mn and RMB13.6mn, respectively. Through selection of its products in the national and provincial VBP schemes, Haixi was able to significantly expand its sales and distribution network nationwide. As of Sep 30, 2025, Haixi's sales and distribution network covered over 18,000 hospitals and other medical institutions, including over 5,100 Grade III or II hospitals, as well as over 22,000 pharmacies located in all of the provinces, municipalities and autonomous regions in China.

Under its multi-dimensional sales model, Haixi treats hospitals as its focal points and has gradually expanded into other sales channels, including retail pharmacies, online pharmacies and internet medical platforms. However, Haixi mainly derived its revenue from hospitals and other medical institutions through national and provincial VBP schemes, which accounted for more than 90% of its total revenue during 2022-2024. The hospital-focusing approach allows the company to leverage its reputation and brand image from its collaboration with hospitals and to explore the potential of new sales channels. As of Sep 30, 2025, Haixi had partnered with over 200 pharmacy chains and around 500 single pharmacy stores to make its products available to a wide patient base.

Excellent R&D team and product development platforms

Haixi's R&D team covers the full end-to-end cycle of pharmaceutical R&D, ranging from medicinal chemistry, formulation, and preclinical research, to quality control, quality assurance, clinical operation, and regulatory affairs. The integration of these R&D capabilities delivers strong synergy that supports the company's continuous growth. As of Sep 30, 2025, Haixi's R&D team comprised of 112 researchers who possess both international perspectives and local pharmaceutical experience. Haixi has demonstrated strong in-house R&D capabilities by successfully launching its generic products and advancing its innovative candidates. The Company has also collaborated with other parties and provided its clients with technical support.

Additionally, Haixi has built two product development platforms, namely the multi-target innovative drug development platform and the generic drug development platform. The technology platforms enable the Company to continuously develop and advance the drug candidates across multiple therapeutic areas in its pipeline.

Figure 44: Product development platforms of Haixi

Platform	Capabilities
Multi-target innovative drug development platform	• Facilitate the screening, discovery and optimization of compound candidates, and extend Haixi's pipeline to cover a variety of therapeutic areas with improved success rate of drug development. • Drug discovery project selections are focused on the therapeutic areas with unmet medical needs. • With robust biochemical and cellular assays, Haixi's in-house biology team could screen commercial and in-house compound library to identify and select lead compound series for optimization. • Haixi has developed four innovative drug candidates with its multi-target innovative drug development platform.
Generic drug development platform	• Focus on developing generic drugs that could obtain regulatory approvals in a timely manner and that possess substantial market potential but yet to be selected in national VBP schemes. • Has developed technologies to support (i) the development of high-variability drugs; (ii) the formulation development of fixed-dose combination drugs; (iii) the study of sustained and controlled-release drugs; and (iv) the study of insoluble drugs, all of which enabled the pass of consistency evaluation of all 15 generic products.

Source: Company data, CMBIGM

Optimized production capacity supported by in-house and external facilities

As the first Fujian pharmaceutical company that has obtained MAH (Marketing Authorization Holder) manufacturing license, Haixi primarily focuses on the R&D and commercialization of its generic and innovative products, and typically outsources the manufacturing of its drug products to qualified CMOs. The Company is currently in the process of constructing its own manufacturing facility in Fuzhou to support its expansion and growing product portfolio, creating a dual-track production mode that are efficient while mitigating production risks.

Manufacturing Collaboration with Qualified CMOs

As of Sep 30, 2025, Haixi outsourced the manufacturing of its commercialized drugs to qualified CMOs, through which Haixi procured APIs, excipients and packaging materials. The company also collaborated with a small number of qualified CMOs to support its clinical development and production of certain drugs. In the near future, Haixi will continue to outsource the manufacturing of its products and drug candidates to qualified CMOs, and start to utilize its own manufacturing facility once the construction is completed.

In-house Manufacturing Facility

To enhance its production capabilities for generic and innovative drugs, Haixi is constructing its own manufacturing facility in Changle, Fuzhou with a total GFA of around 90,000 sq.m. Specifically, Haixi has obtained the Drug Manufacturing License from Fujian Medical Products Administration (福建省药品监督管理局) in Dec 2024. The Company has completed the installation of production lines for oral solid dosage production with designed annual production capacity of 2.0 billion tablets and capsules, and completed the construction for the manufacturing facility in 1H25. The Company plans to shift the majority of its production activities to the Changle Facility in the next two years in a phased manner, while maintaining collaborations with selected CMOs to provide supplementary production capacity in the foreseeable future.

Seasoned management team with international vision

Haixi is led by a management team with extensive experience, in-depth industry knowledge and global vision. Members in the management team possess an average of more than 20 years of experience in the pharmaceutical industry, covering R&D, sales and marketing, and manufacturing. The seasoned management has guided the Company to become a pharmaceutical company with a pipeline of innovative drug candidates in China.

Figure 45: The Board of Directors of Haixi

Name	Age	Positions	Responsibility and experience
Dr. Kang Xinshan (康心汕)	54	Executive director, chairman of the Board and general manager	Responsible for the overall strategy planning of business operations and making key business and operational decisions of the Company
Ms. Feng Yan	50	Executive director and deputy general manager	Responsible for the overall strategy planning of business operations and making key business and operational decisions of the Company
Dr. Chen Guangming	61	Executive director, deputy general manager and chief scientific officer	Responsible for overseeing the R&D activities, strategic planning and operational management of the Company
Dr. Chen Shuyi (陈枢仪)	44	Executive director	Responsible for providing advice related to generic drugs and marketing of the Company

Source: Company data, CMBIGM

Future strategies

Continue to invest in R&D to enrich product portfolio and pipeline

(1) Innovative drugs

Leveraging the R&D platform for small molecule modulators relating to immune and inflammatory responses, Haixi will continue to advance the development of its innovative drug candidates. The company expects to complete the Phase III clinical trial of C019199 for osteosarcoma and submit an NDA application to the NMPA by 2026, with anticipated NDA approval by 2027. The company also expects to initiate the Phase III clinical trial of combination therapy of C019199 and anti-PD-1 mAbs for advanced solid tumors in China by 2025. In addition, Haixi submitted an IND application to the NMPA for its second innovative drug candidate that targets ophthalmic diseases in Jan 2025, and has initiated the Phase I clinical trials in Jun 2025. Haixi also plans to submit (i) an IND application to the NMPA for the Company's third innovative drug candidate that targets gliomas in 1H26; and (ii) an IND application for the Company's fourth innovative drug candidate treating respiratory diseases such as IPF, and initiate Phase I/II clinical trials in 1H27. The Company also plans to initiate international multi-center clinical trials of its innovative drug candidates in the future, while actively seeking international partners to boost its international commercialization capabilities.

(2) Generic drugs

Besides innovative R&D, Haixi will continue to develop generic drugs to improve patients' accessibility, enrich its product portfolio and reinforce its market position. As of Sep 30, 2025, the company had five generic drug candidates in ANDA review, three generic drugs at BE study stage and more than ten generic drugs under early stage development, which

the Company plans to complete in the next three years. The Company expects to obtain marketing approvals for three to five generic drugs in the pipeline in each of the next five years. After the company launches its new generic drugs, Haixi will actively participate in the bidding in national and provincial VBP schemes. Generic drugs will provide a stable support to Haixi's business growth and generate cash flow to support the development of innovative drugs.

Continue to enhance commercialization capacities

Haixi plans to strengthen its sales team by (i) enhancing their professional expertise through continuous on-job trainings; and (ii) expanding the sales team to meet its increasing marketing demand with respect to its growing generic drug portfolio as well as C019199, which is scheduled to be commercialized in 2027. Based on the commercialization schedule of innovative drug candidates, Haixi plans to hire talent with rich expertise in the pharmaceutical industry and strong market development abilities to promote its innovative drugs across China.

Strengthening the sales and distribution network not only increases the market share of Haixi's commercialized generic drugs, but also provides support for its innovative drugs to be launched in the future. For generic drugs, Haixi's sales strategy will still remain on national and provincial VBP schemes. At the same time, the Company will strive to expand its sales and distribution network to cover all the secondary and tertiary hospitals in the regions where it wins the bidding in national or provincial VBP schemes. In addition, Haixi plans to expand its sales and distribution network abroad by cooperating with reputable pharmacy chains and retail pharmacies.

Improve R&D capacities and pursue collaboration opportunities

Haixi plans to improve its R&D capacities by expanding the R&D team through both internal training and external recruitment, as well as by collaborating with other pharmaceutical companies to accelerate the R&D process of its generic and innovative drugs. The Company will make full use of the internal and external R&D resources available to advance its R&D projects efficiently, further enhance its R&D capacities and foster continuous innovation. More importantly, the Company will actively explore opportunities to collaborate with MNCs to expand its international clinical development and commercialization efforts.

Expand production capacity and further strengthen quality control

Haixi plans to align its production and quality management systems with global quality standards such as EU GMP and the US cGMP. The company also plans to invest in production facilities to further expand its annual production capacity.

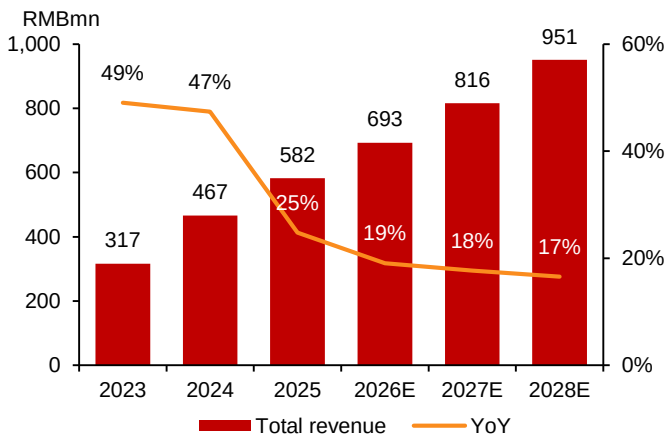
Continuously recruit, cultivate and retain talent

Haixi is eager to attract and retain multidisciplinary talent with innovative drug development and international clinical trial expertise to strengthen the company's R&D capacities. To support sustainable growth, the company will enhance employee training system and foster continuous employee self-improvement. Additionally, the company plans to refine its incentive schemes with competitive compensation, equity participation, and promotion opportunities, aligning personal development with the Company's long-term strategies.

Financial analysis

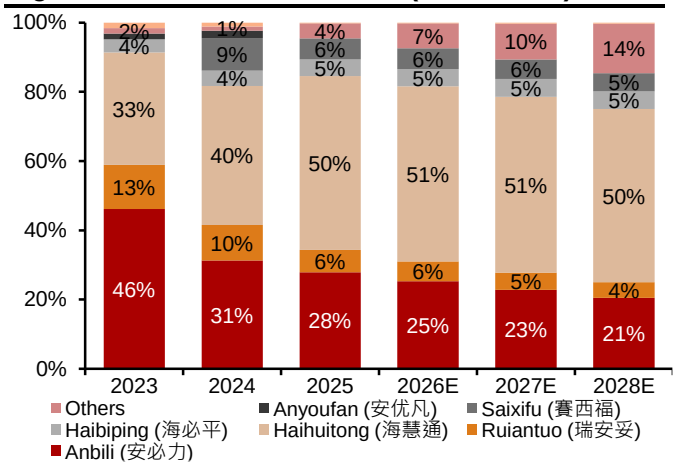
We expect Haixi's total revenue to reach RMB693mn/ RMB816mn/ RMB951mn in 2026E/ 27E/ 28E, representing YoY growth of 19.1%/ 17.7%/ 16.6%, respectively, driven by the steady contributions of its generic products currently in VBP schemes as well as those to be included in future VBP schemes, along with newly-approved generic products going forward. We expect Haixi's innovative pipeline, particularly C019199 and HXP056, to serve as a major driver for the Company's long-term growth prospects. For the bottomline, we expect Haixi to book net profit of RMB211mn/ RMB245mn/ RMB281mn in 2026E/ 27E/ 28E, with YoY growth of 18.9%/ 16.2%/ 14.9%, respectively.

Figure 46: Revenue forecast (2023-2028E)



Source: Company data, CMBIGM estimates

Figure 47: Revenue breakdown (2023-2028E)



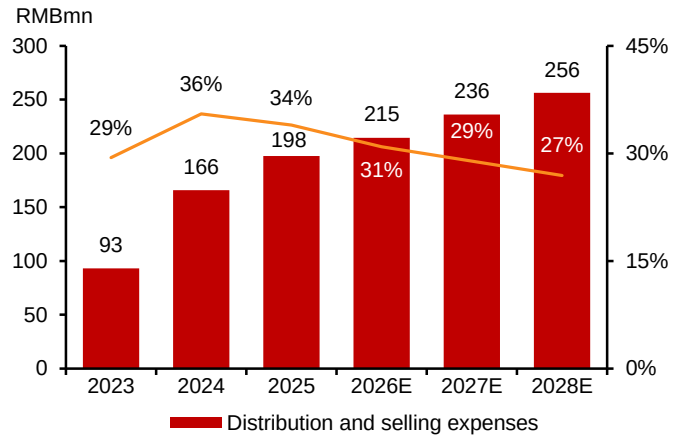
Source: Company data, CMBIGM estimates

Figure 48: P&L forecasts (2023-2028E)

(YE 31 Dec) RMB mn	2023	2024	2025	2026E	2027E	2028E
Revenue	**317**	**467**	**582**	**693**	**816**	**951**
YoY	*49.0%*	*47.4%*	*24.8%*	*19.1%*	*17.7%*	*16.6%*
Cost of sales	(53)	(79)	(97)	(118)	(139)	(162)
% of revenue	*-16.7%*	*-17.0%*	*-16.6%*	*-17.0%*	*-17.0%*	*-17.0%*
Gross profit	**264**	**387**	**486**	**576**	**677**	**789**
GPM	*83.3%*	*83.0%*	*83.4%*	*83.0%*	*83.0%*	*83.0%*
Research and development expenses	(36)	(68)	(74)	(108)	(144)	(187)
% of revenue	*-11.4%*	*-14.5%*	*-12.6%*	*-15.6%*	*-17.6%*	*-19.6%*
Distribution and selling expenses	(93)	(166)	(198)	(215)	(236)	(256)
% of revenue	*-29.4%*	*-35.5%*	*-33.9%*	*-30.9%*	*-28.9%*	*-26.9%*
Administrative expenses	(14)	(21)	(22)	(25)	(28)	(31)
% of revenue	*-4.5%*	*-4.5%*	*-3.8%*	*-3.6%*	*-3.4%*	*-3.3%*
Finance costs	(8)	(7)	(6)	(8)	(8)	(9)
% of revenue	*-2.4%*	*-1.5%*	*-1.0%*	*-1.1%*	*-1.0%*	*-0.9%*
Other income/ expenses, net	20	23	12	18	19	19
% of revenue	*6.4%*	*5.0%*	*2.0%*	*2.6%*	*2.3%*	*2.0%*
Profit before tax	**133**	**149**	**198**	**238**	**280**	**325**
PBT margin	*41.9%*	*31.9%*	*34.0%*	*34.3%*	*34.3%*	*34.2%*
Income tax expense	(15)	(13)	(21)	(28)	(35)	(44)
% tax rate	*11.6%*	*8.7%*	*10.6%*	*11.6%*	*12.6%*	*13.6%*
Profit for the year	**117**	**136**	**177**	**210**	**245**	**281**
NPM	*37.1%*	*29.2%*	*30.4%*	*30.4%*	*30.0%*	*29.6%*

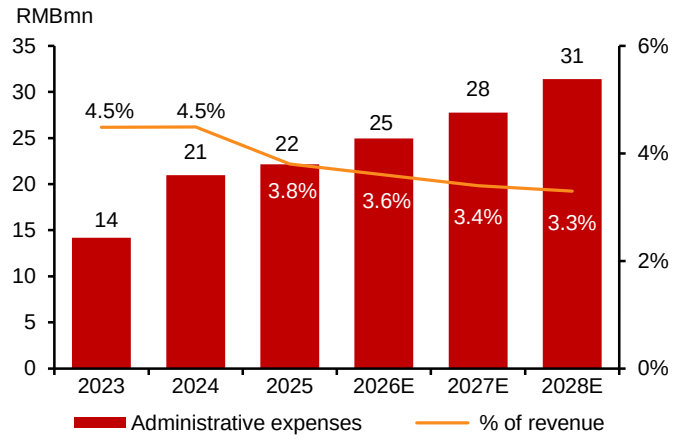
Source: Company data, CMBIGM estimates

Figure 49: Distribution & selling expenses forecasts (2023-2028E)



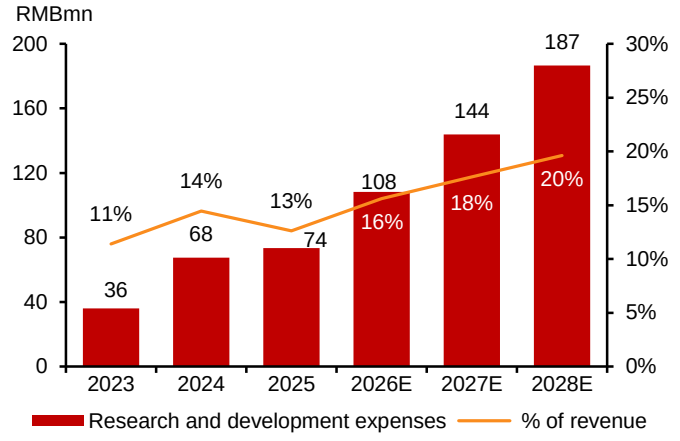
Source: Company data, CMBIGM estimates

Figure 50: Admin expenses forecasts (2023-2028E)



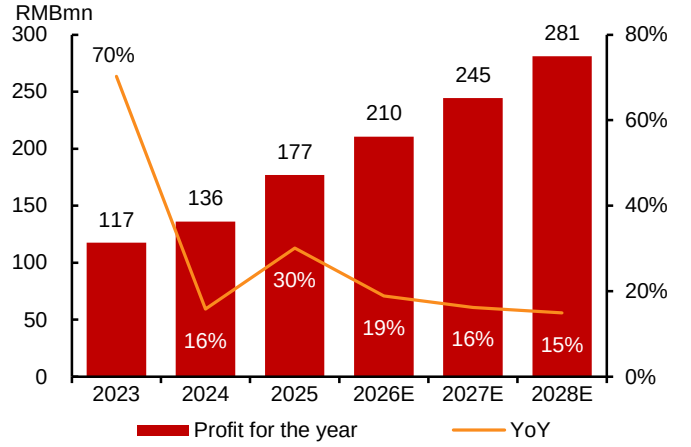
Source: Company data, CMBIGM estimates

Figure 51: R&D expenses forecasts (2023-2028E)



Source: Company data, CMBIGM estimates

Figure 52: Net profit forecasts (2023-2028E)



Source: Company data, CMBIGM estimates

Figure 53: CMBIGM estimates vs consensus

	CMBIGM			Consensus			Diff (%)		
RMB mn	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	693	816	951	733	872	967	-5.40%	-6.42%	-1.65%
Gross profit	576	677	789	612	731	813	-5.99%	-7.38%	-2.91%
Operating profit	228	270	315	197	219	240	15.57%	23.09%	31.31%
Net profit	210	245	281	199	225	249	6.03%	8.94%	13.10%
EPS (RMB)	2.67	3.11	3.57	2.52	2.85	3.16	6.12%	9.03%	13.18%
Gross margin	83.00%	83.00%	83.00%	83.52%	83.86%	84.08%	-0.52ppt	-0.86ppt	-1.08ppt
Operating margin	32.84%	33.04%	33.14%	26.88%	25.11%	24.82%	+5.96ppt	+7.92ppt	+8.32ppt
Net margin	30.35%	29.97%	29.55%	27.08%	25.75%	25.70%	+3.27ppt	+4.23ppt	+3.85ppt

Source: Bloomberg, CMBIGM estimates

Valuation

We derive a TP of HK$280.00 on a 10-year DCF valuation with WACC of 13.2% and terminal growth rate of 2.0%. We are positive in Haixi's dual business model, consisting of innovative and generics pipelines, and expect C019199 and HXP056 to be major business driver for Haixi in the long run.

Figure 54: DCF valuation of Haixi

DCF Valuation (RMB mn)	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
EBIT	246	288	334	2,324	1,642	2,119	2,804	3,662	4,532	5,357
Tax rate	11.6%	12.6%	13.6%	14.6%	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%
EBIT*(1-tax rate)	217	252	288	1,984	1,385	1,788	2,366	3,090	3,824	4,520
+ D&A	8	11	14	16	19	22	24	27	29	32
- Change in working capital	37	11	12	(28)	164	79	70	42	16	(8)
- Capex	(150)	(150)	(150)	(150)	(150)	(150)	(150)	(150)	(150)	(150)
FCFF	**112**	**123**	**164**	**1,822**	**1,419**	**1,739**	**2,311**	**3,008**	**3,719**	**4,394**
Terminal value										**39,907**

Terminal growth rate	**2.0%**
WACC	**13.2%**
Cost of Equity	17.0%
Cost of Debt	5.0%
Equity Beta	1.20
Risk Free Rate	5.00%
Market Risk Premium	10.00%
Target Debt to Asset ratio	30.0%
Effective Corporate Tax Rate	15.0%
Terminal value (RMBmn)	11,547
Total PV (RMBmn)	19,130
Net debt (RMBmn)	(792)
Equity value (RMBmn)	19,922
# of shares (mn)	79
DCF per share (in Rmb)	253.12
DCF per share (in HK$)	**280.00**

Source: CMBIGM esitmates
Note: HK$/RMB=0.90

Figure 55: Sensitivity analysis on target price (HK$)

		WACC				
		12.2%	**12.7%**	**13.2%**	**13.7%**	**14.2%**
	3.0%	342.47	318.78	297.61	278.59	261.43
	2.5%	330.27	308.21	288.39	270.52	254.33
Terminal growth rate	**2.0%**	319.26	298.62	**280.00**	263.14	247.82
	1.5%	309.28	289.88	272.32	256.36	241.81
	1.0%	300.19	281.89	265.26	250.11	236.26

Source: Company data, CMBIGM estimates

Investment risks

Risks relating to price restrictions from VBP schemes and inclusion/exclusion from such schemes

Currently, Haixi won the bids to supply eight of its generics products to public medical institutions nationally at discounted prices under relevant VBP schemes, a mechanism to purchase larger quantities of pharmaceutical products at lower prices. As a result, there can be no assurance that Haixi may have additional drugs added to such schemes in the future, potentially resulting in increased pricing pressure on Haixi's products and adversely affect the Company's revenue and profitability. If Haixi's competitors win the bid in VBP schemes while Haixi fails to do so with the same generic names, demands for Haixi's products may decrease and the Company's revenue, profitability and market share could be adversely affected. Moreover, even if the Company wins the bid for its generics products, there may be discrepancies between the estimated procurement volumes and the actual procurement volumes, creating uncertainties to Haixi's sales volume. Any future changes of policies, which Haixi may not be able to predict or control, could adversely affect its product pricing, and accordingly, revenue and profitability.

Risks relating to clinical development and commercialization of its innovative drug candidates

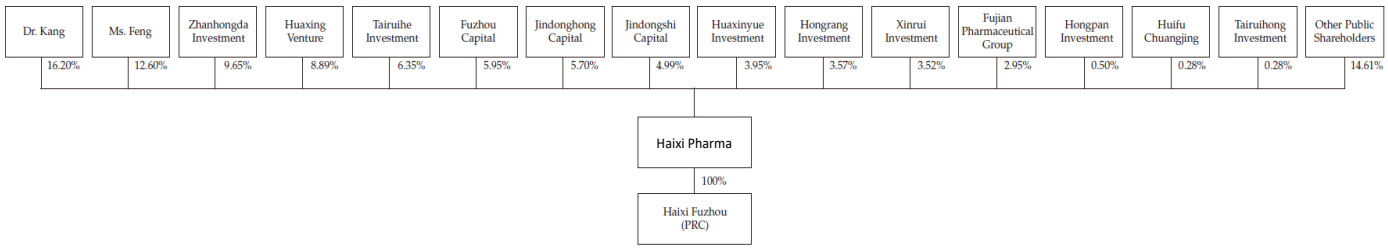
Haixi has invested a significant portion of its efforts and capital resources in the development of drug candidates, especially the innovative drugs, and the Company expects to incur substantial and increasing expenditures for the development and commercialization of those drug candidates in the future. The success of its drug candidates will depend on multiple factors, such as safety and efficacy data, enrollments of patients in clinical trials, commercial manufacturing capabilities, thus creating substantial uncertainties. Haixi's innovative drug candidates, given their novelty and differentiated features, may carry inherent development risks that could result in delays and cost overruns in clinical development, regulatory approvals or commercialization. Currently, all of its innovative drug candidates were in various phases of preclinical or clinical development. If the Company fails to achieve drug development milestones, its business prospects could be adversely affected. The NMPA, the FDA or a comparable regulatory authority may require more information, including additional preclinical or clinical data, to support approval, which may delay or prevent approvals and Haixi's commercialization plans.

Risks relating to reliance on third parties to manufacture products

Haixi has relied primarily on third-party service providers, including CMOs, to manufacture its products. Going forward, the Company intends to continue to engage CMOs to manufacture the products and drug candidates for its R&D activities and commercial sales, while gradually establishing its in-house manufacturing capabilities. In addition, Haixi and its CMOs relied on third parties to supply raw materials and products used in its R&D, clinical trials and manufacturing process. The quality of the raw materials procured and products manufactured by CMOs will depend significantly on the effectiveness of Haixi's quality control and quality assurance as well as that of its CMOs. The Company cannot assure that these quality control and quality assurance procedures will be effective in consistently preventing and resolving deviations from its quality standards.

Appendix: Company profile

Figure 56: Shareholding structure (immediately after IPO)



Source: Company data, CMBIGM.

Figure 57: Management profile

Name	Age	Positions	Responsibility and experience
Dr. Kang Xinshan (康心汕)	54	Executive director, chairman of the Board and general manager	Responsible for the overall strategy planning of business operations and making key business and operational decisions of the Company
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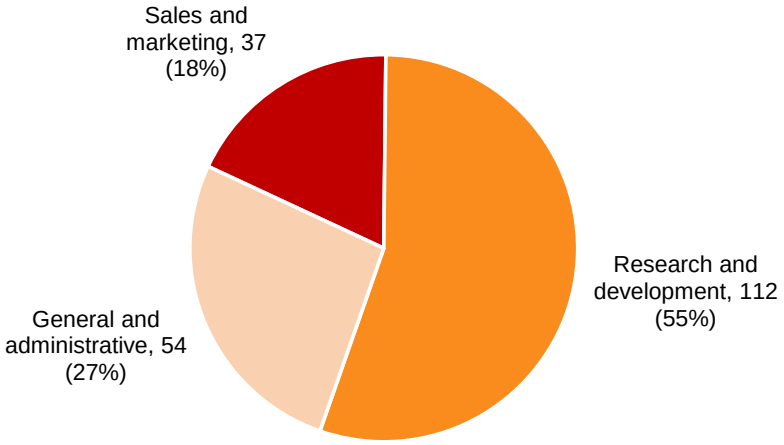
Dr. Chen Shuyi (陈枢仪)	44	Executive director	Responsible for providing advices related to generic drugs and marketing of the Company

Source: Company data, CMBIGM

Figure 58: Employee structure (as of 3Q25)



Source: Company data, CMBIGM.

Financial Summary

INCOME STATEMENT	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Revenue	**317**	**467**	**582**	**693**	**816**	**951**
Cost of goods sold	(53)	(79)	(97)	(118)	(139)	(162)
Gross profit	**264**	**387**	**486**	**576**	**677**	**789**
Operating expenses	**(143)**	**(254)**	**(293)**	**(348)**	**(408)**	**(474)**
Selling expense	(93)	(166)	(198)	(215)	(236)	(256)
Admin expense	(14)	(21)	(22)	(25)	(28)	(31)
R&D expense	(36)	(68)	(74)	(108)	(144)	(187)
Operating profit	**120**	**133**	**192**	**228**	**270**	**315**
Other gains/(losses)	20	31	20	18	19	19
Net Interest income/(expense)	**(8)**	**(7)**	**(6)**	**(8)**	**(8)**	**(9)**
Others	0	(8)	(8)	0	0	0
Pre-tax profit	**133**	**149**	**198**	**238**	**280**	**325**
Income tax	(15)	(13)	(21)	(28)	(35)	(44)
Net profit	**117**	**136**	**177**	**210**	**245**	**281**

BALANCE SHEET	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Current assets	**334**	**346**	**1,440**	**1,565**	**1,696**	**1,865**
Cash & equivalents	254	38	645	771	882	1,031
Receivables	32	35	53	52	61	72
Inventories	25	35	56	56	66	76
ST bank deposits	20	0	152	152	152	152
Financial assets at FVTPL	0	235	534	534	534	534
Other current assets	3	3	1	1	1	1
Non-current assets	**228**	**410**	**406**	**548**	**687**	**824**
PP&E	93	275	295	439	581	719
Right-of-use assets	37	34	33	31	29	27
Deferred income tax	9	6	4	4	4	4
Intangibles	0	0	0	0	0	0
Other non-current assets	89	94	73	73	73	73
Total assets	**562**	**756**	**1,847**	**2,113**	**2,383**	**2,689**
Current liabilities	**117**	**182**	**228**	**285**	**334**	**387**
Short-term borrowings	10	23	84	104	124	144
Account payables	106	144	132	168	198	231
Other current liabilities	2	15	12	12	12	12
Non-current liabilities	**39**	**32**	**25**	**25**	**25**	**25**
Long-term borrowings	32	27	20	20	20	20
Other non-current liabilities	7	6	5	5	5	5
Total liabilities	**156**	**214**	**253**	**309**	**359**	**412**
Share capital	67	67	79	79	79	79
Retained earnings	338	474	1,515	1,726	1,946	2,199
Total shareholders equity	**405**	**541**	**1,594**	**1,804**	**2,024**	**2,277**
Total equity and liabilities	**562**	**756**	**1,847**	**2,113**	**2,383**	**2,689**

CASH FLOW	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	**133**	**149**	**198**	**238**	**280**	**325**
Depreciation & amortization	4	5	8	8	11	14
Tax paid	(0)	(4)	(16)	(28)	(35)	(44)
Change in working capital	2	8	(32)	37	11	12
Others	9	6	2	8	8	9
Net cash from operations	**147**	**164**	**160**	**263**	**274**	**315**
Investing						
Capital expenditure	(44)	(138)	(45)	(150)	(150)	(150)
Net proceeds from disposal of short-term investments	120	(244)	(441)	0	0	0
Others	(89)	4	7	0	0	0
Net cash from investing	**(13)**	**(379)**	**(479)**	**(150)**	**(150)**	**(150)**
Financing						
Net borrowings	(40)	14	70	20	20	20
Proceeds from share issues	0	0	908	0	0	0
Others	(11)	(16)	(47)	(8)	(33)	(37)
Net cash from financing	**(51)**	**(1)**	**931**	**12**	**(13)**	**(17)**
Net change in cash						
Cash at the beginning of the year	171	254	38	645	771	882
Cash at the end of the year	**254**	**38**	**650**	**771**	**882**	**1,031**

GROWTH	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Revenue	49.0%	47.4%	24.8%	19.1%	17.7%	16.6%
Gross profit	53.2%	46.9%	25.4%	18.5%	17.7%	16.6%
Operating profit	49.7%	10.6%	44.5%	18.4%	18.4%	16.9%
Net profit	70.3%	15.9%	30.1%	18.9%	16.2%	14.9%

PROFITABILITY	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Gross profit margin	83.3%	83.0%	83.4%	83.0%	83.0%	83.0%
Operating margin	38.0%	28.5%	33.0%	32.8%	33.0%	33.1%
Return on equity (ROE)	33.9%	28.8%	16.6%	12.4%	12.8%	13.1%

GEARING/LIQUIDITY/ACTIVITIES	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Current ratio (x)	2.9	1.9	6.3	5.5	5.1	4.8
Receivable turnover days	23.9	26.2	27.5	27.5	27.5	27.5
Inventory turnover days	183.1	138.1	172.4	172.4	172.4	172.4
Payable turnover days	497.7	574.1	520.8	520.8	520.8	520.8

VALUATION	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
P/E	na	na	60.8	57.9	49.8	43.4
P/E (diluted)	na	na	60.8	57.9	49.8	43.4
P/B	na	na	19.9	7.6	6.8	6.0
P/CFPS	na	na	67.3	46.3	44.4	38.7

Source: Company data, CMBIGM estimates. Note: The calculation of net cash includes financial assets.

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CMB International Global Markets Limited

Address: 45/F, Champion Tower, 3 Garden Road, Hong Kong, Tel: (852) 3900 0888 Fax: (852) 3900 0800

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