



CBI

# CBI VISION

**Business Compliance Management**  
*Monthly Journal*

**2026 FEB**

**Pursuing Truth · Building Trust**

HONG KONG    XI'AN  
BEIJING        SHENZHEN  
SHANGHAI     PENANG  
GUANGZHOU   LONDON

# CONTENTS



Compliance Hotspot



Case Sharing



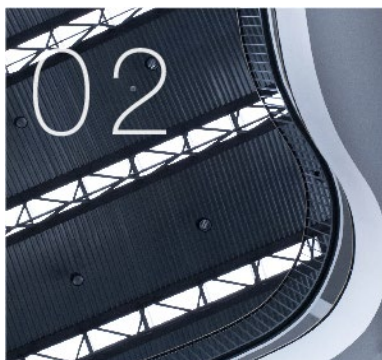
Compliance Information

# PREFACE



## The Shifting "King of Drugs": Compliance Risks and Strategic Breakthroughs Amidst the GLP-1 Market Surge

On February 4, 2026, the global pharmaceutical industry witnessed a dramatic shift in market leadership. Novo Nordisk's Semaglutide briefly ascended to the top of the global drug sales rankings, only to be overtaken hours later by Eli Lilly's Tirzepatide. According to Eli Lilly's 2025 annual fiscal report released that day, Tirzepatide officially claimed the title of the world's top-selling drug. Driven by the explosive growth of both its diabetes and weight-loss indications, the product achieved a combined annual revenue of approximately \$36.507 billion.



## Meituan's Acquisition of Dingdong Maicai: Compliance Insights from the Consolidation Wave

On February 5, 2026, Meituan issued a formal voluntary announcement on the HKEX, announcing the acquisition of all issued shares of Dingdong Maicai's China operations for an initial consideration of US\$717 million. This transaction has garnered significant attention across the on-demand fresh food retail industry and the regulatory compliance sector. As a landmark event in industry consolidation, this acquisition not only reshapes the competitive landscape of the on-demand retail market but also underscores the critical role of compliance management in large-scale M&A. It serves as a pivotal case study for regulatory compliance within the technology and internet sector.



## From "China's Lipton" to Wage Arrears: Key Lessons from CHALI's Rise and Decline

CHALI, a prominent enterprise that emerged during the "New Consumption" trend, leveraged its first-mover advantage in the teabag sector to earn the moniker "China's Lipton." After securing multiple financing rounds and leading its category in sales volume, the former market leader is now embroiled in severe wage arrears. The company faces over one hundred lawsuits and court-enforced executions totaling hundreds of millions of RMB. Furthermore, the founder has been served with consumption restriction orders, marking a significant decline from the company's operational peak.



## Compliance Hotspot

### The Shifting "King of Drugs": Compliance Risks and Strategic Breakthroughs Amidst the GLP-1 Market Surge

---

On February 4, 2026, the global pharmaceutical industry witnessed a dramatic shift in market leadership. Novo Nordisk's semaglutide briefly ascended to the top of the global drug sales rankings, only to be overtaken within hours by Eli Lilly's tirzepatide. According to Eli Lilly's 2025 annual fiscal report released that day, tirzepatide officially claimed the position as the world's top-selling pharmaceutical. Driven by explosive growth across both its diabetes and weight-loss indications, the product achieved a combined annual revenue of approximately \$36.507 billion, surpassing semaglutide's \$36.1 billion in sales and securing market leadership by a margin of \$400 million.

This competition for market dominance underscores a fierce rivalry between two primary GLP-1 receptor agonists and reflects the exponential growth of the global metabolic and weight-loss medication markets. The performance of tirzepatide was particularly significant: sales for the diabetes indication reached \$22.965 billion (a 99% year-over-year increase), while the weight-loss indication generated \$13.542 billion (a 175% surge). This robust performance not only drove Eli Lilly's total annual revenue up 44% to \$65.179 billion, with net profit soaring by 95%, but also propelled its market capitalization up by more than 10% in a single day. This surge allowed the company's total valuation to return to the \$1 trillion threshold, marking its largest single-day gain since October of the previous year.



#### Pharmaceutical Market Leadership Comparison

To provide a clear analytical overview of the market performance for both therapeutic products and Eli Lilly's overall fiscal growth, the following data presents a direct comparison of key performance indicators. These figures underscore the intense competition and significant growth potential within the GLP-1 sector:

Comparative Metrics	Tirzepatide (Eli Lilly)	Semaglutide (Novo Nordisk)	Eli Lilly Overall Performance
2025 Total Sales	USD 36.507 Billion	USD 36.1 Billion	USD \$65.179 Billion (Total Revenue)
Sales by Segment	Diabetes (GLP-1): \$22.965 Billion; Obesity (AOM): \$13.542 Billion	Non-segmented (Total \$36.1 Billion)	Net Income: \$20.64 Billion
YoY Growth Rate	Diabetes: 99%; Weight Loss: 175%	Not explicitly disclosed (slightly lower than Tirzepatide)	Revenue: 44%; Net Income: 95%; Market Cap: 10% (single-day)

Sources: Eli Lilly 2025 Annual Fiscal Report, Novo Nordisk Public Financial Disclosures, and Consolidated Industry Research Reports.

#### Four Critical Compliance Considerations Amidst Sector Expansion

The explosive growth of tirzepatide reflects the intensifying competition within the GLP-1 sector; however, rapid market expansion often coincides with heightened regulatory risks. In light of this recent shift in market leadership and current industry trends, pharmaceutical enterprises must remain vigilant regarding four critical compliance vulnerabilities to ensure sustainable operational integrity.



#### Four Critical Compliance Considerations Amidst Sector Expansion

The explosive growth of tirzepatide reflects the intensifying competition within the GLP-1 sector; however, such rapid market expansion is frequently accompanied by heightened regulatory risks. In light of this recent shift in market leadership and current industry trends, pharmaceutical enterprises must remain vigilant regarding four critical compliance vulnerabilities to ensure sustainable operational integrity.

#### (I) Marketing and Promotional Compliance Risks: Heightened Concerns Over False Advertising and Unfair Competition

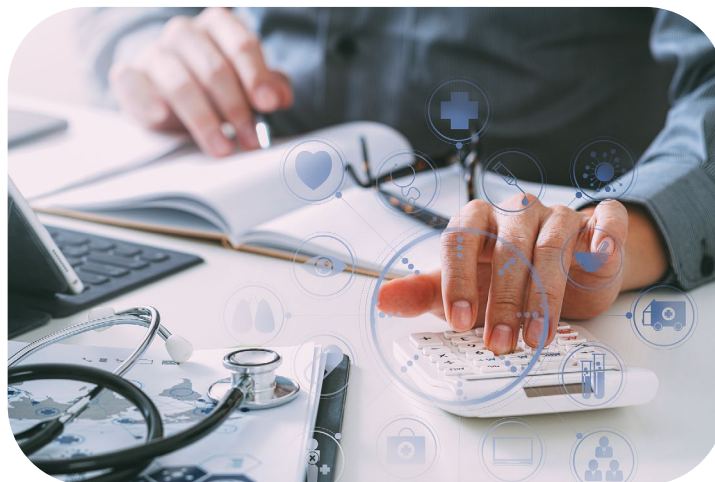
To capture market share, certain enterprises may overstep regulatory boundaries during pharmaceutical promotion. On one hand, there are concerns regarding misleading advertising, such as exaggerating the therapeutic scope of GLP-1 medications by indirectly marketing weight-loss drugs as "universal miracle weight-loss solutions" while disregarding patient eligibility restrictions and potential adverse effects.



On the other hand, instances of unfair competition are frequent; some companies may disparage competitors' products through comparative advertising or provide improper inducements to medical institutions and healthcare professionals in exchange for prescriptive bias. According to disclosures from the U.S. FDA, warning letters were issued to over 50 entities associated with GLP-1 medications in September 2025, specifically citing deceptive promotional practices, including misleading claims that compounded formulations were "identical in composition and bioequivalent" to the original innovator drugs.

## **(II) Pricing Compliance Risks: Pricing and Healthcare Insurance Compliance Vulnerabilities Amidst the Downward Pricing Trend**

Eli Lilly's fiscal report explicitly noted that a portion of the volume growth for tirzepatide was offset by a decline in the effective selling price. Since November 2025, Eli Lilly and Novo Nordisk have sequentially lowered the prices of both medications and reached pricing agreements with the U.S. government. Furthermore, these products have been included in China's National Reimbursement Drug List (NRDL). Such price fluctuations harbor underlying compliance risks. To maintain sales volume, certain enterprises may employ disguised price reductions or bundled sales to circumvent pricing regulations. Additionally, following inclusion in medical insurance catalogs, any instances of overreporting sales volumes or misappropriating healthcare insurance funds will breach the "red line" of healthcare insurance compliance, leading to severe penalties.



## **(II) Pricing Compliance Risks: Pricing and Healthcare Insurance Compliance Vulnerabilities Amidst the Downward Pricing Trend**

The exponential surge in drug sales has placed unprecedented demands on production capacity and supply chain management. In an effort to meet market demand rapidly, some enterprises may compromise quality control during the manufacturing process, resulting in violations of Good Manufacturing Practice (GMP) standards. Furthermore, as most GLP-1 receptor agonists are injectables, they are subject to stringent storage and transportation requirements. Any failures in temperature control or regulatory lapses within the supply chain could compromise drug integrity and trigger significant safety risks. The U.S. FDA has reportedly received numerous complaints regarding compounded GLP-1 medications that were not refrigerated according to specifications during transit, posing latent quality risks. Additionally, with the core patent for semaglutide set to expire in March 2026, a surge of domestic generic applications has emerged; this landscape presents potential risks of patent infringement and unauthorized contract manufacturing (CMO) arrangements.

## **(IV) Cross-Border Compliance Risks: Regulatory Harmonization Challenges in Global Expansion**

The growth of tirzepatide is driven by robust demand across international markets, achieving double-digit growth in Europe, Japan, and China. However, a global footprint inevitably introduces cross-border compliance challenges. Pharmaceutical regulatory standards vary significantly across jurisdictions; for instance, the U.S. FDA and China's National Medical Products Administration (NMPA) maintain different requirements for clinical trials and manufacturing quality. Failure to adequately adapt to local regulatory frameworks may result in enforcement actions. Furthermore, in areas such as cross-border pharmaceutical trade and technical collaborations, failure to comply with mandatory filing and approval procedures could lead to illicit import/export activities or intellectual property infringements.



### **Navigating Compliance Challenges: Four Strategic Responses for Pharmaceutical Enterprises**

To capitalize on the growth opportunities within the GLP-1 sector while effectively managing regulatory risks, pharmaceutical enterprises must move beyond the "growth-over-compliance" mindset. It is imperative to construct a comprehensive, end-to-end compliance management framework to achieve the dual objectives of high-quality corporate growth and regulatory integrity.

#### **(I) Upholding Pricing and Insurance Compliance to Standardize Revenue Models**

Enterprises must strictly adhere to price regulation policies by establishing reasonable pharmaceutical pricing and eliminating non-compliant practices such as disguised price reductions and bundled sales. It is essential to proactively cooperate with healthcare insurance authorities to standardize the utilization of insurance funds, strictly prohibiting the overreporting of sales volumes or the misappropriation of healthcare insurance assets. Organizations should implement dynamic price monitoring mechanisms to maintain real-time oversight of market fluctuations and proactively mitigate pricing risks. Furthermore, companies should strategically refine their revenue models to achieve sustainable growth through technological innovation and cost optimization, rather than relying on price wars or non-compliant operational practices.

#### **(II) Enhancing Production and Supply Chain Controls to Fortify Quality Assurance**

Enterprises must strengthen quality control throughout the manufacturing process by strictly adhering to Good Manufacturing Practice (GMP) standards and standardizing production workflows to ensure pharmaceutical quality meets regulatory benchmarks. It is critical to reinforce end-to-end supply chain management and establish robust supplier audit and evaluation mechanisms. In response to market competition following patent expirations, organizations must intensify intellectual property (IP) management to mitigate infringement risks. Concurrently, increasing investment in research and development (R&D) is essential to enhance core competitiveness and ensure long-term operational resilience.

### **(III) Aligning with International Regulatory Frameworks to Mitigate Cross-Border Compliance Risks**

As enterprises pursue global expansion, it is essential to conduct in-depth research into the pharmaceutical regulatory frameworks of diverse jurisdictions. Organizations must establish cross-border compliance management systems to ensure that all operational activities align with local regulatory requirements. Furthermore, companies should strengthen communication with local regulatory authorities to remain informed of policy shifts and proactively adjust business strategies. Standardizing the approval and filing processes for cross-border pharmaceutical trade and technical collaborations is critical to preventing intellectual property infringements and illicit import/export activities.

The ascent of tirzepatide to market leadership marks a new phase of competition within the GLP-1 sector and highlights the dynamic vitality of the global pharmaceutical industry. However, amidst this rapid market expansion, compliance remains the fundamental pillar of corporate survival and growth. Pharmaceutical enterprises must confront the regulatory vulnerabilities underlying high-speed growth by constructing comprehensive, multi-dimensional compliance management systems.

Only by strictly adhering to compliance benchmarks can organizations achieve long-term stability and sustainable development in an intensifying market landscape. Looking ahead, as regulatory frameworks continue to mature, compliance integrity will become a core competitive advantage. For pharmaceutical leaders, a "compliance-first" strategy is the only viable path to enduring success.



## Case Sharing

# Meituan's Acquisition of Dingdong Maicai: Compliance Insights from the Consolidation Wave

---

On February 5, 2026, Meituan issued a formal disclosure HKEX , announcing the acquisition of all issued shares of Dingdong Maicai's China operations for an initial consideration of US\$717 million. This transaction has attracted significant attention across the on-demand fresh food retail sector and the regulatory compliance field. As a landmark event in industry consolidation, this acquisition not only reshapes the competitive landscape of the on-demand retail market but also underscores the pivotal role of compliance management in large-scale M&A. It serves as a critical reference for regulatory compliance and corporate governance within the internet and technology sector.

### I. Transaction Overview: Strategic Integration of Meituan and Dingdong Maicai

According to Meituan's official disclosures, the parties entered into a **Share Purchase Agreement** (SPA) during non-trading hours on February 5, 2026. The initial consideration is set at US\$717 million, subject to customary post-closing adjustments. The agreement specifies that the transferor is permitted to extract up to US\$280 million from the target group, provided that the **\*\*net cash position\*\*** of the target group remains no less than US\$150 million. This transaction pertains exclusively to Dingdong Maicai's operations in China; its overseas business units will be divested prior to closing. During the transition period, Dingdong Maicai will maintain its existing operational model to ensure business continuity. From a fundamental perspective, Dingdong Maicai is a premier player in China's fresh food e-commerce sector, specializing in the "Front-line Warehouse" (Dark Store) model with a hallmark "29-minute delivery" service. As of September 2025, the company operated over 1,000 front-line warehouses with more than 7 million monthly active purchasers. In Q3 2025, it reported a revenue of RMB 6.66 billion, marking seven consecutive quarters of year-on-year growth, underpinned by a robust supply chain and a loyal user base.

Meituan, a diversified internet service platform, has prioritized the grocery retail sector through its self-operated on-demand brands, such as Xiaoxiang Supermarket. This acquisition aims to synthesize both parties' product capabilities, technology, and operational efficiencies to consolidate Meituan's market position in the on-demand fresh food retail space. Upon completion of the transaction, Dingdong Maicai will become an indirect wholly-owned subsidiary of Meituan, and its financial results will be consolidated into Meituan's financial statements.



## II. Compliance Focus: Core Risk Challenges Throughout the M&A Lifecycle

From its inception, this acquisition has been subject to multifaceted compliance scrutiny across dimensions including anti-monopoly, financial transparency, operational integration, and labor rights. Among these, anti-monopoly compliance has emerged as the critical determinant for the transaction's ultimate closure.

### (I) Anti-Monopoly Compliance: The Primary Regulatory Hurdle

According to market analysis, the post-merger entity of Meituan and Dingdong Maicai would command an 80% market share of the front-line warehouse (dark store) sector in key regions such as Shanghai and exceed 50% nationwide. This directly triggers the "single enterprise exceeding 50% market share" regulatory threshold established under the Anti-Monopoly Law. Furthermore, given that Meituan was previously fined RMB 3.4 billion in 2021 for monopolistic practices in the food delivery sector—with its rectification period indefinitely extended—and has recently faced new antitrust probes regarding delivery competition, regulatory authorities are expected to exercise even more stringent compliance oversight on this M&A activity.

### (II) Financial Compliance: The Foundation for Transaction Legality

In terms of financial compliance, both parties must strictly adhere to accounting standards and regulatory requirements to disclose core information, including the valuation methodology for the consideration and the asset-liability position of the target group, ensuring the authenticity and accuracy of financial data.

### (III) Operational and Labor Rights Compliance: Critical Extensions of Regulatory Integration

At the operational compliance level, both parties must systematically assess regulatory risks across front-line warehouse operations, fresh food supply chains, and user data management. Particular emphasis must be placed on Personal Information Protection (PIP); the parties are required to strictly adhere to the Personal Information Protection Law (PIPL) to ensure that user data is neither leaked nor misappropriated during the M&A process, achieving seamless regulatory integration post-closing.

Regarding labor rights compliance, Dingdong Maicai's founder, Liang Changlin, has explicitly committed to maintaining the stability of the workforce and business operations following the acquisition. This commitment serves as both an expression of Corporate Social Responsibility (CSR) and a strategic measure to mitigate labor compliance risks, thereby preventing potential disputes related to employee resettlement or restructuring that often accompany large-scale mergers.



### III. Compliance Insights: Strategic Frameworks for Regulatory Management in Internet M&A

Meituan's acquisition of Dingdong Maicai offers three pivotal insights for compliance management within the internet sector, providing a practical blueprint for future corporate mergers and acquisitions.

#### 1. Proactive Anti-Monopoly Positioning

Anti-monopoly compliance must be integrated into the pre-deal phase. Prior to initiating an acquisition, enterprises should conduct rigorous market share calculations and antitrust risk assessments. It is essential to proactively file notifications with regulatory authorities to eliminate the non-compliant practice of "closing first, reporting later." This approach aligns with the requirements of the newly implemented Provisions on the Prohibition of Monopoly Agreements.

#### 2. Comprehensive Lifecycle Compliance Oversight

M&A compliance must encompass the entire transaction lifecycle—from negotiations and signing the Definitive Agreement to asset divestitures and post-merger integration (PMI). At every stage, robust compliance review mechanisms must be established to define accountability and safeguard against risks such as financial fraud, data breaches, and regulatory lapses.

### 3. Synchronization of Compliance and Strategic Growth

Compliance management must operate in synergy with strategic objectives. Corporate acquisitions should move beyond the mere pursuit of market share and strictly adhere to compliance benchmarks. Through compliant integration, firms can achieve optimal resource allocation and avoid transaction failure or severe regulatory sanctions resulting from compliance violations.

#### **Compliance is the "Lifeline" of M&A Transactions**

Currently, the trend of consolidation within the internet industry is increasingly evident. Leading enterprises are demonstrating a growing demand for scale expansion and business extension through mergers and acquisitions (M&A). However, compliance management remains the definitive "lifeline" of any transaction.

Meituan's acquisition of Dingdong Maicai demonstrates that for large-scale M&A to succeed, compliance management must be embedded throughout the entire transaction lifecycle. By prioritizing the mitigation of core risks in antitrust, financial reporting, and data security, and by proactively cooperating with regulatory scrutiny, enterprises can ensure the successful execution of deals and their subsequent sustainable development.

Looking ahead, as regulatory frameworks continue to mature, M&A compliance will become an essential component of an enterprise's core competitiveness. Ultimately, this will drive the internet industry toward high-quality development within a robust regulatory framework.



**As a specialized service provider dedicated to corporate compliance investigations and due diligence, CBI has deep-rooted expertise within the compliance sector, helping enterprises accurately resolve complex compliance challenges. We conduct thorough investigations into potential compliance risks and provide professional investigative reports and optimization solutions to safeguard the compliant operations of your enterprise.**

## Compliance Information

### From "China's Lipton" to Wage Arrears: Key Lessons from CHALI's Rise and Decline

CHALI, a brand that rose to prominence during the "New Consumption" wave, once leveraged its first-mover advantage in the tea bag sector to become the purported "China's Lipton." The company secured multiple rounds of financing and consistently topped sales charts in its category.

However, this high-profile enterprise has recently become embroiled in a severe wage arrears crisis. The situation involves hundreds of lawsuits and judicial execution amounts exceeding RMB 100 million. Furthermore, the founder has been hit with consumption restriction orders (spending limits). The trajectory of CHALI's decline from its peak offers a sobering cautionary tale for the industry.



#### Zenith: The Ascent of "China's Lipton"

When CHALI was founded in 2013, the domestic tea market was dominated by loose-leaf tea, with a notable scarcity of standardized and convenient products. CHALI accurately captured the demands of young white-collar professionals, entering the market with whole-leaf triangular tea bags and flavored blends. Leveraging e-commerce channels and social media marketing, the brand achieved a rapid breakthrough.

Between 2018 and 2021, CHALI entered an exponential growth phase, securing the top spot in Tmall's Double 11 herbal tea category for four consecutive years. During the 2021 "618" Shopping Festival, the brand topped the tea category charts across both major platforms, selling over 200 million tea bags annually and even claiming to have surpassed Lipton's sales volume in China.



The infusion of capital accelerated this expansion. Since its inception, CHALI secured a total of nine financing rounds, attracting prestigious institutions such as Country Garden Venture Capital and GGV Capital. During this period, CHALI reinforced its brand recognition through cross-industry collaborations and celebrity endorsements, constructing a core business ecosystem centered on tea bags. Its B2B channels expanded to include premium hotels and the catering sector, establishing the brand as a benchmark for "New Consumption" and solidifying its reputation as "China's Lipton."



## Latent Crisis: Strategic Misjudgment and Embedded Compliance Vulnerabilities

As competition in the tea bag sector intensified, the limitations of low technical barriers and severe product homogenization became increasingly evident. The influx of traditional tea enterprises and cross-industry players eroded price premiums, gradually neutralizing CHALI's core competitive advantages. Simultaneously, the rise of the sugar-free Ready-to-Drink (RTD) tea market prompted CHALI to embark on a high-stakes strategic gamble in search of a "second growth curve" that ultimately exceeded its organizational capabilities.

Starting in 2022, CHALI aggressively entered the bottled tea market, launching new product lines, investing in manufacturing bases, and securing top-tier celebrity endorsements. This expansion was characterized by several strategic and compliance-related oversights:

**Market Miscalculation:** The company underestimated the entrenched channel monopolies of incumbents like Nongfu Spring and Suntory. CHALI's products suffered from high pricing and a lack of clear differentiation.

**Channel Mismatch:** CHALI's inherent e-commerce DNA was incompatible with the deep offline distribution requirements of the bottled tea industry, resulting in significant challenges in shelf placement and low inventory turnover ("slow-moving stock").

**Financial Mismanagement:** Heavy capital expenditures (CAPEX) on self-built factories and marketing depleted cash reserves. Furthermore, core production still relied on Original Equipment Manufacturers (OEMs), leading to a severe disconnect between production capacity and actual sales volume, resulting in wasted resources and sustained losses.





## Crisis Eruption: The Compliance Collapse Behind Wage Arrears

The sustained losses from the bottled tea business, compounded by a chain reaction of bank loan recalls and creditor runs, pushed CHALI's capital chain to a breaking point, ultimately triggering a full-scale compliance crisis. Starting in June 2024, CHALI began experiencing widespread delays in salary payments. What initially began as minor delays escalated into chronic arrears, with some employees—ranging from frontline workers and middle-office staff to sales teams—owed amounts exceeding RMB 100,000.

As of January 2026, CHALI has been involved in over 160 judicial cases, with cumulative execution amounts approaching RMB 200 million. Both the company and its senior executives have been listed as dishonest judgment debtors (shixin beizhixingren), subjected to consumption restriction orders, and faced freezing of equity interests.

Although CHALI issued a statement in January 2026 claiming it had settled the majority of outstanding wages for current employees and was paying former employees in batches, these assertions have been met with market skepticism. Numerous former employees have questioned the company's "cold treatment" tactics, leaving the wage recovery process in a stalemate. Furthermore, delays in settlements with suppliers have further exacerbated the brand's fiduciary and trust crisis.



## Compliance Warnings: The Boundaries of Expansion for New Consumption Brands



The rise and decline of CHALI is essentially the inevitable consequence of strategic expansion decoupling from organizational capabilities and a failure in compliance oversight, offering profound warnings for the "New Consumption" sector. First, enterprises must steadfastly uphold the compliance baseline, as salary payments and debt fulfillment are fundamental corporate responsibilities; neglecting the rights of employees and business partners will ultimately trigger legal risks and the collapse of the brand.

Second, expansion must remain rational to avoid blindly chasing market trends; cross-sector layouts require a rigorous assessment of the competitive landscape, internal channel capabilities, and capital adequacy to eliminate "high-stakes gambling" investments that exceed financial risk tolerance. Third, enterprises must strengthen financial and compliance controls by establishing robust cash-flow early-warning mechanisms to balance growth velocity with operational stability, thereby avoiding the "financing-driven" bubble trap.

Currently, CHALI has terminated its bottled tea operations and retreated to its core tea bag business, attempting a turnaround by focusing on B2B channels and opening up manufacturing capacity for contract production. However, its path to recovery remains fraught with challenges due to damaged brand credibility and a heavy debt burden. The case of CHALI serves as a warning to all New Consumption brands: while traffic and capital can propel a brand to prominence, only steadfast compliance, rational expansion, and the cultivation of core competencies can ensure long-term sustainable development.

# Thanks for reading

---

## HOTLINE

400 0806 099



[marketing@chinacbi.com](mailto:marketing@chinacbi.com)

[www.chinacbi.com](http://www.chinacbi.com)



CBI (Beijing) Business Information Limited