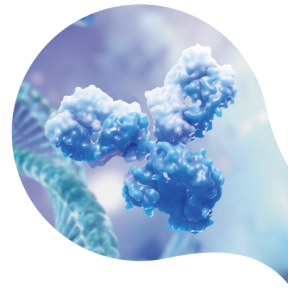




SHANGHAI HENLIUS BIOTECH, INC.
上海復宏漢霖生物技術股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
Stock Code: 2696



2025
ANNUAL REPORT

RELIABLE QUALITY
AFFORDABLE INNOVATION



MISSION

To improve patients' lives by timely providing them with quality and affordable protein therapeutics through technical innovation and operational excellence.

VISION

Be the most trusted biopharma providing innovative and affordable medicines for all patients.

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CORPORATE INFORMATION

DIRECTORS

CHAIRMAN AND NON-EXECUTIVE DIRECTOR

Wenjie Zhang¹

EXECUTIVE DIRECTORS

Jun Zhu (朱俊) (*Chief Executive Officer*)²

Wenjie Zhang¹

NON-EXECUTIVE DIRECTORS

Qiyu Chen (陳啟宇)

Yuqing Chen (陳玉卿)³

Xiaohui Guan (關曉暉)⁴

Yi Liu (劉毅)⁵

Xingli Wang

Yifang Wu (吳以芳)⁶

Deyong Wen (文德鏞)⁷

INDEPENDENT NON-EXECUTIVE DIRECTORS

Tak Young So (蘇德揚)⁸

Lik Yuen Chan (陳力元)

Ruilin Song (宋瑞霖)

Yihao Zhang⁹

Guoping Zhao (趙國屏)¹⁰

SUPERVISORS

Rongli Feng (馮蓉麗) (*Chairman*)

Deli Kong (孔德力)

Zhiyong Liu (劉志勇)¹¹

Yexing Yuan (袁擘星)¹²

AUDIT COMMITTEE

Tak Young So (蘇德揚) (*Chairman*)⁸

Lik Yuen Chan (陳力元)

Xiaohui Guan (關曉暉)⁴

NOMINATION COMMITTEE

Wenjie Zhang (*Chairman*)¹

Tak Young So (蘇德揚)⁸

Ruilin Song (宋瑞霖)

Yihao Zhang⁹

Xiaohui Guan (關曉暉)⁴

Guoping Zhao (趙國屏)¹⁰

REMUNERATION COMMITTEE

Ruilin Song (宋瑞霖) (*Chairman*)

Lik Yuen Chan (陳力元)

Yuqing Chen (陳玉卿)³

Yifang Wu (吳以芳)⁶

STRATEGY COMMITTEE

Wenjie Zhang (*Chairman*)¹

Jun Zhu (朱俊)²

Qiyu Chen (陳啟宇)

Yuqing Chen (陳玉卿)³

Yi Liu (劉毅)⁵

Xingli Wang

Tak Young So (蘇德揚)⁸

Ruilin Song (宋瑞霖)

Yifang Wu (吳以芳)⁶

Deyong Wen (文德鏞)⁷

Notes:

1. Mr. Wenjie Zhang was re-designated from an executive Director to a non-executive Director and no longer served as an authorised representative on 24 March 2025. He remained as the chairman of the Board, the chairman of the Nomination Committee, the chairman of the Strategy Committee and a member of the Environmental, Social and Governance Committee.
2. Dr. Jun Zhu (朱俊) was appointed as an authorised representative on 24 March 2025.
3. Mr. Yuqing Chen (陳玉卿) was appointed as a non-executive Director, a member of the Remuneration Committee and the Strategy Committee on 29 August 2025.
4. Ms. Xiaohui Guan (關曉暉) was appointed as a member of the Nomination Committee on 27 June 2025.
5. Dr. Yi Liu (劉毅) was appointed as a non-executive Director and a member of the Strategy Committee on 29 August 2025.
6. Mr. Yifang Wu (吳以芳) no longer served as a non-executive Director, a member of the Remuneration Committee and the Strategy Committee on 29 August 2025.
7. Mr. Deyong Wen (文德鏞) no longer served as a non-executive Director and a member of the Strategy Committee on 29 August 2025.
8. Mr. Tak Young So (蘇德揚) was appointed as a member of the Nomination Committee on 27 June 2025.
9. Mr. Yihao Zhang was appointed as an independent non-executive Director and a member of the Nomination Committee on 29 August 2025.
10. Dr. Guoping Zhao (趙國屏) no longer served as an independent non-executive Director and a member of the Nomination Committee on 29 August 2025.
11. Mr. Zhiyong Liu (劉志勇) was appointed as an employee representative Supervisor on 31 January 2025.
12. Mr. Yexing Yuan (袁擘星) no longer served as an employee representative Supervisor on 31 January 2025.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Lik Yuen Chan (陳力元) (*Chairman*)
 Tak Young So (蘇德揚)⁸
 Ruilin Song (宋瑞霖)
 Wenjie Zhang¹
 Jun Zhu (朱俊)²

JOINT COMPANY SECRETARIES

Yan Wang (王燕)
 Chan Sau Ling (陳秀玲)¹³
 (*Fellow of the Hong Kong Chartered Governance Institute*)
 Wan Kai Chong (莊運啓)¹⁴ (*Associate member of the Hong Kong Chartered Governance Institute*)

AUTHORISED REPRESENTATIVES

Jun Zhu (朱俊)²
 Chan Sau Ling (陳秀玲)¹³
 Wenjie Zhang¹
 Wan Kai Chong (莊運啓)¹⁴

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN CHINA

11F, Building B8
 188 Yizhou Road
 Xuhui District
 Shanghai
 PRC

REGISTERED OFFICE IN CHINA

Room 901, 9/F, Building 1
 No. 367 Shengrong Road
 China (Shanghai) Pilot Free Trade Zone
 PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

17/F, Far East Finance Centre
 16 Harcourt Road
 Hong Kong

H SHARES REGISTRAR

Computershare Hong Kong Investor Services Limited
 Shops 1712-1716, 17th Floor
 Hopewell Centre
 183 Queen's Road East
 Wanchai
 Hong Kong

AUDITOR AND REPORTING ACCOUNTANTS

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
 27/F, One Taikoo Place
 979 King's Road
 Quarry Bay
 Hong Kong

LEGAL ADVISERS TO THE COMPANY

As to Hong Kong law:
 Freshfields
 55th Floor, One Island East
 Taikoo Place
 Quarry Bay
 Hong Kong

As to PRC law:
 Fangda Partners
 24/F, HKRI Centre Two
 288 Shi Men Yi Road
 Shanghai
 PRC

STOCK SHORT NAME

HENLIUS

STOCK CODE

2696

COMPANY WEBSITE

www.henlius.com

13. Ms. Chan Sau Ling (陳秀玲) was appointed as the Joint Company Secretary and the Authorised Representative on 20 March 2026.
14. Ms. Wan Kai Chong (莊運啓) no longer served as the Joint Company Secretary and the Authorised Representative on 20 March 2026.
15. Save as disclosed in this report, there have been no changes to the information of Directors and Supervisors from the publication of the Company's 2024 annual report, the announcement dated 8 August 2025 and the circular dated 12 August 2025 to 29 August 2025 (i.e., the effective date of the appointment of the directors of the fourth session of the board and the shareholder representative supervisors of the fourth session of the board of supervisors). Please refer to the announcement of the Company dated 8 August 2025 and the circular dated 12 August 2025 for the biographical details of the Directors and Supervisors.

CHAIRMAN'S STATEMENT



Wenjie Zhang
Chairman and Non-Executive Director of Henlius

Begin with the End in Mind, Persevere with Faith

Dear Shareholders and Investors,

On behalf of the Board of Directors, I have the pleasure to present the annual results of Henlius for the financial year ended 31 December 2025.

Three consecutive years of profitability, a year-on-year doubling of overseas product revenue, 10 products launched globally, and over one million patients benefited cumulatively – behind these figures lie the solid footprints of our march towards a globalized biopharmaceutical company.

We have always believed that what determines how far an enterprise can go is not merely the ambition of its strategic objectives, but, more importantly, the resilience to execute them and the systemic capabilities that underpin their effective delivery. A biopharmaceutical enterprise is a complex system in itself. Rooted in life sciences, it is inherently characterized by high uncertainty. It necessitates cross-functional synergy, with R&D, manufacturing and commercialization being intricately interlocked. It requires management to make profound strategic layouts, where every decision is made not just for today, but for five or 10 years down the road. Over the past year, we have continuously optimized the operational efficiency of this complex system, aligning our organizational capabilities with our strategic ambitions. We also adhered to the dual-wheel drive of “sustainable innovation + systematic global expansion”, thereby laying a solid foundation for sustainable development.

Regarding innovation, we insist on letting data speak for itself. The sole criterion for validating innovation is whether it can address unmet clinical needs. This is a question that must be answered by conclusive clinical data. In 2025, the breakthrough of serplulimab in the perioperative setting of gastric cancer, the potential of HLX22 to rewrite the standard of care, the positive efficacy demonstrated by HLX43 across multiple solid tumors and the steady advancement of early-stage innovative molecules into clinical development – none of these were accidental; rather, they are the result of our relentless pursuit of “differentiation” as the gold standard. Spanning from commercialized products to late-stage clinical trials, and further back to early discovery, we have formed a continuously iterating and seamlessly connected innovation echelon. This provides an inexhaustible impetus for long-term growth.

In terms of globalization, we have steadfastly advanced from “product-based global expansion” to “systematic global expansion”. The Company has established a globally integrated platform covering the entire industry chain of R&D, clinical trials, regulatory affairs, manufacturing, and commercialization. Our manufacturing and quality systems comply with international standards such as GMP, demonstrating global compliance capabilities. We have established in-house clinical and regulatory

affairs teams in markets including the United States, Europe, Japan, and Australia, enabling us to independently operate clinical trials and communicate directly with regulatory authorities. We have continuously expanded our global commercial collaboration network, entering into commercial cooperation agreements with over 20 international pharmaceutical companies for multiple products of the Company. In 2025, we obtained approvals for three products in the United States, as well as approvals for three products in the European Union and the United Kingdom. Our Japanese subsidiaries acquired the Marketing Authorization Holder (MAH) qualification. What underpins these achievements is a progressively maturing global operating system that continues to deliver at scale.

If we stay focused on doing the right things and building the business with discipline and consistency, success will follow in due course – the only variable is how quickly it comes. We will continue to uphold the philosophy of “begin with the end in mind”. Leveraging a reliable system, differentiated innovation, and a globalized layout, we will create value for patients and deliver returns to our shareholders.

Looking ahead, we will progress with those with the same believe, and keep pace with the times.



CHIEF EXECUTIVE OFFICER'S REVIEW



Jun Zhu
Executive Director, Chief Executive Officer

Believe in the Power of Belief, and Faith Will Lead Us Far

Dear Shareholders and Investors,

In 2025, the global pharmaceutical industry continued to seek breakthroughs amidst cyclical shifts. In a complex and volatile macroeconomic environment, Henlius has consistently maintained its strategic focus, advancing steadily with “sustainable innovation” and “systematic global expansion” as its dual anchors. During this year, we delivered hard-won and resilient results: since achieving full-year profitability for the first time in 2023, we have delivered three consecutive years of growth in both revenue and profit, with overseas revenue continuing to expand – underscoring the strength of our self-sustaining growth engine. To date, Henlius has had 10 products approved in over 60 markets globally, benefiting over one million patients cumulatively worldwide.

The confidence to navigate through cycles stems from our most fundamental internal consensus – believing in the power of belief. We believe in the long-term value of innovation, believe in the explosive potential born from the steady accumulation of systematic operations, and firmly believe that a truly patient-centered enterprise will ultimately reap long-term rewards from the market. The cornerstone of fulfilling this long-term commitment is the “first principles”. We have always adhered to – returning to the essence of diseases, innovating for the genuine improvement of patients’ quality of life, and regarding the resolution of unmet clinical needs as both the starting point and the ultimate goal of our efforts.

In 2025, our core pipeline entered a period of intensive value validation. We are committed to reshaping standards of care. Serplulimab, the world’s first anti-PD-1 monoclonal antibody approved for first-line treatment of small-cell lung cancer, has achieved further breakthroughs in gastrointestinal cancers—becoming the first regimen globally to replace postoperative adjuvant chemotherapy with immunotherapy monotherapy in the perioperative treatment of gastric cancer. It also holds the potential to become the first immunotherapy for first-line treatment of microsatellite-stable metastatic colorectal cancer, accelerating toward its next milestone as a domestically developed blockbuster with the potential to exceed RMB 10 billion in annual sales. The neo-epitope anti-HER2 monoclonal antibody HLX22 demonstrated the potential to rewrite the standard of care for HER2-positive gastric cancer. The potential best-in-class broad-spectrum anti-tumor PD-L1 ADC HLX43, with its characteristics of high efficacy and low toxicity, is accelerating the realization of its value as a “pipeline in a pill”. Concurrently, Henlius has established the next-generation immuno-oncology (IO) platform, the immune cell engager platform, and the Hanjugator™ antibody-drug conjugate (ADC) platform, and has fully embraced artificial intelligence (AI) technology to build the HAI Club early R&D platform. These platforms provide sustainable systemic capability support for the creation of an innovative pipeline with global competitiveness. Centering on the two major dimensions of disease areas and drug modalities, Henlius has continuously strengthened its competitive edge with over 50 early-stage innovative assets accelerating their advancement. Multiple drug modalities, including multispecific antibodies, ADCs, and fusion proteins, are blossoming across

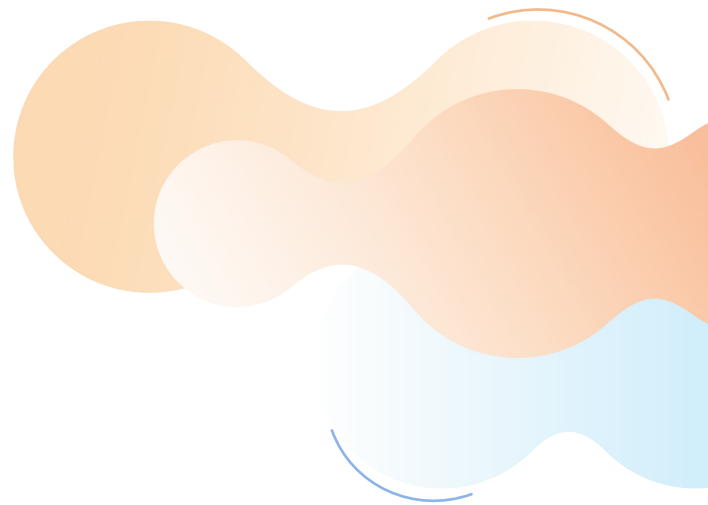
CHIEF EXECUTIVE OFFICER'S REVIEW

the board, and several potential “best-in-class” and “first-in-class” products have entered the clinical stage. Building on our deep expertise in oncology, we are also beginning to establish a presence in new areas such as central nervous system disorders, autoimmune diseases, and metabolic conditions.

Meaningful innovation begins in the lab—but to create real impact, it must reach far beyond borders. 2025 was a crucial year for Henlius’s globalization strategy to transition from quantitative accumulation to qualitative transformation. We are propelling the innovative achievements of China’s biopharmaceutical industry onto the global stage with a more mature posture. By the end of 2025, Henlius had four products approved in the United States, becoming one of the Chinese biopharmaceutical enterprises with the most products approved for marketing by the U.S. FDA. From the four-year ice-breaking journey of HANQUYOU® from China to the United States, to the present simultaneous U.S. launch of HLX14 and HLX11, we have achieved a leap from “four years” to “zero point”. Notably, HLX11 is the first and only biosimilar of pertuzumab approved and launched in the United States. This serves as the best footnote to the Company’s R&D, clinical, regulatory affairs, and manufacturing and quality systems comprehensively aligning with the highest international standards. In the comprehensive advancement of “Globalization 2.0”, we have also integrated Eastern wisdom into transnational operations and cooperation. In Europe, Serplulimab has been launched in 12 countries and included in the medical insurance reimbursement lists of seven countries. In Japan, we have deployed a localized operations team and obtained the Marketing Authorization Holder (MAH) qualification, joining hands with Eisai to reach a cooperation on Serplulimab. In emerging markets such as Latin America, Southeast Asia, and India, our products are accelerating in benefiting local patients, among which Serplulimab benefited over 150 patients merely 12 days after its launch in India.

2026 is a crucial year for Henlius to deepen its Globalization 2.0 strategy. Looking ahead to 2030, our vision is exceedingly clear: to achieve the global launch of more than 20 products, including more than 15 in the European and American markets, and to fully usher in Henlius’ era as a China-rooted multinational biopharmaceutical company. Though the road ahead is long, faith will lead us far. We will forge ahead step by step to ensure more patients have access to medicines. We will also create sustained and robust value returns for our shareholders.

We would like to express our gratitude to every shareholder, investor, and partner for your long-term trust in and progress with us.



OPERATION HIGHLIGHTS

I. FINANCIAL SUMMARY

FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 RMB'000	2024 RMB'000
Revenue	6,666,627	5,724,449
Cost of sales	(1,681,920)	(1,539,787)
Gross profit	4,984,707	4,184,662
Other income and gains	130,577	107,980
Selling and distribution expenses	(2,198,471)	(1,917,391)
Administrative expenses	(443,136)	(370,799)
Impairment losses on financial assets, net	(9,999)	4,843
Research and development expenses	(1,515,498)	(1,035,130)
Other expenses	(33,965)	(5,397)
Finance costs	(102,493)	(122,887)
PROFIT BEFORE TAX	811,722	845,881
Income tax credit/(expense)	15,320	(25,411)
PROFIT FOR THE YEAR	827,042	820,470

The Group's total revenue increased by approximately RMB942.2 million or approximately 16.5% to approximately RMB6,666.6 million for the year ended 31 December 2025, compared to approximately RMB5,724.4 million for the year ended 31 December 2024. Such revenue was mainly from drug sales, research and development ("R&D") services provided to customers, and license income. The total revenue from products was approximately RMB5,774.6 million, representing an increase of approximately 17.0%.

For the year ended 31 December 2025, the Group recognized total R&D expenditures of approximately RMB2,491.9 million, representing an increase of approximately RMB651.4 million as compared to approximately RMB1,840.5 million for the year ended 31 December 2024. The amount was mainly used to increase investment in innovative R&D projects to accelerate the Group's innovation and transformation. Among this, the expensed R&D expenditures were approximately RMB1,515.5 million, representing an increase of approximately RMB480.4 million as compared to approximately RMB1,035.1 million for the year ended 31 December 2024.

The Group's net profit was approximately RMB827.0 million for the year ended 31 December 2025, representing an increase of approximately RMB6.5 million in profit from a profit of approximately RMB820.5 million for the year ended 31 December 2024, mainly due to the continuous increase in sales volume of core commercialized products, the substantial growth in overseas commercialization profit, and the expansion of R&D clinical activities. Among this, the profit from overseas products (including the gross profit from supplying overseas products and the profit from royalties based on sales) was approximately RMB93.9 million.

II. FIVE YEARS' FINANCIAL SUMMARY

RESULTS

	2025	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	6,666,627	5,724,449	5,394,909	3,214,730	1,682,472
Profit/(loss) before tax	811,722	845,881	569,578	(693,887)	(956,739)
Income tax credit/(expense)	15,320	(25,411)	(23,559)	(1,372)	(27,313)
Profit/(loss) for the year	827,042	820,470	546,019	(695,259)	(984,052)
Profit/(loss) for the year attributable to owners of the parent	827,042	820,470	546,019	(695,259)	(984,052)

ASSETS AND LIABILITIES

	2025	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Total assets	12,361,093	10,597,520	9,903,571	8,924,308	7,172,844
Total liabilities	(8,400,624)	(7,583,899)	(7,711,270)	(7,287,976)	(4,876,088)
Net assets	3,960,469	3,013,621	2,192,301	1,636,332	2,296,756

OPERATION HIGHLIGHTS

III. BUSINESS HIGHLIGHTS:

As at the Latest Practicable Date, 10 products (40 indications) of the Group have been successfully approved for marketing in China, the United States, Europe, Canada, Australia, Indonesia, Mexico, Bolivia and other countries/regions, including 7 products approved for marketing in multiple overseas markets, covering approximately 60 countries/regions, benefiting over 1,000,000 patients around the world.

1

Forward-Looking Internationalization Strategy to Accelerate Deepening of Global Markets:

HANSIZHUANG was approved for marketing in the EU (European trade name: Hetronifly®) and other countries, becoming the first anti-PD-1 monoclonal antibody approved in the EU for small-cell lung cancer

In January 2025, an additional indication of HANSIZHUANG was approved in Indonesia and Thailand for the treatment of squamous non-small cell lung cancer (sqNSCLC), respectively.

In February 2025, HANSIZHUANG (European trade name: Hetronifly®) in combination with carboplatin and etoposide for the first-line treatment of adult patients with extensive-stage small cell lung cancer (ES-SCLC) was approved for marketing in the EU.

In March 2026, HANSIZHUANG (Trade name in the European Union: HETRONIFLY®) received positive opinions from the Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMA), recommending the approval of two additional indications, being the combination with fluoropyrimidine – and platinum-based chemotherapy indicated for the first-line treatment of adult patients with unresectable locally advanced, recurrent or metastatic esophageal squamous cell carcinoma (ESCC), and in combination with carboplatin and pemetrexed indicated for the first-line treatment of adult patients with locally advanced or metastatic non-squamous non-small cell lung carcinoma (nsNSCLC).

During the Reporting Period, HANSIZHUANG was approved for marketing in the United Kingdom, Singapore, Malaysia, India and other countries for the treatment of extensive-stage small cell lung cancer (ES-SCLC).

As at the Latest Practicable Date, HANSIZHUANG has been approved for marketing in over 40 countries and regions and has been granted Orphan-drug Designations by drug regulatory authorities in the United States, Switzerland, the Republic of Korea and Mexico, respectively. It has also been included in the national reimbursement drug lists of seven EU member states.

Two products of HLX14 (denosumab injection) were approved in the United States, Europe and Canada (trade names in the United States and Europe: BILDYOS® and BILPREVDA®; trade names in Canada: BILDYOS® and TUZEMTY®), respectively

HLX14 has successfully become the first “China-developed” denosumab to enter overseas markets. In the second half of 2025, the United States Food and Drug Administration (FDA), the European Commission (EC) and the UK Medicines and Healthcare products Regulatory Agency (MHRA) approved two products of HLX14, trade names in the United States and Europe: BILDYOS® and BILPREVDA®. In March 2026, such products were also approved by Health Canada (trade names in Canada: BILDYOS® and TUZEMTY®). BILDYOS® is indicated for osteoporosis and all other indications for which the reference products have been approved in the local market, while BILPREVDA®/TUZEMTY® is indicated for cancer-related bone disease and all other indications for which the reference products have been approved in the local market, thereby broadening therapeutic options for an increasing aging population.

HLX11 (pertuzumab injection) was approved for marketing in the United States (US trade name: POHERDY®)

In November 2025, HLX11 was approved for marketing by the United States Food and Drug Administration (FDA) under the US trade name POHERDY®. It is indicated for the treatment of metastatic HER2 + breast cancer, the neo/adjuvant treatment of early-stage/ locally advanced HER2 + breast cancer and all other indications for which the reference products have been approved in the local market. HLX11 has thus become the first and only pertuzumab biosimilar approved for marketing in the United States. In February 2026, HLX11 received a positive opinion from the Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMA), which recommended approval of its marketing authorisation application (MAA).

1

HANQUYOU was launched in China, the United States and Europe (US trade name: HERCESSI™; European trade name: Zercepac®), and continued to expand its global commercial footprint

During the Reporting Period, HANQUYOU's international expansion continued on a steady trajectory, and new drug applications for different specifications of HANQUYOU were approved in Mexico and other countries/regions. Currently, HANQUYOU is approved for marketing in over 50 countries and regions, including the United States, Europe, Canada, Australia, etc.

Expanding the global commercial footprint through licensing-out

In February 2025, the Company entered into a license agreement with Dr. Reddy's Laboratories SA, pursuant to which the Company agreed to grant a license to commercialise a biosimilar of daratumumab HLX15 (recombinant anti-CD38 fully human monoclonal antibody injection) in the United States and agreed European region.

In April 2025, the Company entered into a license agreement with Alvogen Korea Co., Ltd., pursuant to which the Company agreed to grant a license to commercialise HANSIZHUANG (serplulimab injection) in the Republic of Korea.

In April and December 2025, the Company entered into a license agreement and an amendment agreement with Sandoz AG, respectively, for the commercialization of a biosimilar of ipilimumab HLX13 (recombinant anti-CTLA-4 fully human monoclonal antibody injection) in the United States, agreed European countries (42 European countries), Japan, Australia, and Canada.

In February 2026, the Company entered into a license agreement with Eisai Co., Ltd., pursuant to which the Company agreed to grant a license to commercialise HANSIZHUANG (serplulimab injection) in Japan.

In February 2026, the Company entered into an amendment agreement with Abbott Products Operations AG, pursuant to which the Company agreed to grant a further license to commercialise HANSIZHUANG (serplulimab injection) in the agreed regions covering Asia, the Middle East, Africa and Eastern Europe (42 countries/regions in total), including the Terminated Territories and other agreed countries or regions. In early 2026, the Company had separately reached termination arrangements with PT Kalbe Genexine Biologics and Fosun Industrial Co., Limited in connection with the commercialization rights of HANSIZHUANG (serplulimab injection) in the agreed Southeast Asian countries (excluding Indonesia), Middle Eastern and North African countries, Hong Kong and Macau regions of China.

2

Orientation Toward Clinical Value and Injecting Impetus Toward The Pipeline:

The Group's early-stage R&D is centered around patient needs and guided by clinical value. Leveraging a new drug discovery platform driven by deep data-driven and biocomputing-accelerated molecular design technology, the Group continues to develop high-quality and affordable innovative drugs to treat complex diseases with the help of network biology and polypharmacology. During the Reporting Period, the Group also actively expanded its product pipeline through licensing-in. In June 2025, the Company entered into a license agreement with FBD Biologics Limited, pursuant to which the Company was granted the exclusive rights to develop, manufacture, and commercialize SIRP α -Fc fusion protein (the Company's product code: HLX701) within Chinese Mainland, Hong Kong and Macau regions, and specific countries in Southeast Asia. In December 2025, the Company entered into a project cooperation agreement with GeneQuantum Healthcare (Suzhou) Co., Ltd. (啟德醫藥科技(蘇州)有限公司), pursuant to which the Company obtained the development and exclusive commercialisation rights for the innovative HER2-targeted antibody-drug conjugate (ADC) GQ1005 (the Company's product code: HLX87) in China and specific overseas countries and regions. In December 2025, the Company entered into a project cooperation agreement with U-mab Biopharma (Lianyungang) Co., Ltd. (優邁生物科技(連雲港)有限公司), pursuant to which the Company was granted the global exclusive rights to develop, manufacture and commercialize a monoclonal antibody targeting interleukin-1 receptor accessory protein (IL-1R3) (the Company's product code: HLX109).

OPERATION HIGHLIGHTS

2

As of the Latest Practicable Date, the Group has built an R&D pipeline encompassing over 50 early-stage innovative assets and approximately 10 R&D platforms, covering a wealth of drug forms, such as monoclonal antibody, multi-specific antibody, antibody-drug conjugates (ADC), fusion proteins, small molecule drugs and other forms of drugs.

- In January 2025, an investigational new drug application (IND) for a phase 1b/2 clinical trial of HLX43 for injection (antibody-drug conjugate targeting PD-L1) in combination with HANSIZHUANG (serplulimab injection) for the treatment of patients with advanced/metastatic solid tumours was approved by the NMPA.
- In February 2025, an investigational new drug application (IND) for an innovative small molecule HLX99 was approved by the United States Food and Drug Administration (FDA). HLX99 is intended for the treatment of amyotrophic lateral sclerosis (ALS).
- In March 2025, an investigational new drug application (IND) for a phase 2 clinical trial of HLX79 injection (human sialidase fusion protein) in combination with HANLIKANG (rituximab injection) for the treatment of active glomerulonephritis was approved by the NMPA.
- In September 2025, an investigational new drug application (IND) for a phase 1 clinical trial of a biosimilar of pembrolizumab HLX17 (recombinant humanised anti-PD-1 monoclonal antibody injection) in patients with various resected solid tumours was approved by the United States Food and Drug Administration (FDA).
- In September 2025, an investigational new drug application (IND) for a phase 1b/2 clinical trial of HLX43 for injection (antibody-drug conjugate targeting PD-L1) in combination with HLX07 (recombinant humanised anti-EGFR monoclonal antibody injection) for the treatment of advanced/metastatic solid tumours was approved by the NMPA.
- In November 2025, an investigational new drug application (IND) for a phase 1 clinical trial of HLX37 (recombinant humanised anti-PD-L1 and anti-VEGF bispecific antibody injection) in patients with advanced/metastatic solid tumours was approved by the NMPA.
- In December 2025, investigational new drug applications (IND) for phase 2/3 clinical trials of HLX22 (recombinant humanised anti-HER2 monoclonal antibody injection) in combination with HLX87 for injection (antibody-drug conjugate targeting HER2) (1) for first-line treatment of HER2-positive breast cancer (BC); and (2) for neoadjuvant treatment of HER2-positive breast cancer (BC neo) were approved by the NMPA, respectively.
- In December 2025 and March 2026, investigational new drug applications (IND) for a phase 1 clinical trial of nivolumab biosimilar HLX18 (recombinant anti-PD-1 humanized monoclonal antibody injection) for the treatment of multiple solid tumours were approved by the United States Food and Drug Administration (FDA) and the NMPA, respectively.
- In January 2026, an investigational new drug application (IND) for a phase 1b/2 clinical trial of HLX701 (recombinant human SIRP α -IgG4 Fc fusion protein injection) in combination with cetuximab and chemotherapy for the treatment of advanced colorectal cancer was approved by the NMPA.
- In January 2026, an investigational new drug application (IND) for HLX43 for injection (an anti-PD-L1 antibody-drug conjugate) in combination with HLX07 (recombinant anti-EGFR humanised monoclonal antibody injection) and HANSIZHUANG (serplulimab injection) for the treatment of advanced solid tumours was approved by the NMPA.
- In March 2026, an investigational new drug application (IND) for HLX97 (KAT6A/B small molecule Inhibitor) for a phase 1 clinical trial in patients with advanced or metastatic solid tumours was approved by the NMPA.

2

- In March 2026, an investigational new drug application (IND) for HLX3901 for injection (a tetra-specific antibody targeting dual epitopes of DLL3, CD3 and CD28) for a phase 1 clinical trial in patients with advanced/metastatic solid tumours was approved by the NMPA.
- In March 2026, an investigational new drug application (IND) for HLX316 for injection (B7-H3-targeting sialidase Fc fusion protein) for a phase 1 clinical trial in patients with advanced/metastatic solid tumours was approved by the NMPA.
- In March 2026, the investigational new drug applications (INDs) for a biosimilar of pertuzumab and trastuzumab HLX319 (pertuzumab and trastuzumab injection (subcutaneous injection)) for the phase 1 clinical trials were approved by the NMPA.
- In March 2026, an investigational new drug application (IND) for HLX48 for injection (an antibody-drug conjugate targeting EGFR and c-MET) for a phase 1 clinical trial in patients with advanced/metastatic solid tumors was submitted to the NMPA and accepted in the same month.
- In March 2026, an investigational new drug application (IND) for HLX3902 injection (a trispecific antibody targeting STEAP1, CD3 and CD28) for a phase 1 clinical trial in patients with metastatic castration-resistant prostate cancer and other advanced solid tumors was submitted to the NMPA and accepted in April 2026.
- In March 2026, an investigational new drug application (IND) for a phase 1 clinical trial of HLXTE-HAase02 (recombinant human hyaluronidase injection) was approved by the NMPA.
- In April 2026, an investigational new drug application (IND) for a phase 1 clinical trial of HLX05-N (recombinant anti-EGFR chimeric human-murine monoclonal antibody injection), a cetuximab injection biosimilar, for the treatment of metastatic colorectal cancer (mCRC) has been approved by the NMPA. The Company intends to commence an international multicenter phase 1 clinical study of HLX05-N once conditions are met.

3

Sustained and Effective Global Development of Clinical-Stage Products:

HLX43 for Injection (antibody-drug conjugate targeting PD-L1)

In January 2025, an investigational new drug application (IND) for the phase 1b/2 clinical trial of HLX43 in combination with HANSIZHUANG (serplulimab injection) for the treatment of patients with advanced/metastatic solid tumours was approved by the NMPA, and the first patient for the relevant clinical study was dosed in Chinese Mainland in April 2025.

In January 2025, the first patient was dosed in a phase 2 clinical study of HLX43 in patients with recurrent/metastatic esophageal squamous cell carcinoma (ESCC) in Chinese Mainland. During the Reporting Period, the Company commenced several phase 2 clinical trials of HLX43 for different indications in Chinese Mainland.

In June 2025, the first patient was dosed in an international multi-centre phase 2 clinical study of HLX43 in patients with advanced non-small cell lung cancer (NSCLC) in Chinese Mainland. During the Reporting Period, the first patient in the United States, the first patient in Australia and the first patient in Japan were dosed in such international multi-centre phase 2 clinical study, respectively.

In July and September 2025, an international multi-centre phase 1 clinical study of HLX43 for the treatment of thymic carcinoma (TC) was permitted to commence in the United States and Japan, respectively. The first patient in Japan was dosed in such international multi-centre phase 1 clinical study in March 2026.

In September 2025, an investigational new drug application (IND) for a phase 1b/2 clinical trial of HLX43 in combination with HLX07 (recombinant humanised anti-EGFR monoclonal antibody injection) for the treatment of advanced/metastatic solid tumours was approved by the NMPA. In February 2026, the first patient was dosed in a phase 1b/2 clinical study of HLX43 in combination with HLX07 (recombinant anti-EGFR humanised monoclonal antibody injection) or HANSIZHUANG (serplulimab injection) in patients with advanced or metastatic colorectal cancer in Chinese Mainland.

In October 2025, Orphan-drug Designation of HLX43 for the treatment of thymic epithelial tumours (TETs) was granted by the United States Food and Drug Administration (FDA).

OPERATION HIGHLIGHTS

3

HLX22 (recombinant humanised anti-HER2 monoclonal antibody injection)

In March and May 2025, Orphan-drug Designation of HLX22 for the treatment of gastric cancer (GC) were granted by the United States Food and Drug Administration (FDA) and the European Commission (EC), respectively.

In March, July and October 2025, the first patient in Japan, the first patients in the United States and the first patients in the EU were dosed in an international multi-centre phase 3 clinical study of HLX22 in combination with trastuzumab and chemotherapy compared to trastuzumab and chemotherapy with or without pembrolizumab for the first-line treatment of HER2-positive, locally advanced or metastatic gastroesophageal junction cancer and gastric cancer, respectively. Such international multi-centre phase 3 clinical study is currently being conducted simultaneously in Chinese Mainland, the United States, the EU, Australia, Japan and other countries/regions.

In April 2025, the first patient was dosed in a phase 2 clinical study of HLX22 in combination with trastuzumab deruxtecan for the treatment of HER2-low, HR positive, locally advanced or metastatic breast cancer (BC) in Chinese Mainland.

In December 2025, an investigational new drug application (IND) for a phase 2/3 clinical trials of HLX22 in combination with HLX87 for injection (antibody-drug conjugate targeting HER2) for first-line treatment of HER2-positive breast cancer (BC) has been approved by the NMPA. The first patient was dosed in Chinese Mainland in February 2026.

HANSIZHUANG (serplulimab injection)

In January 2025, the recruitment of all subjects was completed in an international multi-centre phase 3 clinical study comparing HANSIZHUANG or placebo in combination with chemotherapy and concurrent radiotherapy for the treatment of limited-stage small cell lung cancer (LS-SCLC) patients.

In January 2025, HANSIZHUANG in combination with chemotherapy for the first-line treatment of extensive-stage small cell lung cancer (ES-SCLC) was approved for a bridging study in Japan. The first patient in this bridging study in Japan was dosed in June 2025. This bridging study will lay the groundwork for the subsequent new drug application of HANSIZHUANG in Japan.

In June 2025, the recruitment of all subjects was completed in an international multi-centre phase 3 clinical study of HANSIZHUANG in combination with bevacizumab injection and chemotherapy for the first-line treatment of metastatic colorectal cancer (mCRC).

In October 2025, the recruitment and enrollment of all subjects was completed in the bridging study in the United States for HANSIZHUANG in combination with chemotherapy for the first-line treatment of extensive-stage small cell lung cancer (ES-SCLC).

In September 2025, a phase 3 clinical trial of HANSIZHUANG in combination with chemotherapy for the neo/adjuvant treatment of gastric cancer met the primary study endpoint. HANSIZHUANG for this indication was officially granted the Breakthrough Therapy Designation by the Center for Drug Evaluation (CDE) of the NMPA in November 2025. The New Drug Application (NDA) for this indication was accepted by the NMPA in December 2025 and granted the procedure for priority review.

In March 2026, an investigational new drug application (IND) for clinical trial of HLX07 (recombinant anti-EGFR humanised monoclonal antibody injection) in combination with HANSIZHUANG and chemotherapy for the treatment of advanced squamous non-small cell lung cancer (sqNSCLC) was approved by the NMPA.

3

Other products

In March 2025, the marketing authorisation application (MAA) for a biosimilar of pertuzumab HLX11 (recombinant anti-HER2 domain II humanised monoclonal antibody injection) was accepted by the European Medicines Agency (EMA). In February 2026, the Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMA) issued a positive opinion recommending approval of its marketing authorisation application (MAA).

In April 2025, HLX04-O (recombinant anti-VEGF humanised monoclonal antibody injection) met its primary endpoints in a phase 3 clinical study for the treatment of wet age-related macular degeneration (wAMD) in Chinese patients. The new drug application (NDA) for this product in the treatment of wet age-related macular degeneration (wAMD) was accepted by the NMPA in August 2025.

In May 2025, the first patient was dosed in a phase 1/3 clinical study of a biosimilar of ipilimumab HLX13 (recombinant anti-CTLA-4 fully human monoclonal antibody injection) for the first-line treatment of patients with unresectable advanced hepatocellular carcinoma (HCC) in Chinese Mainland. In September 2025, an investigational new drug application (IND) for a phase 1 clinical trial of this product for the first-line treatment of patients with unresectable advanced hepatocellular carcinoma (HCC) was approved by the United States Food and Drug Administration (FDA). The first patient was dosed in the international multi-centre clinical study in Chinese Mainland in November 2025.

In September 2025, an investigational new drug application (IND) for a phase 1 clinical trial of a biosimilar of pembrolizumab HLX17 (recombinant humanised anti-PD-1 monoclonal antibody injection) in patients with various resected solid tumours was approved by the United States Food and Drug Administration (FDA). The first patient in such international multi-centre clinical study was dosed in Chinese Mainland in September 2025.

In November 2025, an investigational new drug application (IND) for a phase 1 clinical trial of HLX37 (recombinant humanised anti-PD-L1 and anti-VEGF bispecific antibody injection) in patients with advanced/metastatic solid tumours was approved by the NMPA. The first patient was dosed in such clinical study in Chinese Mainland in December 2025.

In December 2025, the New Drug Application (NDA) for a denosumab biosimilar HLX14 (recombinant anti-RANKL fully human monoclonal antibody injection) has been accepted by the NMPA.

In January 2026, an investigational new drug application (IND) for a phase 1b/2 clinical trial of HLX701 (recombinant human SIRP α -IgG4 Fc fusion protein injection) in combination with cetuximab and chemotherapy for the treatment of advanced colorectal cancer was approved by the NMPA. The first patient was dosed in such clinical study in Chinese Mainland in March 2026.

In February 2026, an investigational new drug (IND) application for a phase 1 clinical trial of a biosimilar of daratumumab HLX15 (recombinant anti-CD38 fully human monoclonal antibody injection – subcutaneous injection) for the treatment of multiple myeloma were approved by the United States Food and Drug Administration (FDA) and the NMPA, respectively.

In March 2026, the investigational new drug applications (INDs) for the phase 1 clinical trials of pertuzumab and trastuzumab biosimilar HLX319 were approved by the NMPA. The first subject was dosed in a phase 1 clinical study conducted in healthy Chinese male subjects in April 2026.

OPERATION HIGHLIGHTS

4

High-Quality Supply of Products Worldwide:

As a strong guarantee for the high-quality supply of products worldwide, the Group's biopharmaceutical industrialization base fully supplied markets in China, the United States, Europe, Latin America, Southeast Asia and India. In June 2025, production lines relating to HLX11 and HLX14 in Songjiang First Plant and Songjiang Second Plant have obtained the EU GMP certificates. During the Reporting Period, such production lines also successfully passed the FDA's pre-approval GMP inspections for HLX11 and HLX14. During the Reporting Period, all construction work for the third stage of the Phase I project of Songjiang Second Plant was completed, and the Phase I project achieved overall final acceptance in August 2025.

For details of the above, please refer to this report and (if applicable) the Company's previous announcements published on the websites of The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") and the Company.

IV. PRODUCT PORTFOLIO AND PIPELINE



- Innovative mAb
- Innovative fusion protein
- Innovative multi-specific antibody
- Innovative ADC
- Small molecule
- Biosimilar mAb

- Bridging study in U.S.
- BLA under FDA review
- Global MRCT
- MAA under EMA review
- Approved in global markets

(1) Approved in 40+ countries, including China, the UK, Germany, India, Singapore, trade name: *Hetronlyx* in Europe. Business partners: KGIbio/ Fosun Pharma/ Intas/ Lotus/ Abbott/ Eisai.
 (2) Approved in China and multiple Latin American countries. The first biosimilar approved in China. Business partners: Fosun Pharma/ Eurofarma/ Abbott/ Boston Oncology.
 (3) The first rituximab approved for the indication in China.
 (4) Approved in 50+ countries, including China, U.S., the UK, Germany, France and Australia, trade name in U.S.: *HERCESSI*™. Trade name in Europe: *Zercepac*™. Business partners: Accord/ Elea/ Eurofarma/ Abbott/ KGIbio/ Getz Pharma.
 (5) Business partners: Fosun Wanbang/ Getz Pharma.
 (6) Approved in China and multiple Latin American countries. Business partners: Eurofarma.
 (7) Approved in North America and Europe. Business partner: Organon. Trade name: *BILDYOS*® (60mg/mL), *BILPREVDA*® (120mg/1.7mL) in the U.S. and Europe. Marketing applications are under review in China.
 (8) Approved in the U.S. Trade name: *POHERDY*® in the U.S. Marketing applications are under review in the EU, Canada and China. Business partner: Organon.
 (9) Commercialization in China.
 (10) NDA under review in China. Business partner: Essex.
 (11) IND approvals obtained in China/the U.S./Japan/the EU.
 (12) The development and exclusive commercialization rights obtained in China and select ex-China markets.
 (13) Exclusive license obtained in China. Phase 3 MRCT enrolling globally. IND approval obtained in China.
 (14) IND approvals obtained in China/the U.S.
 (15) IND approvals obtained in China/the U.S./Japan/Australia.
 (16) Exclusive license obtained in China.
 (17) Exclusive rights in China (excl. Taiwan), several countries in Southeast Asia, and other selected countries and regions; Phase 1b/2a conducting in countries such as China and the U.S.
 (18) IND approvals obtained in China/the U.S. Business partner: Dr. Reddy's, etc.
 (19) Business partner: Sandoc, etc.
 (20) Advancing toward a global MRCT.

HANSIZHUANG, HANLIKANG, HANQUYOU, HANDAYUAN and HANBEITAI, the core products of the Company, were all successfully launched.

MANAGEMENT DISCUSSION AND ANALYSIS

I. BUSINESS REVIEW

As part of our commitment to provide affordable and high-quality biomedicines for patients worldwide, the Group has achieved remarkable success in the international market by leveraging its robust integrated platform of R&D, production and commercialisation. The Group has successfully realised the “Closed-loop Internationalisation 1.0” and is accelerating toward the “Globalisation 2.0 Era”. During the Reporting Period, while consolidating its traditional strongholds in the United States and Europe, the Group deepened its presence in emerging regions with high growth potential such as Southeast Asia and Latin America. It continues to build global localization operation capabilities spanning clinical operations, drug regulatory registration, and other functions, enabling efficient global product launches and sustaining the upward trajectory of international profitability.

As of the Latest Practicable Date, 10 products (40 indications) of the Group have been successfully approved for marketing in China, the United States, Europe, Canada, Australia, Indonesia, Mexico, Bolivia and other countries/regions, including 7 products approved for marketing in multiple overseas markets, covering approximately 60 countries/regions, benefiting over 1,000,000 patients around the world. From the beginning of 2025 to date, the Group’s “Go Global” initiatives have yielded fruitful results. In February 2025, HANSIZHUANG in combination with chemotherapy was approved for the first-line treatment of adult patients with extensive-stage small cell lung cancer (ES-SCLC) in the EU, becoming the Group’s second product approved in the EU for marketing, which has proven the recognition of international mainstream markets on the Group’s innovative products. In August and September 2025, the United States Food and Drug Administration (FDA) and the European Commission (EC) approved two products of HLX14, trade names in the United States and Europe: BILDYOS® and BILPREVDA®. The approved indications cover all indications for which the reference products have been approved in the local market. In November 2025, HLX11 (US trade name: POHERDY®) was approved for marketing in the United States for the neo/adjuvant treatment of HER2-positive early-stage breast cancer and the treatment of metastatic breast cancer, thus becoming the first and only approved pertuzumab biosimilar in the United States. In January 2026, the Biologics License Application (BLA) for HANBEITAI was accepted by the United States Food and Drug Administration (FDA), further demonstrating the Company’s outstanding capabilities in international registration and quality management.

(I) ACCELERATING DEEP INTERNATIONAL REACH THROUGH WORLD-CLASS OPERATIONS

Guided by its globalization strategy, the Group forged several new partnerships with internationally renowned companies during the Reporting Period, further expanding its global footprint. Meanwhile, the well-trained and mature global drug regulatory registration team collaborates closely with global clinical-operations and medical teams to advance the development process of pipeline products both at home and abroad. During the Reporting Period, the Group achieved 27 investigational new drug application (IND) approvals and 28 new drug application (NDA) approvals spanning approximately 66 countries/regions, including China, the United States, Europe, Japan and Canada. As at the Latest Practicable Date, the in-house clinical-operations teams in China, the United States, and Australia, etc. were orderly advancing clinical studies in nearly 30 countries/regions.

1. EXPANDING THE GLOBAL COMMERCIAL FOOTPRINT THROUGH LICENSING-OUT

During the Reporting Period, the Group entered into several new agreements with leading international partners and continued to advance the commercial roll-out of existing overseas collaborations.

- In February 2025, the Company entered into a license agreement with Dr. Reddy’s Laboratories SA, pursuant to which the Company agreed to grant a license to commercialise a biosimilar of daratumumab HLX15 (recombinant anti-CD38 fully human monoclonal antibody injection) in the United States and agreed European region.
- In April 2025, the Company entered into a license agreement with Alvogen Korea Co., Ltd., pursuant to which the Company agreed to grant a license to commercialise HANSIZHUANG (serplulimab injection) in the Republic of Korea.

MANAGEMENT DISCUSSION AND ANALYSIS

- In April and December 2025, the Company entered into a license agreement and an amendment agreement with Sandoz AG, respectively, for the commercialization of a biosimilar of ipilimumab HLX13 (recombinant anti-CTLA-4 fully human monoclonal antibody injection) in the United States, agreed European countries (42 European countries), Japan, Australia and Canada.
- In February 2026, the Company entered into a license agreement with Eisai Co., Ltd., pursuant to which the Company agreed to grant a license to commercialise HANSIZHUANG (serplulimab injection) in Japan.
- In February 2026, the Company entered into an amendment agreement with Abbott Products Operations AG, pursuant to which the Company agreed to grant a further license to commercialise HANSIZHUANG (serplulimab injection) in the agreed regions covering Asia, the Middle East, Africa and Eastern Europe (42 countries/regions in total), including the Terminated Territories (as defined below) and other agreed countries or regions. In early 2026, the Company had separately reached termination arrangements with PT Kalbe Genexine Biologics and Fosun Industrial in connection with the commercialization rights of HANSIZHUANG (serplulimab injection) in the agreed Southeast Asian countries (excluding Indonesia), Middle Eastern and North African countries, Hong Kong and Macau regions of China (the “**Terminated Territories**”).

Meanwhile, based on the actual progress of the projects, the Group reached termination agreements with FARMA DE COLOMBIA S.A.S and Cipla Limited in August 2025 and February 2026, respectively, regarding the previous commercialization collaborations for HANLIKANG and HANQUYOU in Colombia, Peru, Australia, New Zealand and other markets. The Group will continue to explore collaboration opportunities for these products in international markets to further optimize the regional partnership layout of the Group’s products.

2. GLOBALISATION STRATEGY DELIVERS STRONG RESULTS AS OVERSEAS LAUNCHES ACCELERATE

HANSIZHUANG was approved for marketing in the EU (European trade name: Hetronifly®) and other countries, becoming the first anti-PD-1 monoclonal antibody approved in the EU for small-cell lung cancer

With its excellent efficacy and data quality, HANSIZHUANG has been widely acknowledged in the international market. As its license-out areas comprehensively cover over 100 countries and regions across the United States, Europe, Asia and emerging markets, the international commercialisation has been carried out in an orderly manner. During the Reporting Period, HANSIZHUANG has accelerated its commercialisation in international markets:

- In January 2025, an additional indication of HANSIZHUANG was approved in Indonesia and Thailand for the treatment of squamous non-small cell lung cancer (sqNSCLC), respectively.
- In February 2025, HANSIZHUANG (European trade name: Hetronifly®) in combination with carboplatin and etoposide for the first-line treatment of adult patients with extensive-stage small cell lung cancer (ES-SCLC) was approved for marketing in the EU.
- In March 2026, HANSIZHUANG (Trade name in the European Union: HETRONIFLY®) received positive opinions from the Committee for Medicinal Products for Human Use (“CHMP”) of the European Medicines Agency (EMA), recommending the approval of two additional indications, namely in combination with fluoropyrimidine – and platinum-based chemotherapy indicated for the first-line treatment of adult patients with unresectable locally advanced, recurrent or metastatic esophageal squamous cell carcinoma (ESCC), and in combination with carboplatin and pemetrexed indicated for the first-line treatment of adult patients with locally advanced or metastatic non-squamous non-small cell lung carcinoma (nsNSCLC).
- During the Reporting Period, HANSIZHUANG was approved for marketing in the United Kingdom, Singapore, Malaysia, India and other countries for the treatment of extensive-stage small cell lung cancer (ES-SCLC).

As at the Latest Practicable Date, HANSIZHUANG has been approved for marketing in over 40 countries and regions and has been granted Orphan-drug Designations by drug regulatory authorities in the United States, Switzerland, the Republic of Korea and Mexico, respectively. It has also been included in the national reimbursement drug lists of seven EU member states.

MANAGEMENT DISCUSSION AND ANALYSIS

Two products of HLX14 (denosumab injection) were approved in the United States, Europe and Canada (trade names in the United States and Europe: BILDYOS® and BILPREVDA®; trade names in Canada: BILDYOS® and TUZEMTY®), respectively

HLX14 has successfully become the first “China-developed” denosumab to enter overseas markets. In the second half of 2025, the United States Food and Drug Administration (FDA), the European Commission (EC) and the UK Medicines and Healthcare products Regulatory Agency (MHRA) approved two products of HLX14, trade names in the United States and Europe: BILDYOS® and BILPREVDA®. In March 2026, such products were also approved by Health Canada (trade names in Canada: BILDYOS® and TUZEMTY®). BILDYOS® is indicated for osteoporosis and all other indications for which the reference products have been approved in the local market, while BILPREVDA®/TUZEMTY® is indicated for cancer-related bone disease and all other indications for which the reference products have been approved in the local market, thereby broadening therapeutic options for an increasing aging population.

HLX11 (pertuzumab injection) was approved for marketing in the United States (US trade name: POHERDY®)

In November 2025, HLX11 was approved for marketing by the United States Food and Drug Administration (FDA) under the US trade name POHERDY®. It is indicated for the treatment of metastatic HER2 + breast cancer, the neo/adjuvant treatment of early-stage or locally advanced HER2 + breast cancer and all other indications for which the reference products have been approved in the local market. HLX11 has thus become the first and only approved pertuzumab biosimilar in the United States. In February 2026, HLX11 received a positive opinion from the Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMA), which recommended approval of its marketing authorisation application (MAA). In early 2026, the Company, together with Organon, its global partner of POHERDY®, reached settlement with the originator of pertuzumab. The product is licensed to be launched on a country-by-country basis in the licensed territory as of the agreed-upon launch dates.

HANQUYOU was launched in China, the United States and Europe (US trade name: HERCESSI™; European trade name: Zercepac®), and continued to expand its global commercial footprint

During the Reporting Period, HANQUYOU’s international expansion continued on a steady trajectory, and new drug applications for different specifications of HANQUYOU were approved in Mexico and other countries/regions. With its high international quality standards, HANQUYOU has been approved for marketing in over 50 countries and regions (including the United States, Europe, Canada, Australia, etc.). Furthermore, the Group collaborated with internationally renowned biomedicine enterprises, including Abbott, Accord, Eurofarma, PT Kalbio Global Medika, Laboratorio ELEA Phoenix S.A., etc., to fully boost HANQUYOU’s market share in Europe, the United States, Canada, and other regions, as well as many emerging markets at the country level, covering over approximately 100 countries/regions around the world.

Core products such as HANBEITAI also landed on the international stage

During the Reporting Period, HANBEITAI was approved for marketing in Mexico and the Dominican Republic. In January 2026, the Biologics License Application (BLA) for HANBEITAI was accepted by the United States Food and Drug Administration (FDA). The Group will also work closely with partners such as Abbott, Eurofarma, Boston Oncology, LLC and Getz Pharma to continuously promote the launch of HANLIKANG, HANDAYUAN and HANBEITAI in the international market.

3. HIGH-QUALITY SUPPLY OF PRODUCTS WORLDWIDE

As at the end of the Reporting Period, the Group's industrialisation base for biologics is fully supporting the worldwide supply of all approved products.

- The Xuhui Facility of the Group has achieved routine commercial shipments to global markets, now covering China, Europe, Latin America, Southeast Asia, India and beyond. During the Reporting Period, the Xuhui Facility underwent a pre-marketing GMP inspection by the Ministry of Food and Drug Safety (MFDS) of Korea in relation to the marketing of HANSIZHUANG in the Republic of Korea. In addition, during the Reporting Period, the Facility has successfully passed the ISO 14001 environmental management system certification and ISO 45001 occupational health and safety management system certification, and obtained the accreditation marks of International Accreditation Forum (IAF) and Deutsche Akkreditierungsstelle GmbH (DAkkS).
- Songjiang First Plant of the Group in Songjiang District, Shanghai has obtained the Chinese, US and EU GMP certificates. In June 2025, the Group was awarded the Certificate of GMP Compliance of a Manufacturer (EU GMP Certificate) by the Federal Agency for Medicines and Health Products of Belgium, confirming that the HLX11 and HLX14-related production lines at Songjiang First Plant meet EU GMP standards. During the Reporting Period, such production lines also successfully passed pre-approval GMP inspections by the United States Food and Drug Administration (FDA) for HLX11 and HLX14. During the Reporting Period, the Plant completed the first commercial shipment of HLX14 to Europe, thereby creating conditions for its commercial launch in Europe. During the Reporting Period, Songjiang First Plant underwent pre-approval GMP inspections by the Shanghai Medical Products Administration for HLX11 and HLX04-O as well as the pre-marketing GMP inspection by the Ministry of Food and Drug Safety (MFDS) of Korea in relation to the marketing of HANSIZHUANG in the Republic of Korea. In addition, during the Reporting Period, the Facility has successfully passed the ISO 14001 environmental management system certification and ISO 45001 occupational health and safety management system certification, and obtained the accreditation marks of International Accreditation Forum (IAF) and Deutsche Akkreditierungsstelle GmbH (DAkkS).
- In order to meet the Group's long-term demand for commercial production capacity, the construction of the Phase I project of Songjiang Second Plant, with a total planned land area of 200 acres, started in 2019. The designed production capacity for the first and second stages of this project totals 36,000L. The installation, commissioning and verification of equipment in two main production buildings including production lines of drug substances and drug products and the Prefilled Syringes System (PFS) have been completed, while the commissioning and verification work of the remaining production lines will also be implemented in order according to production requirements. During the Reporting Period, all construction work for the third stage of the Phase I project of Songjiang Second Plant was completed, and the Phase I project achieved overall final acceptance in August 2025. In June 2025, the Group was awarded the Certificate of GMP Compliance of a Manufacturer (EU GMP Certificate) by the Federal Agency for Medicines and Health Products of Belgium, confirming that the HLX14-related production lines at Songjiang Second Plant meet EU GMP standards. Such production lines also successfully passed the pre-approval GMP inspection by the United States Food and Drug Administration (FDA) for HLX14.

MANAGEMENT DISCUSSION AND ANALYSIS

(II) DRIVING INNOVATION: FROM EARLY R&D TO GLOBAL CLINICAL DEVELOPMENT

1. ORIENTATION TOWARD CLINICAL VALUE AND INJECTING IMPETUS TOWARD THE PIPELINE

The Group's early-stage R&D is centered around patient needs and guided by clinical value. Leveraging a new drug discovery platform driven by deep data-driven and biocomputing-accelerated molecular design technology, the Group continues to develop high-quality and affordable innovative drugs to treat complex diseases with the help of network biology and polypharmacology. By employing a comprehensive antibody drug technology platform to empower the development of innovative therapies, the Group is planning for the development of the next-generation innovative antibody drugs and antibody-based drugs. In terms of the development of T Cell Engager, the Group has developed highly specific products targeting solid tumours, which can effectively overcome the immunosuppressive tumour microenvironment and activate immune-mediated tumour cell killing. In terms of the development of antibody-drug conjugates (ADC), the Group's R&D platform Hanjugator has the ability to develop ADC products with high safety, high selectivity and high efficacy, and is able to effectively expand the application scenarios of ADC products, providing strong support for the Group in developing ADC products with differentiation advantage and significant clinical value. By deeply integrating artificial intelligence (AI) with biological data, the Group's HAI Club platform accelerates the identification of novel drug targets, leading to demonstrably higher drug discovery efficiency. By effectively harnessing the synergy across its multi-faceted early-stage R&D technology platforms, the Group has effectively accelerated the development of innovative drug candidates. This approach has established a robust technical foundation and pipeline reserve, enabling the Group to continuously address unmet clinical needs.

During the Reporting Period, the Group also actively expanded its product pipeline through licensing-in. In June 2025, the Company entered into a license agreement with FBD Biologics Limited, pursuant to which the Company was granted the exclusive rights to develop, manufacture, and commercialize SIRP α -Fc fusion protein (the Company's product code: HLX701) within Chinese Mainland, Hong Kong and Macau regions, and specific countries in Southeast Asia. In December 2025, the Company entered into a project cooperation agreement with GeneQuantum Healthcare (Suzhou) Co., Ltd. (啟德醫藥科技(蘇州)有限公司), pursuant to which the Company obtained the development and exclusive commercialisation rights for the innovative HER2-targeted antibody-drug conjugate (ADC) GQ1005 (the Company's product code: HLX87) in China and specific overseas countries and regions. In December 2025, the Company entered into a project cooperation agreement with U-mab Biopharma (Lianyungang) Co., Ltd. (優邁生物科技(連雲港)有限公司), pursuant to which the Company was granted the global exclusive rights to develop, manufacture and commercialize a monoclonal antibody targeting interleukin-1 receptor accessory protein (IL-1R3) (the Company's product code: HLX109).

As of the Latest Practicable Date, the Group has built an R&D pipeline encompassing over 50 early-stage innovative assets and approximately 10 R&D platforms, covering a wealth of drug forms, such as monoclonal antibody, multi-specific antibody, antibody-drug conjugates (ADC), fusion proteins, small molecule drugs and other forms of drugs.

The Group has also actively promoted the conversion of assets from the early-stage to the clinical stage. This effort resulted in successful investigational new drug applications (IND) approvals and the initiation of clinical trials, from January 2025 to date, for the PD-L1-targeted ADC + PD-1 project, the human sialidase fusion protein + CD20, PD-1, PD-L1 \times VEGF, HER2+HER2 ADC and HER2+HER2 programmes.

- In January 2025, an investigational new drug application (IND) for a phase 1b/2 clinical trial of HLX43 for injection (antibody-drug conjugate targeting PD-L1) in combination with HANSIZHUANG (serplulimab injection) for the treatment of patients with advanced/metastatic solid tumours was approved by the NMPA.
- In February 2025, an investigational new drug application (IND) for an innovative small molecule HLX99 was approved by the United States Food and Drug Administration (FDA). HLX99 is intended for the treatment of amyotrophic lateral sclerosis (ALS).

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- In March 2025, an investigational new drug application (IND) for a phase 2 clinical trial of HLX79 injection (human sialidase fusion protein) in combination with HANLIKANG (rituximab injection) for the treatment of active glomerulonephritis was approved by the NMPA.
- In September 2025, an investigational new drug application (IND) for a phase 1 clinical trial of a biosimilar of pembrolizumab HLX17 (recombinant humanised anti-PD-1 monoclonal antibody injection) in patients with various resected solid tumours was approved by the United States Food and Drug Administration (FDA).
- In September 2025, an investigational new drug application (IND) for a phase 1b/2 clinical trial of HLX43 for injection (antibody-drug conjugate targeting PD-L1) in combination with HLX07 (recombinant humanised anti-EGFR monoclonal antibody injection) for the treatment of advanced/metastatic solid tumours was approved by the NMPA.
- In November 2025, an investigational new drug application (IND) for a phase 1 clinical trial of HLX37 (recombinant humanised anti-PD-L1 and anti-VEGF bispecific antibody injection) in patients with advanced/metastatic solid tumours was approved by the NMPA.
- In December 2025, investigational new drug applications (IND) for phase 2/3 clinical trials of HLX22 (recombinant humanised anti-HER2 monoclonal antibody injection) in combination with HLX87 for injection (antibody-drug conjugate targeting HER2) for first-line treatment of HER2-positive breast cancer (BC) and for neoadjuvant treatment for HER2-positive breast cancer (BC neo) were approved by the NMPA, respectively.
- In December 2025 and March 2026, investigational new drug applications (IND) for a phase 1 clinical trial of nivolumab biosimilar HLX18 (recombinant anti-PD-1 humanized monoclonal antibody injection) for the treatment of multiple solid tumours were approved by the United States Food and Drug Administration (FDA) and the NMPA, respectively.
- In January 2026, an investigational new drug application (IND) for a phase 1b/2 clinical trial of HLX701 (recombinant human SIRP α -IgG4 Fc fusion protein injection) in combination with cetuximab and chemotherapy for the treatment of advanced colorectal cancer was approved by the NMPA.
- In January 2026, an investigational new drug application (IND) for HLX43 for injection (an anti-PD-L1 antibody-drug conjugate) in combination with HLX07 (recombinant anti-EGFR humanised monoclonal antibody injection) and HANSIZHUANG (serplulimab injection) for the treatment of advanced solid tumours was approved by the NMPA.
- In March 2026, an investigational new drug application (IND) for HLX97 (KAT6A/B small molecule Inhibitor) for a phase 1 clinical trial in patients with advanced or metastatic solid tumours was approved by the NMPA.
- In March 2026, an investigational new drug application (IND) for HLX3901 for injection (a tetra-specific antibody targeting dual epitopes of DLL3, CD3 and CD28) for a phase 1 clinical trial in patients with advanced/metastatic solid tumours was approved by the NMPA.
- In March 2026, an investigational new drug application (IND) for HLX316 for injection (B7-H3-targeting sialidase Fc fusion protein) for a phase 1 clinical trial in patients with advanced/metastatic solid tumours was approved by the NMPA.
- In March 2026, investigational new drug applications (INDs) for a biosimilar of pertuzumab and trastuzumab HLX319 (pertuzumab and trastuzumab injection (subcutaneous injection)) for the phase 1 clinical trials were approved by the NMPA.

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- In March 2026, an investigational new drug application (IND) for HLX48 for injection (an antibody-drug conjugate targeting EGFR and c-MET) for a phase 1 clinical trial in patients with advanced/metastatic solid tumors was submitted to the NMPA and accepted in the same month.
- In March 2026, an investigational new drug application (IND) for HLX3902 injection (a trispecific antibody targeting STEAP1, CD3 and CD28) for a phase 1 clinical trial in patients with metastatic castration-resistant prostate cancer and other advanced solid tumors was submitted to the NMPA and accepted in April 2026.
- In March 2026, an investigational new drug application (IND) for a phase 1 clinical trial of HLXTE-HAase02 (recombinant human hyaluronidase injection) was approved by the NMPA.
- In April 2026, an investigational new drug application (IND) for a phase 1 clinical trial of HLX05-N (recombinant anti-EGFR chimeric human-murine monoclonal antibody injection), a cetuximab injection biosimilar, for the treatment of metastatic colorectal cancer (mCRC) has been approved by the NMPA. The Company intends to commence an international multi-center phase 1 clinical study of HLX05-N once conditions are met.

2. SUSTAINED AND EFFECTIVE GLOBAL DEVELOPMENT OF CLINICAL-STAGE PRODUCTS

Addressing unmet clinical needs, the Group strategically planned and advanced the global clinical development of its pipeline products. During the Reporting Period, the progress was further promoted in clinical trials for innovative products, including HLX43 (PD-L1 ADC), HLX22 (HER2), HANSIZHUANG (PD-1), HLX79 (human sialidase fusion protein), HLX04-O (VEGF), HLX37 (PD-L1×VEGF), and HLX87 (HER2 ADC), for a range of indications, such as solid tumours, esophageal squamous cell carcinoma (ESCC), non-small cell lung cancer (NSCLC), thymic carcinoma (TC), gastric cancer (GC), breast cancer (BC), small cell lung cancer (SCLC), glomerulonephritis, wet age-related macular degeneration (wAMD), hepatocellular carcinoma (HCC), and metastatic colorectal cancer (mCRC). As at the Latest Practicable Date, the Group is actively conducting more than 30 clinical trials in numerous countries/regions worldwide.

HLX43 for Injection (antibody-drug conjugate targeting PD-L1)

- In January 2025, an investigational new drug application (IND) for the phase 1b/2 clinical trial of HLX43 in combination with HANSIZHUANG (serplulimab injection) for the treatment of patients with advanced/metastatic solid tumours was approved by the NMPA, and the first patient for the relevant clinical study was dosed in Chinese Mainland in April 2025.
- In January 2025, the first patient was dosed in a phase 2 clinical study of HLX43 in patients with recurrent/metastatic esophageal squamous cell carcinoma (ESCC) in Chinese Mainland. During the Reporting Period, the Company commenced several phase 2 clinical trials of HLX43 for different indications in Chinese Mainland.
- In June 2025, the first patient in Chinese Mainland was dosed in an international multi-centre phase 2 clinical study of HLX43 in patients with advanced non-small cell lung cancer (NSCLC). During the Reporting Period, the first patient in the United States, the first patient in Australia and the first patient in Japan were dosed in such international multi-centre phase 2 clinical study, respectively.
- In July and September 2025, an international multi-centre phase 1 clinical study of HLX43 for the treatment of thymic carcinoma (TC) was permitted to commence in the United States and Japan, respectively. The first patient in Japan was dosed in such international multi-centre phase 1 clinical study in March 2026.
- In September 2025, an investigational new drug application (IND) for a phase 1b/2 clinical trial of HLX43 in combination with HLX07 (recombinant humanised anti-EGFR monoclonal antibody injection) for the treatment of advanced/metastatic solid tumours was approved by the NMPA. In February 2026, the first patient was dosed in a phase 1b/2 clinical study of HLX43 in combination with HLX07 (recombinant anti-EGFR humanised monoclonal antibody injection) or HANSIZHUANG (serplulimab injection) in patients with advanced or metastatic colorectal cancer in Chinese Mainland.
- In October 2025, Orphan-drug Designation of HLX43 for the treatment of thymic epithelial tumours (TETs) was granted by the United States Food and Drug Administration (FDA).

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During the Reporting Period, the results from the phase 1 clinical trial of HLX43 were released at the 2025 American Society of Clinical Oncology (ASCO) Annual Meeting and the 2025 World Conference on Lung Cancer (WCLC), demonstrating good safety and encouraging preliminary efficacy in several solid tumours especially in patients with non-small cell lung cancer (NSCLC). The findings identified HLX43 as a biomarker-independent antibody-drug conjugate (ADC) with immuno-oncology (IO) activity, enabling broad patient coverage. Notably, in patients with NSCLC who had progressed after standard therapy (median number of lines of treatment ≥ 3), HLX43 continued to show a promising response rate and good safety characteristics. Investigator-assessed objective response rate (ORR) was 37.0%, and disease control rate (DCR) was 87.0%. In addition, the results from the phase 2 clinical trial of HLX43 in recurrent/metastatic cervical cancer (CC) were first presented in the Proffered Paper Session at the 2025 European Society for Medical Oncology (ESMO) Asia Congress. The data demonstrated that in patients with recurrent/advanced cervical cancer (CC) who had previously failed, intolerant to, or contraindicated for standard first-line therapy, HLX43 showed good safety characteristics and exhibited compelling preliminary efficacy. Investigator-assessed ORR was 41.4% in total population and reached 70% in 3.0 mg/kg dose group. The results of a phase 2 clinical trial of HLX43 in recurrent/metastatic esophageal squamous cell carcinoma (ESCC) were first presented at the 2026 American Society of Clinical Oncology (ASCO) Gastrointestinal Cancers Symposium. The data demonstrated that in patients with recurrent/advanced ESCC who had failed or were intolerable to standard first-line therapy, HLX43 showed good safety profiles and exhibited promising preliminary efficacy. Investigator-assessed ORR was 30.3% in total population and reached 61.5% in 3.0 mg/kg dose group.

HLX22 (recombinant humanised anti-HER2 monoclonal antibody injection)

- In March and May 2025, Orphan-drug Designation of HLX22 for the treatment of gastric cancer (GC) were granted by the United States Food and Drug Administration (FDA) and the European Commission (EC), respectively.
- In March, July and October 2025, the first patient in Japan, the first patient in the United States and the first patient in the EU were dosed in an international multi-centre phase 3 clinical study of HLX22 in combination with trastuzumab and chemotherapy compared to trastuzumab and chemotherapy with or without pembrolizumab for the first-line treatment of HER2-positive, locally advanced or metastatic gastroesophageal junction cancer and gastric cancer, respectively. Such international multi-centre phase 3 clinical study is currently being conducted simultaneously in Chinese Mainland, the United States, the EU, Australia, Japan and other countries/regions.
- In April 2025, the first patient was dosed in a phase 2 clinical study of HLX22 in combination with trastuzumab deruxtecan for the treatment of HER2-low, HR positive, locally advanced or metastatic breast cancer (BC) in Chinese Mainland.
- In December 2025, an investigational new drug application (IND) for a phase 2/3 clinical trials of HLX22 in combination with HLX87 for injection (antibody-drug conjugate targeting HER2) for first-line treatment of HER2-positive breast cancer (BC) has been approved by the NMPA. The first patient in Chinese Mainland was dosed in February 2026.

During the Reporting Period, updated results from a phase 2 clinical study evaluating HLX22 in combination with trastuzumab and chemotherapy as the first-line treatment of HER2-positive gastric cancer were presented at the 2025 American Society of Clinical Oncology (ASCO) Annual Meeting. The median follow-up for the HLX22 + trastuzumab + chemotherapy group and the placebo + trastuzumab + chemotherapy group was 28.5 months and 28.7 months, respectively. According to Independent Radiology Review Committee (IRRC) assessments, the progression-free survival (PFS) for the two groups was NR (95% CI: 16.2, NE) versus 8.3 (95% CI: 5.7, 21.4). The HLX22 group showed significant benefit compared to the control group (HR 0.2 95% CI 0.09, 0.54). Safety profiles were comparable between the two groups. These updated findings further confirm the remarkable clinical benefits achieved with HLX22 in combination with trastuzumab and chemotherapy for patients with HER2-positive gastric/gastroesophageal junction cancer (G/GJEC), along with a manageable safety profile.

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HANSIZHUANG (serplulimab injection)

- In January 2025, the recruitment of all subjects was completed in an international multi-centre phase 3 clinical study comparing HANSIZHUANG or placebo in combination with chemotherapy and concurrent radiotherapy for the treatment of limited-stage small cell lung cancer (LS-SCLC) patients.
- In January 2025, HANSIZHUANG in combination with chemotherapy for the first-line treatment of extensive-stage small cell lung cancer (ES-SCLC) was approved for a bridging study in Japan. The first patient in this bridging study in Japan was dosed in June 2025. This bridging study will lay the groundwork for the subsequent new drug application of HANSIZHUANG in Japan.
- In June 2025, the recruitment of all subjects was completed in an international multi-centre phase 3 clinical study of HANSIZHUANG in combination with bevacizumab injection and chemotherapy for the first-line treatment of metastatic colorectal cancer (mCRC).
- In September 2025, a phase 3 clinical trial of HANSIZHUANG in combination with chemotherapy for the neo/adjuvant treatment of gastric cancer met the primary study endpoint. HANSIZHUANG for this indication was officially granted the Breakthrough Therapy Designation by the Center for Drug Evaluation (CDE) of the NMPA in November 2025. The New Drug Application (NDA) for this indication was accepted by the NMPA in December 2025 and granted the procedure for priority review.
- In October 2025, the recruitment and enrollment of all subjects were completed in the bridging study in the United States for HANSIZHUANG in combination with chemotherapy for the first-line treatment of extensive-stage small cell lung cancer (ES-SCLC).
- In March 2026, an investigational new drug application (IND) for clinical trial of HLX07 (recombinant anti-EGFR humanised monoclonal antibody injection) in combination with HANSIZHUANG and chemotherapy for the treatment of advanced squamous non-small cell lung cancer (sqNSCLC) was approved by the NMPA.

During the Reporting Period, over ten new study results regarding HANSIZHUANG were presented in various forms at different conferences. In particular, the phase 2 data from the phase 2/3 clinical trial of HANSIZHUANG in combination with bevacizumab and chemotherapy for the first-line treatment of metastatic colorectal cancer (mCRC) were presented at the 2025 American Society of Clinical Oncology Gastrointestinal Cancers Symposium (ASCO GI). As of the data cutoff date (30 June 2024), with a median follow-up of 31.0 months, the HANSIZHUANG in combination with bevacizumab and chemotherapy group (Group A) showed sustained improvements in PFS (16.6 vs. 10.7 months, HR 0.66, 95% CI 0.37-1.19) and DOR (17.7 vs. 11.3 months, HR 0.45, 95% CI 0.20-0.98) compared to the placebo in combination with bevacizumab and chemotherapy group (Group B). The addition of serplulimab to bevacizumab and XELOX for the first-line treatment of mCRC patients (including MSS patients) demonstrated survival benefits with manageable safety. This regimen has the potential to become the first-line treatment option for metastatic colorectal cancer (mCRC). During the Reporting Period, two additional latest study results regarding HANSIZHUANG in the field of gastric cancer were selected for the 16th International Gastric Cancer Congress (IGCC 2025). Specifically, the latest results of the phase 2 study of HANSIZHUANG in neoadjuvant chemoradiation therapy for adenocarcinoma of the gastroesophageal junction were presented in an oral report format. At the 2026 American Society of Clinical Oncology Gastrointestinal Cancers Symposium (ASCO GI), the results of two neoadjuvant studies of HANSIZHUANG in the field of MSS/pMMR locally advanced colon/rectal cancer were officially released in the form of posters, further highlighting the therapeutic potential of HANSIZHUANG in the field of gastrointestinal cancers.

Other products

- In March 2025, the marketing authorisation application (MAA) for a biosimilar of pertuzumab HLX11 (recombinant anti-HER2 domain II humanised monoclonal antibody injection) was accepted by the European Medicines Agency (EMA). In February 2026, the Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMA) issued a positive opinion recommending approval of its marketing authorisation application (MAA).
- In March 2025, an investigational new drug application (IND) for a phase 2 clinical trial of HLX79 injection (human sialidase fusion protein) in combination with HANLIKANG (rituximab injection) for the treatment of active glomerulonephritis was approved by the NMPA. The first patient in Chinese Mainland has been dosed in the clinical study in August 2025.
- In April 2025, HLX04-O (recombinant anti-VEGF humanised monoclonal antibody injection) met its primary endpoints in a phase 3 clinical study for the treatment of wet age-related macular degeneration (wAMD) in Chinese patients. The new drug application (NDA) for this product in the treatment of wet age-related macular degeneration (wAMD) was accepted by the NMPA in August 2025.
- In May 2025, the first patient was dosed in a phase 1/3 clinical study of a biosimilar of ipilimumab HLX13 (recombinant anti-CTLA-4 fully human monoclonal antibody injection) for the first-line treatment of patients with unresectable advanced hepatocellular carcinoma (HCC) in Chinese Mainland. In September 2025, an investigational new drug application (IND) for a phase 1 clinical trial of this product for the first-line treatment of patients with unresectable advanced hepatocellular carcinoma (HCC) was approved by the United States Food and Drug Administration (FDA). The first patient was dosed in the international multi-centre clinical study in Chinese Mainland in November 2025.
- In September 2025, an investigational new drug application (IND) for a phase 1 clinical trial of a biosimilar of pembrolizumab HLX17 (recombinant humanised anti-PD-1 monoclonal antibody injection) in patients with various resected solid tumours was approved by the United States Food and Drug Administration (FDA). The first patient in such international multi-centre clinical study was dosed in Chinese Mainland in September 2025.
- In November 2025, an investigational new drug application (IND) for a phase 1 clinical trial of HLX37 (recombinant humanised anti-PD-L1 and anti-VEGF bispecific antibody injection) in patients with advanced/metastatic solid tumours was approved by the National Medical Products Administration (NMPA). The first patient was dosed in such clinical study in Chinese Mainland in December 2025.
- In December 2025, the New Drug Application (NDA) for a denosumab biosimilar HLX14 (recombinant anti-RANKL fully human monoclonal antibody injection) has been accepted by the NMPA.
- In January 2026, an investigational new drug application (IND) for a phase 1b/2 clinical trial of HLX701 (recombinant human SIRP α -IgG4 Fc fusion protein injection) in combination with cetuximab and chemotherapy for the treatment of advanced colorectal cancer was approved by the NMPA. The first patient was dosed in such clinical study in Chinese Mainland in March 2026.
- In February 2026, investigational new drug (IND) applications for a phase 1 clinical trial of a biosimilar of daratumumab HLX15 (recombinant anti-CD38 fully human monoclonal antibody injection – subcutaneous injection) for the treatment of multiple myeloma were approved by the United States Food and Drug Administration (FDA) and the NMPA, respectively.
- In March 2026, the investigational new drug applications (INDs) for the phase 1 clinical trials of pertuzumab and trastuzumab biosimilar HLX319 were approved by the NMPA. The first subject was dosed in a phase 1 clinical study conducted in healthy Chinese male subjects in April 2026.

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The clinical and pre-clinical application results of the Group's products from the beginning of 2025 up to the Latest Practicable Date:

Product name (targets)	Indications	Progress as of the Latest Practicable Date
Continuous and efficient advancement of clinical research product		
Global development progress of HLX43 for injection (antibody-drug conjugate targeting PD-L1)		
HLX43 (PD-L1 ADC)	Advanced non-small cell lung cancer (NSCLC)	<p>In June 2025, the first patient was dosed in an international multi-centre phase 2 clinical study in Chinese Mainland</p> <p>In June 2025, the international multi-centre phase 2 clinical study was permitted to commence in Australia</p> <p>In July 2025, the international multi-centre phase 2 clinical study was permitted to commence in Japan</p> <p>In August 2025, the first patient in the United States was dosed in an international multi-centre phase 2 clinical study</p> <p>In September 2025, the first patient in Australia was dosed in an international multi-centre phase 2 clinical study</p> <p>In November 2025, the first patient in Japan was dosed in an international multi-centre phase 2 clinical study</p>
HLX43 (PD-L1 ADC)	Solid tumour (including thymic carcinoma (TC))	<p>In July 2025, the international multi-centre phase 1 clinical study for the treatment of thymic carcinoma (TC) was permitted to commence in the United States</p> <p>In September 2025, the international multi-centre phase 1 clinical study for the treatment of thymic carcinoma (TC) was permitted to commence in the Japan</p> <p>In March 2026, the first patient in Japan was dosed in an international multi-centre phase 1 clinical study</p>
HLX43 (PD-L1 ADC)	Solid tumour (including esophageal squamous cell carcinoma (ESCC))	<p>In January 2025, the first patient was dosed in a phase 2 clinical study for the treatment of recurrent/metastatic esophageal squamous cell carcinoma in Chinese Mainland</p> <p>During the Reporting Period, the Company has initiated several phase 2 clinical studies for different indications in Chinese Mainland</p>
HLX43 (PD-L1 ADC)	Thymic epithelial tumours (TETs)	In October 2025, Orphan-Drug Designation (ODD) was granted by the FDA

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Product name (targets)	Indications	Progress as of the Latest Practicable Date
HLX43 in combination with HANSIZHUANG (PD-L1 ADC+PD-1)	Solid tumour	In January 2025, an investigational new drug application (IND) for the phase 1b/2 clinical trial was approved by the NMPA In April 2025, the first patient was dosed in a phase 1b/2 clinical study in Chinese Mainland
HLX43 in combination with HLX07 (PD-L1 ADC+EGFR)	Solid tumour (including metastatic colorectal cancer (mCRC))	In September 2025, an investigational new drug application (IND) for the phase 1b/2 clinical trial was approved by the NMPA In February 2026, the first patient was dosed in a phase 1b/2 clinical study of HLX43 in combination with HLX07 or HANSIZHUANG in patients with advanced or metastatic colorectal cancer in Chinese Mainland
Global development progress of HLX22 (recombinant humanised anti-HER2 monoclonal antibody injection)		
HLX22 (HER2)	Gastric cancer (GC)	In March 2025, Orphan-drug Designation (ODD) was granted by the FDA In May 2025, Orphan-Drug Designation (ODD) was granted by the European Commission (EC)
HLX22 (HER2) in combination with trastuzumab	Gastroesophageal junction cancer and gastric cancer (GEJC/GC)	In March 2025, the first patient in Japan was dosed in an international multi-centre phase 3 clinical trial In April 2025, the international multi-centre phase 3 clinical study was permitted to commence in EU countries (Germany) In July 2025, the first patient in the United States was dosed in an international multi-centre phase 3 clinical trial In October 2025, the first patient in EU countries (Spain) was dosed in an international multi-centre phase 3 clinical trial
HLX22 (HER2) in combination with trastuzumab deruxtecan	Breast cancer (BC)	In April 2025, the first patient was dosed in a phase 2 clinical study in Chinese Mainland
HLX22 in combination with HLX87 (HER2+HER2 ADC)	Breast cancer (BC)	In December 2025, an investigational new drug application (IND) for the phase 2/3 clinical trial for first-line treatment of HER2-positive breast cancer (BC) was approved by the NMPA In February 2026, the first patient was dosed in a phase 2/3 clinical study in Chinese Mainland

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Product name (targets)	Indications	Progress as of the Latest Practicable Date
Global development progress of HANSIZHUANG (serplulimab injection)		
HANSIZHUANG in combination with chemotherapy (PD-1)	Limited-stage small cell lung cancer (LS-SCLC)	In January 2025, the recruitment of subjects was completed in an international multi-centre phase 3 clinical study
HANSIZHUANG in combination with chemotherapy (PD-1)	Extensive-stage small cell lung cancer (ES – SCLC)	In January 2025, the bridging study was permitted to commence in Japan In June 2025, the first patient in the bridging study in Japan was dosed In October 2025, the recruitment of subjects was completed in the bridging study in the United States
HANSIZHUANG in combination with chemotherapy (PD-1)	Neo/adjuvant treatment for Gastric cancer (GC)	In September 2025, a phase 3 clinical study met the primary study endpoint In November 2025, it was officially granted the Breakthrough Therapy Designation by the Center for Drug Evaluation (CDE) of the NMPA In December 2025, the new drug application (NDA) was accepted by the NMPA and granted the procedure for priority review
HANSIZHUANG in combination with bevacizumab and chemotherapy (PD-1+VEGF)	Metastatic colorectal cancer (mCRC)	In June 2025, the recruitment of subjects was completed in an international multi-centre phase 3 clinical study
HLX07 in combination with HANSIZHUANG and chemotherapy (EGFR+PD-1)	Advanced squamous non-small cell lung cancer (sqNSCLC)	In March 2026, an investigational new drug application (IND) was approved by the NMPA

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Product name (targets)	Indications	Progress as of the Latest Practicable Date
Global development progress of other products		
HLX11 (HER2)	Breast cancer (BC)	In March 2025, the marketing authorisation application (MAA) was accepted by the EMA In February 2026, the marketing authorisation application (MAA) received a positive opinion from the Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMA)
HLX79 in combination with HANLIKANG (Human sialidase fusion protein + CD20)	Active glomerulonephritis	In March 2025, an investigational new drug application (IND) for the phase 2 clinical trial was approved by the NMPA In August 2025, the first patient was dosed in a phase 2 clinical study in Chinese Mainland
HLX04-O (VEGF)	Wet age-related macular degeneration (wAMD)	In April 2025, a phase 3 clinical study in Chinese Mainland met the primary study endpoint In August 2025, the new drug application (NDA) was accepted by the NMPA
HLX13 (CTLA-4)	Hepatocellular carcinoma (HCC)	In May 2025, the first patient was dosed in a phase 1/3 clinical study in Chinese Mainland In September 2025, an investigational new drug application (IND) for the phase 1 clinical trial was approved by the United States Food and Drug Administration (FDA) In November 2025, the first patient was dosed in an international multi-centre phase 1 clinical study in Chinese Mainland
HLX17 (PD-1)	Various resected solid tumours	In September 2025, an investigational new drug application (IND) for the phase 1 clinical trial was approved by the United States Food and Drug Administration (FDA) In September 2025, the first patient was dosed in an international multi-centre phase 1 clinical study in Chinese Mainland
HLX37 (PD-L1 × VEGF)	Solid tumour	In November 2025, an investigational new drug application (IND) for the phase 1 clinical trial was approved by the NMPA In December 2025, the first patient was dosed in a phase 1 clinical study in Chinese Mainland
HLX14 (RANKL)	Osteoporosis (OP) etc.	In December 2025, the new drug application (NDA) was accepted by the NMPA

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Product name (targets)	Indications	Progress as of the Latest Practicable Date
HLX701 (CD47) in combination with cetuximab and chemotherapy	Colorectal cancer (CRC)	In January 2026, an investigational new drug application (IND) for the phase 1b/2 clinical trial was approved by the NMPA (Already in clinical phase in Chinese Mainland)
HLX15 (CD38)	Multiple myeloma (MM)	In February 2026, an investigational new drug application (IND) for the phase 1 clinical trial was approved by the NMPA In February 2026, an investigational new drug application (IND) for the phase 1 clinical trial was approved by the United States Food and Drug Administration (FDA)
Efficient advancement of IND filings for pre-clinical development projects		
HLX43 in combination with HANSIZHUANG (PD-L1 ADC+PD-1)	Solid tumour	In January 2025, an investigational new drug application (IND) for the phase 1b/2 clinical trial was approved by the NMPA (Already in clinical phase in Chinese Mainland)
HLX99 (Polypharmacology)	Amyotrophic lateral sclerosis (ALS)	In February 2025, an investigational new drug application (IND) was approved by the United States Food and Drug Administration (FDA)
HLX79 in combination with HANLIKANG (Human sialidase fusion protein + CD20)	Active glomerulonephritis	In March 2025, an investigational new drug application (IND) for the phase 2 clinical trial was approved by the NMPA (Already in clinical phase in Chinese Mainland)
HLX17 (PD-1)	Various resected solid tumours	In September 2025, an investigational new drug application (IND) for the phase 1 clinical trial was approved by the United States Food and Drug Administration (FDA) (Already in clinical phase in Chinese Mainland)
HLX43 in combination with HLX07 (PD-L1 ADC+EGFR)	Solid tumour	In September 2025, an investigational new drug application (IND) for the phase 2 clinical trial was approved by the NMPA (Already in clinical phase in Chinese Mainland)
HLX37 (PD-L1×VEGF)	Solid tumour	In November 2025, an investigational new drug application (IND) for the phase 1 clinical trial was approved by the NMPA (Already in clinical phase in Chinese Mainland)
HLX22 in combination with HLX87 (HER2+HER2 ADC)	Breast cancer (BC)	In December 2025, an investigational new drug application (IND) for the phase 2/3 clinical trial was approved by the NMPA (Already in clinical phase in Chinese Mainland)

MANAGEMENT DISCUSSION AND ANALYSIS

Product name (targets)	Indications	Progress as of the Latest Practicable Date
HLX22 in combination with HLX87 (HER2+HER2 ADC)	Neoadjuvant treatment for breast cancer (BC neo)	In December 2025, an investigational new drug application (IND) for the phase 2/3 clinical trial was approved by the NMPA
HLX18 (PD-1)	Solid tumour	In December 2025, an investigational new drug application (IND) for the phase 1 clinical trial was approved by the United States Food and Drug Administration (FDA) In March 2026, an investigational new drug application (IND) for the phase 1 clinical trial was approved by the NMPA
HLX701 (CD47) in combination with cetuximab and chemotherapy	Colorectal cancer (CRC)	In January 2026, an investigational new drug application (IND) for the phase 1b/2 clinical trial was approved by the NMPA (Already in clinical phase in Chinese Mainland)
HLX43 in combination with HLX07 and HANSIZHUANG (PD-L1 ADC + EGFR + PD-1)	Solid tumour	In January 2026, an investigational new drug application (IND) was approved by the NMPA
HLX97	Solid tumour	In March 2026, an investigational new drug application (IND) for the phase 1 clinical trial was approved by the NMPA
HLX3901 (DLL3×DLL3×CD3×CD28)	Solid tumour	In March 2026, an investigational new drug application (IND) for the phase 1 clinical trial was approved by the NMPA
HLX316 (B7-H3)	Solid tumour	In March 2026, an investigational new drug application (IND) for the phase 1 clinical trial was approved by the NMPA
HLX319 (HER2+HER2)	Breast cancer (BC)	In March 2026, the investigational new drug applications (INDs) for the phase 1 clinical trials were approved by the NMPA (Already in clinical phase in Chinese Mainland)
HLX48 (EGFR×cMet ADC)	Solid tumour	In March 2026, an investigational new drug application (IND) for the phase 1 clinical trial was submitted to the NMPA and was accepted
HLX3902 (STEAP1×CD3×CD28)	Solid tumour	In March 2026, an investigational new drug application (IND) for the phase 1 clinical trial was submitted to the NMPA and accepted in April 2026
HLXTE-HAase02 (recombinant human hyaluronidase injection)	Facilitating the diffusion and absorption of drugs administered via subcutaneous injection or subcutaneous infusion	In March 2026, an investigational new drug application (IND) for the phase 1 clinical trial was approved by the NMPA
HLX05-N (EGFR)	Metastatic colorectal cancer (mCRC)	In April 2026, an investigational new drug application (IND) for the phase 1 clinical trial was approved by the NMPA

MANAGEMENT DISCUSSION AND ANALYSIS

(III) SUSTAINABLE COMMERCIALISATION FULFILLMENT CAPABILITIES

During the Reporting Period, the Group continued to strengthen its commercialisation system, and leveraged on product differentiation and synergistic promotion mechanisms etc. to deepen sustainable competitive advantages. As at the end of the Reporting Period, the Group's commercialisation team was over 1,600 people, promoting the commercialisation of seven products, including HANQUYOU and HANSIZHUANG, in an orderly manner in Chinese Mainland.

1. **HANQUYOU (trastuzumab for injection, a therapeutic product for breast cancer and gastric cancer), a product with the largest market share in China's intravenous trastuzumab market, sequential treatment with HANNAIJIA (neratinib maleate) for the extended adjuvant treatment of breast cancer, and together with FUTUONING (Fovinaciclib Citrate Capsules), it further consolidates the Group's leading position in the field of breast cancer treatment.**

HANQUYOU is the core product of the Group in the field of anti-tumour therapy, and was independently developed by the Group in accordance with the relevant regulations on biosimilar drugs of Chinese Mainland, the EU, and the United States. In Chinese Mainland, HANQUYOU has continued to penetrate the domestic market and generate significant sales revenue for the Group leveraging the Group's efficient market access and sales execution capabilities, as well as the differentiated advantages offered by HANQUYOU's flexible dose portfolio of 150mg and 60mg. During the Reporting Period, the Group has also strengthened the treatment ecosystem for patients with HER2-positive breast cancer and gastric cancer, further enhancing the market recognition of HANQUYOU.



HANNAIJIA is an oral small-molecule pan-HER tyrosine kinase inhibitor (TKI) for the extended adjuvant therapy of HER2-positive early breast cancer in adult patients after adjuvant therapy containing trastuzumab. HANNAIJIA and HANQUYOU can achieve sequential synergy, with the potential to further reduce the 5-year and 10-year postoperative recurrence risks in patients with HER2-positive early-stage breast cancer, bringing survival benefits to more patients with HER2-positive early-stage breast cancer. During the Reporting Period, HANNAIJIA has completed the tendering process on the procurement platform and has been included in the medical insurance procurement platform in all provinces in Chinese Mainland, with its market share gradually increasing. Meanwhile, the Group actively promoted education on sequential treatment with neratinib, an extended adjuvant therapy, aiming to cure more patients with HER2-positive early-stage breast cancer.



In December 2025, the Company entered into a cooperation agreement with Jinzhou Avanc Pharmaceutical Company Limited* (錦州奧鴻藥業有限責任公司), pursuant to which the Company was granted the exclusive right to commercialize FUTUONING (Fovinaciclib Citrate Capsules) within Chinese Mainland. FUTUONING can synergize with other existing breast cancer pipeline products of the Company. FUTUONING is an innovative CDK4/6 small molecule inhibitor approved in Chinese Mainland for (1) use in combination with Fulvestrant for the treatment of adult patients with hormone receptor (HR) positive and human epidermal growth factor receptor-2 (HER2) negative recurrent or metastatic breast cancer, who have experienced disease progression after prior endocrine therapy; and (2) use in combination with an aromatase inhibitor as initial endocrine therapy for the treatment of adult patients with hormone receptor (HR) positive and human epidermal growth factor receptor-2 (HER2) negative locally advanced or metastatic breast cancer. In December 2025, FUTUONING was newly included in Category B of the National Drug List for Basic Medical Insurance, Maternity Insurance and Work-Related Injury Insurance (2025) and is poised to benefit more patients with HR-positive and HER2-negative breast cancer.



2. **HANSIZHUANG (serplulimab injection) possesses significant differentiated advantages in the field of small cell lung cancer**

HANSIZHUANG is a core innovative PD-1 monoclonal antibody product independently developed by the Group. Several of its key clinical study results have been published in prestigious journals, including the Journal of the American Medical Association (JAMA) 《美國醫學會雜誌》, Nature Medicine 《自然醫學》, Cancer Cell, and the British Journal of Cancer. Meanwhile, HANSIZHUANG was recommended by numerous guidelines, including the Guidelines of CSCO for Small-Cell Lung Cancer 《CSCO 小細胞肺癌診療指南》, Guidelines of CSCO for Non-small Cell Lung Cancer 《CSCO 非小細胞肺癌診療指南》, Guidelines of CSCO for Esophageal Cancer 《CSCO 食管癌診療指南》, Guidelines of CSCO for Immune Checkpoint Inhibitor Clinical Practice 《CSCO 免疫檢查點抑制劑臨床應用指南》, and Chinese Guidelines for the Radiotherapy of Esophageal Cancer 《中國食管癌放射治療指南》.



HANSIZHUANG has been approved in Chinese Mainland for the first-line treatment in combination with chemotherapy for squamous non-small cell lung cancer (sqNSCLC), extensive-stage small cell lung cancer (ES-SCLC), esophageal squamous cell carcinoma (ESCC), and non-squamous non-small cell lung cancer (nsNSCLC). It has become the first monoclonal antibody drug targeting PD-1 approved for first-line treatment of extensive-stage small cell lung cancer (ES-SCLC) around the world, and its differentiated advantages of focusing on small cell lung cancer are uniquely competitive in the PD-1 market. HANSIZHUANG in combination with chemotherapy for the neo/adjuvant treatment of gastric cancer was officially granted the Breakthrough Therapy Designation by the Center for Drug Evaluation (CDE) of the National Medical Products Administration (NMPA) in November 2025. The New Drug Application (NDA) for this new indication was accepted by the NMPA in December 2025 and granted the procedure for priority review, positioning it to potentially become the world's first anti-PD-1 monoclonal antibody approved for perioperative treatment of gastric cancer.

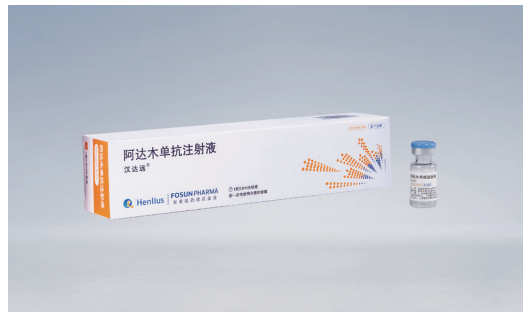
MANAGEMENT DISCUSSION AND ANALYSIS

3. *Steady progress of the commercial sales of HANLIKANG (rituximab injection), HANDAYUAN (adalimumab injection) and HANBEITAI (bevacizumab injection) (therapeutic products for solid tumours, hematological tumours and autoimmune diseases) contributed to the continuous revenue*

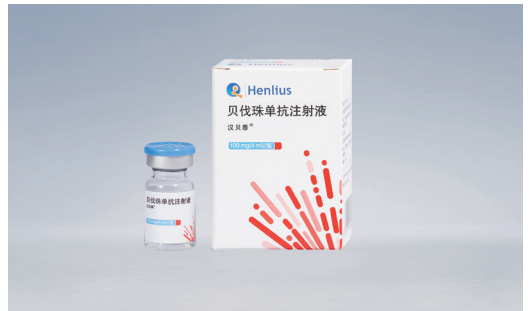
HANLIKANG is the first monoclonal antibody drug approved for marketing under the Guidelines for the R&D and Evaluation of Biosimilars (Trial) 《生物類似藥研發與評價技術指導原則(試行)》 in China in 2019. The domestic commercial sale of HANLIKANG is undertaken by Fosun Yaohong, a subsidiary of Fosun Pharma, the controlling shareholder of the Company. In April 2026, the supplementary applications of HANLIKANG for two additional indications, being the combination with polatuzumab vedotin, cyclophosphamide, doxorubicin and prednisone for the treatment of adult patients with previously untreated diffuse large B-cell lymphoma (DLBCL); and the combination with bendamustine and polatuzumab vedotin for the treatment of adult patients with relapsed or refractory diffuse large B-cell lymphoma (DLBCL) who are ineligible for hematopoietic stem cell transplantation, has been approved by the NMPA.



HANDAYUAN is the third product of the Group marketed in Chinese Mainland. Its domestic commercial sale is undertaken by Fosun Wanbang, a subsidiary of Fosun Pharma, the controlling shareholder of the Company. HANDAYUAN covers all eight indications of originator adalimumab approved for marketing in Chinese Mainland, including rheumatoid arthritis, ankylosing spondylitis, psoriasis, uveitis, polyarticular juvenile idiopathic arthritis, pediatric plaque psoriasis, Crohn's disease and pediatric Crohn's disease.



HANBEITAI is the fourth biosimilar product of the Group, which was approved for marketing and realised commercial sales, covering all indications of the originator bevacizumab approved for marketing in Chinese Mainland, including metastatic colorectal cancer, advanced, metastatic or recurrent non-small cell lung cancer, recurrent glioblastoma, hepatocellular carcinoma, cervical cancer, as well as indications of epithelial ovarian cancer, fallopian tube cancer or primary peritoneal cancer. During the Reporting Period, HANBEITAI focused on “dual-channel” market and smoothly progressed towards its established commercialisation goals.



(IV) SOCIAL RESPONSIBILITY, ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group's path toward sustainable development is always based on the fundamental mission of serving patient needs. We are committed to enhancing the accessibility and quality of biologic therapies for patients worldwide, while conscientiously honouring our responsibilities to patients, employees, partners, communities and all other stakeholders. Recognizing the long-term value of sustainable development, we have fully integrated environmental, social and governance (ESG) concepts into our operations and systematically focused our efforts on corporate governance, product, talent, environment and the society. In terms of corporate governance, we focus on enhancing the Board's oversight and leadership role on ESG issues, translating our sustainable development strategies into concrete actions, and continuously improving our management systems including compliant operations and responsible marketing. In terms of products, we adhere to the principle of "quality first" throughout the entire lifecycle of research, development and manufacturing, while enhancing the accessibility and affordability of our therapies by leveraging medical insurance access and global market expansion. In terms of talent, we foster a diverse and inclusive organizational culture, consolidate professional excellence based on the global recruitment and training system, and share the fruits of development through equity incentive schemes and other long-term mechanisms. The Group has been awarded "HR Asia Best Companies to Work for in Asia" for four consecutive years. In terms of environment, we remain committed to green operations, predict climate-related risks and opportunities with reference to the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, set and track environmental targets, and implement a series of energy-saving and emission-reduction measures. In terms of social contribution, we actively give back to society, pay attention to the health and well-being of patients and the public, continuously carry out public welfare projects, and collaborate with our industry partners to foster a more dynamic pharmaceutical ecosystem.

Further information on the Group's social responsibility, environmental policies and performance will be set out in the Environmental, Social and Governance Report to be published by the Company in due course.

II. OUTLOOK FOR 2026

In 2026, the Group will continue to be guided by clinical needs, persist in deepening product innovation, and further consolidate its internationalised capability of "integrating research, production and marketing". By 2030, the Company expects more than 20 products being approved for marketing worldwide, of which over 15 products are expected to be approved for marketing in Europe and the United States.

(I) HIGH-QUALITY INTERNATIONALISED OPERATIONS AND INNOVATION CAPABILITIES, WITH A FOCUS ON DEEPENING THE GLOBAL MARKET

1. CONTINUE TO FACILITATE THE FOOTPRINT OF PIPELINE PRODUCTS WORLDWIDE

In 2026, the Group will continuously promote the marketing approval process of more products in the global market with experiences gained along the way.

- HANSIZHUANG in combination with chemotherapy for the neo/adjuvant treatment of gastric cancer is expected to be approved in Chinese Mainland in the first half of 2026.
- HANSIZHUANG in combination with chemotherapy for the treatment of new indications, including non-small cell lung cancer (sqNSCLC), esophageal squamous cell carcinoma (ESCC) and non-squamous non-small cell lung cancer (nsNSCLC), is expected to be approved in the EU in 2026.
- The Biologics License Application (BLA) for HANSIZHUANG in combination with chemotherapy for the first-line treatment of extensive-stage small cell lung cancer (ES-SCLC) is planned to be submitted to the United States Food and Drug Administration (FDA) in 2026. In addition, the Biologics License Application (BLA) for HANSIZHUANG in combination with chemotherapy and concurrent radiotherapy for the treatment of limited-stage small cell lung cancer (LS-SCLC) is also planned to be submitted in Chinese Mainland in 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

- HLX11 (pertuzumab) is expected to be approved for marketing in Chinese Mainland, the EU and other countries in the first half of 2026.
- HLX04-O (recombinant anti-VEGF humanised monoclonal antibody injection) is expected to be approved for marketing in Chinese Mainland in 2026.
- In 2026, the Group will also proactively cooperate with international partners to facilitate the marketing approval process in terms of HANLIKANG, HANQUYOU, HANDAYUAN, HANBEITAI, HANSIZHUANG, HLX11, HLX14, and HLX04-O in Chinese Mainland, the United States, the EU, Argentina, Mexico, Brazil, and other countries and regions.

Meanwhile, the Group will, as always, promote the business cooperation and local market establishment of its self-developed products in international markets, deepen its global out-licensing strategy to expand the international influence and accelerate the global value realization. The Group will also continuously work closely with international partners, leverage forward-looking market insights and refined access strategies to enhance its global commercialization capabilities, promote to integrate products into the local market deeply to benefit more overseas patients.

2. CONTINUE TO EXPAND THE PRODUCT PIPELINE BASED ON PATIENTS' NEEDS THROUGH INNOVATIVE ITERATION

Several of the Group's key innovative assets are expected to achieve breakthrough clinical progress in 2026. Among others, several global registration pivotal clinical studies for the treatment of lung cancer and several proof-of-concept studies for solid tumours relating to HLX43 for injection (antibody-drug conjugate targeting PD-L1) will initiate in 2026. Clinical data of such product in fields of esophageal squamous cell carcinoma, non-small cell lung cancer, nasopharyngeal carcinoma, cervical cancer and other fields are expected to be published at major academic conferences in 2026. Several clinical studies of the combination therapy regimens relating to HLX43 for injection (antibody-drug conjugate targeting PD-L1) will also be carried out successively.

The Group will continue to integrate international resources and advantages to explore cutting-edge innovative products with significant clinical value. Meanwhile, the Group will actively deploy the in-depth application of artificial intelligence (AI) technology in the product research and development process, and accelerate the transformation of early research and development results. In 2026, Investigational New Drug (IND) applications are planned to be submitted for several products, such as HLX48 (EGFR × cMet ADC), HLX49 (HER2 × HER2 ADC), and HLX105 (PD-1 × IL2v) for the treatment of various solid tumours, HLX403 (CDH17 ADC) for the treatment of gastrointestinal cancer, HLX3902 (STEAP1 × CD3 × CD28) for the treatment of prostate cancer, and HLX109 (IL-1R3) for the treatment of autoimmune diseases further enriching the Group's product pipeline.

In addition, the Group will also focus on high-value and differentiated high-quality assets through diversified means such as in-licensing and co-development. Leveraging our established capability of "integrating research, production and marketing", we will drive in-depth integration of acquired assets and our existing technological capabilities to develop a globally competitive portfolio, thus promoting our long-term sustainable development.

3. MAINTAIN INTERNATIONAL HIGH-QUALITY MANUFACTURING STANDARDS TO SUPPORT A STABLE GLOBAL MARKET SUPPLY OF PRODUCTS

In line with the product R&D and global commercialisation process, the Group has proactively planned the construction of production bases and the expansion of production capacity to provide strong support for the commercial sales of its products. The Xuhui Facility will continue to implement a series of refined management and process optimization measures to ensure stable and efficient international commercial production. The Facility is expected to undergo a pre-approval GMP inspection by the United States Food and Drug Administration (FDA) for HANBEITAI in the United States in 2026. Songjiang First Plant will continue to improve its international standard quality system and is expected to undergo pre-marketing GMP inspections for HLX14 in Chinese Mainland in 2026. In 2026, the supply scope of Songjiang First Plant is expected to expand to include the supply of more products to Chinese Mainland, North America, Europe, and Latin America. Songjiang Second Plant will expedite the preparatory work for the market supply of HLX14 in Canada.

(II) LEVERAGE FIRST-MOVER ADVANTAGES TO ACHIEVE SUSTAINABLE DEVELOPMENT IN THE DOMESTIC MARKET

As one of the leading domestic biopharma companies, the Group will continue to advance the successful commercialisation of more products in an all-round efficient commercial operation model, providing global patients with biological drugs of affordable price and high quality. At the same time, relying on the qualifications of Shanghai Henlius Pharmaceutical Trading Co., Ltd., a wholly-owned subsidiary of the Company, and its Good Supply Practice (GSP) certification in China, the Group will also explore more business cooperation possibilities, further expand the commercialised product pipeline and enrich the overall business format of the Group and promote the quality and growth of the commercialisation sector.

- The Group has accumulated strong commercial capabilities in the field of breast cancer treatment. In 2026, while continuing to expand into lower-tier markets to steadily increase the market share of HANQUYOU, the Group will accelerate the commercialisation of HANNAIJIA, including securing market access in core hospitals and promoting comprehensive treatment coverage for all eligible patients within the intensified adjuvant target population, so as to further consolidate the Group's leading position in the treatment of HER2-positive breast cancer. Meanwhile, for HR+/HER2- advanced breast cancer, the inclusion of FUTUONING into the newly updated National Reimbursement Drug List has come into effect in 2026, which is expected to significantly enhance its accessibility and affordability. The Group will accelerate the commercial promotion of FUTUONING and proactively facilitate hospital access to ensure that more breast cancer patients benefit from innovative therapies as soon as possible.
- HANSIZHUANG (European trade name: Hetronifly®) was officially approved for marketing in the EU in early 2025 based on the excellent clinical research data and international quality, becoming the first monoclonal antibody drug targeting PD-1 approved for the treatment of extensive-stage small cell lung cancer (ES-SCLC) in the EU. In 2026, the Group will continue to uphold the differentiated product strategy, strengthen the competitive advantages of HANSIZHUANG, consolidate its leading position in the treatment of small cell lung cancer, deploy a dedicated gastric cancer sales force in line with the approval pace of new indications for HANSIZHUANG Chinese Mainland, and further expand its market share in the treatment fields including non-small cell lung cancer and esophageal cancer, so that more patients can benefit from it.
- In 2026, HANBEITAI will continue to focus on the dual-channel market while actively pursuing hospital access opportunities in non-dual-channel regions with a view to further increasing the market share.
- Fosun Yaohong and Fosun Wanbang, subsidiaries of Fosun Pharma, the controlling Shareholder of the Company, are responsible for the domestic commercial sales of HANLIKANG and HANDAYUAN, respectively. In 2026, the Group will maintain close cooperation with Fosun Yaohong and Fosun Wanbang, thereby continuously carrying out commercial sales of products.

MANAGEMENT DISCUSSION AND ANALYSIS

III. FINANCIAL REVIEW

During the Reporting Period, adhering to the “patient-oriented” concept, the Group leveraged its integrated capabilities spanning R&D, production, registration, and commercialization to steadily advance the development of innovative products and expand its international footprint, thereby enabling more innovative solutions to benefit patients worldwide. During the Reporting Period, the Group further solidified its profitability and continued to drive breakthroughs in overseas revenue. By pursuing a dual-track R&D strategy, it established a diversified and platform-based innovation technology matrix. Collaborating with international capital markets and industry partners, the Group unlocked global value and steadily advanced its globalization efforts.

As an international and innovative biopharmaceutical company, the Group will remain focused on addressing unmet clinical needs, strengthening its end-to-end closed-loop system, and actively exploring greater growth potential through product synergies and international expansion. The Group will enhance its global innovation and operational capabilities, establish a replicable and sustainable global growth model, and enter the “Globalization 2.0” phase as characterized by systemic capacity building and innovation-driven development.

(I) REVENUE

During the Reporting Period, the Group realised an operating income of approximately RMB6,666.6 million, representing an increase of 16.5% compared to the same period in the last year, and the main revenue components are as follows:

1) REVENUE FROM PRODUCT SALES:

HANQUYOU (trastuzumab for injection) was the first domestic trastuzumab approved for marketing independently developed by the Group and was also the first product of the Group to adopt its inhouse team to conduct commercialisation promotion. It was commercially available in the domestic market in August 2020. During the Reporting Period, revenue from sales of HANQUYOU was approximately RMB2,809.1 million, representing an increase of approximately RMB116.7 million or 4.3% as compared to the same period in the last year. Revenue from sales of Zercepac® and HERCESSI™ (including revenue from royalties based on sales) was approximately RMB185.5 million.

HANSIZHUANG (serplulimab injection) was the first self-developed and approved bio-innovative drug of the Group and was commercially available in the domestic market in March 2022. The approval of HANSIZHUANG will further enrich the Group’s commercial product line and will also bring more treatment options for domestic patients. During the Reporting Period, revenue from sales of HANSIZHUANG was approximately RMB1,439.8 million, representing a steady increase of approximately RMB130.9 million or 10.0% as compared to the same period in the last year. Revenue from sales of Zerpidio® and Hetronifly® (including revenue from royalties based on sales) was approximately RMB56.0 million.

HANBEITAI (bevacizumab injection) is the fourth biosimilar product of the Group approved for marketing in Chinese Mainland and commercialised by the Group’s in-house team, and commenced commercialization in the domestic market from January 2023. During the Reporting Period, revenue from sales of HANBEITAI was approximately RMB356.4 million, representing an increase of approximately RMB159.3 million or 80.8% as compared to the same period in the last year.

In respect of HANLIKANG (rituximab injection), according to the cooperation agreement with Fosun Pharma, Fosun Pharma would reimburse all the expenses related to the clinical trials of HANLIKANG incurred by the Group after the relevant cooperation agreement was signed, and the Group was responsible for the production of HANLIKANG in China and the supply of HANLIKANG to Fosun Pharma after the commercialisation of HANLIKANG, and shall share the profits from the sales of HANLIKANG in China. During the Reporting Period, the Group recognised sales revenue of approximately RMB589.8 million, and licensing revenue of approximately RMB21.9 million under the aforementioned profit-sharing arrangement with its partners.

MANAGEMENT DISCUSSION AND ANALYSIS

In respect of HANLAYUAN (adalimumab injection), according to the cooperation agreement with Fosun Pharma, Fosun Pharma would reimburse all the expenses related to the clinical trials of HANLAYUAN incurred by the Group after the relevant cooperation agreement was signed, and the Group was responsible for the production of HANLAYUAN in China and the supply of HANLAYUAN to Fosun Pharma after the commercialisation of HANLAYUAN, and shall share the profits from the sales of HANLAYUAN in China. During the Reporting Period, revenue from sales of HANLAYUAN was approximately RMB58.5 million and licensing revenue was approximately RMB0.7 million under the aforementioned profit-sharing arrangement with its partners.

HANNAIJIA (Neratinib Maleate) is another important product of the Group for breast cancer treatment, which is expected to form a sequential therapy with the existing product HANQUYOU in the pipeline, further reducing the 5-year and 10-year postoperative recurrence risks in patients with HER2-positive early breast cancer. HANNAIJIA started shipment in September 2024. During the Reporting Period, revenue from sales of HANNAIJIA was approximately RMB301.2 million.

FUTUONING (Fovinacilic Citrate Capsules) is an innovative small-molecule CDK4/6 inhibitor, and its commercial promotion in China is the responsibility of the Group. FUTUONING started shipment in September 2025. During the Reporting Period, revenue from sales of FUTUONING was approximately RMB1.9 million.

HLX14 (Denosumab injection, with its trade names BILDYOS® and BILPREVDA® in the United States and Europe) has successfully become the first China-developed denosumab to enter overseas markets. In the second half of 2025, United States Food and Drug Administration (FDA), the European Commission (EC) and the UK Medicines and Healthcare products Regulatory Agency (MHRA) approved two products of HLX14. The approved indications cover all indications for which the reference products have been approved in the local market. During the Reporting Period, revenue from sales of HLX14 (including revenue from royalties based on sales) was approximately RMB17.4 million.

2) REVENUE FROM JOINT DEVELOPMENT AND TECHNOLOGY TRANSFER/COMMERCIALISATION LICENSING

By establishing a diversified and high-quality product pipeline, the Group is advancing a whole-industry-chain approach and a R&D-driven development model to accelerate the global accessibility of innovative and affordable therapies. The Group will intensify its presence in both global mainstream markets and emerging countries, while continuously deepening cooperation with international regulatory bodies and industry partners to further enhance its global influence and commercial transformation capabilities. During the Reporting Period, the Group also carried out business cooperation with many partners around the world based on various projects, including intellectual property licensing, joint development and commercial authorisation, etc.

In June 2018, the Group entered into a license agreement with Accord in relation to HANQUYOU (European trade name: Zercepac®), granting Accord exclusive commercialisation rights in special territories as agreed therein. In July 2020, the marketing authorisation application of Zercepac® submitted by a wholly-owned subsidiary of Accord was approved. Since then, Zercepac® has been the first “Chinese” monoclonal antibody biosimilar drug approved for sale in the EU. The Group recognised revenue from licensing and R&D services of approximately RMB36.5 million for the year ended 31 December 2025.

In September 2019, the Group entered into a co-development and commercialisation agreement with PT Kalbe Genexine Biologics in relation to HANSIZHUANG (serplulimab injection). With the continuous advancement of R&D services, the Group has recognised revenue from R&D services of approximately RMB9.2 million for the year ended 31 December 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

In October 2020, the Group entered into a co-development and exclusive license agreement with Essex Bio-Investment Limited and Zhuhai Essex Bio-Pharmaceutical Co., Ltd.* (珠海億勝生物製藥有限公司) in relation to the HLX04-O (recombinant humanised anti-VEGF monoclonal antibody injection) independently developed by the Group. The Group has recognised revenue from R&D services of approximately RMB19.3 million for the year ended 31 December 2025.

In June 2022, the Group entered into a license and supply agreement with Organon LLC, granting Organon LLC and its affiliates exclusive right to commercialise two products independently developed by the Group, being HLX11 (recombinant anti-HER2 domain II humanised monoclonal antibody injection) and HLX14 (recombinant anti-RANKL fully human monoclonal antibody injection) worldwide except for China, fully covering the United States, EU, Japan and other major biomedicine markets and many emerging markets. The Group has recognised revenue from licensing and R&D services of approximately RMB306.4 million for the year ended 31 December 2025.

In November 2022, the Group entered into a license agreement with Fosun Pharma Industrial Development, granting it the right of exclusive commercialisation of HANSIZHUANG (serplulimab injection) independently developed by the Group in the United States. The Group has recognised revenue from R&D services of approximately RMB128.8 million for the year ended 31 December 2025.

In October 2023, the Group entered into a license agreement with Intas in relation to HANSIZHUANG (serplulimab injection), granting Intas exclusive developing and commercial rights in special territories as agreed therein. The Group has recognised licensing revenue of approximately RMB22.8 million for the year ended 31 December 2025.

In December 2024, the Group entered into an agreement with Abbott Products Operations AG, granting it a license to commercialize five products in 69 countries and regions, including Asia and Latin America, within the agreed-upon territories. The Group has recognised revenue from licensing of approximately RMB41.3 million for the year ended 31 December 2025.

In April and December 2025, the Group entered into a license agreement and an amendment agreement with Sandoz AG, respectively, granting Sandoz AG the exclusive right to commercialize HLX13 (recombinant anti-CTLA-4 fully human monoclonal antibody injection) in the United States, agreed-upon European regions (42 European countries), Japan, Australia, and Canada. The Group recognised revenue from licensing and R&D services of approximately RMB171.5 million for the year ended 31 December 2025.

In April and December 2025, the Group entered into a licensing agreement and an amendment agreement with Alvogen Korea Co., Ltd., granting it the exclusive right to commercialize HANSIZHUANG (serplulimab injection) in South Korea. The Group has recognised revenue from licensing of approximately RMB39.5 million for the year ended 31 December 2025.

3) REVENUE FROM OTHER R&D SERVICE BUSINESSES

The Group recognised revenue from CMC Technical Services of approximately RMB73.0 million for the year ended 31 December 2025.

(II) COST OF SALES

Cost of sales of the Group primarily represents reagents and consumables, employee compensation, outsourcing fees, utilities expenses and depreciation and amortisation. For the year ended 31 December 2025, the Group recorded cost of sales of approximately RMB1,681.9 million, representing an increase of approximately RMB142.1 million as compared with that for the year ended 31 December 2024 due to the increase of the sales volume of the key commercial product markets.

(III) GROSS PROFIT

For the year ended 31 December 2025, the Group recorded a gross profit of approximately RMB4,984.7 million, representing an increase of approximately RMB800.0 million as compared with that for the year ended 31 December 2024, mainly due to the growth in revenue from the Group's joint development and technology transfer/commercialisation licensing, as well as the continuous growth of sales from HANQUYOU and HANSIZHUANG, which are the key commercial products of the Group.

(IV) OTHER INCOME AND GAINS

Other income of the Group mainly included government grants and bank interest income. Government grants included (1) government grants for capital expenditures in relation to the purchase of machinery and equipment (recognised over the useful life of the relevant assets); and (2) incentives for R&D activities and other grants (recognised after satisfying certain conditions imposed by the government).

During the Reporting Period, the Group recognised other income and gains of approximately RMB130.6 million.

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Government grants	99,958	77,785
Interest income	18,787	21,703
Exchange gains	–	8,136
Gains on reclassification adjustments for liquidation of a subsidiary outside Chinese Mainland	10,833	–
Others	999	356
Total	130,577	107,980

MANAGEMENT DISCUSSION AND ANALYSIS

(V) R&D EXPENDITURE

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Expensed R&D expenditures		
R&D employee salaries	298,155	315,319
Clinical trials	450,268	294,995
Outsourcing fees	414,543	147,461
Reagents and consumables	95,481	115,297
Depreciation and amortisation	46,278	57,111
Consulting expense	24,891	28,881
Technology expense	88,307	12,541
Utilities expenses	7,758	10,133
Share-based compensation	31,088	–
Others	58,729	53,392
Total expensed R&D expenditures	1,515,498	1,035,130
Capitalised R&D expenditures		
Clinical trials	505,478	315,988
R&D employee salaries	164,358	175,315
Reagents and consumables	62,690	85,925
Technology expense	53,467	67,511
Depreciation and amortisation	43,189	51,410
Outsourcing fees	50,754	42,717
Utilities expenses	16,765	29,084
Consulting expense	5,392	3,898
Share-based compensation	11,991	–
Others	62,350	33,525
Total capitalised R&D expenditures	976,434	805,373

For the year ended 31 December 2025, the Group recognised total R&D expenditure of approximately RMB2,491.9 million, representing an increase of approximately RMB651.4 million as compared with approximately RMB1,840.5 million for the year ended 31 December 2024, mainly due to increased investment in innovative R&D projects during the Reporting Period to accelerate the Group's innovation and transformation. Our R&D expenses mainly arose from advancing technology platform innovation, IND application, and clinical trials for new drugs.

(VI) ADMINISTRATIVE EXPENSES

Administrative expenses mainly included administrative staff costs, office administrative expenses, consulting fees, depreciation and amortisation, etc.

For the year ended 31 December 2025, the Group recognised administrative expenses of approximately RMB443.1 million, representing an increase of approximately RMB72.3 million as compared with approximately RMB370.8 million for the year ended 31 December 2024. The increase in administrative expenses of the Group was mainly due to: (1) the increased share-based payments expense to drive the Company's long-term development strategy; and (2) the corresponding increases in third-party consulting fees and depreciation to support business development and improve operational efficiency.

(VII) SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses of the Group mainly included sales employee salaries, promotional expenses and others.

For the year ended 31 December 2025, the Group recognised selling and distribution expenses of approximately RMB2,198.5 million, which were mainly the marketing expenses incurred in continuous sales growth of HANQUYOU, HANSIZHUANG, HANBEITAI and HANNAIJIA and the marketing and selling expenses of FUTUONING.

(VIII) OTHER EXPENSES

For the year ended 31 December 2025, the Group recognised other expenses of approximately RMB34.0 million, which mainly included provision of semi-finished products, finished products, raw materials, and foreign exchange losses.

(IX) INCOME TAX CREDIT/EXPENSES

For the year ended 31 December 2025, the Group recognised income tax credit of approximately RMB15.3 million, mainly due to the recognition of deferred tax assets by certain subsidiaries of the Group.

(X) PROFIT FOR THE YEAR

In view of the above, the Group recorded an increase of approximately RMB6.5 million in profit from a profit of approximately RMB820.5 million for the year ended 31 December 2024 to a profit of approximately RMB827.0 million for the year ended 31 December 2025.

(XI) LIQUIDITY AND CAPITAL RESOURCES

As of 31 December 2025, cash and bank balances of the Group were approximately RMB772.2 million, mainly denominated in RMB, United States Dollars ("USD"), New Taiwan Dollars ("NTD"), Hong Kong Dollars ("HKD"), Euro ("EUR"), and Japanese Yen ("JPY"), compared to cash and bank balances of the Group of approximately RMB773.0 million as at 31 December 2024, representing a decrease of approximately RMB0.8 million.

As of 31 December 2025, the total current assets of the Group were approximately RMB3,486.0 million, including cash and bank balances of approximately RMB772.2 million, inventories of approximately RMB612.4 million, trade receivables of approximately RMB1,815.9 million, contract assets of approximately RMB17.4 million, prepayments, deposits and other receivables of approximately RMB268.1 million.

As of 31 December 2025, the total current liabilities of the Group were approximately RMB4,940.8 million, including trade payables of approximately RMB831.0 million, other payables and accruals of approximately RMB1,293.9 million, contract liabilities of approximately RMB518.1 million, tax payable of approximately RMB51.2 million and interest-bearing bank and other borrowings of approximately RMB2,246.6 million.

MANAGEMENT DISCUSSION AND ANALYSIS

As at 31 December 2025, the cash and bank balances denominated by currencies were as follows:

	RMB'000
RMB	389,537
HKD	7,030
USD	359,059
EUR	4,602
NTD	1,678
JPY	10,303

	Original amount'000
RMB	389,537
HKD	7,783
USD	51,193
EUR	559
NTD	7,523
JPY	230,000

(XII) INVENTORIES

Inventories of the Group amounted to approximately RMB612.4 million as at 31 December 2025, representing a decrease of approximately RMB115.9 million as compared with approximately RMB728.3 million as at 31 December 2024, mainly due to further improvement in inventory management.

(XIII) TRADE RECEIVABLES

As at 31 December 2025 and 2024, trade receivables from customer contracts were approximately RMB1,815.9 million and RMB857.4 million, respectively. There were no changes in accounting estimates or key assumptions made in both years.

The following table sets forth the ageing analysis of the trade receivables as at the end of each reporting period, based on the invoice date and net of loss allowance:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Within 3 months	1,815,602	856,286
3 to 6 months	255	1,144
Total	1,815,857	857,430

(XIV) INTEREST-BEARING BANK AND OTHER BORROWINGS

As of 31 December 2025, borrowings from bank (excluding lease liabilities) of the Group were approximately RMB3,437.1 million. The Group raised new borrowings for the following reasons: ongoing clinical research trials and preclinical research for drug candidates, selling expenses of commercialisation of products, plant construction and normal operating expenses. The borrowings of the Group were denominated in RMB.

Such borrowings bear interest at fixed annual and floating interest rates. There is no significant seasonal impact on the Group's borrowing requirements.

(XV) MATURITY STRUCTURE OF OUTSTANDING DEBTS

The following table sets forth the maturity structure of outstanding debts as at 31 December 2025 and 31 December 2024, of which lease liabilities were recognised in accordance with IFRS 16 *Leases*.

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Within 1 year	2,246,628	2,559,514
In the second year	481,516	348,137
In the third to fifth year (inclusive)	850,100	726,050
Over five years	18,780	14,484
Total	3,597,024	3,648,185

(XVI) COLLATERAL AND PLEDGED ASSETS

As at 31 December 2025, the Group's pledged assets in relation to borrowings included property, plant and equipment of carrying amounts of approximately RMB1,184.7 million and right-of-use assets of approximately RMB184.1 million.

(XVII) KEY FINANCIAL RATIOS

	31 December 2025	31 December 2024
Current ratio ⁽¹⁾ :	70.6%	49.9%
Quick ratio ⁽²⁾ :	58.2%	35.4%
Gearing ratio ⁽³⁾ :	43.2%	50.5%

Notes:

- (1) Current ratio is calculated as current assets divided by current liabilities.
- (2) Quick ratio is calculated as current assets minus inventories and then divided by current liabilities.
- (3) Gearing ratio is calculated as net debt divided by equity attributable to owners of the parent plus net debt, multiplied by 100%. Net debt represents the balance of indebtedness less cash and cash equivalents as at the end of the period.

MANAGEMENT DISCUSSION AND ANALYSIS

(XVIII) MATERIAL INVESTMENTS

In order to satisfy the expected market demand for drug candidates, the Group is currently constructing a new manufacturing facility in Shanghai, the Songjiang Second Plant, to significantly increase our overall production capacity. We designed the Songjiang Second Plant to incorporate substantially similar manufacturing equipment, technologies and processes as those being used and to be implemented at our Xuhui Facility. This project is expected to become the monoclonal antibody biological drug R&D, pilot test and production base of the Group when completed, which is conducive to further strengthening the Group's R&D capabilities in the field of biomedicine (especially monoclonal antibody biomedicine) and meeting the global commercial production needs of the Group's biosimilar and bioinnovative products.

The Group is expected to invest not more than RMB2.54 billion for the construction of the Phase I project of the Songjiang Second Plant (first stage, second stage and third stage). As at the end of the Reporting Period, the facility is under construction and the subsequent stages of construction will be gradually carried out based on the strategy of the Group. The capital expenditures of the construction of the Songjiang Second Plant will be mainly funded through debt financing.

(XIX) CAPITAL COMMITMENTS AND CAPITAL EXPENDITURES

The following table sets forth the Group's capital expenditures during each of the reporting period:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Construction in progress	115,482	256,114
Plant and machinery	–	14,881
Electronic equipment	–	2,968
Leasehold improvements	976	15,887
Total	116,458	289,850

We had capital commitments for plant and machinery contracted but not provided for of approximately RMB64.5 million as at 31 December 2025. These capital commitments primarily relate to expenditures expected to be incurred for the purchase of machinery, renovation of our existing laboratories and buildings and the R&D expenditure to be capitalised.

(XX) CONTINGENT LIABILITIES

As of 31 December 2025, the Group did not have any material contingent liabilities.

(XXI) MATERIAL ACQUISITIONS AND DISPOSALS

As of 31 December 2025, the Group did not have any material acquisitions and disposals.

(XXII) DIVIDENDS

The Group did not pay or declare any dividends for the year ended 31 December 2025.

IV. RISK MANAGEMENT

(I) FOREIGN EXCHANGE RISK

As at 31 December 2025, the Group was principally engaged in business in the PRC, in which most of the transactions were settled in RMB with no significant foreign exchange risk. No financial instrument for hedging foreign exchange risk or other hedging purposes was employed.

(II) EXCHANGE RATE RISK

Currently, the major business operations of the Group are in the PRC and most of the revenue and expenses are settled in RMB, which is the Group's reporting currency. With the acceleration of the Group's development in overseas markets, it is expected that the sales revenue and licensing revenue denominated in USD and EUR will increase in the future. Fluctuations in exchange rates may affect the Group's cash flows, revenues, earnings and financial position.

(III) POTENTIAL RISKS

1. MARKET RISK

The biologics market is highly competitive, and the Group's existing commercialised products and products that may be commercialised in the future face competition from pharmaceutical companies around the world in respect of various factors such as indication treatment, drug novelty, drug quality and reputation, breadth of drug portfolio, manufacturing and distribution capacity, drug price, breadth and depth of customer coverage, consumer behaviour and supply chain relationships. The Group's ability to remain competitive depends to a large extent on our ability to innovate, develop and promote new products and technologies that meet market needs in a timely manner to capture market share. Meanwhile, after the advancement and implementation of the relevant centralised procurement policies in the PRC, the resulting impact on the Group's relevant products is uncertain. The Group will continue to track the subsequent policy developments.

2. BUSINESS AND OPERATIONAL RISK

The global situation is ever-changing and the global biologics market is also constantly evolving, and the Group invests significant amounts of human and capital resources for R&D, to develop, enhance or acquire technologies that will allow the Group to expand the scope and improve the quality of the services. Currently, the Group has independently developed products and successfully made them available on the market as follows: HANSIZHUANG, HANLIKANG, HANQUYOU, HANDAYUAN, HANBEITAI, BILDYOS[®]、BILPREVDA[®] and POHERDY[®]. Most of the Group's drug candidates are still under development and are in the clinical development stages, and the course of clinical development involves a lengthy and expensive process with uncertainties in various aspects, as there can be no assurance from the Group for the development and clinical results. Furthermore, if the clinical development and regulatory approval process of the drug candidates is delayed or terminated, the successful development and commercialisation of the Group's drug candidates in a timely manner may be adversely affected.

3. FORCE MAJEURE RISK

Our business, financial condition and results of operations may be materially and adversely affected by natural disasters or other unanticipated catastrophic events such as earthquakes, fires, terrorist attacks and wars. For example, the ability of our facilities to operate may be impaired, our equipment may be damaged, the development timeline of our drug candidates may be prolonged and even there may be a decrease in the demand for our products. The occurrence of any such event could adversely affect our business and financial condition.

MANAGEMENT DISCUSSION AND ANALYSIS

V. EMPLOYEES AND REMUNERATION POLICIES

The following table sets forth the breakdown of our employees by function as at 31 December 2025:

Function	Number of employees
R&D and technology	1,014
Manufacturing	907
Commercial Operation	1,576
General and administrative	265
Total	3,762

The individual employment contracts entered into by the Group with our employees set out terms such as salaries, bonuses, grounds for termination and confidentiality. Employment contracts with our R&D personnel also typically contain a non-competition agreement. The Group also provides benefits to our employees as part of their compensation package which we believe are in line with industry norms. For example, PRC-based employees are entitled to employee benefits as mandated by the PRC Social Insurance Law and Regulations on the Administration of Housing Provident Fund, including pension, basic medical insurance, maternity insurance, work-related injury insurance, unemployment insurance and housing provident fund. To stay competitive in the market for talents, the Group has also adopted share award schemes (i.e. Share Option Scheme and the RSU Scheme), to give incentives to our employees. The Group emphasizes on-the-job training as a constant and ongoing objective for the employees. All employees participate in formal training on an annual basis, where the Group focuses on the latest technical developments and updates in regulatory requirements.

REPORT OF THE BOARD OF DIRECTORS

REPORT OF THE BOARD OF DIRECTORS

The Board is pleased to present its 2025 annual report and the audited consolidated financial statements of the Group for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Group is principally engaged in (i) R&D, production and sale of monoclonal antibody (mAb) drugs and the provision of related technical services (except for the development and application of human stem cells, genetic diagnosis and therapy technology) and (ii) the transfer of its own technology and provision of the related technology consultation services.

Details of the principal activities of the subsidiaries of the Company are set out in note 1 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the Reporting Period.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2025 are set out in the Consolidated Statement of Profit or Loss on page 106.

The Board does not recommend a final dividend for the Reporting Period.

PROFIT DISTRIBUTION PLAN

The Company has adopted a profit distribution administration policy. According to the policy, the Company may distribute its dividend by means of cash, shares or a combination of cash and shares, and will give priority to distribution of cash dividends. Subject to the full distribution of cash dividends and a reasonable equity size and shareholding structure of the Company, the Company may make profit distribution by allocating dividend in shares in order to align the expansion of equity with performance growth. The Board shall comprehensively take account of the features of the industry where the Company operates, its stage of development, its own business model, and profitability and other factors such as whether there is any significant capital expenditure arrangement in forming practicable profit distribution plans. The specific plan for distribution shall be decided by the Shareholders at the general meeting according to the Company's actual operation results of the year.

BUSINESS REVIEW

The business review of the Group for the Reporting Period is set out in the sections headed "Chairman's Statement, Chief Executive Officer's Review" on pages 4 to 7 and "Management Discussion and Analysis" on pages 18 to 50, respectively of this annual report. A discussion on the Company's social responsibility, environmental policies and performance is also set out in "Management Discussion and Analysis". All references to other sections or reports in this annual report form part of this Report of the Board of Directors.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The notice of the forthcoming annual general meeting has been published in accordance with the requirements of the Listing Rules and the Articles of Association. The period of closure of register of members has been announced in the notice of annual general meeting dated 24 April 2026.

SUMMARY OF FINANCIAL INFORMATION

A summary of the financial information for the last five financial years, as extracted from the audited financial statements, is set out in the section headed "Five Years' Financial Summary" on page 9 of this annual report.

BANK AND OTHER BORROWINGS

Details of bank and other borrowings of the Company and its subsidiaries as of 31 December 2025 are set out in note 27 to the financial statements.

REPORT OF THE BOARD OF DIRECTORS

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Company and its subsidiaries during the Reporting Period are set out in note 14 to the financial statements.

CHARGE ON ASSETS

As of 31 December 2025, the carrying amount of RMB184.1 million in right-of-use asset was pledged to banks as loan security (31 December 2024: RMB188.4 million). The carrying amount of RMB1,184.7 million in property, plant and equipment was pledged to banks as loan security (31 December 2024: RMB1,115.6 million).

Details of collateral and pledged assets are set out in the section headed “Collateral and Pledged Assets” on page 47 of this annual report.

SHARE CAPITAL

Details of movements in the Company’s share capital during the Reporting Period are set out in note 30 to the financial statements.

The Company has not held and did not hold any treasury shares (as defined under the Listing Rules) during the financial year ended 31 December 2025 and as at 31 December 2025.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares).

DISTRIBUTABLE RESERVES

As of 31 December 2025, the Company did not have any distributable reserves.

Details of the movements in the respective reserves of the Group and the Company during the year are set out in the Consolidated Statement of Changes in Equity on page 109.

MAJOR CUSTOMERS AND SUPPLIERS

During the Reporting Period, the total amount of purchases attributable to the Group’s top five largest suppliers was less than 30%. The total amount of revenue attributable to the Group’s five largest customers¹ was 56.9% of the total revenue of the Group. The total amount of revenue attributable to the Group’s largest customer¹ was 37.0% of the total revenue of the Group.

During the Reporting Period, other than Fosun Yaohong and Fosun Pharma Industrial Development (each a wholly-owned subsidiary of Fosun Pharma), to the knowledge of the Directors, none of the Directors or any of their close associates, or any Shareholders of the Company (which, to the knowledge of the Directors, owned more than 5% of the issued Shares of the Company) had interests in the five largest suppliers or customers of the Group.

¹ major customers (meaning, other than in relation to consumer goods or services, the ultimate customer, and in relation to consumer goods or services, the ultimate wholesaler or retailer as the case may be)

DIRECTORS

Unless otherwise stated, the following is the list of the Directors during the Reporting Period and as of the Latest Practicable Date:

CHAIRMAN AND NON-EXECUTIVE DIRECTOR

Mr. Wenjie Zhang¹

EXECUTIVE DIRECTOR

Dr. Jun Zhu (*Chief Executive Officer*)

NON-EXECUTIVE DIRECTORS

Mr. Qiyu Chen

Mr. Yuqing Chen²

Ms. Xiaohui Guan

Dr. Yi Liu³

Dr. Xingli Wang

Mr. Yifang Wu⁴

Mr. Deyong Wen⁵

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Tak Young So

Dr. Lik Yuen Chan

Dr. Ruilin Song

Mr. Yihao Zhang⁶

Dr. Guoping Zhao⁷

SUPERVISORS

The following is the list of the Supervisors during the Reporting Period and as of the Latest Practicable Date:

Ms. Rongli Feng (*Chairwoman*)

Mr. Deli Kong

Mr. Zhiyong Liu⁸

Mr. Yexing Yuan⁹

Notes:

1. Mr. Wenjie Zhang was re-designated from an executive Director to a non-executive Director on 24 March 2025.
2. Mr. Yuqing Chen was appointed as a non-executive Director on 29 August 2025.
3. Dr. Yi Liu was appointed as a non-executive Director on 29 August 2025.
4. Mr. Yifang Wu resigned as a non-executive Director on 29 August 2025.
5. Mr. Deyong Wen resigned as a non-executive Director on 29 August 2025.
6. Mr. Yihao Zhang was appointed as an independent non-executive Director on 29 August 2025.
7. Dr. Guoping Zhao resigned as an independent non-executive Director on 29 August 2025.
8. Mr. Zhiyong Liu was appointed as an employee representative Supervisor on 31 January 2025.
9. Mr. Yexing Yuan resigned as an employee representative Supervisor on 31 January 2025.

REPORT OF THE BOARD OF DIRECTORS

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Biographical details of the Directors, Supervisors and the senior management of the Company are set out on pages 91 to 100 of this annual report.

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

Each of the Directors and Supervisors has entered into a letter of appointment with the Company for a term of three years, subject to the provision of retirement and rotation of Directors and Supervisors under the Articles of Association.

None of the Directors and Supervisors has an unexpired service contract which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

REMUNERATION POLICY

The remuneration policy of the Group is set out in the section headed "Management Discussion and Analysis" on page 50 of this annual report.

Executive Directors are entitled to remuneration for acting as Director of the Company, which are submitted for consideration at the annual general meeting. However, if executive Directors also serve as senior management of the Company and receive salaries for the services in connection with the management of the affairs of the Group, they will not be entitled to additional Directors' remuneration. Non-executive Directors do not receive any emolument. The remuneration of independent non-executive Directors is determined with reference to salaries paid by comparable companies, experience, responsibilities and performance of the Group. Details of the remuneration of the Directors, Supervisors and chief executives and the five highest paid employees are set out in notes 9 and 10 to the financial statements.

The remuneration of senior management of the Company by band (including share-based payment) for the Reporting Period is set out below:

	Number of senior management
RMB Nil to RMB5,000,000	2
RMB5,000,001 to RMB10,000,000	5
RMB10,000,001 to RMB15,000,000	5
More than RMB15,000,000	1

DIRECTORS' AND SUPERVISORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section headed "Related Party Transactions", there is no transaction, arrangement or contract that is significant in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a person who at any time in the Reporting Period was a Director/Supervisor or his or her connected entity had, directly or indirectly, a material interest subsisted at any time during the Reporting Period or at the end of the Reporting Period.

PENSION SCHEME

The full-time employees of the Group are covered by various government-regulated defined contribution retirement benefit schemes under which the employees are entitled to a monthly pension. The Group contributes a percentage of the employees' salaries (subject to maximum caps) to these retirement benefit schemes on a monthly basis. Under these schemes, the Group has no legal obligation for retirement benefits beyond the contributions made. Contributions to these schemes are expensed as incurred. There were no forfeited contributions available for the Group to reduce its existing level of contributions to the defined contribution scheme as at 31 December 2025. The pension cost paid by the Group during the Reporting Period was RMB140.3 million.

MANAGEMENT CONTRACT

No contracts concerning the management and/or administration of the whole or any substantial part of the business of the Company were entered into or existed during the Reporting Period.

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Except as disclosed in this annual report, neither the Company nor any of its subsidiaries was a party to any arrangements to enable the Directors and Supervisors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate at any time during the Reporting Period or at the end of the Reporting Period.

DIRECTORS' AND SUPERVISORS' INTERESTS IN COMPETING BUSINESS

None of the Directors or Supervisors is interested in any businesses apart from the Group's business which competes with or is likely to compete, either directly or indirectly, with the Group's business.

DIRECTORS'/SUPERVISORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2025, none of the Directors/Supervisors and chief executives of the Company has interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO). The interest or long positions of Directors/Supervisors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise should be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

INTERESTS IN SHARES OF THE COMPANY

Name of Shareholder	Nature of interest and capacity	Class	Number of Shares ⁽⁵⁾	Approximate percentage in relevant class of Shares	Approximate percentage in total Shares
Jun Zhu ⁽¹⁾	Interest in controlled entity	H Shares	50,000	0.03%	0.01%
	Beneficial owner	H Restricted Shares	750,000 ⁽²⁾	0.46%	0.14%
	Beneficial owner	H Share Options	750,000 ⁽²⁾	0.46%	0.14%
Tak Young So	Beneficial owner	H Restricted Shares	5,000 ⁽³⁾	0.00%	0.00%
Lik Yuen Chan	Beneficial owner	H Restricted Shares	5,000 ⁽³⁾	0.00%	0.00%
Ruilin Song	Beneficial owner	H Restricted Shares	5,000 ⁽³⁾	0.00%	0.00%
Yihao Zhang	Beneficial owner	H Restricted Shares	5,000 ⁽³⁾	0.00%	0.00%
Zhiyong Liu	Beneficial owner	H Restricted Shares	50,000 ⁽⁴⁾	0.03%	0.01%
	Beneficial owner	H Share Options	50,000 ⁽⁴⁾	0.03%	0.01%

REPORT OF THE BOARD OF DIRECTORS

INTERESTS IN SHARES OF ASSOCIATED CORPORATIONS

Name	Name of associated corporation	Nature of interest and capacity	Class	Number of Shares ⁽⁵⁾	Approximate percentage in relevant class of Shares
Wenjie Zhang	Fosun International	Beneficial owner	Share Option	200,000	0.00%
	Fosun Pharma	Beneficial owner	A Share Options	49,000	0.00%
	Fosun Pharma	Beneficial owner	H Restricted Shares	114,400	0.02%
Qiyu Chen	Fosun International	Beneficial owner	Ordinary Shares	19,730,400	0.24%
	Fosun International	Beneficial owner	Share Option	19,600,000	0.24%
	Fosun Pharma	Beneficial owner	A Shares	114,075	0.01%
Xiaohui Guan	Fosun International	Beneficial owner	Ordinary Shares	200,000	0.00%
	Fosun International	Beneficial owner	Share Option	1,400,000	0.02%
	Fosun Pharma	Beneficial owner	A Shares	267,743	0.01%
	Fosun Pharma	Beneficial owner	A Share Options	294,200	0.01%
	Fosun Pharma	Beneficial owner	H Shares	25,000	0.00%
	Fosun Pharma	Beneficial owner	H Restricted Shares	686,500	0.12%
Yuqing Chen	Fosun Pharma	Beneficial owner	H Shares	20,000	0.00%
	Fosun Pharma	Beneficial owner	H Restricted Shares	953,500	0.17%
	Fosun Pharma	Beneficial owner	A Shares	134,000	0.01%
	Fosun Pharma	Beneficial owner	A Share Options	408,600	0.02%
	Fosun International	Beneficial owner	Ordinary Shares	1,940,000	0.02%
Xingli Wang	Fosun Pharma	Beneficial owner	A Share Options	245,200	0.01%
	Fosun Pharma	Beneficial owner	H Restricted Shares	572,100	0.10%
Yi Liu	Fosun Pharma	Beneficial owner	A Shares	15,444	0.00%
	Fosun Pharma	Beneficial owner	A Share Options	326,900	0.02%
	Fosun Pharma	Beneficial owner	H Shares	20,000	0.00%
	Fosun Pharma	Beneficial owner	H Restricted Shares	762,800	0.14%
	Sisram Medical Ltd	Beneficial owner	Ordinary Shares	140,000	0.03%
Rongli Feng	Fosun Pharma	Beneficial owner	A Shares	50,855	0.00%
	Fosun Pharma	Beneficial owner	A Share Options	163,500	0.01%
	Fosun Pharma	Beneficial owner	H Restricted Shares	381,400	0.07%
Deli Kong	Fosun Pharma	Beneficial owner	A Share Options	21,800	0.00%
	Fosun Pharma	Beneficial owner	H Restricted Shares	50,900	0.01%

Notes:

- (1) As at 31 December 2025, Dr. Jun Zhu wholly owned Dr. JZ Limited. Dr. Jun Zhu was deemed to be interested in the H Shares which Dr. JZ Limited was interested in.
- (2) On 27 June 2025, Dr. Jun Zhu was conditionally granted 750,000 share options under the Share Option Scheme and 750,000 RSUs under RSU Scheme of the Company, which shall be conditional upon the adoption of the Share Option Scheme, the adoption of the RSU Scheme and the approval of the Independent Shareholders for the grant of RSUs to Dr. Jun Zhu, respectively. On 21 July 2025, the ordinary resolutions regarding the adoption of the Share Option Scheme and the RSU Scheme of the Company and the grant of RSUs to Dr. Jun Zhu were approved at the Company's EGM.
- (3) On 29 August 2025, Mr. Tak Young So, Dr. Lik Yuen Chan, Dr. Ruilin Song and Mr. Yihao Zhang were granted 5,000 RSUs under RSU Scheme of the Company respectively.
- (4) On 27 June 2025, Mr. Zhiyong Liu was conditionally granted 50,000 share options under the Share Option Scheme and 50,000 RSUs under RSU Scheme of the Company, which shall be conditional upon the adoption of the Share Option Scheme and the adoption of the RSU Scheme, respectively. On 21 July 2025, the ordinary resolutions regarding the adoption of the Share Option Scheme and the RSU Scheme of the Company were approved at the Company's EGM.
- (5) They are all in long position.

REPORT OF THE BOARD OF DIRECTORS

Save as disclosed in the foregoing, as at 31 December 2025, none of the Directors/Supervisors or chief executive of the Company or their respective close associates had any interests or short/long positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as recorded in the register required to be kept pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

During the Reporting Period, no rights to acquire benefits by means of the acquisition of shares, underlying shares or debentures of the Company were granted to any Directors/Supervisors or chief executive or their respective spouses or minor children, or were any such rights exercised by them; nor was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement which enabled the Directors/Supervisors or chief executive to acquire such rights in any other corporation.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2025, the following persons (other than the Directors/Supervisors or chief executive of the Company) had the following interests and/or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept pursuant to Section 336 of Part XV of the SFO:

Name of Shareholder	Nature of interest and capacity	Class	Number of Shares ⁽¹⁾	Approximate percentage in relevant class of Shares	Approximate percentage in total Shares
Fosun New Medicine	Beneficial owner	Unlisted Shares	265,971,569 (L)	69.98%	48.94%
Fosun Pharma Industrial Development ⁽²⁾	Beneficial owner	Unlisted Shares	46,428,131 (L)	12.22%	8.54%
	Interest in controlled entity	Unlisted Shares	265,971,569 (L)	69.98%	48.94%
Fosun Pharma ⁽³⁾	Interest in controlled entity	Unlisted Shares	312,399,700 (L)	82.20%	57.48%
		H Shares	32,331,100 (L)	19.78%	5.95%
Fosun High Tech ⁽⁴⁾	Interest in controlled entity	Unlisted Shares	312,399,700 (L)	82.20%	57.48%
		H Shares	32,331,100 (L)	19.78%	5.95%
Fosun International ⁽⁵⁾	Interest in controlled entity	Unlisted Shares	312,399,700 (L)	82.20%	57.48%
		H Shares	32,331,100 (L)	19.78%	5.95%
FHL ⁽⁶⁾	Interest in controlled entity	Unlisted Shares	312,399,700 (L)	82.20%	57.48%
		H Shares	32,331,100 (L)	19.78%	5.95%
FIHL ⁽⁷⁾	Interest in controlled entity	Unlisted Shares	312,399,700 (L)	82.20%	57.48%
		H Shares	32,331,100 (L)	19.78%	5.95%
Guangchang Guo ⁽⁸⁾	Interest in controlled entity	Unlisted Shares	312,399,700 (L)	82.20%	57.48%
		H Shares	32,331,100 (L)	19.78%	5.95%
Fosun Industrial Cayman Henlius ⁽⁹⁾	Beneficial owner	H Shares	32,331,100 (L)	19.78%	5.95%
Wei-Dong Jiang ⁽¹⁰⁾	Beneficial owner	H Shares	720,955 (L)	0.44%	0.13%
	Interest in controlled entity	H Shares	43,756,960 (L)	26.77%	8.05%
Scott Shi-Kau Liu ⁽¹¹⁾	Beneficial owner	H Shares	2,410,695 (L)	1.48%	0.44%
	Interest in controlled entity	H Shares	43,756,960 (L)	26.77%	8.05%
Lijun Lin (林利軍)	Interest in controlled entity	H Shares	5,359,832 (L)	3.28%	0.99%
	Founder of a discretionary trust who can influence the trustee how to exercise its discretion	H Shares	11,359,152 (L)	6.95%	2.09%

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Name of Shareholder	Nature of interest and capacity	Class	Number of Shares ⁽¹⁾	Approximate percentage in relevant class of Shares	Approximate percentage in total Shares
Vistra Trust (Singapore) Pte. Limited ⁽¹²⁾	Trustee	H Shares	11,870,052 (L)	7.26%	2.18%
LVC SG MANAGEMENT PTE.LTD. ⁽¹²⁾	Interest in controlled entity	H Shares	11,870,052 (L)	7.26%	2.18%
LVC Management Holdings Limited ⁽¹²⁾	Interest in controlled entity	H Shares	11,870,052 (L)	7.26%	2.18%
Golden Valley Value Select Master Fund ⁽¹²⁾	Beneficial owner	H Shares	11,870,052 (L)	7.26%	2.18%
Boyu Capital Group Holdings Ltd. ⁽¹³⁾	Interest in controlled entity	H Shares	11,441,600 (L)	7.00%	2.11%
Boyu Capital Investment Management Limited ⁽¹³⁾	Interest in controlled entity	H Shares	11,441,600 (L)	7.00%	2.11%
Boyu Group, LLC ⁽¹³⁾	Interest in controlled entity	H Shares	11,441,600 (L)	7.00%	2.11%
XYXY Holdings Ltd ⁽¹³⁾	Interest in controlled entity	H Shares	11,441,600 (L)	7.00%	2.11%
Xiaomeng Tong (童小蒙) ⁽¹³⁾	Interest in controlled entity	H Shares	11,441,600 (L)	7.00%	2.11%
Boyu Capital Opportunities Master Fund ⁽¹³⁾	Beneficial owner	H Shares	9,805,680 (L)	6.00%	1.80%
GIC Private Limited	investment manager	H Shares	9,917,100 (L)	6.07%	1.82%
Taikang Insurance Group, Inc.	Interest in controlled entity	H Shares	8,606,500 (L)	5.27%	1.58%
Morgan Stanley	Interest in controlled entity	H Shares	8,564,839 (L)	5.24%	1.58%
			839,648 (S)	0.51%	0.15%

Notes:

- (1) (L) — Long position; (S) — Short position
- (2) As at 31 December 2025, Fosun New Medicine was wholly owned by Fosun Pharma Industrial Development. Fosun Pharma Industrial Development was deemed to be interested in the Unlisted Shares which Fosun New Medicine was interested in.
- (3) As at 31 December 2025, Fosun Pharma Industrial Development and Fosun Industrial were wholly owned by Fosun Pharma. Fosun Pharma was deemed to be interested in the Unlisted Shares and H Shares which Fosun Pharma Industrial Development and Fosun Industrial were interested in.
- (4) As at 31 December 2025, Fosun High Tech held approximately 36.00% of the shares in Fosun Pharma, Fosun High Tech was deemed to be interested in the Unlisted Shares and H Shares which Fosun Pharma was interested in.
- (5) As at 31 December 2025, Fosun High Tech was wholly owned by Fosun International. In addition, Fosun International held approximately 0.22% of the shares in Fosun Pharma. Fosun International was deemed to be interested in the Unlisted Shares and H Shares which Fosun High Tech and Fosun Pharma were interested in.
- (6) As at 31 December 2025, FHL directly held approximately 72.51% of the shares in Fosun International. FHL was deemed to be interested in the Unlisted Shares and H Shares which Fosun International was interested in.
- (7) As at 31 December 2025, FHL was wholly owned by FIHL. FIHL was deemed to be interested in the Unlisted Shares and H Shares which FHL was interested in.
- (8) As at 31 December 2025, Mr. Guangchang Guo held approximately 85.29% of the shares in FIHL. Mr. Guangchang Guo was deemed to be interested in the Unlisted Shares and H Shares which FIHL was interested in.
- (9) As at 31 December 2025, Cayman Henlius was held by Dr. Scott Shi-Kau Liu and Dr. Wei-Dong Jiang as to approximately 64.20% and 35.80% of the total equity interests, respectively.

- (10) As at 31 December 2025, Dr. Wei-Dong Jiang held approximately 35.80% of the shares in Cayman Henlius. Dr. Wei-Dong Jiang was deemed to be interested in the H Shares which Cayman Henlius was interested in.
- (11) As at 31 December 2025, Dr. Scott Shi-Kau Liu held approximately 64.20% of the shares in Cayman Henlius. Dr. Scott Shi-Kau Liu was deemed to be interested in the H Shares which Cayman Henlius was interested in.
- (12) As at 31 December 2025, Golden Valley Value Select Master Fund was wholly-owned by LVC SG Management PTE Ltd as a general partnership, which in turn was wholly-owned by LVC Holdings Limited. LVC Holdings Limited was wholly-owned by LVC Management Holdings Limited, which in turn was approximately 80% held by LVC Innovate Limited. LVC Innovate Limited was wholly-owned by Jovial Champion Investments Limited, Jovial Champion Investments Limited was wholly-owned by Vistra Trust (Singapore) Pte. Limited as the trustee. Therefore, Vistra Trust (Singapore) Pte. Limited as trustee was deemed to be interested in the H Shares which Golden Valley Value Select Master Fund was interested in.
- (13) As at 31 December 2025, Boyu Capital Opportunities Master Fund and Boyu Capital Vantage Master Fund were wholly-owned by Boyu Capital Investment Management Limited, Boyu Capital Investment Management Limited was wholly-owned by Boyu Capital Group Holdings Ltd., which in turn was wholly-owned by Boyu Group, LLC. Approximately 45.7% equity interests of Boyu Group, LLC was held by XYXY Holdings Ltd., which in turn was wholly-owned by Xiaomeng Tong (童小幟). Therefore, Xiaomeng Tong (童小幟) was deemed to be interested in the H Shares which Boyu Capital Opportunities Master Fund and Boyu Capital Vantage Master Fund were interested in.

Save as disclosed herein, there is no other person known to the Directors/Supervisors or chief executive of the Company who, as of 31 December 2025, had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 under Part XV of the SFO or who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company.

PERMITTED INDEMNITY

Pursuant to the Articles of Association, subject to the applicable laws and regulations, every Director and Supervisor shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities which he/she may sustain or incur in the execution of his/her office or otherwise in relation thereto. The Company has taken out insurance against the liability and costs associated with defending any proceedings which may be brought against the Directors and Supervisors of the Group.

SHARE OPTION SCHEME AND RESTRICTED SHARE UNIT SCHEME

The Company has adopted the 2025 H share option scheme (the “**Share Option Scheme**”) and the 2025 H Share RSU scheme (the “**RSU Scheme**”) pursuant to the ordinary resolutions passed by the Shareholders at the extraordinary general meeting of the Company (“**EGM**”) held on 21 July 2025 (the “**Adoption Date**”). Both the Share Option Scheme and the RSU Scheme constitute share schemes under Chapter 17 of the Listing Rules.

Summary of major terms of the Share Option Scheme and the RSU Scheme are as follows:

(I) PURPOSE OF THE SCHEMES

The purposes of the Share Option Scheme and the RSU Scheme are:

- (a) to attract, motivate and retain skilled and experienced personnel who are Eligible Persons to strive for the long-term development goals of the Group and maximize the value of the Company for the benefits of both the Participants and the Company, with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the Participants directly with the Shareholders through ownership of Shares;
- (b) to recognise and acknowledge the contributions that Eligible Persons have or may have made or may make to the Group and to encourage the Eligible Persons to work towards enhancing the value of the Group and the Shares for the benefit of the Group and the Shareholders as a whole; and

REPORT OF THE BOARD OF DIRECTORS

- (c) to provide the Company with a flexible means of retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to Eligible Persons.

(II) PARTICIPANTS OF THE SCHEMES

The Eligible Persons who may be selected to become a Participant of the Share Option Scheme and/or the RSU Scheme include the Employee Participants, the Related Entity Participants and the Service Provider Participants.

(III) MAXIMUM NUMBER OF SHARES AVAILABLE FOR ISSUE

The total number of H Shares which may be issued in respect of all Options to be granted under the Share Option Scheme, all RSUs to be granted under the RSU Scheme and all options and awards to be granted under any other share scheme(s) of the Company shall not exceed 43,479,588 H Shares, representing approximately 8% of the total number of Shares in issue (excluding any treasury shares) as at the Adoption Date (the “**Scheme Mandate Limit**”).

Within the Scheme Mandate Limit, the total number of H Shares which may be issued in respect of all Options to be granted under the Share Option Scheme, all RSUs to be granted under the RSU Scheme and all options and awards to be granted under any other share scheme(s) of the Company to the Service Provider Participants shall not exceed 8,152,422 H Shares, representing approximately 1.5% of the total number of Shares in issue (excluding any treasury shares) as at the Adoption Date (the “**Service Provider Sublimit**”).

As at the date of this report, the Scheme Mandate Limit and the Service Provider Sublimit represented approximately 8% and 1.5% of the total issued Shares of the Company (excluding treasury shares), respectively.

(IV) MAXIMUM ENTITLEMENT OF EACH PARTICIPANT

The total number of H Shares issued and to be issued in respect of all Options granted and to be granted under the Share Option Scheme, all RSUs granted and to be granted under the RSU Scheme and all options and awards granted or to be granted under any other share scheme(s) of the Company to each Participant (excluding options or awards lapsed in accordance with the relevant scheme rules) in any 12-month period up to (and including) the date of the latest grant shall not exceed 1% of the total number of Shares in issue (excluding any treasury shares) (the “**1% Individual Limit**”). Any further grant of Options or RSUs to a Participant which would exceed the 1% Individual Limit shall be subject to separate approval of the Shareholders in general meeting in accordance with the Listing Rules and subject to the other requirements under the Listing Rules.

(V) OPTION PERIOD

The option period in respect of any Option, being the period within which a grantee may exercise an Option, shall be determined by the Board or the Scheme Administrator and notified to the participant in the offer letter. The option period for an Option shall in any event not be longer than ten (10) years from the grant date. An Option shall lapse automatically and shall not be exercisable on the expiry of the option period.

(VI) VESTING PERIOD OF OPTIONS AND RSUs

The vesting period, being the minimum period for which an Option must be held before it can be exercised or an RSU must be held before it can be vested, is determined by the Board (or the Scheme Administrator as authorised by the Board), which shall not be less than twelve (12) months, except that Options or RSUs granted to Employee Participants may be subject to a shorter vesting period under any of the following circumstances:

- (a) grants of “make whole” Options or RSUs to new Employee Participants to replace options and/or awards that such Employee Participants forfeited when leaving their previous employers;
- (b) grants to an Employee Participant whose employment is terminated due to death or disability or event of force majeure;

- (c) grants of Options or RSUs which are subject to fulfilment of performance targets (as opposed to time-based conditions);
- (d) grants of Options or RSUs the timing of which is determined by administrative or compliance requirements not connected with the performance of the relevant Participant, in which case the relevant vesting date may be adjusted to take account of the time from which the Options or RSUs would have been granted if not for such administrative or compliance requirements;
- (e) grants of Options or RSUs with a mixed or accelerated vesting schedule such that the Options or RSUs may vest evenly over a period of twelve (12) months; or
- (f) grants of Options or RSUs with a total vesting period of more than twelve (12) months, such as where the Options or RSUs may vest by several batches with the first batch to vest within twelve (12) months of the grant date and the last batch to vest at least twelve (12) months after the grant date.

(VII) GRANT PRICE

The grant price, being the consideration payable by the grantee on acceptance of an offer of Options or RSUs (if any), the method of payment and the period(s) within which any such payments must be made should be determined by the Board (or the Scheme Administrator as authorised by the Board) in its sole and absolute discretion and can be nil.

(VIII) EXERCISE PRICE OF OPTIONS

The exercise price in respect of any Option shall be determined by the Board (or the Scheme Administrator as authorised by the Board) and notified to the Participant in the offer letter, provided that such exercise price must be at least the highest of (i) the official closing price of the H Shares as stated in the daily quotations sheet of the Stock Exchange on the grant date; (ii) the average of the official closing price of the H Shares as stated in the daily quotations sheets of the Stock Exchange for the five (5) Business Days immediately preceding the grant date; and (iii) the nominal value of an H Share, provided that in the event of fractional prices, the exercise price per Share shall be rounded upwards to the nearest whole cent.

(IX) VESTING PRICE FOR RESTRICTED SHARES UNDERLYING RSUs

The vesting price, being the purchase price per H Share payable by a grantee to the Company on the vesting of an RSU, shall be determined by the Board (or the Scheme Administrator as authorised by the Board) and can be nil.

(X) DURATION OF THE SCHEMES

Subject to provisions under the Share Option Scheme and the RSU Scheme, each of the Share Option Scheme and the RSU Scheme shall be valid and effective for a period of ten (10) years commencing from (and including) the Adoption Date, unless terminated earlier in accordance with the Share Option Scheme or the RSU Scheme (as the case may be).

As at the date of this report, the remaining life of each of the Share Option Scheme and the RSU Scheme was approximately 9 years and 4 months.

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Details of the movements of the Options and RSUs granted under the Share Option Scheme and the RSU Scheme during the year ended 31 December 2025 are as follows:

Movements of the Options granted under the Share Option Scheme

Grantees	Outstanding as of 1 January 2025	Number of Options				Outstanding as of 31 December 2025	Date of grant	Vesting period	Exercise period	Grant price	Exercise price per H Share	Fair value as at the date of grant ⁽⁴⁾
		Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period							
Director(s)												
Dr. Jun Zhu (<i>Executive Director and chief executive officer of the Company</i>)	-	750,000 ⁽¹⁾⁽³⁾	-	-	-	750,000 ⁽¹⁾⁽³⁾	27 June 2025	Vesting in four equal batches on each of the first, second, third and fourth anniversaries of the date of grant (subject to the satisfaction of certain performance targets) until 27 June 2029	Commencing from the relevant vesting date of the relevant batch up to and until the expiry of ten (10) years from the date of grant	Nil	HK\$50.25	RMB21,210,000
Other Employee Participants												
In aggregate (granted on 27 June 2025)	-	6,152,500 ⁽¹⁾⁽³⁾	-	40,500	-	6,112,000 ⁽¹⁾⁽³⁾	27 June 2025	Vesting in four equal batches on each of the first, second, third and fourth anniversaries of the date of grant (subject to the satisfaction of certain performance targets) until 27 June 2029	Commencing from the relevant vesting date of the relevant batch up to and until the expiry of ten (10) years from the date of grant	Nil	HK\$50.25	RMB167,776,000
In aggregate (granted on 29 August 2025)	-	67,500 ⁽²⁾⁽³⁾	-	-	-	67,500 ⁽²⁾⁽³⁾	29 August 2025	Vesting in four equal batches on each of the first, second, third and fourth anniversaries of the date of grant (subject to the satisfaction of certain performance targets) until 29 August 2029	Commencing from the relevant vesting date of the relevant batch up to and until the expiry of ten (10) years from the date of grant	Nil	HK\$80.12	RMB1,966,000
Service Provider Participants												
In aggregate (granted on 27 June 2025)	-	82,500 ⁽¹⁾⁽³⁾	-	12,500	-	70,000 ⁽¹⁾⁽³⁾	27 June 2025	Vesting in four equal batches on each of the first, second, third and fourth anniversaries of the date of grant (subject to the satisfaction of certain performance targets) until 27 June 2029	Commencing from the relevant vesting date of the relevant batch up to and until the expiry of ten (10) years from the date of grant	Nil	HK\$50.25	RMB2,172,000
Total	-	7,052,500	-	53,000	-	6,999,500	-	-	-	-	-	RMB193,124,000

Notes:

- On 27 June 2025, conditional upon the approval by the Shareholders for the adoption of the Share Option Scheme, the Board resolved to grant under the Share Option Scheme (a) 750,000 Options to Dr. Jun Zhu; (b) a total of 6,152,500 Options to 267 Employee Participants (other than Dr. Jun Zhu); and (c) a total of 82,500 Options to 11 Service Provider Participants. The closing price of the H Shares of the Company immediately before the date of grant was HK\$50.85 per H Share. On 21 July 2025, the ordinary resolution regarding the adoption of the Share Option Scheme of the Company was approved at the Company's EGM. For further details, please refer to the announcements of the Company dated 27 June 2025 and 21 July 2025 and the circular of the Company dated 3 July 2025.
- On 29 August 2025, the Board resolved to grant a total of 67,500 Options to 4 Employee Participants (other than Directors) under the Share Option Scheme. The closing price of the H Shares of the Company immediately before the date of grant was HK\$74.00 per H Share. For further details, please refer to the announcement of the Company dated 29 August 2025.

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- (3) Among the Options granted to each grantee, (i) the vesting of 80% of the Options granted is subject to the satisfaction of the performance targets relating to the key performance indicators, including financial key performance indicators and R&D key performance indicators, of the Company's annual business performance for the relevant years and the grantee's achievement of the agreed standard or above for the relevant years in the Company's annual appraisal; and (ii) the vesting of 20% of the Options granted is subject to the satisfaction of the performance targets relating to the Company's market capitalisation for the relevant years and the grantee's achievement of the agreed standard or above for the relevant years in the Company's annual appraisal (which may be deferred for vesting for one year to the next anniversary of the original vesting date subject to the terms of the grant).
- (4) Details of the fair value of the Options at the date of grant and the accounting standards and policy adopted during the Reporting Period are set out in note 32 and note 2.4 to the financial statements, respectively.

Movements of the RSUs granted under the RSU Scheme

Grantees	Outstanding as of 1 January 2025	Number of RSUs				Outstanding as of 31 December 2025	Date of grant	Vesting period	Grant price	Purchase price per Restricted Share	Fair value as at the date of grant ⁽⁴⁾
		Granted during the period	Vested during the period	Lapsed during the period	Cancelled during the period						
Director(s)											
Dr. Jun Zhu (<i>Executive Director and chief executive officer of the Company</i>)	-	750,000 ⁽¹⁾⁽³⁾	-	-	-	750,000 ⁽¹⁾⁽³⁾	27 June 2025	Vesting in four equal batches on each of the first, second, third and fourth anniversaries of the date of grant (subject to the satisfaction of certain performance targets) until 27 June 2029	Nil	RMB1	RMB40,205,000
Mr. Tak Young So (<i>Independent non-executive Director of the Company</i>)	-	5,000 ⁽²⁾⁽³⁾	-	-	-	5,000 ⁽²⁾⁽³⁾	29 August 2025	Vesting in three batches of 33%, 33% and 34%, respectively, on each of the first, second and third anniversaries of the date of grant until 29 August 2028	Nil	RMB1	RMB268,000
Dr. Lik Yuen Chan (<i>Independent non-executive Director of the Company</i>)	-	5,000 ⁽²⁾⁽³⁾	-	-	-	5,000 ⁽²⁾⁽³⁾	29 August 2025	Vesting in three batches of 33%, 33% and 34%, respectively, on each of the first, second and third anniversaries of the date of grant until 29 August 2028	Nil	RMB1	RMB268,000
Dr. Rulin Song (<i>Independent non-executive Director of the Company</i>)	-	5,000 ⁽²⁾⁽³⁾	-	-	-	5,000 ⁽²⁾⁽³⁾	29 August 2025	Vesting in three batches of 33%, 33% and 34%, respectively, on each of the first, second and third anniversaries of the date of grant until 29 August 2028	Nil	RMB1	RMB268,000
Mr. Yihao Zhang (<i>Independent non-executive Director of the Company</i>)	-	5,000 ⁽²⁾⁽³⁾	-	-	-	5,000 ⁽²⁾⁽³⁾	29 August 2025	Vesting in three batches of 33%, 33% and 34%, respectively, on each of the first, second and third anniversaries of the date of grant until 29 August 2028	Nil	RMB1	RMB268,000
Other Employee Participants											
In aggregate (granted on 27 June 2025)	-	6,152,500 ⁽¹⁾⁽³⁾	-	40,500	-	6,112,000 ⁽¹⁾⁽³⁾	27 June 2025	Vesting in four equal batches on each of the first, second, third and fourth anniversaries of the date of grant (subject to the satisfaction of certain performance targets) until 27 June 2029	Nil	RMB1	RMB313,360,000
In aggregate (granted on 29 August 2025)	-	67,500 ⁽²⁾⁽³⁾	-	-	-	67,500 ⁽²⁾⁽³⁾	29 August 2025	Vesting in four equal batches on each of the first, second, third and fourth anniversaries of the date of grant (subject to the satisfaction of certain performance targets) until 29 August 2029	Nil	RMB1	RMB5,706,000
Service Provider Participants											
In aggregate (granted on 27 June 2025)	-	82,500 ⁽¹⁾⁽³⁾	-	12,500	-	70,000 ⁽¹⁾⁽³⁾	27 June 2025	Vesting in four equal batches on each of the first, second, third and fourth anniversaries of the date of grant (subject to the satisfaction of certain performance targets) until 27 June 2029	Nil	RMB1	RMB4,239,000
Total	-	7,072,500	-	53,000	-	7,019,500	-	-	-	-	RMB364,582,000

REPORT OF THE BOARD OF DIRECTORS

Notes:

- (1) On 27 June 2025, conditional upon the approval by the Shareholders for the adoption of RSU Scheme, the Board resolved to grant under the RSU Scheme (a) 750,000 RSUs to Dr. Jun Zhu, which was also conditional upon the approval of Independent Shareholders; (b) a total of 6,152,500 RSUs to 267 Employee Participants (other than Dr. Jun Zhu); and (c) a total of 82,500 RSUs to 11 Service Provider Participants. The closing price of the H Shares of the Company immediately before the date of grant was HK\$50.85 per H Share. On 21 July 2025, the ordinary resolutions regarding the adoption of the RSU Scheme of the Company and the abovementioned grant of RSUs to Dr. Jun Zhu were approved at the Company's EGM. For further details, please refer to the announcements of the Company dated 27 June 2025 and 21 July 2025 and the circular of the Company dated 3 July 2025.
- (2) On 29 August 2025, the Board resolved to grant under the RSU Scheme (a) a total of 67,500 RSUs to 4 Employee Participants (other than Directors); (b) 5,000 RSUs to Mr. Tak Young So, an independent non-executive Director; (c) 5,000 RSUs to Dr. Lik Yuen Chan, an independent non-executive Director; (d) 5,000 RSUs to Dr. Ruilin Song, an independent non-executive Director Dr. Ruilin Song; and (e) 5,000 RSUs to Mr. Yihao Zhang, an independent non-executive Director. The closing price of the H Shares of the Company immediately before the date of grant was HK\$74.00 per H Share. For further details, please refer to the announcement of the Company dated 29 August 2025.
- (3) Among the RSUs granted to each grantee (other than an independent non-executive Director), (i) the vesting of 80% of the RSUs granted is subject to the satisfaction of the performance targets relating to the key performance indicators, including financial key performance indicators and R&D key performance indicators, of the Company's annual business performance for the relevant years and the grantee's achievement of the agreed standard or above for the relevant years in the Company's annual appraisal; and (ii) the vesting of 20% of the RSUs granted is subject to the satisfaction of the performance targets relating to the Company's market capitalisation for the relevant years and the grantee's achievement of the agreed standard or above for the relevant years in the Company's annual appraisal (which may be deferred for vesting for one year to the next anniversary of the original vesting date subject to the terms of the grant). The RSUs granted to the independent non-executive Directors are not subject to any performance targets.
- (4) Details of the fair value of the RSUs at the date of grant and the accounting standards and policy adopted during the Reporting Period are set out in note 32 and note 2.4 to the financial statements, respectively.

As at 1 January 2025 and 31 December 2025, the number of options and awards available for grant under the Scheme Mandate Limit was nil and 29,460,588, respectively, and the number of options and awards available for grant under the Service Provider Sublimit was nil and 8,012,422, respectively.

The number of Shares that may be issued in respect of Options granted under the Share Option Scheme and RSUs granted under the RSU Scheme during the year ended 31 December 2025 divided by the weighted average number of Shares in issue (excluding treasury shares) for the year ended 31 December 2025 is 2.58%.

EQUITY-LINKED AGREEMENTS

No equity-linked agreements were entered into by the Group during the Reporting Period or subsisted at the end of the Reporting Period.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and to the best knowledge of the Directors of the Company, during the Reporting Period, the Company has maintained sufficient public float as required by the Listing Rules.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights in the Articles of Association or under the applicable laws of the PRC where the Company is incorporated.

DONATIONS

During the Reporting Period, the Group made donations of RMB91.8 million.

CONTINUING CONNECTED TRANSACTIONS

PROPERTY LEASING FRAMEWORK AGREEMENT

On 17 November 2022, the Company entered into the Clone Property Leasing Framework Agreement and the Fukun Property Leasing Framework Agreement with Clone High Tech and Fukun Pharmaceutical, respectively, pursuant to which the Group has agreed to lease premises from Clone High Tech and Fukun Pharmaceutical for its use as manufacturing facilities, laboratories and/or office buildings from time to time, for a period of three years commencing from 1 January 2023 and ending on 31 December 2025. On 31 December 2025, the Group entered into the Clone Property Leasing Framework Agreement and the Fukun Property Leasing Framework Agreement (the “**Property Leasing Framework Agreement (2025 Renewal)**”) with Clone High Tech and Fukun Pharmaceutical, respectively, pursuant to which the Group would continue to lease certain premises from Clone High Tech and Fukun Pharmaceutical for the period starting from 1 January 2026 and ending on 31 December 2028.

Both of Clone High Tech and Fukun Pharmaceutical are wholly-owned subsidiaries of Fosun Pharma, the controlling shareholder of the Company. Therefore, each of Clone High Tech and Fukun Pharmaceutical is a connected person of the Company by virtue of being an associate of the Company’s controlling shareholder. Accordingly, the transactions under the Property Leasing Framework Agreements (including the Clone Property Leasing Framework Agreement and Fukun Property Leasing Framework Agreement) and Property Leasing Framework Agreement (2025 Renewal), constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The total value of the right-of-use assets relating to the leases entered into by the Group with Clone High Tech and Fukun Pharmaceutical and/or their associates in relation to the leasing of property under the Property Leasing Framework Agreements, including the Clone Property Leasing Framework Agreement and the Fukun Property Leasing Framework Agreement for the year ended 31 December 2025 did not exceed RMB135.66 million.

The total value of the right-of-use assets relating to the leases entered into by the Group with Clone High Tech and Fukun Pharmaceutical and/or their associates in relation to the leasing of property under the Property Leasing Framework Agreements (2025 Renewal) for the three years ending 31 December 2026, 2027 and 2028 will not exceed RMB138.13 million, RMB48.84 million and RMB57.53 million, respectively.

REPORT OF THE BOARD OF DIRECTORS

FINANCIAL SERVICES AGREEMENT

On 14 February 2023, the Company entered into a financial services agreement with Fosun Finance, pursuant to which Fosun Finance agreed to provide the non-exclusive financial services, including the depository services, the comprehensive credit services, the settlement services and other financial services, to the Group within its business scope as approved by the China Banking and Insurance Regulatory Commission for the period starting from 14 February 2023 and ending on 13 February 2026 (the “**Financial Services Agreement**”). On 31 December 2025, the Company entered into financial services agreement (the “**Financial Services Agreement (2025 Renewal)**”) with Fosun Finance, pursuant to which Fosun Finance will continue to provide the financial services to the Group within its business scope as approved by the NFRA for the period starting from 14 February 2026 to 31 December 2028.

Fosun Finance is a subsidiary of Fosun High Tech, which is the controlling shareholder of the Company, therefore Fosun Finance is a connected person of the Company by virtue of being an associate of the Company’s controlling shareholder. Accordingly, the Services under the Financial Services Agreement and Financial Services Agreement (2025 Renewal) provided by Fosun Finance to the Group constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. The credit services, the settlement services and other financial services provided by Fosun Finance to the Group pursuant to the Financial Services Agreement and Financial Services Agreement (2025 Renewal) are fully exempt continuing connected transactions.

The daily amount of the deposits (including accrued interest) placed by the Group with Fosun Finance under the Financial Services Agreement for the years ended 31 December 2025 did not exceed RMB200 million and the maximum daily amount of the deposits (including accrued interest) to be placed by the Group with Fosun Finance under the Financial Services Agreement for the period from 1 January 2026 to 13 February 2026 will not exceed RMB200 million.

The maximum daily amount of the deposits (including accrued interest) to be placed by the Group with Fosun Finance under the Financial Services Agreement (2025 Renewal) for the years ending 31 December 2026, 31 December 2027 and 31 December 2028 will be RMB200 million, respectively.

PROMOTIONAL SERVICES AGREEMENT

On 24 August 2020 and 31 December 2020, Henlius Biopharmaceuticals, a wholly-owned subsidiary of the Company, entered into the Promotional Services Agreement and Supplemental Agreement with Fosun Yaohong to engage Fosun Yaohong to provide promotional services in relation to HANQUYOU to the Group from 24 August 2020 to 30 June 2022. As the Group continues to engage Fosun Yaohong to provide the promotional services, Henlius Biopharmaceuticals renewed the Promotional Services Agreement (the “**Promotional Services Agreement (2022 Renewal)**”) with Fosun Yaohong on 30 June 2022 to extend the term of the Promotional Services Agreement for a term from 1 July 2022 to 31 December 2023. On 29 December 2023, Henlius Biopharmaceuticals entered into a supplementary agreement with Fosun Yaohong to renew the Promotional Services Agreement (the “**Promotional Services Agreement (2023 Renewal)**”) to further extend the term of the agreement for a year from 1 January 2024 to 31 December 2024 and adjust the applicable rates thereunder. On 31 December 2024, Henlius Biopharmaceuticals entered into a new supplementary agreement with Fosun Yaohong to renew the Promotional Services Agreement (the “**Promotional Services Agreement (2024 Renewal)**”) to further extend the term of the agreement for a year from 1 January 2025 to 31 December 2025 and adjust the applicable rates and designated areas thereunder.

On 31 December 2025, Henlius Bioscience, a wholly-owned subsidiary of the Company, and Fosun Yaohong entered into the Promotional Services Agreement (the “**Promotional Services Agreement (2025 Renewal)**”). The Group will continue to authorise Fosun Yaohong as the business cooperation partner to carry out promotional activities in the Designated Areas to the customers in respect of the Group’s HANQUYOU for one year from 1 January 2026 to 31 December 2026.

Fosun Yaohong is a wholly-owned subsidiary of Fosun Pharma (a controlling shareholder of the Company), therefore, Fosun Yaohong is a connected person of the Company by virtue of being an associate of the Company’s controlling shareholder. Accordingly, the transactions under the Promotional Services Agreement (2024 Renewal) and Promotional Services Agreement (2025 Renewal) constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The transaction amount (on a tax-exclusive basis) paid by the Group to Fosun Yaohong under the Promotional Services Agreement (2024 Renewal) for the year ended 31 December 2025 did not exceed RMB40 million.

The maximum annual transaction amount (on a tax-exclusive basis) to be paid by the Group to Fosun Yaohong under the Promotional Services Agreement (2025 Renewal) for the year ending 31 December 2026 will not exceed RMB30 million.

CMC TECHNICAL SERVICES FRAMEWORK AGREEMENT

On 29 June 2023, Aton Ruilin, a wholly-owned subsidiary of the Company, entered into the CMC Technical Services Framework Agreement with Fosun Pharma Industrial Development, pursuant to which Aton Ruilin agreed to provide CMC related technical services to Fosun Pharma Industrial Development and its subsidiaries.

Fosun Pharma Industrial Development is a wholly-owned subsidiary of Fosun Pharma, the controlling shareholder of the Company. Therefore, Fosun Pharma Industrial Development is a connected person of the Company by virtue of being an associate of the Company's controlling shareholder. Accordingly, the transactions under the CMC Technical Services Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The transaction amounts paid by Fosun Pharma Industrial Development and its subsidiaries to Aton Ruilin with respect to the provision of the services under the CMC Technical Services Framework Agreement for the year ended 31 December 2025 did not exceed RMB20 million.

The maximum annual transaction amounts to be paid by Fosun Pharma Industrial Development and its subsidiaries to Aton Ruilin with respect to the provision of the services under the CMC Technical Services Framework Agreement for the period from 1 January 2026 to 28 June 2026 will not exceed RMB15 million.

BUSINESS TRAVEL MANAGEMENT SERVICES AGREEMENT

On 5 September 2024, the Company entered into the Business Travel Management Services Agreement with Hainan Fosun International Business Travel, pursuant to which Hainan Fosun International Business Travel and/or its related parties agreed to provide business travel-related products as well as consulting, booking and management services to the Company and/or its related parties, including without limitation, booking domestic and international air tickets, hotels, train tickets and insurance and other travel related services.

Hainan Fosun International Business Travel is a non-wholly-owned subsidiary of Fosun International (a controlling shareholder of the Company), therefore, Hainan Fosun International Business Travel is a connected person of the Company. Accordingly, the transaction contemplated under the Business Travel Management Services Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

The transaction amount paid by the Group to Hainan Fosun International Business Travel and/or its related parties under the Business Travel Management Services Agreement for the period from the year ended 31 December 2025 did not exceed RMB45 million.

The maximum annual transaction amount to be paid by the Group to Hainan Fosun International Business Travel and/or its related parties under the Business Travel Management Services Agreement for the year ending 31 December 2026, and the period from 1 January 2027 to 4 September 2027 will not exceed RMB50 million and RMB40 million, respectively.

GENERAL PROCUREMENT FRAMEWORK AGREEMENT

On 13 April 2024, the Company entered into the General Procurement Framework Agreement with Fosun High Tech, pursuant to which the Group will, from time to time, procure services and products for administrative or functional purposes from Fosun High Tech Group, including without limitation, property management services, vehicle services, daily administrative items and services, etc. As the Company and Fosun High Tech intended to continue to enter into the transactions contemplated under the General Procurement Framework Agreement after 31 December 2024, the General Procurement Framework Agreement was renewed for one year from 1 January 2025 to 31 December 2025 in accordance with its terms. Save for the renewal, there has been no other change in the principal terms of the General Procurement Framework Agreement since it was entered into on 13 April 2024.

REPORT OF THE BOARD OF DIRECTORS

Fosun High Tech is a controlling shareholder of the Company, therefore, Fosun High Tech is a connected person of the Company. Accordingly, the transaction contemplated under the General Procurement Framework Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

The transaction amount to be paid by the Group to Fosun High Tech Group under the General Procurement Framework Agreement for the year ended 31 December 2025 did not exceed RMB7 million.

IT RELATED PROCUREMENT FRAMEWORK AGREEMENT

On 13 April 2024, the Company entered into the IT Related Procurement Framework Agreement with Fosun High Tech, pursuant to which the Group agreed to, from time to time, procure from Fosun High Tech Group (i) IT related services, including but not limited to software services, system operation and maintenance services, update services and system consultation services; and (ii) IT related assets, including but not limited to various software usage rights and electronic equipment. As the Company and Fosun High Tech intended to continue to enter into the transactions contemplated under the IT Related Procurement Framework Agreement after 31 December 2024, the IT Related Procurement Framework Agreement was renewed for one year from 1 January 2025 to 31 December 2025 in accordance with its terms. Save for the renewal, there has been no other change in the principal terms of the IT Related Procurement Framework Agreement since it was entered into on 13 April 2024.

Fosun High Tech is a controlling shareholder of the Company. Therefore, Fosun High Tech is a connected person of the Company. Accordingly, the transactions contemplated under the General Procurement Framework Agreement and the IT Related Procurement Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The transaction amount paid by the Group to Fosun High Tech Group for the procurement of IT related services pursuant to the IT Related Procurement Framework Agreement for the year ended 31 December 2025 did not exceed RMB12 million.

SINOPHARM PROCUREMENT FRAMEWORK AGREEMENT

On 24 April 2020, the Company entered into a Sinopharm Procurement Framework Agreement to procure (i) warehousing and logistics services, and (ii) raw materials, including reagent, from Sinopharm Group. The initial term of the Sinopharm Procurement Framework Agreement expired on 31 December 2022. The Company and Sinopharm continues to carry out the transactions under the Sinopharm Procurement Framework Agreement after 31 December 2022. On 17 November 2022, the parties have agreed that the term of the Sinopharm Procurement Framework Agreement shall be automatically renewed in accordance with its terms for a further term of three years from 1 January 2023 to 31 December 2025. Save for the automatic renewal, there has been no other change in the principal term of the Sinopharm Procurement Framework Agreement since its execution on 24 April 2020.

Fosun Pharma (a controlling shareholder of the Company) directly held 49% of the interests in Sinopharm Industrial Investment and Sinopharm is a subsidiary of Sinopharm Industrial Investment. Therefore, Sinopharm is a connected person of the Company by virtue of being an associate of the Company's controlling shareholder. Accordingly, the transactions under the Sinopharm Procurement Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

The transaction amount paid by the Group to Sinopharm Group for the procurement of warehousing and logistic services pursuant to the Sinopharm Procurement Framework Agreement for the year ended 31 December 2025 did not exceed RMB22.00 million.

The transaction amount paid by the Group to Sinopharm Group for the procurement of raw materials pursuant to the Sinopharm Procurement Framework Agreement for the year ended 31 December 2025 did not exceed RMB16.50 million.

SINOPHARM DISTRIBUTION FRAMEWORK AGREEMENT

On 24 April 2020, the Company entered into a Sinopharm Distribution Framework Agreement to sell the self-owned products (except for HANLIKANG and HANDAYUAN) of the Group to the Sinopharm Group from time to time. On 12 June 2020, the Shareholders approved the Sinopharm Distribution Framework Agreement dated 24 April 2020 at the 2020 second extraordinary general meeting. As the initial term of the Sinopharm Distribution Framework Agreement expires on 31 December 2022 and the Company and Sinopharm Holdings will continue to carry out the transactions under the Sinopharm Distribution Framework Agreement after 31 December 2022, on 17 November 2022, with the consent of the parties, the term of the Sinopharm Distribution Framework Agreement was automatically renewed in accordance with its provisions for a period of three years from 1 January 2023 to 31 December 2025. Since the entering into of the Sinopharm Distribution Framework Agreement on 24 April 2020, there has been no other change in its principal terms other than automatic renewal. On 27 December 2022, the Shareholders approved the renewal of the Sinopharm Distribution Framework Agreement entered into between the Company and Sinopharm on 24 April 2020 and the transactions contemplated thereunder at the second extraordinary general meeting of 2022.

The Company and Sinopharm intend to continue to enter into the transactions contemplated under the Sinopharm Distribution Framework Agreement after 31 December 2025. The parties have agreed to enter into the renewal of the Sinopharm Distribution Framework Agreement (the “**Sinopharm Distribution Framework Agreement (2025 Renewal)**”) for a term from 1 January 2026 to 31 December 2028, which can be automatically renewed for a successive period of three years once expired, subject to compliance with the Hong Kong Listing Rules. As of December 31, 2025, the Shareholders approved the Sinopharm Distribution Framework Agreement (2025 Renewal) dated December 3, 2025 at the 4th Extraordinary General Meeting of Shareholders in 2025.

Fosun Pharma (a controlling shareholder of the Company) directly held 49% of the interests in Sinopharm Industrial Investment and Sinopharm is a subsidiary of Sinopharm Industrial Investment. Therefore, Sinopharm is a connected person of the Company by virtue of being an associate of the Company’s controlling shareholder. Accordingly, the transactions under the Sinopharm Distribution Framework Agreement and Sinopharm Distribution Framework Agreement (2025 Renewal) constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

The transaction amount received by the Group from Sinopharm Group for the sales of the Self-owned Products pursuant to the Sinopharm Distribution Framework Agreement for the year ended 31 December 2025 did not exceed RMB4,691 million.

For the years ending 31 December 2026, 2027 and 2028, the maximum annual transaction amount that the Group will receive from Sinopharm Holding Group for the sale of its self-owned products under the Sinopharm Distribution Framework Agreement (2025 Renewal) will not exceed RMB3,870 million and RMB3,901 million, and RMB4,453 million, respectively.

COLLABORATION ARRANGEMENTS UNDER THE HLX01 AGREEMENT AND THE HLX03 AGREEMENT

The Company has entered into the HLX01 Agreement (as amended) with Fosun Pharma Industrial Development (a subsidiary of Fosun Pharma) on 18 September 2015 in connection with HLX01 (HANLIKANG). Pursuant to the terms of the HLX01 Agreement, the Company has agreed to (i) be responsible for the R&D, regulatory submission, clinical trials as well as the manufacturing and supply of HANLIKANG in the PRC; and (ii) grant an exclusive right to Fosun Pharma Industrial Development to promote and commercialise HANLIKANG in the PRC. The Company and Fosun Pharma Industrial Development have also agreed to share the net profit (as defined in the HLX01 Agreement) derived from the sales of HANLIKANG in the PRC. The HLX01 Agreement became effective on the date of signing, and will continue until terminated in accordance with its terms. Frost & Sullivan has confirmed that it is a market practice. The HLX01 Agreement may be terminated if (i) any party materially breaches the terms of the HLX01 Agreement and such breach cannot be cured within 90 days by the breaching party upon receiving notice from the non-breaching party, or (ii) any party is under liquidation, whether voluntary or otherwise, or enters into any agreements with its creditors which may be detrimental to the performance of the obligations under the HLX01 Agreement. In addition, if there is a change of control of Fosun Pharma Industrial Development, Fosun Pharma Industrial Development and the Company should negotiate in good faith for continuing to carry out the cooperation arrangement under the HLX01 Agreement, failing which, the Company may terminate the HLX01 Agreement. Accordingly, the term of the HLX01 Agreement will continue until it is terminated in accordance with its terms.

REPORT OF THE BOARD OF DIRECTORS

The Company entered into an agreement with Fosun Wanbang (a wholly-owned subsidiary of Fosun Pharma) in relation to HLX03 (HANDAYUAN) on 18 September 2017 to commercialise HANDAYUAN. The HLX03 Agreement contains the similar terms as those of the HLX01 Agreement.

On 23 December 2024, the transactions contemplated under the HLX01 Agreement and the HLX03 Agreement (including the proposed annual caps for the three years ending December 31, 2025, 2026 and 2027) were approved by the Shareholders at the 2024 Extraordinary General Meeting.

Fosun Pharma Industrial Development and Fosun Wanbang are subsidiaries of Fosun Pharma, the controlling shareholder of the Company. Therefore, the transactions contemplated under the HLX01 Agreement and the HLX03 Agreement constitute a continuing connected transaction of the Company, as each of Fosun Pharma Industrial Development and Fosun Wanbang is a connected person of the Company by virtue of their capacity as associates of the controlling shareholder of the Company.

For such transactions, the Company has applied to, and the Stock Exchange has granted to the Company, a waiver from strict compliance with Rule 14A.52 of the Listing Rules, accordingly, the term of each of the HLX01 Agreement and the HLX03 Agreement may be for an unspecified period, respectively.

For the years ending 31 December 2026 and 2027, the sales revenue (including revenues from the supply of products and sharing of net profits) to be received from Fosun Pharma and/or its associates by the Group under the HLX01 Agreement will not exceed RMB682 million and RMB752 million, respectively.

For the years ending 31 December 2026 and 2027, the sales revenue (including revenues from the supply of products and sharing of net profits) to be received from Fosun Pharma and/or its associates by the Group under the HLX03 Agreement will not exceed RMB90 million and RMB105 million, respectively.

During the Reporting Period, the actual received amount of the Group for the supply of products and sharing of net profit from sales of related products were RMB613.0 million and did not exceed the respective annual cap under the HLX01 Agreement (being RMB592 million) and HLX03 Agreement (being RMB75 million).

COLLABORATION AGREEMENTS

On 3 December 2025, the Company entered into the Collaboration Agreements with Avanc Pharma, pursuant to which Avanc Pharma agreed to grant to the Group an exclusive license to commercialise hard capsules of foveinacilic citrate molecules, a CDK4/6 inhibitor, as the active ingredients in 25 mg/capsule and 100 mg/capsule (the “**Licensed Product**”) in the field of treatment for all types of oncological diseases in the territory of China. The Collaboration Agreements were entered into subsequent to the Memorandum of Cooperation (which constitutes a de minimis transaction under the Listing Rules) entered into by both parties on 7 August 2025, pursuant to which the Group obtained the exclusive rights to commercialise the Licensed Product within the PRC during the Transition Period until the date on which both parties enter into the formal Collaboration Agreements. The Memorandum of Cooperation also stipulates that both parties shall enter into formal agreements once the relevant conditions are met. The Memorandum of Cooperation has been superseded by the Collaboration Agreements and was automatically terminated on 3 December 2025.

Avanc Pharma is a subsidiary of Fosun Pharma (a controlling shareholder of the Company), therefore Avanc Pharma is a connected person of the Company by virtue of being an associate of the Company’s controlling shareholder. Therefore: (i) the payment of Security Deposit would constitute a one-off connected transaction of the Company; (ii) in the Covered Areas, the Covered Area Supply Transactions regarding supply of Licensed Product from Avanc Pharma to the Group would constitute continuing connected transactions of the Company; and (iii) in the Uncovered Areas, the transactions of the Uncovered Area Commercialisation Services to be provided by the Group to Avanc Pharma would constitute continuing connected transactions of the Company.

Transaction amount paid by the Group to Avanc Pharma pursuant to the Memorandum of Cooperation during the transition period from 7 August 2025 to 3 December 2025 (the “**Transition Period**”) was approximately RMB4.37 million. Prior to the Memorandum of Cooperation, there was no historical transaction between the Group and Avanc Pharma with respect to the transactions contemplated under the Collaboration Agreements. The transaction amount paid by the Group to Avanc Pharma with respect to the Covered Area Supply Transactions under the Collaboration Agreements for the year ended 31 December 2025 did not exceed RMB25.65 million (including the transaction amount incurred during the Transition Period).

The maximum transaction amount to be paid by the Group to Avanc Pharma with respect to the Covered Area Supply Transactions under the Collaboration Agreements for the years ending 31 December 2026 and 2027, and the period from 1 January 2028 to 2 December 2028 will not exceed RMB36.87 million, RMB84.31 million and RMB226.18 million, respectively.

LICENSE AGREEMENT

On 17 November 2022, the Company entered into the License Agreement with Fosun Pharma Industrial Development, pursuant to which the Company agreed to grant to Fosun Pharma Industrial Development an exclusive license, based on the Company’s intellectual property rights, to commercialise HANSIZHUANG (serplulimab injection) (the “**Licensed Product**”) in the United States (including its territories and possessions) (the “**Territory**”) for the treatment indication of Extensive Stage Small-Cell Lung Cancer (ES-SCLC) and any other indication (other than ES-SCLC) as mutually agreed between the Company and Fosun Pharma Industrial Development in human. Pursuant to the License Agreement, Fosun Pharma Industrial Development is required to make the upfront payment, one-off regulatory milestone payment, sales milestone payments, royalty payments and transfer price payments to the Company. The term of the License Agreement shall commence on the Effective Date and will be valid until Fosun Pharma Industrial Development concludes, in its sole discretion, that the Licensed Product is no longer commercially viable in the Territory with a one hundred-eighty (180) days prior written notice, or is terminated earlier by the parties under the agreed circumstances as set out in the License Agreement. On 27 December 2022, the Shareholders at the second extraordinary general meeting of 2022 approved the License Agreement entered into between the Company and Fosun Pharma Industrial Development on 17 November 2022 (including the transactions contemplated thereunder).

Fosun Pharma Industrial Development is a wholly-owned subsidiary of Fosun Pharma (a controlling shareholder of the Company), therefore Fosun Pharma Industrial Development is a connected person of the Company by virtue of being an associate of the Company’s controlling shareholder. Accordingly: (i) the entering into the License Agreement and the proposed payments of the Upfront Payment and the Regulatory Milestone Payments would constitute one-off connected transactions of the Company under Chapter 14A of the Listing Rules; and (ii) the payment of the sales milestone payments, the royalty payments and the transfer price payments would constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. For item (ii), the Company has applied to, and the Stock Exchange has granted to the Company, a waiver from compliance with Rules 14A.52 and 14A.53(1) of the Listing Rules.

Based on the progress of the clinical trials of the Licensed Product and various preparatory work conducted by Fosun Pharma Group for commercialisation of the Licensed Product, on 9 August 2023, the Company and Fosun Pharma Industrial Development entered into the amendment to license and supply agreement to amend certain terms of the License Agreement (the “**Amendment to License Agreement**”). The Proposed Amendments include the amendments to the payment schedule of the remaining amount of the Upfront Payment, the Termination of Repurchase Options and the amendments to the royalty rates of the Royalty Payments. As the Proposed Amendments contemplated under the Amendment to License Agreement constituted material variation to the terms of the License Agreement, the Company re-complied with the provisions of Chapter 14A of the Listing Rules and sought Shareholders’ approval for the changes under the Amendment to License Agreement. On 28 August 2023, the Shareholders approved at the First Extraordinary General Meeting of 2023 the Amendment to the License Agreement (including the transactions contemplated thereunder) dated 9 August 2023 entered into between the Company and Fosun Pharma Industrial Development as set out in the circular of the Company dated 11 August 2023.

During the Reporting Period, the actual revenue recognised for the progress of revenue from research and development services under the License Agreement was RMB128.8 million.

REPORT OF THE BOARD OF DIRECTORS

REVIEW BY AND CONFIRMATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS OF THE COMPANY

The independent non-executive Directors have reviewed the above continuing connected transactions, and confirmed that such transactions were:

- (i) entered into in the ordinary and usual course of business of the Group;
- (ii) conducted on normal commercial terms or better (as defined in the Listing Rules); and
- (iii) carried out according to the terms in the relevant transaction agreements, which are fair and reasonable and in the interests of the Shareholders as a whole.

CONFIRMATION OF THE AUDITOR

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740, "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The Company's auditor has issued its unqualified letter containing his findings and conclusions in respect of the continuing connected transactions disclosed by the Group in pages 65 to 72 of this annual report in accordance with Rule 14A.56 of the Listing Rules.

RELATED PARTY TRANSACTIONS

During the Reporting Period, the Group entered into certain transactions with parties regarded as "related parties" under the applicable accounting standards. Details of the related party transactions entered into by the Group during the Reporting Period are disclosed in note 37 to the financial statements.

Apart from the connected transactions and continuing connected transactions as disclosed in this annual report, none of the related party transactions constituted connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules, which are subject to announcement and independent shareholders' approval requirements. The Company has complied with the requirements of Chapter 14A of the Listing Rules during the Reporting Period.

NON-COMPETITION UNDERTAKING

Fosun Pharma has provided the Non-competition Undertaking to the Company in connection with the Listing to ensure there remains a clear delineation of their respective businesses in the future.

The Non-competition Undertaking commenced on the listing date and will end on the earlier of (i) the date on which Fosun Pharma or its subsidiaries (other than the Group) ceases to be controlling shareholders (as defined under the Listing Rules) of the Company and (ii) the date on which the Shares cease to be listed on the Stock Exchange.

The independent non-executive Directors have performed an annual review and confirmed that they are not aware of any circumstances which indicate that Fosun Pharma is not in compliance with Non-competition Undertaking.

CONTRACT OF SIGNIFICANCE

Save as disclosed in this annual report, at no time during the Reporting Period had the Company or any of its subsidiaries entered into any contract of significance with the Controlling Shareholders or any of their subsidiaries, nor had any contract of significance been entered into for the services provided by the Controlling Shareholders or any of their subsidiaries to the Company or any of its subsidiaries.

PRIVATISATION

References are made to joint releases by Fosun New Medicine (the “**Offeror**”), Fosun Pharma and the Company (i) the initial joint announcement dated 24 June 2024 in relation to, amongst others, the proposed privatisation of the Company by the Offeror by way of merger by absorption of the Company under PRC laws and the proposed withdrawal of listing of the Company; (ii) the joint announcement dated 15 July 2024 in relation to the extension of time for despatch of the Composite Document; (iii) the joint announcement dated 14 August 2024 in relation to the progress update on the Merger; (iv) the joint announcement dated 23 August 2024 in relation to the revised proposal of the Merger, and particularly the Share Alternative; (v) the joint announcements respectively dated 23 September 2024, 23 October 2024 and 22 November 2024 in relation to the progress update on the Merger; (vi) the joint announcement dated 16 December 2024 in relation to the fulfilment of the Pre-Conditions; (vii) the composite document dated 23 December 2024 (the “**Composite Document**”); (viii) the joint announcement dated 23 December 2024 in relation to the despatch of the Composite Document; (ix) the joint announcement date 22 January 2025 in relation to that the Merger was not approved by the H Shareholders’ Class Meeting and the termination of the Merger. Unless otherwise stated, capitalised terms used in this paragraph shall have the same meanings as those defined in the Composite Document.

The EGM and the H Shareholders’ Class Meeting were held by the Company on 22 January 2025 to vote for the special resolution in relation to the Merger. As such special resolution was not passed at the H Shareholders’ Class Meeting, (i) the Conditions to effectiveness were not satisfied and the Merger was terminated; (ii) the offer period ended; and (iii) the listing of the Company’ H Shares on the Stock Exchange was maintained.

H SHARES FULL CIRCULATION

The conversion of an aggregate of 182,645,856 Unlisted Shares into H Shares was completed on 4 February 2026 and the listing of such Converted H Shares on the Stock Exchange will commence at 9:00 a.m. on 5 February 2026. For further details of the full circulation of H shares of the Company, please refer to the announcements of the Company dated on 24 March 2025, 9 June 2025, 16 January 2026, 19 January 2026 and 4 February 2026.

SUBSEQUENT EVENTS

Except as disclosed in this annual report, there were no material subsequent events since the end of the Reporting Period and as at the Latest Practicable Date.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group recognises the importance of compliance with regulatory requirements. The Group has been allocating system and staff resources to ensure ongoing compliance with rules and regulations and to maintain cordial working relationships with regulators through effective communications. During the Reporting Period, the Group has complied, to the best of our knowledge, with all relevant rules and regulations that have a significant impact on the Company.

REPORT OF THE BOARD OF DIRECTORS

SIGNIFICANT LEGAL PROCEEDINGS

Reference is made to the announcement of the Company dated 10 November 2023 in relation to, among other things, the related legal dispute arising from the investment management agreement entered into between the Company and the Investment Manager.

On 30 August 2023, the Company filed an application with the Court for stay of the Court Proceedings in favour of arbitration process. Subsequently, on 6 November 2023, the Court granted an order by consent of the parties, inter alia, that the Court Proceedings be stayed in favour of arbitration process. As the proceedings are ongoing, the Company will inform Shareholders of the development in due course.

RELATIONSHIP WITH STAKEHOLDERS

The Company recognises that its employees, customers and business partners are keys to its sustainability journey. The Company has been striving to achieve corporate sustainability through engaging its employees, providing quality services for its customers, collaborating with business partners and supporting communities.

The Company places significant emphasis on human resources. The Company provides a fair workplace, promoting non-discrimination and diversity to its staff, together with competitive remuneration and benefits, as well as a range of opportunities for career advancement based on employees' merits and performance. The Company provides regular training for staff to keep them abreast of the latest developments in the market and industry, by means of both internal training and training provided by experts from external organisations.

To enhance customer satisfaction and promote a customer-oriented culture within the Group, the Company takes "Customer First" as one of its core values. It values the feedback from customers and collects feedback through daily communication, regular meetings, etc. It has also established the mechanism about customer service, support and complaints. When dealing with a customer complaint, the Company treats it as an opportunity to improve its relationship with the customer, and solves it in a timely manner and in accordance with international standards.

The Company believes that its suppliers are equally important in driving quality delivery of its products. It proactively collaborates with its business partners (including suppliers and contractors) to deliver high-quality and sustainable products and services.

AUDITOR

The financial statements of the Group have been audited by Ernst & Young.

A resolution to re-appoint Ernst & Young as the auditor of the Company will be proposed at the forthcoming annual general meeting.

On Behalf of the Board

Wenjie Zhang

Chairman

Hong Kong, 20 March 2026

REPORT OF THE BOARD OF SUPERVISORS

During the Reporting Period, in accordance with the Company Law, the Listing Rules and other relevant laws, regulations and the Articles of Association, the Rules of Procedures of the Board of Supervisors and relevant regulations, all members of the Board of Supervisors performed their supervisory functions, carefully and objectively considered the issues related to the finance and operation of the Company, and earnestly supervised the legality and compliance of Directors' and senior management's performance. They have fully developed the supervisory role, and played an active role in ensuring the implementation of resolutions passed on general meetings of the Company, and safeguarding the legitimate rights and interests of the Company and Shareholders as a whole.

THE DAILY OPERATION OF THE BOARD OF SUPERVISORS

During the Reporting Period, the third and fourth session of the Board of Supervisors of the Company held a total of 5 meetings and a total of 2 meetings, respectively, at which the financial situation and other annual events for the year 2024 of the Group, matters related to the financial position for the first half year of 2025, the amended Rules of Procedures for the Board of Supervisors, Candidates for Shareholder Supervisors of the fourth session of the Board of Supervisors and relevant matters related to the election of the chairman of the Board of Supervisors were reviewed.

REVIEW OPINIONS OF THE BOARD OF SUPERVISORS ON THE RELATED MATTERS OF THE COMPANY IN 2025

1. Compliance with Laws in Operations

The Board of Supervisors considers that the Company can operate in strict accordance with the requirements of the Company Law, the Articles of Association, and other relevant requirements. The Company's decision-making procedures are legal and effective, and an internal control system is in place. No violations of laws, regulations, the Articles of Association or any detriment to the interests of the Company were found when the Directors and senior management of the Company performing their functions.

2. Financial Position

The Board of Supervisors considers that the preparation and review procedures of the Company's financial reports are in compliance with the Company Law and the Articles of Association and other relevant provisions, and the financial report can authentically reflect the Group's operating conditions and financial position, with no significant omissions or false statements.

3. Internal Control

The Board of Supervisors considers that, the Company has established a relatively complete internal control system, which is in compliance with relevant requirements such as the Company Law and the Articles of Association, and has played a better role in risk prevention and control in all aspects of the Company's daily operations and management.

4. Connected Transactions

The Board of Supervisors considers that, during the Reporting Period, the Company's connected transactions were carried out in accordance with the principles of openness, fairness and equity, and the transaction procedures were legal and compliant, without any detriment to the rights and interests of the Company and Shareholders.

On Behalf of the Board of Supervisors

Rongli Feng

Chairman

Hong Kong, 20 March 2026

CORPORATE GOVERNANCE REPORT

The Board hereby presents to the Shareholders the corporate governance report for the year ended 31 December 2025.

CORPORATE CULTURE

The corporate culture of the Company includes mission, vision, core value and quality culture.

- Mission: To improve patients' lives by timely providing them with quality and affordable protein therapeutics through technical innovation and operational excellence.
- Vision: Be the most trusted biopharma providing innovative and affordable medicines for all patients.
- Core Value: Honesty, Execution, Nurturing, Leadership, Innovation, Uncompromising on Quality, Science.
- Quality Culture: Quality of Talent, Quality of Execution, Quality of Collaboration, Quality of Decision, Quality of Innovation, Quality of Communication, Quality of Product.

The strategic development planning and decisions made by the Company are in line with the Company's corporate culture. Adhering to the "patient-centered" core principle, the Company creates a "Quality Culture" with Henlius characteristics by integrating "Quality" elements into the overall operation of the Company. To ensure that the corporate culture has been spread clearly to all employees, the Company has incorporated the promotion of corporate culture into various aspects, such as the employee handbook, training and development and performance evaluation. Meanwhile, the Company carried out a series of publicizing and implementation activities from every aspect, strengthened and improved the communication mechanism between management and employees, deepened employees' understanding and recognition of corporate culture through various ways to further guide employees' daily behaviors.

CORPORATE GOVERNANCE CULTURE

The Company is committed to ensuring that its affairs are conducted in accordance with high ethical standards. This reflects its belief that, in the achievement of its long-term objectives, it is imperative to act with probity, transparency and accountability. By so acting, the Company believes that Shareholder wealth will be maximised in the long term and that its employees, those with whom it does business and the communities in which it operates will all benefit.

Corporate governance is the process by which the Board instructs the management of the Group to conduct its affairs with a view to ensuring that its objectives are met. The Board is committed to maintaining and developing robust corporate governance practices that are intended to ensure:

- satisfactory and sustainable returns to Shareholders;
- that the interests of those who deal with the Company are safeguarded;
- that overall business risk is understood and managed appropriately;
- the delivery of high-quality products and services to the satisfaction of customers; and
- that high standards of ethics are maintained.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to achieving high corporate governance standards.

The Board believes that high corporate governance standards are essential for the Group to safeguard the interests of Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company's corporate governance practices are based on the principles and code provisions as set out in the CG Code.

The Company has also in place a corporate governance framework and has established a set of policies and procedures based on the CG Code. Such policies and procedures provide the infrastructure for enhancing the Board's ability to implement governance and exercise proper oversight on business conduct and affairs of the Company.

In the opinion of the Directors, the Company has complied with all principles and code provisions of the CG Code during the Reporting Period.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its code of conduct regarding the securities transactions of Directors, Supervisors and relevant employees who are likely to be in possession of inside information of the Company.

Specific enquiry has been made of all the Directors and Supervisors and the Directors and Supervisors have confirmed that they have complied with the Model Code during the Reporting Period.

No incident of non-compliance of the Model Code by the relevant employees was noted by the Company.

BOARD OF DIRECTORS

BOARD COMPOSITION

The Board of the Company currently comprises the following Directors

CHAIRMAN AND NON-EXECUTIVE DIRECTOR

Mr. Wenjie Zhang

EXECUTIVE DIRECTOR

Dr. Jun Zhu (*Chief Executive Officer*)

NON-EXECUTIVE DIRECTORS

Mr. Qiyu Chen

Mr. Yuqing Chen

Ms. Xiaohui Guan

Dr. Yi Liu

Dr. Xingli Wang

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Tak Young So

Dr. Lik Yuen Chan

Dr. Ruilin Song

Mr. Yihao Zhang

CORPORATE GOVERNANCE REPORT

Mr. Wenjie Zhang has been re-designated from an executive Director to a non-executive Director with effect from 24 March 2025.

Mr. Yifang Wu and Mr. Deyong Wen no longer served as non-executive Directors on 29 August 2025, and Mr. Yuqing Chen and Dr. Yi Liu were appointed as non-executive Directors on 29 August 2025.

Dr. Guoping Zhao no longer served as an independent non-executive Director on 29 August 2025, and Mr. Yihao Zhang was appointed as an independent non-executive Director on 29 August 2025.

The biographical information of the Directors is set out in the section headed “Biographical Details of Directors, Supervisors and Senior Management” on pages 91 to 100 of this annual report.

None of the members of the Board is related to one another, including financial, business, family, or other material or relevant relationship(s).

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code provision C.2.1 of CG Code provides that roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The chairman of the Board leads and is responsible for the effective functioning of the Board of the Company. The terms of reference of the chief executive officer are set out in the Articles of Association. The chief executive officer is responsible for organising the formulation and implementation of the Company’s strategic plan, annual investment plan, and implementing Board resolutions.

The roles of the Chairman of the Board and chief executive officer of the Company are separate and held by different persons to ensure their respective independence of responsibilities, accountability and the balance of power and authority between them. During the Reporting Period, Mr. Wenjie Zhang serves as the Chairman of the Board of the Company, and Dr. Jun Zhu serves as the chief executive officer of the Company.

INDEPENDENT NON-EXECUTIVE DIRECTORS

During the Reporting Period, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing more than one third of the Board with at least one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his/her independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

MECHANISMS TO ENSURE INDEPENDENT VIEWS AND INPUT ARE AVAILABLE TO THE BOARD

The Board has established mechanisms to ensure independent views and input are available to the Board, including all the Directors have timely and full access to the information of the Company (including but not limited to financial reports, audit results and other relevant data) as well as the advice and services of the Company Secretary and other senior managements; Board members have access to necessary professional advice in their decision-making process. The Board may, in appropriate circumstances, seek independent professional advice at the Company’s expenses to assist them; Board members may also seek inputs from other members, employees and other stakeholders in appropriate circumstances to ensure that different perspectives are taken into account in the decision-making process, etc.

The Board has reviewed and considered that the above mechanisms are effective in ensuring that independent views and input are provided to the Board during the year ended 31 December 2025.

APPOINTMENT, REMOVAL AND RE-ELECTION OF DIRECTORS

Directors shall be elected at the general meeting and the term of office of each Director (including non-executive Director) shall be three years. The term of office of a Director may be renewed upon re-election when it expires. The chairman of the Board shall be elected and removed by a majority of all Directors, and term of office thereof shall be three years, and may be renewed upon re-election when it expires.

In case a Director has failed to be present in person twice consecutively without any due causes, nor authorised another Director to be present at the board meeting on his behalf, he shall be considered unable to fulfil his duties as a Director, and the Board may suggest the general meeting making replacement.

In accordance with the Articles of Association, all existing Directors will continue in office until their term of office expiring on 28 August 2028.

RESPONSIBILITIES, ACCOUNTABILITIES AND CONTRIBUTIONS OF THE BOARD AND MANAGEMENT

The Board should assume responsibility for leadership and supervision of the Company; and is collectively responsible for directing and supervising the Company's affairs.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

All Directors have timely and full access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the management.

BOARD COMMITTEE

The Board has established a total of five committees, namely, the Audit Committee, Remuneration Committee, Nomination Committee, Strategy Committee and Environmental, Social and Governance Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Audit Committee, Remuneration Committee and Nomination Committee are posted on the Company's website and the Stock Exchange's website and are available to Shareholders upon request.

The list of the chairman and members of each Board committee is set out under "Corporate Information" on page 2 of this annual report.

CORPORATE GOVERNANCE REPORT

AUDIT COMMITTEE

The Audit Committee consists of three members, namely Ms. Xiaohui Guan who is a non-executive Director of the Company, and Mr. Tak Young So and Dr. Lik Yuen Chan who are independent non-executive Directors of the Company. Mr. Tak Young So is the chairman of the Audit Committee.

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code. The main duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting process, risk management and internal control systems, effectiveness of the internal audit function, scope of audit and appointment of external auditors, and arrangements to enable employees of the Company to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

During the Reporting Period, the Audit Committee held a total of 5 meetings for reviewing the quarterly, interim and annual financial results and reports and financial report, appointment of external auditors and engagement of non-audit services and relevant scope of works and arrangements etc. for the audit to raise concerns about possible improprieties.

The Audit Committee also held a total of 2 meetings with the external auditors.

REMUNERATION COMMITTEE

The Remuneration Committee consists of three members, namely Mr. Yuqing Chen who is a non-executive Director of the Company, and Dr. Lik Yuen Chan and Dr. Ruilin Song who are independent non-executive Directors of the Company. Dr. Ruilin Song is the chairman of the Remuneration Committee.

The terms of reference of the Remuneration Committee are no less exacting than those set out in the CG Code. The primary functions of the Remuneration Committee include making recommendations to the Board on the remuneration packages of individual executive Directors and senior management, the remuneration policy and structure for all Directors and senior management; reviewing/approving matters relating to the share scheme in accordance with the Listing Rules and establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration.

During the Reporting Period, the Remuneration Committee held a total of 4 meetings to review and make recommendation to the Board on the remuneration policy and the remuneration packages of the Directors and senior management and other matters related to the adoption of and grant under the 2025 H Share Option Scheme and the 2025 H Share RSU Scheme.

On 27 June 2025, the Remuneration Committee reviewed and approved (1) the proposed adoption of the Share Option Scheme and the RSU Scheme, effective upon approval of the same at the Board meeting on 27 June 2025 and general meeting on 21 July 2025; (2) the proposed grants of (a) 750,000 Options and 750,000 RSUs to Dr. Jun Zhu; (b) 6,152,500 Options and 6,152,500 RSUs in aggregate to 267 Employee Participants, (other than Dr. Jun Zhu); (c) 82,500 Options and 82,500 RSUs in aggregate to 11 Service Provider Participants, pursuant to the Share Option Scheme and the RSU Scheme, respectively. The above grants were effective upon approval of the Share Option Scheme and the RSU Scheme at the Board meeting on 27 June 2025 and general meeting on 21 July 2025, among which the grant of RSUs to Dr. Jun Zhu was separately approved at the same meetings.

On 29 August 2025, the Remuneration Committee resolved to (1) recommend the grant of a total of 67,500 Options to 4 Employee Participants (excluding Directors) pursuant to the Share Option Scheme; and (2) recommend the grant of (a) a total of 67,500 RSUs to 4 Employee Participants (excluding Directors); (b) 5,000 RSUs to Mr. Tak Young So (an independent non-executive Director); (c) 5,000 RSUs to Dr. Lik Yuen Chan (an independent non-executive Director); (d) 5,000 RSUs to Dr. Ruilin Song (an independent non-executive Director); and (e) 5,000 RSUs to Mr. Yihao Zhang (an independent non-executive Director) pursuant to the RSU Scheme, and such grants were approved by the Board on 29 August 2025.

With respect to grant of RSUs to independent non-executive Directors during the Reporting Period, the Remuneration Committee (with each of Dr. Ruilin Song and Dr. Lik Yuen Chan having abstained from voting in respect of the proposed grant of RSUs to himself) was of the view that it is appropriate to grant RSUs to the independent non-executive Directors without any performance target for the following reasons: (i) issuers generally should not grant equity-based remuneration with performance-related elements to independent non-executive directors under the recommended best practice E.1.9 of Appendix C1 of the Listing Rules; and (ii) a fixed number of RSUs were granted to each of the independent non-executive Directors to recognise and/or encourage his continued effort for bringing in fresh perspectives, objective insights and independent judgment to the Board and the Board committees which he serves as a member, which would contribute to the sustainable development of the Company's business and align with the purpose of the RSU Scheme. For further details, please refer to the announcement of the Company dated 29 August 2025.

Details of the remuneration of the Directors and senior management are set out in note 9 to the financial statements for the year ended 31 December 2025.

NOMINATION COMMITTEE

The Nomination Committee consists of five members, namely Mr. Wenjie Zhang and Ms. Xiaohui Guan who are non-executive Directors of the Company, and Mr. Tak Young So and Dr. Ruilin Song and Mr. Yihao Zhang who are independent non-executive Directors of the Company. Mr. Wenjie Zhang is the chairman of the Nomination Committee.

The terms of reference of the Nomination Committee are no less exacting than those set out in the CG Code. The principal duties of the Nomination Committee include reviewing the Board composition, developing and formulating relevant procedures for the nomination and appointment of Directors, making recommendations to the Board on the appointment and succession planning of Directors, reviewing the board diversity policy and the policies related to the nomination of Directors and assessing the independence of independent non-executive Directors.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's board diversity policy.

In evaluating and nominating suitable candidates for directorships, the Nomination Committee would consider the following criteria of the candidate as per the policies related to the nomination of Directors and the candidate's relevant criteria are necessary to implement the corporate strategy and achieve Board diversity, where appropriate before making recommendation to the Board:

- character and integrity;
- qualifications including professional qualifications, skills, knowledge and the experience related to the Company's business and strategy, and diversity factors as referred in the board diversity policy;
- any measurable objectives adopted for achieving diversity on the Board;
- the Board shall include independent non-executive Directors in accordance with the Listing Rules and whether the candidate would be considered independent by reference to the independence guidelines set out in the Listing Rules;
- any potential contributions the candidate can make to the Board in terms of qualifications, skills, experience, independence and gender diversity;
- the willingness and ability to devote adequate time to discharge duties as a member of the Board and Board committee(s); and
- other factors that are applicable to the Company's business and succession plan, and relevant factors that can be revised by the Nomination Committee and/or the Board when necessary.

During the Reporting Period, the Nomination Committee held a total of 3 meetings to review the structure, size and composition of the Board, the independence of the independent non-executive Directors and matters related to the appointment of Directors and senior management, and to recommend to the Board on the above matters.

CORPORATE GOVERNANCE REPORT

STRATEGY COMMITTEE

The Strategy Committee consists of eight members, namely Dr. Jun Zhu who is an executive Director of the Company, Mr. Wenjie Zhang, Mr. Qiyu Chen, Mr. Yuqing Chen, Dr. Yi Liu and Dr. Xingli Wang who are non-executive Directors of the Company, and Mr. Tak Young So and Dr. Ruilin Song who are independent non-executive Directors of the Company. Mr. Wenjie Zhang is the chairman of the Strategy Committee.

The main responsibility of the Strategy Committee is to conduct research on the Company's long-term development strategies and significant investment decisions and make recommendations to the Board of the Company, including:

- studying and making recommendations on the Company's long-term strategic development plan;
- tackling other matters related to strategic investment as required by the laws, regulations, regulatory documents, Listing Rules, Articles of Association and other internal management systems of the Company or authorised by the Board;
- studying and making recommendations on other significant events that affect the Company's development;
- inspecting the implementation of the above matters approved by the Board or the general meeting; and
- studying and making recommendations on significant investments, financing, significant capital operations, and asset operating projects subject to the approval by the Board or the general meeting as required by the Articles of Association or other internal management systems of the Company.

During the Reporting Period, the Strategy Committee held 2 meetings in total.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

The Environmental, Social and Governance Committee consists of five members, namely Dr. Jun Zhu who is an executive Director of the Company, Mr. Wenjie Zhang who is a non-executive Director of the Company, and Mr. Tak Young So, Dr. Lik Yuen Chan and Dr. Ruilin Song who are independent non-executive Directors of the Company. Dr. Lik Yuen Chan is the chairman of the Environmental, Social and Governance Committee.

The main responsibility of the Environmental, Social and Governance Committee is to develop the vision, objectives, strategies and structure for the Company's environmental, social and governance efforts, and to review matters related to the implementation of the vision, strategies and structure in environmental, social and governance terms.

During the Reporting Period, the Environmental, Social and Governance Committee held 2 meeting in total.

ATTENDANCE RECORDS OF DIRECTORS

The Company held 16 Board meetings, 5 Audit Committee meetings, 4 Remuneration Committee meetings, 3 Nomination Committee meetings, 2 Strategy Committee meetings, 2 Environmental, Social and Governance Committee meetings and 6 general meetings during the Reporting Period.

CORPORATE GOVERNANCE REPORT

The Directors' attendance record of the Board meetings, Board committee meetings and the general meetings of the Company during the Reporting Period is set out in the table below:

Name of Director	Attendance/number of Meetings						Environmental, Social and Governance Committee	General Meeting ⁽¹⁾
	Board	Audit Committee	Remuneration Committee	Nomination Committee	Strategy Committee			
Mr. Wenjie Zhang	16/16			3/3	2/2		2/2	6/6
Dr. Jun Zhu	16/16				2/2		2/2	6/6
Mr. Qiyu Chen	16/16				2/2			6/6
Mr. Yuqing Chen ⁽²⁾	4/4		1/1					1/1
Ms. Xiaohui Guan ⁽³⁾	16/16	5/5		2/2				6/6
Dr. Yi Liu ⁽⁴⁾	4/4							1/1
Dr. Xingli Wang	16/16				2/2			6/6
Mr. Yifang Wu ⁽⁵⁾	12/12		3/3		2/2			5/5
Mr. Deyong Wen ⁽⁶⁾	12/12				2/2			5/5
Mr. Tak Young So ⁽⁷⁾	16/16	5/5		2/2	2/2		2/2	6/6
Dr. Lik Yuen Chan	16/16	5/5	4/4				2/2	6/6
Dr. Ruilin Song	16/16		4/4	3/3	2/2		2/2	6/6
Mr. Yihao Zhang ⁽⁸⁾	4/4			1/1				1/1
Dr. Guoping Zhao ⁽⁹⁾	12/12			2/2				5/5

Notes:

- (1) During the Reporting Period, the Company held a total of 6 general meetings, including 1 annual general meeting, 4 extraordinary general meetings, and 1 H shareholders' class meeting.
- (2) Mr. Yuqing Chen (陳玉卿) was appointed as a non-executive Director, a member of the Remuneration Committee and the Strategy Committee on 29 August 2025.
- (3) Ms. Xiaohui Guan (關曉暉) was appointed as a member of the Nomination Committee on 27 June 2025.
- (4) Dr. Yi Liu (劉毅) was appointed as a non-executive Director and a member of the Strategy Committee on 29 August 2025.
- (5) Mr. Yifang Wu (吳以芳) has ceased to serve as a non-executive Director, a member of the Remuneration Committee and the Strategy Committee from 29 August 2025.
- (6) Mr. Deyong Wen (文德鏞) has ceased to act as a non-executive Director and a member of the Strategy Committee from 29 August 2025.
- (7) Mr. Tak Young So (蘇德揚) was appointed as a member of the Nomination Committee on 27 June 2025.
- (8) Mr. Yihao Zhang was appointed as an independent non-executive Director and a member of the Nomination Committee on 29 August 2025.
- (9) Dr. Guoping Zhao (趙國屏) has ceased to serve as an independent non-executive Director and a member of the Nomination Committee from 29 August 2025.

For the year ended 31 December 2025, the chairman held 1 meeting with independent non-executive Directors without the presence of other Directors.

The independent non-executive Directors and non-executive Directors have attended general meetings of the Company to gain and develop a balanced understanding of the view of the Shareholders.

CORPORATE GOVERNANCE REPORT

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Every newly appointed Director has received a formal and comprehensive induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

During the Reporting Period, the Company organised training sessions conducted by the lawyer for its Directors. Such training sessions cover a wide range of relevant topics including Directors' duties and responsibilities/corporate governance etc. In addition, relevant reading materials including Directors' manual/legal and regulatory update/seminar handouts have been provided to the Directors for their reference and studying.

The Company understands that Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally organised briefings for Directors will be arranged and reading materials on relevant topics would be provided to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

The records of continuous professional development relating to Director's duties and regulatory and business development that have been received by the Directors during the Reporting Period are summarised as follows:

Name of Directors	Types of Training ^{Note}
<i>Executive Director</i>	
Dr. Jun Zhu	A&B
<i>Non-executive Directors</i>	
Mr. Wenjie Zhang ⁽¹⁾	A&B
Mr. Qiyu Chen	A&B
Mr. Yuqing Chen ⁽²⁾	A&B
Ms. Xiaohui Guan	A&B
Dr. Yi Liu ⁽³⁾	A&B
Dr. Xingli Wang	A&B
Mr. Yifang Wu ⁽⁴⁾	A&B
Mr. Deyong Wen ⁽⁵⁾	A&B
<i>Independent Non-executive Directors</i>	
Mr. Tak Young So	A&B
Dr. Lik Yuen Chan	A&B
Mr. Yihao Zhang ⁽⁶⁾	A&B
Dr. Ruilin Song	A&B
Dr. Guoping Zhao ⁽⁷⁾	A&B

Notes:

- (1) Mr. Wenjie Zhang was re-designated from an executive Director to a non-executive Director on 24 March 2025.
- (2) Mr. Yuqing Chen was appointed as a non-executive Director on 29 August 2025.
- (3) Dr. Yi Liu was appointed as a non-executive Director on 29 August 2025.
- (4) Mr. Yifang Wu no longer served as a non-executive Director on 29 August 2025.

- (5) Mr. Deyong Wen no longer served as a non-executive Director on 29 August 2025.
- (6) Mr. Yihao Zhang was appointed as an independent non-executive Director on 29 August 2025.
- (7) Dr. Guoping Zhao no longer served as an independent non-executive Director on 29 August 2025.

Types of Training

A: Attending training sessions, including but not limited to, briefings, seminars, conferences and workshops

B: Reading relevant news alerts, newspapers, journals, magazines and relevant publications

BOARD DIVERSITY POLICY

The Company has adopted the board diversity policy, which sets out the approaches to achieve the diversity of the Board. The Company recognizes that the Board shall possess the skills, experience and principles of diverse opinions and perspectives that are necessary and appropriate to the Company's business. The Board will review the implementation and effectiveness of the board diversity policy at least on an annual basis.

Pursuant to the board diversity policy, the Nomination Committee has reviewed the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and to ensure that the Board maintains a balanced diverse profile during the Reporting Period. In order to achieve diversity in opinions and perspectives of the members of the Board, the Nomination Committee will consider diverse factors in appointment and re-appointment of members of the Board, including gender, age, cultural and educational background, race, place of residence, expertise, skills, knowledge, service period, regulatory requirements and legal rights. All of the above factors are considered to be relevant to the Company's business on the grounds that:

- As the Company facing diverse operating environment, in order to fulfil the best interests of Shareholders, due consideration shall be given to the interests of employees, customers, suppliers and other business counterparties, governments and other institutions that have an influence on the Company and public shareholders. The composition of the Board that is based on the gender, age, cultural and educational background and race of the members can help strike a right balance among the interests of all parties.
- Expertise, skills, knowledge, and service period are important factors that determine whether the Board can make a wise decision.

All members of the Board are appointed based on the strengths of the candidates, taking into account their skills, knowledge and experience as a whole as required by the Board and the above diverse opinions and perspectives of the Board.

The Board had targeted to achieve and had achieved at least 9.1% (1) of female Director, and considers that the above current board diversity is satisfactory.

In considering the Board's succession and to ensure diversity at the Board level, the Nomination Committee will engage independent professional search firm(s) to help identify suitable candidates for consideration as non-executive Directors as and when appropriate. The Board will continue to take opportunities to increase the proportion of female Directors over time as and when suitable candidates are identified.

CORPORATE GOVERNANCE REPORT

GENDER DIVERSITY

The Company values gender diversity across all levels of the Group. The following table sets out the gender ratio and numbers in the workforce of the Group, including the Board and senior management as at the end of the Reporting Period:

	Female (ratio/number)	Male (ratio/number)
Board	9.1% (1)	90.9% (10)
Senior Management	41.67% (5)	58.33% (7)
Other employees	53.3% (2,000)	46.7% (1,750)
Overall workforce	53.3% (2,005)	46.7% (1,757)

The Board had targeted to achieve and had achieved at least 9.1% (1) of female Director, 41.67% (5) of female senior management and 53.3% (2,005) of female employees of the Group and considers that the above current gender diversity is satisfactory. The Company is not aware of any mitigating factors or circumstances which make achieving gender diversity across the workforce (including senior management) more challenging or less relevant.

Details on the gender ratio of the Group together with relevant data can be found in the Environmental, Social and Governance Report.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the functions as set out in the code provision A.2.1 of the CG Code.

The Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code, and the Company's compliance with the CG Code and disclosures in this corporate governance report.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

The Company's risk management and internal control systems have been developed with the following principles, features and processes:

- the Audit Committee of the Company assists the Board in leading the management and oversees the formulation, implementation and monitoring of the risk management and internal control systems.
- the Company has established an internal audit department as the full-time internal control agency. The internal audit department implements supervision and management in the course of business operation of the Company. The internal audit department uses the auditing technology to conduct real-time and post-event supervision and audit of the Company's daily business to ensure that the Company's business operations continue to meet the Company's system requirements and external regulatory requirements.

- the Company has established risk management and internal control systems and updates them from time to time, enabling the Company to maintain the highest standard of corporate governance and identify and reduce any potential risks.
- the Company has developed effective risk management procedures and internal control systems based on the corporate governance manual, and implemented them in the Company's daily business and various functions, such as research and development, production, sales, procurement, engineering, assets, human resources, information technology, financial reporting and management.
- the Company has formulated a number of policies to ensure that the Company complies with the Listing Rules generally, including but not limited to corporate governance, connected transactions, notifiable transactions, inside information and Directors' securities transactions.

The core departments conducted internal control assessment regularly to identify risks that could potentially impact the business of the Group and various aspects including key operational and financial processes, regulatory compliance and information security.

The management, in coordination with department heads, assessed the likelihood of risk occurrence, provided treatment plans, and monitored the risk management progress, and reported to the Audit Committee and the Board on identified major findings and the effectiveness of the systems.

The management has confirmed to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems based on information we have for now and will do continues efforts to ensure the effectiveness of the risk management and internal control systems.

The internal audit department is responsible for performing independent review of the effectiveness of the risk management and internal control systems. The internal audit department examined key issues in relation to the accounting control and other management controls and reported its findings and recommendations for improvement to the Audit Committee.

The Board, as supported by the Audit Committee as well as the management report and the internal audit findings, reviewed the risk management and internal control systems, including the financial, operational and compliance controls, for the year ended 31 December 2025, and considered that such systems are effective and adequate. The annual review also covered the financial reporting and internal audit function and staff qualifications, experiences and relevant resources.

The Company has developed its disclosure policy which provides a general guide to the Company's Directors, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries. Control procedures have been implemented to ensure that unauthorised access and use of inside information are strictly prohibited.

The Company established an independent investigation committee (the "**Independent Investigation Committee**") on 19 April 2023 to investigate into matters in relation to the investment management agreement entered into between the Company and oOo Securities (HK) Group Limited (formerly known as AMTD Global Markets Limited) (the "**Investment Incident**"). The independent consultant engaged by the Independent Investigation Committee has conducted an independent investigation into the Investment Incident and an internal control review (the "**Internal Control Review**"). The Stock Exchange issued a Statement of Disciplinary Action on 2 September 2025 in respect of the Company's breach of the relevant Listing Rules concerning the Investment Incident. As at the Latest Practicable Date, the Internal Control Review and the relevant rectifications in relation to the Investment Incident have been completed. The Company will continue to strengthen the effective implementation and ongoing improvement of internal control to ensure the Company's compliance with applicable laws and regulations, including the Listing Rules. The relevant disciplinary action by the Stock Exchange does not materially affect the Group's daily operations.

CORPORATE GOVERNANCE REPORT

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2025.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the independent auditors of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 101 to 105.

AUDITORS' REMUNERATION

The remuneration paid to the Company's external auditors of the Company in respect of audit services and non-audit services for the year ended 31 December 2025 amounted to RMB3,010,000 and RMB2,463,664, respectively.

An analysis of the remuneration paid to the external auditor of the Company, Ernst & Young, for the year ended 31 December 2025 is set out below:

Service Category	Fees Paid/Payable (RMB)
Audit Services	
– Annual audit service	3,010,000
Non-audit Services	
– Interim review service	1,140,000
– Others ⁽¹⁾	1,323,664
	5,473,664

Note:

- (1) The remuneration for other non-audit services primarily includes fees for agreed-upon procedures services related to the execution of special transactions.

JOINT COMPANY SECRETARIES

During the Reporting Period, Ms. Yan Wang, the secretary to the Board of the Company and Ms. Wan Kai Chong of Tricor Services Limited, an external service provider, have been serving as the joint company secretary of the Company. The primary contact person of Ms. Wan Kai Chong is Ms. Yan Wang. For the year ended 31 December 2025, Ms. Wang and Ms. Chong undertook no less than 15 hours of the relevant professional training in compliance with Rule 3.29 of the Listing Rules.

All Directors have access to the advice and services provided by the joint company secretaries on corporate governance and practices and matters of the Board.

SHAREHOLDERS' RIGHTS

To safeguard Shareholder's interests and rights, separate resolution should be proposed for each substantially separate issue at Shareholders' meetings, including the election of individual Director. All resolutions put forward at Shareholders' meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each Shareholders' meeting.

CONVENING AN EXTRAORDINARY GENERAL MEETING

If Shareholders request the convening of an extraordinary general meeting, the following procedures shall be carried out:

- (i) The Shareholders holding, individually or in aggregate, more than 10% of the voting shares of the Company may sign one written request requesting the Board to convene an extraordinary general meeting and stating the matters to be considered at the meeting. If the Board approves convening an extraordinary general meeting, it will within five days of adopting the resolution of the Board issue the notice of convening the meeting. The aforesaid number of shares held shall be calculated on the date when the Shareholders make the written request.
- (ii) If the board of directors cannot or fails to perform its duty to convene the general meeting, the board of supervisors shall convene and chair the meeting promptly; if the board of supervisors cannot or fails to perform its duty to convene the general meeting, the Shareholders who individually or in aggregate hold more than 10% of the Company's shares for more than 90 consecutive days may convene and chair the meeting by themselves.
- (iii) Where Shareholders individually or in aggregate holding more than 10% of the Company's shares request to convene an extraordinary general meeting, the board of directors and the board of supervisors shall decide whether to convene an extraordinary general meeting within ten days from the date of receipt of the request, and reply to the Shareholders in writing.

Where the Shareholders convene and preside over a meeting by themselves as the Board fails to convene the meeting pursuant to the aforesaid request, the reasonable expenses incurred therefrom shall be borne by the Company.

PUTTING FORWARD PROPOSALS AT SHAREHOLDER'S MEETINGS

Shareholders individually or in aggregate holding more than 1% of the Company's shares shall have the right to put forward proposals. The contents of the proposal shall fall within the terms of reference of the shareholder's meeting and have specified subjects and specific resolutions, in further compliance with the laws and regulations and the Company's Articles of Association.

In addition, Shareholders individually or in aggregate holding more than 1% of the Company's shares may propose a temporary proposal to the convener in writing form ten days prior to date of the shareholder's meeting; the convener shall issue a supplementary notice of shareholder's meeting within two days after receipt of the said temporary proposal, to notify other Shareholders and to submit the said temporary proposal to the general meeting for consideration. The contents of the temporary proposal shall fall within the terms of reference of the shareholder's meeting and have specified subjects and specific resolutions.

The shareholder's meeting shall not vote and adopt a resolution on any proposal that is not listed in the notice of the shareholder's meeting or that is inconsistent with the Articles of Association.

PUTTING FORWARD ENQUIRIES TO THE BOARD

For putting forward any enquiries to the Board of the Company, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

CORPORATE GOVERNANCE REPORT

CONTACT DETAILS

Shareholders may send their enquiries or requests as mentioned above to the Company by means of facsimile, email or post. The details of contact are as follows:

Shanghai Henlius Biotech, Inc. (For the attention of the Board)

Address: 11/F, B8 Building, No. 188 Yizhou Rd, Xuhui District, Shanghai, PRC, 200233

Fax: +86 021-34611802

Email: ir@henlius.com

For the avoidance of doubt, Shareholders must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address, apart from the registered office of the Company, and provide their full names, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor's understanding of the Group's business performance and strategies. The Company endeavours to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. The chairman of the Board and the chairman of all Board committees (or their delegates) will attend the annual general meetings in person to meet Shareholders and answer their enquiries.

At the annual general meeting of the Company held on 8 May 2025 and the extraordinary general meeting held on 29 August 2025, the Shareholders respectively approved the proposed amendments to the Articles of Association, details of which are set out in the circulars of the Company dated 15 April 2025 and 12 August 2025. The latest version of the Company's Articles of Association is also available on the Company's website and the Stock Exchange's website.

To promote effective communication, the Company maintains a website at <http://www.henlius.com>, where information and updates on the Company's business developments and operations, financial information, corporate governance practices and other information are available for public access.

SHAREHOLDERS' COMMUNICATION POLICY

The Company has in place a Shareholders' Communication Policy to ensure that Shareholders' views and concerns are appropriately addressed. The policy aims to ensure that the Shareholders, and, in appropriate circumstances, the investment community at large, are provided with ready, equal and timely access to balanced and understandable information about the Company (including its financial performance, strategic goals and plans, material developments, governance and risk profile), in order to enable Shareholders to exercise their rights in an informed manner, and to allow Shareholders and the investment community to engage actively with the Company.

Under the policy, information shall be communicated to Shareholders and the investment community mainly through the Company's financial reports, annual shareholder's meetings and other general meetings that may be convened, as well as by making available all the disclosures submitted to the Stock Exchange and its corporate communications and other corporate publications on the Company's website. Effective and timely dissemination of information to Shareholders and the investment community shall be ensured at all times, and the Board shall maintain an on-going dialogue with Shareholders and the investment community.

The Board reviewed the implementation and effectiveness of the Shareholders' Communication Policy during the Reporting Period and the results were satisfactory.

PROFIT DISTRIBUTION ADMINISTRATION POLICY

The Company has adopted a profit distribution administration policy on payment of dividends. Such details have been disclosed in the section headed "Profit Distribution Plan" on page 51 of this annual report.

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Mr. Wenjie Zhang, aged 59, has served as an executive Director of the Company from November 2020 to March 2025, has been a non-executive Director since March 2025, and has been the Chairman of the Board since November 2021.

Mr. Zhang joined the Group in March 2019 and has served as the senior vice president and chief commercial operation officer, president and chief executive officer of the Company. Mr. Zhang serves as directors in certain subsidiaries of the Company. Mr. Zhang served as the executive president of Fosun Pharma from July 2023 to June 2025, and has been a co-president of Fosun Pharma since June 2025 and a non-executive Director of Gland Pharma since August 2024.

Prior to joining Fosun Pharma Group, Mr. Zhang served as the assistant engineer of research and development of Jinan Corbère Bioengineering Co., Ltd.* (濟南科貝爾生物工程有限公可), and the China sales representative of Sino-American Shanghai Squibb Pharmaceuticals Co., Ltd.* (中美上海施貴寶製藥有限公可). He worked at Bayer Group (stock code: BAYGn), a company listed on Frankfurt Stock Exchange of Germany, primarily holding positions including the product manager of US Marketing Division at Bayer Pharmaceutical's US subsidiary, business development manager and deputy director of global marketing, head of business development at Bayer Healthcare's Asia Pacific headquarters, the head of Oncology and Specialty Medicine Business at Bayer Schering Pharma China and concurrently the head of Oncology and Specialty Medicine Business in Asia Pacific, vice president of Tumor Business Department II of Shanghai Roche Pharmaceutical Co., Ltd.* (上海羅氏製藥有限公可). He also worked at Amgen Inc. ("Amgen"), a company listed on the NASDAQ Stock Exchange (ticker symbol: AMGN), primarily holding positions including the executive director of Japan and Asia Pacific of Amgen and the general manager of Amgen Biopharmaceutical (Shanghai) Co., Ltd.* (安進生物醫藥(上海)有限公可). Mr. Zhang obtained a bachelor's degree in science in microbiology from Shandong University in the PRC in July 1990, and a master's degree in business administration from Yale University in May 1998.

Dr. Jun Zhu (朱俊), aged 47, has served as the chief executive officer of the Company since July 2023 and an executive Director of the Company since August 2023.

Dr. Zhu joined the Group in January 2021 and has been the senior vice president and chief medical officer of Henlius Biopharmaceutical, and the senior vice president and chief medical officer, chief financial officer and the president of the Company. Dr. Zhu holds directorship and managerial positions in certain other subsidiaries of the Company.

Prior to joining the Company, Dr. Zhu served as the internal medicine physician in Huashan Hospital affiliated to Fudan University in Shanghai, the project manager and global vice-president of IQVIA Holdings Inc., the general manager (Greater China) of Omnicare Clinical Research Inc., the founder and chief executive officer of Shanghai PPC Biopharmaceutical Technology Co., Ltd.* (上海百利佳生醫藥科技有限公可). Dr. Zhu obtained a bachelor's degree in clinical medicine from Fudan University (復旦大學) in the PRC in July 2001, an EMBA degree from Cheung Kong Graduate School of Business (長江商學院) in the PRC in September 2018, and a doctoral degree in health management from University of Montpellier in France in June 2024.

Mr. Qiyu Chen (陳啟宇), aged 53, has been a non-executive Director of the Company since February 2010 and served as the Chairman of the Board of the Company from December 2018 to November 2021.

Mr. Chen joined Fosun Pharma Group in April 1994, successively serving as secretary to the board, general manager, vice chairman, executive director, chairman and other positions of Fosun Pharma from April 1994 to October 2020, and has served as a non-executive director of Fosun Pharma since October 2020. Mr. Chen currently serves as the chairman of the board of Fosun High Tech, the executive director and the co-chief executive officer of Fosun International, the non-executive director and vice chairman of the board of Sinopharm. Mr. Chen previously served as the non-executive director of Gland Pharma, the director of Beijing Sanyuan Foods Co., Ltd.* (北京三元食品股份有限公可) (Shanghai Stock Exchange stock code: 600429). In addition, Mr. Chen holds directorships in various companies invested by Fosun International and its affiliated companies.

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Chen has been a member of the 14th Shanghai Standing Committee of the Chinese People's Political Consultative Conference, the chairman of Shanghai Chamber of Biopharmaceutical Commerce, a vice chairman of China Pharmaceutical Innovation and Research Development Association, the honorary chairman and chief supervisor of Shanghai Biopharmaceutics Industry Association, and the honorary chairman of China Medical Pharmaceutical Material Association, etc. Mr. Chen was awarded "Asia's Best CEO" by Corporate Governance Asia, etc. Mr. Chen received a bachelor's degree in genetics from Fudan University in the PRC in July 1993 and an EMBA degree from China Europe International Business School in the PRC in September 2005.

Mr. Yuqing Chen (陳玉卿), aged 50, has served as non-executive Director of the Company since August 2025.

Mr. Chen joined Fosun Pharma Group in January 2010. Mr. Chen is currently an executive director and the chairman of the board of directors of Fosun Pharma, a senior vice president of Fosun International, and a non-executive director of Sinopharm. Mr. Chen has been a deputy supervisor of the human resources department, a deputy general manager of the human resources department, the general manager of the human resources department, an assistant to the president, the general manager of the human resources department, a vice president, a senior vice president, the co-president and chief executive officer of Fosun Pharma; the chairman of the board of directors of Shanghai Fosun Health Technology (Group) Co., Ltd.* (上海復星健康科技(集團)有限公司), a subsidiary of Fosun Pharma, from August 2020 to May 2021 and from October 2022 to present; and a non-executive Director of Fosun Pharma from September 2024 to April 2025, and has served as an executive Director and the chairman of the Board of Fosun Pharma from April 2025. In addition, Mr. Chen holds directorship and managerial positions in certain subsidiaries of Fosun Pharma.

Prior to joining Fosun Pharma Group, Mr. Chen served as a teacher at the School of Materials of Shanghai University; and successively served as a human resources manager of Yanfeng Visteon Automotive Trim Systems Co., Ltd.* (延鋒偉世通汽車飾件系統有限公司) (currently renamed as Yanfeng Automotive Trim Systems Co., Ltd.* (延鋒汽車飾件系統有限公司)), Yanfeng Visteon (Beijing) Automotive Trim Systems Co., Ltd.* (延鋒偉世通(北京)汽車飾件系統有限公司) and Shanghai Yanfeng Johnson Controls Seating Co., Ltd.* (上海延鋒江森座椅有限公司); a development manager of the human resources department of Shanghai Alison (Group) Co., Ltd.* (上海埃力生(集團)有限公司); the Central China human resources manager of Schindler (China) Elevator Co. Ltd.* (迅達(中國)電梯有限公司); the senior human resources integration manager of Global Mart Limited* (購寶商業集團); and the chief human resources director of Kubao Information Technology (Shanghai) Co., Ltd.* (酷寶信息技術(上海)有限公司). Mr. Chen obtained a bachelor's degree in engineering from Shanghai University in July 1997.

Ms. Xiaohui Guan (關曉暉), aged 55, has been a non-executive Director of the Company since December 2018.

Ms. Guan joined Fosun Pharma Group in May 2000. Ms. Guan is currently an executive director and a co-chairman of Fosun Pharma, the vice president of Fosun International and the chairman of the board of supervisors of Sinopharm. Ms. Guan has been an assistant to the president, general manager of the finance department, the chief accountant, a vice president and the chief accountant, the senior vice president and chief financial officer, the executive president and chief financial officer of Fosun Pharma. Ms. Guan served as the executive director of Fosun Pharma since December 2021, the vice chairman of Fosun Pharma from January 2022 to April 2025, and a co-chairman of Fosun Pharma since April 2025. In addition, Ms. Guan holds directorship positions in certain subsidiaries of Fosun Pharma.

Prior to joining Fosun Pharma Group, Ms. Guan worked at the Jiangxi Branch of the Industrial and Commercial Bank of China. Ms. Guan obtained a bachelor's degree in economics from Jiangxi University of Finance and Economics (江西財經大學) in the PRC in June 2000 and acquired a master's degree in professional accountancy from the Chinese University of Hong Kong in December 2007. Ms. Guan is qualified as a Chinese Certified Public Accountant (CPA), a member of the Association of Chartered Certified Accountants (ACCA) and a Senior Accountant.

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Dr. Yi Liu (劉毅), aged 50, has been a non-executive Director of the Company since August 2025.

Dr. Liu joined Fosun Pharma Group in November 2015. Dr. Liu currently serves as an executive director, chief executive officer and president of Fosun Pharma and an executive director and chairman of the board of directors of Sisram Medical. Dr. Liu has been the chief technology officer of the Medical Devices Division, the vice president and the senior vice president of Fosun Pharma, and has been serving as chief executive officer and president of Fosun Pharma since June 2025. In addition, Dr. Liu holds directorship and managerial positions in certain subsidiaries of Fosun Pharma.

Prior to joining Fosun Pharma Group, Dr. Liu was a trainee in Young Cadre Training Class of China National Academy of Governance (國家行政學院青年幹部培訓班); served a deputy section chief of Medical Devices Division and a section chief of Market Supervision Department of State Food and Drug Administration (now known as National Medical Products Administration); and successively served as the deputy head and head of Beijing Institute of Medical Device Testing (北京市醫療器械檢驗所). Dr. Liu obtained a bachelor degree in engineering from Beijing Institute of Technology in July 1998, a master degree in management from Peking University in January 2006, and a doctorate degree in biomedical engineering from Beijing University of Aeronautics and Astronautics in June 2021.

Dr. Xingli Wang, aged 63, has been a non-executive Director of the Company since August 2023.

Dr. Wang joined Fosun Pharma Group in January 2023 and served as an executive president of Fosun Pharma from January 2023 to June 2025, and has been the co-president of Fosun Pharma from June 2025. In addition, Dr. Wang holds directorship in certain subsidiaries of Fosun Pharma.

Prior to joining Fosun Pharma Group, Dr. Wang engaged in postdoctoral research in cardiovascular science at The University of New South Wales, Australia (“UNSW”). He was successively engaged in clinical residency rotation at Prince of Wales Hospital in Sydney, and served as a senior lecturer in cardiovascular medicine at UNSW and a director of cardiothoracic surgery research and tenured professor at Baylor College of Medicine, USA. He served as a medical director of Schering-Plough Corporation (New York Stock Exchange stock code: SGP, merged into Merck & Co., Inc. in 2009). He worked in Novartis AG (New York Stock Exchange stock code: NVS), mainly serving as project director, global project clinical head, head of Novartis Global Drug R&D (China) and general manager of Biomedical Research Institute (China).

Dr. Wang obtained a bachelor’s degree in medicine from Shandong Medical College (merged into Shandong University in 2000) in July 1985 and a doctorate degree in cardiovascular science from UNSW in October 1991. Dr. Wang also holds a license to practice medicine in Australia.

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Tak Young So (蘇德揚), aged 55, has been an independent non-executive Director of the Company since September 2019.

Mr. So has been the founding and managing partner of FastLane Group since July 2012. He served as an independent non-executive director of Goodbaby International Holdings Limited (Stock Exchange stock code: 01086) from May 2022 to May 2025 and independent non-executive director of CARsgen Therapeutics Holdings Limited (Stock Exchange stock code: 02171) from June 2021 to June 2023.

Mr. So has more than 30 years of experience in finance, accounting, investment, and private equity businesses with global financial institutions and asset management companies. Mr. So served as an auditor at Ernst & Young, Hong Kong, as group audit and project manager of the strategic and performance improvement group in the Sydney office of Commonwealth Bank of Australia, as vice president of global capital market/Asia treasury and vice president of financial controls at Bank of America, Hong Kong, as head of finance and operations of consumer banking in Hong Kong, head of asset and liability management of Greater China/Asia Pacific, and chief financial officer of consumer, commercial and private banking in Hong Kong at ABN AMRO Bank N.V., Hong Kong, as chief financial officer at Hamon Investment Group, an affiliate of Bank of New York Mellon, as chief financial officer of the Asia Pacific of asset management division at Deutsche Bank, Hong Kong, as chief financial officer at PAG Capital, and as a partner at Prospere Capital Limited. Mr. So obtained a bachelor's degree in accounting and finance and a master's degree in business administration in banking from the University of Technology Sydney, Australia, in April 1994 and September 1998, respectively. Mr. So has been a fellow member of the Certified Practising Accountants Australia (CPA Australia) since August 2011.

Dr. Lik Yuen Chan (陳力元), aged 57, has been an independent non-executive Director of the Company since September 2019.

Dr. Chan is a world-famous academic in liver diseases with extensive achievements and recognition in clinical practice and research teaching. Dr. Chan joined Union Hospital of Hong Kong in November 2020 and has been serving as the vice president and manager of the Internal Medicine Department. Dr. Chan held various positions at the Chinese University of Hong Kong from 2002 to 2021, including director of the Centre of Liver Health, associate dean of external affairs of the Faculty of Medicine, and professor of the Internal Medicine Department and the Department of Medicine and Therapeutics.

Dr. Chan has been a member of the Royal College of Physicians of the United Kingdom since November 1995, a fellow of the Hong Kong College of Physicians since May 2000, a fellow of the Hong Kong Academy of Medicine since June 2000, a fellow of the Royal College of Physicians of Edinburgh since July 2003, a fellow of the Royal College of Physicians of London since May 2006, and a fellow of the American Association for the Study of Liver Diseases since October 2016. Dr. Chan obtained a bachelor's degree in medicine and surgery from the Chinese University of Hong Kong in December 1992, a doctoral degree in medicine from the Chinese University of Hong Kong in November 2001, and a master's degree in business administration from the University of Hong Kong in November 2014.

Dr. Ruilin Song (宋瑞霖), aged 63, has been an independent non-executive Director of the Company since September 2019.

Dr. Song has been a non-executive director of Luye Pharma Group Ltd.* (綠葉製藥集團有限公司) (Stock Exchange stock code: 02186) since March 2017, an independent non-executive director of Simcere Pharmaceutical Group Limited* (先聲藥業集團有限公司) (Stock Exchange stock code: 02096) since November 2019, an independent non-executive director of Jacobio Pharmaceuticals Group Co., Ltd.* (加科思藥業集團有限公司) (Stock Exchange stock code: 01167) since December 2020, and an independent non-executive director of Mediwelcome Healthcare Management & Technology Inc.* (麥迪衛康健康醫療管理科技股份有限公司) (Stock Exchange stock code: 02159) since December 2020. Dr. Song served as an independent director of Shenzhen Chipscreen Biosciences Co., Ltd.* (深圳微芯生物有限公司) (SSE STAR Market stock code: 688321) from May 2018 to April 2024.

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

During the time he worked in the Legislative Affairs Office of the State Council, Dr. Song was mainly engaged in the legislative review of Chinese medicine and health laws for 22 years. He participated in all China's medicine and health legislation activities from 1987 to 2006, in charge of the drafting and review of laws such as Drug Administration Law of the PRC, Law of the PRC on the Prevention and Treatment of Communicable Diseases and Law of the PRC on Medical Practitioners, and administrative regulations such as Regulations on Medical Institutions, Administration of Medical Devices and Emergency Regulations on Public Health Emergencies, etc. Since 2007, Dr. Song has been dedicated to the research of China's pharmaceutical policies, especially the policies for pharmaceutical innovation. Under his leadership, Research Center for Medicinal Policy of Chinese Pharmaceutical Association and PhIRDA (中國醫藥創新促進會) have finalised dozens of research projects. Dr. Song has been the executive president of PhIRDA (formerly known as China Pharmaceutical Industry Research and Development Association (中國醫藥工業科研開發促進會)) from November 2009 to September 2019, the president of PhIRDA from September 2019 to September 2020, executive president of PhIRDA from September 2020 to June 2025, and senior president of PhIRDA since June 2025. Dr. Song also served as specially-invited expert of Talent Pool Participating in and Discussing State Affairs of the CPPCC, consultant expert of Participating in and Discussing State Affairs of the Chinese Peasants and Workers Democratic Party, executive deputy director of National Drug Policy and Industrial Development Research Center of China Pharmaceutical University, visiting researcher of Shanghai Jiao Tong University, member of Advisory Committee for Traditional Chinese Medicine Strategic Decision of National Medical Products Administration, vice chairman of China Alliance of Rare Diseases (CARD), director of Chinese Pharmacist Association and a member of the Biotech Advisory Panel of the Stock Exchange among other important social positions.

Dr. Song obtained a bachelor's degree in laws from China University of Political Science and Law (中國政法大學) in June 1985, a master's degree in business administration from China Europe International Business School (中歐國際工商學院) in the PRC in November 2004 and a doctoral degree in social and administrative pharmacy from China Pharmaceutical University (中國藥科大學) in December 2018.

Mr. Yihao Zhang, aged 53, has been an independent non-executive Director of the Company since August 2025.

Mr. Zhang served as the global executive vice president of GE Healthcare, president and CEO of GE Healthcare China from July 2019 to July 2025, fully responsible for the strategy formulation, implementation, and operation of GE Healthcare in the Chinese market. Mr. Zhang successively held various positions at Danaher Corporation and its subsidiaries from March 2003 to June 2019, including China deputy general manager, general manager, vice president and general manager of Greater China, president of the Dental Products Business Platform for Greater China and Asia Pacific region, and senior vice president. Mr. Zhang served as the brand manager at P&G from May 2002 to August 2002; the financial analysis manager at TRW in the United States from July 1996 to May 2001.

Mr. Zhang previously served as the vice chairman of the Advanced Medical Technology Association in China, and was awarded the Shanghai "Magnolia Silver Award" in September 2021. Mr. Zhang received a bachelor's degree in mathematics and economics from Ohio Wesleyan University in the United States in 1996, and a master's degree in business administration from Kellogg School of Management at Northwestern University in the United States and a master's degree in engineering management from the McCormick School of Engineering at Northwestern University in the United States in 2003, respectively.

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

BOARD OF SUPERVISORS

Ms. Rongli Feng (馮蓉麗), aged 50, has been a shareholder representative supervisor of the Company and the chairman of the Board of Supervisors since May 2020.

Ms. Feng joined Fosun Pharma in April 2020 and served as the vice president of Fosun Pharma from April 2020 to March 2021, she has been the senior vice president of Fosun Pharma from March 2021 to January 2024, and she has been the executive president of Fosun Pharma since January 2024. Ms. Feng currently serves as a non-executive director of Sisram Medical and a non-executive director of Sinopharm from June 2020 to December 2025. Moreover, Ms. Feng serves as the director in certain subsidiaries of Fosun Pharma.

Prior to joining Fosun Pharma Group, Ms. Feng served as a human resources supervisor of Sealed Air Packaging (Shanghai) Co., Ltd.* (希悅爾包裝(上海)有限公司), a human resources manager of Grundfos Pumps (Shanghai) Co., Ltd.* (格蘭富水泵(上海)有限公司), the Asia-Pacific human resources manager of Emerson Electric (China) Investment Co., Ltd.* (艾默生電氣(中國)投資有限公司), the China human resources planning manager of Dow Chemical (China) Co., Ltd.* (陶氏化學(中國)有限公司), the director of human resources of Shanghai Roche Pharmaceutical Co., Ltd.* (上海羅氏製藥有限公司), the senior director of human resources at F. Hoffmann-LaRoche AG, the deputy chief human resources officer of Fosun High Tech and the managing director of the human resources department of Shanghai Fosun Venture Capital Investment Management Co., Ltd.* (上海復星創業投資管理有限公司), etc. Ms. Feng graduated from Shanghai University (上海大學) in the PRC with a major in microcomputer application in July 1996. In February 2002, she obtained a master's degree in business administration from Columbia Southern University.

Mr. Deli Kong (孔德力), aged 51, has been a shareholder representative supervisor of the Company since August 2016.

Mr. Kong joined Fosun Pharma Group in June 2005 and worked at Fosun Pharma from June 2005 to December 2012, with his last position as a patent affairs senior officer. Mr. Kong has been working at Fosun Pharma Industrial Development since January 2013 and successively served as the senior researcher, deputy director, assistant to head of research institute, minister of policy and information research centre and deputy head of the research institute, minister of policy and information research centre, assistant to the president and general manager of patent affairs department and the executive vice president of the global R&D centre. Prior to joining Fosun Pharma Group, Mr. Kong also previously served as an assistant researcher at the Shanghai Institute of Biochemistry and Cell Biology of the Chinese Academy of Sciences*(中國科學院上海生物化學與細胞生物研究所). Mr. Kong obtained a master's degree in biochemical engineering from the School of Engineering of East China University of Science and Technology (華東理工大學) in the PRC in July 1999.

Mr. Zhiyong Liu (劉志勇), aged 53, has been an employee representative supervisor of the Company since January 2025.

Mr. Liu joined the Group in June 2020. Currently, he serves as the general manager of production and a supervisor of certain subsidiaries of the Company. Prior to joining the Group, Mr. Liu successively served as director of preparation workshop, manager of the planning department, and manager of the engineering department of Changchun GeneScience Pharmaceutical Limited* (長春金賽藥業股份有限公司) (currently known as Changchun GeneScience Pharmaceutical Co., Ltd.* (長春金賽藥業有限責任公司)). He served as the production director at Jilin Qijian Bio-Pharmaceutical Co., Ltd.* (吉林省奇健生物技術有限公司), the production director at Genovate (Changzhou) Biotechnology Co., Ltd.* (健亞(常州)生物技術有限公司), and assistant to the president and executive deputy general manager of Zhejiang Huajinyike Biopharmaceutical Co., Ltd.*(浙江華津依科生物製藥有限責任公司). Mr. Liu obtained a bachelor's degree in physical chemistry from Jilin University (吉林大學) in July 1997 and a master's degree in bioengineering from Jilin University in June 2016.

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

MEMBERS OF SENIOR MANAGEMENT OF THE GROUP

The chief executive officer and chief financial officer, and other members of the senior management of the Group are responsible for the day-to-day management of the business of the Company. Certain information relating to the chief executive officer and chief financial officer is set out in “— Board of Directors” above.

Ms. Wei Huang, aged 58, served as the senior vice president of Henlius Biopharmaceuticals from December 2019 to October 2020, the senior vice president and chief operating officer (COO) of the Company from October 2020 to September 2023 and the president since October 2023. Ms. Huang holds directorship and managerial positions in certain subsidiaries of the Company. Ms. Huang has served as a non-independent director of Gland Pharma since November 2024.

Prior to joining the Group, Ms. Huang served as a research assistant of Center of Marine Biotechnology, a process development engineer of Baxter (AMVAX) Inc., a project manager of New Brunswick Scientific Inc., a process engineer and the director of process engineer of Fluor Corp., the senior/chief process engineer of Bechtel Corp., the vice president of process development and engineering of REG Life Science Inc., and the chief consultant of Newa Technology Inc. Ms. Huang obtained a bachelor's degree in Biochemical Engineering from the East China Institute of Chemical Technology (華東化工學院) in the PRC in July 1990 and a master's degree in Chemical and Biochemical Engineering from the University of Maryland in the United States in August 1993.

Mr. Cheng Yu (余誠), aged 49, served as the general manager of the marketing department of the Company from August 2019 to February 2020, the vice president of Henlius Biopharmaceuticals from February 2020 to November 2021, and the vice president and chief commercial officer (CCO) of the Company from November 2021 to August 2023. He has been the senior vice president and chief commercial officer (CCO) of the Company since September 2023. Mr. Yu serves as the chairman of the board of Henlius Pharmaceutical Trading, a subsidiary of the Company.

Prior to joining the Company, Mr. Yu previously served as the sales representative of Glaxo Wellcome Pharmaceutical Co., Ltd.*(葛蘭素威康製藥有限公司), and served as senior pharmaceutical representative, district sales manager, regional sales manager, product manager, marketing manager and marketing director of Shanghai Roche Pharmaceutical Co., Ltd.*(上海羅氏製藥有限公司), and the head of the marketing department of Amgen Inc. Mr. Yu obtained a bachelor's degree in medicinal chemistry from Shanghai Medical College of Fudan University*(復旦大學上海醫學院) (formerly known as Shanghai Medical University) in the PRC in July 1999 and an EMBA degree from Fudan University (復旦大學) in the PRC in June 2016.

Ms. Ping Cao, aged 54, served as the vice president of Henlius USA Inc., a subsidiary of the Company, from July 2018 to October 2020, the vice president and chief business development officer of the Company from October 2020 to August 2023, the chief business development officer (CBO) of the Company since October 2022, and the senior vice president and chief business development officer (CBO) of the Company since September 2023. In addition, Ms. Cao holds directorship and managerial positions in certain other subsidiaries of the Company.

Prior to joining the Group, Ms. Cao served as the Associate Director of Contract Manufacturing Operation (CMO) and Global Manufacturing and Supply (GMS) at Bristol-Myers Squibb Company, and the head of Technology Platform Trading project of Business Development Department, and the senior director of Business Development Department of Abzena PLC. Ms. Cao also serves as a member of the Advisory Council of Meneldor B.V. since February 2021. Ms. Cao obtained a bachelor's degree in materials science and technology from Tianjin University (天津大學) in the PRC in July 1994, a master's degree in chemical engineering from Tianjin University (天津大學) in the PRC in March 1999, and a master's degree in organic chemistry from Michigan State University in the United States in April 2004. Ms. Cao completed the Advanced Management Program at The Wharton School of the University of Pennsylvania in the United States in June 2022.

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Xinjun Guo (郭新軍), aged 55, served as the vice president and secretary to the Board of the Company from February 2010 to March 2019, the senior vice president and secretary to the Board of the Company from March 2019 to November 2021, and the senior vice president of the Company since November 2021. In addition, Mr. Guo holds directorship and managerial positions in certain other subsidiaries of the Company.

Prior to joining the Group, Mr. Guo previously served as a researcher, project manager, research manager and chief engineer of Hangzhou Jiuyuan Gene Engineering Co., Ltd.*(杭州九源基因工程有限公司), the director and deputy general manager of Hangzhou Taishi Biotechnology Co., Ltd.*(杭州泰士生物科技有限公司), the secretary to the board of directors and deputy general manager of Zhejiang Cifu Pharmaceutical Co., Ltd.*(浙江賜富醫藥有限公司), and the chief engineer of Shanghai Clone High Technology Co., Ltd.*(上海克隆高技術有限公司) (now known as Shanghai Kaimao Bio-Pharmaceutical Co., Ltd.* (上海凱茂生物醫藥有限公司)). Mr. Guo has many years of experience in biopharmaceutical R&D and industrialization, and is familiar with different domestic laws and regulations. He was involved in the development of the recombinant human granulocyte colony-stimulating factor (rhG-CSF) injection, the first listed Category II new drug in China. He was awarded Outstanding Technology Development Talent of Hangzhou, Second Prize for Zhejiang Province's Science and Technology Progress Award, First Prize for Hangzhou's Science and Technology Progress Award and Shanghai May 1st Labour Medal. Currently, Mr. Guo is a member of the special committee for pharmaceutical innovation and investment of China Pharmaceutical Industry Research and Development Association (中國醫藥創新促進會醫藥創新投資專委會), the vice-chairman of Shanghai Biopharmaceutical Industry Association (上海市生物醫藥行業協會), and a member of the ninth council of Shanghai Pharmaceutical Profession Association (上海醫藥行業協會). Mr. Guo received his bachelor's degree from the Genetics and Genetic Engineering Department of Fudan University (復旦大學) in the PRC in July 1993, and a master's degree in business administration from Zhejiang University (浙江大學) in the PRC in March 2005.

Ms. Li Junhua (李君華), aged 50, served as the vice president and chief human resources officer (CHO) of the Company from April 2022 to December 2024. She has been a senior vice president and the chief human resources officer (CHO) of the Company since January 2025. In addition, Ms. Li holds directorship and managerial positions in certain other subsidiaries of the Company.

Prior to joining the Group, Ms. Li served as director of human resources (Greater China) of Rabobank, executive director of the human resources department and a business partner of Astrazeneca (Wuxi) Trading Co., Ltd.*(阿斯利康(無錫)貿易有限公司), and vice president of the human resources department of Chia Tai Tianqing Pharmaceutical Group Co., Ltd.*(正大天晴藥業集團股份有限公司). Ms. Li obtained a bachelor's degree in economics from Shandong Institute of Finance and Economics (山東財政學院) in China in July 1998, majoring in international finance, and a master's degree in business administration from the cooperative MBA program offered by Shanghai University of Finance and Economics and Webster University in the U.S. in December 2002.

Dr. Jijun Yuan (袁紀軍), aged 48, served as chief science officer (CSO) at Henlius Biologics from November 2024 to December 2024. He has been the chief science officer (CSO) of the Company since January 2025.

Prior to joining the Company, Dr. Yuan served as a postdoctoral researcher in molecular biology at the University of California, Los Angeles, in the United States, a senior researcher and then deputy director of the Biological Drugs Department at Shanghai Hengrui Pharmaceuticals Co., Ltd.*(上海恒瑞醫藥有限公司), the vice president and chief science officer in Shanghai Genechem Technology Co., Ltd.*(上海吉凱基因化學技術有限公司) (now known as Shanghai Genechem Co., Ltd.), the general manager at Shanghai Jibei Biotechnology Co., Ltd.*(上海吉倍生物技術有限公司), a wholly-owned subsidiary of Shanghai Genechem Technology Co., Ltd.*(上海吉凱基因化學技術有限公司), and the executive vice-president and president in pre-clinical development at Suzhou Abogen Biosciences Co., Ltd.*(蘇州艾博生物技術有限公司). Dr. Yuan was awarded the titles of Shanghai Leading Talent, an Expert in the Expert Database of the Science and Technology Commission of Shanghai, and an Innovation Elite on the 2nd Overseas Chinese Innovation and Entrepreneurship Elite List. He obtained a bachelor's degree in biochemistry from Fudan University (復旦大學) in July 1999 and a doctoral in biochemistry from The Ohio State University in the United States in March 2008.

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Dr. Feng Ye, aged 58, has been the vice president and the chief quality officer (CQO) of the Company since September 2024.

Prior to joining the Group, Dr. Ye served as a statistician in the Research and Development Department of Schering-Plough Corporation, the principal statistician at GSK plc (formerly known as Glaxo SmithKline plc); the senior manager of quality assurance, director of quality engineering, director of clinical production quality and director of quality at Amgen Inc.; the vice president for quality and senior vice president of technical operations at HJB (Hangzhou) Co., Ltd* (杭州奕安濟世生物藥業有限公司); and the chief operating officer of Transcenta Holding Limited. Dr. Ye received a bachelor of science degree from the University of Oregon in March 1993 and a master of science degree from the University of Oregon in June 1995. Dr. Ye obtained his Ph.D. in biostatistics from the University of North Carolina at Chapel Hill in December 2000.

Mr. Yingbo Mao (毛應波), aged 48, has been the vice president and chief financial officer (CFO) of the Company since July 2024. In addition, Mr. Mao also serves as a director and management position in several subsidiaries of the Company.

Prior to joining the Group, Mr. Mao served as a senior auditor at Deloitte Touche Tohmatsu Certified Public Accountants, deputy manager of financial planning & analysis for Greater China at Coca-Cola, financial director for Greater China at Bayer Healthcare Company Limited*(拜耳醫藥保健有限公司), and financial director for Greater China and Asia Pacific at UCB. Mr. Mao also successively served as the chief financial officer of Healthcare Holdings, deputy chief financial officer and general manager of the financial department at the Grand Healthcare Industry Operation Committee*(大健康產業運營委員會), and co-chief financial officer and deputy general manager of the financial department of the Healthcare Industry Committee at Fosun International Limited and its subsidiaries. Mr. Mao obtained a bachelor's degree in economics from Shanghai University of Finance and Economics in July 2000, majoring in international accounting professionals, and completed the BI Norwegian Business School – Fudan University joint MBA program and obtained a master's degree in business administration in July 2015. Besides, Mr. Mao is qualified as a Chinese Certified Public Accountant and holds the national legal professional qualification.

Mr. Li Jing (李靖), aged 44, joined the Group in August 2017. He served as the director of global project management, the senior director and the executive director of the global clinical affairs operation department, the deputy general manager and the general manager of the clinical operation department, and the general manager of the global product development department in the Group. He has been served as vice president of the Company since January 2025.

Prior to joining the Group, Mr. Li served as, a CRA II in Gesi (Beijing) Medical Technologies Co., Ltd. *(格斯(北京)醫療科技有限公司) and a clinical research associate (CRA) in Shanghai Pharmaceutical (Group) Co., Ltd. *(上海醫藥(集團)有限公司), a senior CRA in Covance Pharmaceutical Research and Development (Shanghai) Co., Ltd., the senior project manager in Shanghai Roche Pharmaceutical Co., Ltd.*(上海羅氏製藥有限公司) and the senior project manager in Hutchison Medi Pharma Limited. Mr. Li obtained a bachelor's degree of medicine from Tongji University in July 2004, majoring in clinical medicine, and a master's degree in medicine in biomedical engineering from Tongji University in May 2007.

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Ms. Li Jin (李錦), aged 52, served as deputy general manager of the regulatory affairs department of the Company from September 2021 to August 2022, as general manager of the regulatory affairs department of the Company from September 2022 to December 2024, and has been served as the vice president of the Company since January 2025. Ms. Li has served as a director and chief executive officer of Fosun Henlius Pharmaceutical K. K., a subsidiary of the Company, since August 2025.

Prior to joining the Group, Ms. Li held positions including registration specialist at Grand Pharmaceutical Group Limited*(遠大醫藥集團有限公司), registration affairs manager at Harbin Gloria Pharmaceuticals Co., Ltd.(哈爾濱譽衡藥業股份有限公司), registration affairs manager at Beijing Youlipu Pharmaceutical Technology Co., Ltd.*(北京優力普醫藥科技有限公司), deputy manager of registration at Merck Sharp & Dohme (China) Ltd.*(默沙東(中國)有限公司), head of registration affairs (non-oncology) at Amgen Inc., registration affairs manager at Biogen Idec Inc., senior manager of CMC registration affairs at Bayer HealthCare Company Limited*(拜耳醫藥保健有限公司), deputy director of registration (general medicine and endocrinology) at Merck Serono (Beijing) Pharmaceutical R&D Co., Ltd.*(默克雪蘭諾(北京)醫藥研發有限公司), director of registration affairs and China head at Mundipharma (China) Pharmaceutical Company Limited*(萌蒂(中國)製藥有限公司), and vice president of registration affairs at Nuance Pharma (Shanghai) Co.,Ltd.*(優銳醫藥科技(上海)有限公司). Ms. Li obtained a bachelor of science degree in traditional Chinese medicine from Beijing University of Chinese Medicine in June 1995.

Ms. Yan Wang (王燕), aged 38, was appointed as the secretary to the Board and joint company secretary of Henlius since November 2021.

Ms. Wang has acted as science & technology administrative commissioner, supervisor of the marketing department, securities affairs representative and manager of public affairs department, the director of the office of board secretary, and the deputy general manager of public relationship of the Company since July 2013, and currently serves as the secretary to the Board and the general manager of public relationship of the Company. Ms. Wang obtained a bachelor's degree in bio-pharmacy from Nanjing Forestry University in the PRC in June 2010 and a master's degree in biochemistry from Nanjing Forestry University in the PRC in July 2013.

JOINT COMPANY SECRETARIES

Ms. Yan Wang (王燕) was appointed as a joint company secretary of the Company on 5 November 2021. See "Members of Senior Management of the Group" above for further details.

Ms. Chan Sau Ling (陳秀玲) was appointed as a joint company secretary of the Company on 20 March 2026. Ms. Chan is currently a director of company secretarial department of Tricor Services Limited. Ms. Chan has over 25 years of experience in corporate secretarial fields for Hong Kong listed companies and is a Chartered Secretary, a Chartered Governance Professional and a Fellow of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute. Ms. Chan obtained a Bachelor's degree in accounting from University of South Australia in April 2003.

INDEPENDENT AUDITOR'S REPORT



Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

安永會計師事務所
香港鰂魚涌英皇道 979 號
太古坊一座 27 樓

Tel 電話: +852 2846 9888
Fax 傳真: +852 2868 4432
ey.com

To the shareholders of Shanghai Henlius Biotech, Inc.

(Established in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of Shanghai Henlius Biotech, Inc. (the "Company") and its subsidiaries (the "Group") set out on pages 106 to 190, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS (CONTINUED)

Key audit matter

How our audit addressed the key audit matter

Capitalisation of development expenditure

During the year ended 31 December 2025, the expenditure of RMB976,434,000 incurred on projects to develop new biopharmaceutical products was capitalised in intangible assets – deferred development costs in the consolidated financial statements. The expenditure on development activities was capitalised and deferred when all the criteria mentioned in note 2.4 *Material Accounting Policies* were satisfied. This matter was significant to our audit because significant management estimation and judgements were required in determining whether the development expenditure met the capitalisation criteria.

The disclosures about the capitalisation of development expenditure are included in note 2.4 *Material Accounting Policies*, note 3 *Significant Accounting Judgements and Estimates* and note 15 *Intangible Assets* to the consolidated financial statements.

Impairment of intangible assets

The carrying values of indefinite-life intangible assets and deferred development costs in the consolidated financial statements amounted to RMB73,821,000 and RMB2,635,602,000, respectively, as at 31 December 2025. In accordance with IFRS Accounting Standards, the Group is required to perform impairment testing for indefinite-life intangible assets and deferred development costs at least on an annual basis. The impairment testing is based on the recoverable amount of each individual asset. This matter was significant to our audit because the impairment testing process was complex and involved significant management judgements and estimates.

The disclosures about the impairment of indefinite-life intangible assets and deferred development costs are included in note 2.4 *Material Accounting Policies*, note 3 *Significant Accounting Judgements and Estimates* and note 15 *Intangible Assets* to the consolidated financial statements.

Our audit procedures included, among others, assessing whether the capitalisation policy adopted was in line with IFRS Accounting Standards, obtaining an understanding of the Group's internal approval procedures regarding the capitalisation of development expenditure by conducting interviews with key management in charge of research, development and industrialisation of various projects, and obtaining certifications related to different stages of development activities and commercial and technical feasibility reports prepared by management.

We also assessed the adequacy of the disclosures in the consolidated financial statements.

Our audit procedures included, among others, involving internal valuation specialists to assist us in evaluating the assumptions and methodologies used by management, particularly the discount rates, royalty rates, and contributory asset charges used in the valuation method based on the cash flow forecast of each individual asset. We paid attention to the forecasts with respect to future revenues, operating results and development costs to be incurred to complete the development process by comparing the forecasts with the business development plan for each individual asset.

We also assessed the adequacy of the disclosures in the consolidated financial statements.

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
<p>Revenue recognition of exclusive license contracts</p> <p>The Group entered into several exclusive license contracts (the “Contracts”) for the development and commercialisation of candidate drugs. The consideration for the Contracts included upfront fees, milestone payments based on the completion of certain milestone events and royalties based on future sales. For the year ended 31 December 2025, the Group recognised licensing revenue under the Contracts amounting to RMB257,766,000.</p> <p>As part of the accounting for revenue recognition under the Contracts, significant management judgements and estimations were involved in identifying the performance obligations, determining whether each performance obligation is satisfied over time or at a point in time, estimating the variable considerations and allocating the consideration based on the stand-alone selling price of each performance obligation.</p> <p>The Group’s disclosures about revenue recognition under the Contracts are included in note 2.4 <i>Material Accounting Policies</i>, note 3 <i>Significant Accounting Judgements and Estimates</i> and note 5 <i>Revenue</i> to the consolidated financial statements.</p>	<p>Our audit procedures included, among others, evaluating management’s accounting policies and assessing management’s processes and controls relating to revenue recognition under the Contracts.</p> <p>We inspected the Contracts and discussed with management the nature, business rationale and the progress of the Contracts.</p> <p>We evaluated management judgements in identifying performance obligations by assessing whether the license and research and development services within the Contracts were distinct, and in determining whether each performance obligation was satisfied over time or at a point in time by examining the related terms in the Contracts and the related supporting evidence.</p> <p>We checked the conditions and the current status of the payments made by the customers and the achievement of the milestone events to assess management’s judgements and estimations regarding the variable considerations and the satisfaction of each performance obligation.</p> <p>We involved internal specialists to assist us in the assessment of the methodologies and the assumptions used by management, particularly the discount rates and the cost mark-up rate, in determining the stand-alone selling price of each performance obligation.</p> <p>We performed recalculations to check the mathematical accuracy based on management’s model to determine the revenue recognised for each performance obligation.</p> <p>We also assessed the adequacy of the disclosures in the consolidated financial statements.</p>

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Lau Kwok Wa Lawrence (practising certificate: P04882).

Ernst & Young
Certified Public Accountants
Hong Kong
20 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Revenue	5	6,666,627	5,724,449
Cost of sales		(1,681,920)	(1,539,787)
Gross profit		4,984,707	4,184,662
Other income and gains	6	130,577	107,980
Selling and distribution expenses		(2,198,471)	(1,917,391)
Administrative expenses		(443,136)	(370,799)
Impairment losses on financial assets, net		(9,999)	4,843
Research and development expenses		(1,515,498)	(1,035,130)
Other expenses		(33,965)	(5,397)
Finance costs	8	(102,493)	(122,887)
PROFIT BEFORE TAX	7	811,722	845,881
Income tax credit/(expense)	11	15,320	(25,411)
PROFIT FOR THE YEAR		827,042	820,470
Attributable to:			
Owners of the parent		827,042	820,470
Non-controlling interests		–	–
		827,042	820,470
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic			
– For profit for the year (RMB)	13	1.52	1.51
Diluted			
– For profit for the year (RMB)	13	1.51	1.51

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

	2025 RMB'000	2024 RMB'000
PROFIT FOR THE YEAR	827,042	820,470
OTHER COMPREHENSIVE (LOSS)/INCOME		
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:	(3,315)	850
Reclassification adjustment for liquidation of a subsidiary outside Chinese Mainland	(10,833)	–
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX	(14,148)	850
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	812,894	821,320
Attributable to:		
Owners of the parent	812,894	821,320
Non-controlling interests	–	–
	812,894	821,320

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	14	2,261,918	2,343,354
Intangible assets	15	6,162,288	5,355,204
Right-of-use assets	16	319,528	357,103
Other non-current assets	17	59,811	30,335
Deferred tax assets	18	71,516	–
Total non-current assets		8,875,061	8,085,996
CURRENT ASSETS			
Inventories	19	612,412	728,266
Trade receivables	20	1,815,857	857,430
Prepayments, deposits and other receivables	21	268,146	108,938
Contract assets	22	17,408	43,928
Cash and bank balances	23	772,209	772,962
Total current assets		3,486,032	2,511,524
CURRENT LIABILITIES			
Trade payables	24	831,012	729,099
Other payables and accruals	25	1,293,921	1,299,350
Tax payable		51,173	–
Contract liabilities	26	518,115	444,033
Interest-bearing bank and other borrowings	27	2,246,628	2,559,514
Total current liabilities		4,940,849	5,031,996
NET CURRENT LIABILITIES		(1,454,817)	(2,520,472)
TOTAL ASSETS LESS CURRENT LIABILITIES		7,420,244	5,565,524
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	27	1,350,396	1,088,671
Other long-term payables	28	188,877	149,266
Contract liabilities	26	1,643,322	1,075,238
Deferred income	29	277,180	238,728
Total non-current liabilities		3,459,775	2,551,903
Net assets		3,960,469	3,013,621
EQUITY			
Share capital	30	543,495	543,495
Reserves	31	3,416,974	2,470,126
Equity attributable to owners of the parent and total equity		3,960,469	3,013,621

Zhang Wenjie
Chairman of the Board of Directors
Non-executive Director

Zhu Jun
Chief Executive Officer
Executive Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

	Attributable to owners of the parent					
	Share capital RMB'000	Share premium* RMB'000	Other reserve* RMB'000	Exchange fluctuation reserve* RMB'000	Accumulated losses* RMB'000	Total RMB'000
At 1 January 2024	543,495	6,069,384	(489,107)	(7,001)	(3,924,470)	2,192,301
Profit for the year	–	–	–	–	820,470	820,470
Other comprehensive income for the year:						
Exchange differences related to foreign operations	–	–	–	850	–	850
Total comprehensive income for the year	–	–	–	850	820,470	821,320
At 31 December 2024	543,495	6,069,384	(489,107)	(6,151)	(3,104,000)	3,013,621

	Attributable to owners of the parent					
	Share capital RMB'000	Share premium* RMB'000	Other reserve* RMB'000	Exchange fluctuation reserve* RMB'000	Accumulated losses* RMB'000	Total RMB'000
At 1 January 2025	543,495	6,069,384	(489,107)	(6,151)	(3,104,000)	3,013,621
Profit for the year	–	–	–	–	827,042	827,042
Other comprehensive loss for the year:						
Exchange differences related to foreign operations	–	–	–	(3,315)	–	(3,315)
Reclassification adjustment for liquidation of a subsidiary outside Chinese Mainland	–	–	–	(10,833)	–	(10,833)
Total comprehensive loss/(income) for the year	–	–	–	(14,148)	827,042	812,894
Share based payment (note 32)	–	–	133,954	–	–	133,954
At 31 December 2025	543,495	6,069,384	(355,153)	(20,299)	(2,276,958)	3,960,469

* These reserve accounts comprise the consolidated reserves of RMB3,416,974,000 (2024: RMB2,470,126,000) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		811,722	845,881
Adjustments for:			
Finance costs	8	102,493	122,887
Depreciation of property, plant and equipment	7	161,062	141,500
Depreciation of right-of-use assets	7	74,971	71,944
Amortisation of intangible assets	7	193,377	161,355
Amortisation of deferred income	29	(21,526)	(8,213)
Foreign exchange losses/(gain), net	7	6,828	(8,136)
Impairment/(reversal of impairment) of trade receivables, net	7	10,478	(5,160)
Impairment of contract assets, net	7	95	129
(Reversal of impairment) /impairment of other receivables, net	7	(479)	317
Write-down of inventories to net realisable value	7	23,460	5,102
Gain on reclassification adjustments of liquidation of a subsidiary outside Chinese Mainland	7	(10,833)	–
(Gains)/losses on disposal of items of property, plant and equipment	7	(51)	90
Gain on disposal of items of right-of-use assets	7	(440)	(911)
Change in fair value of financial liabilities	7	2,614	–
Share-based payment expense	7	124,519	–
Cash inflows before working capital changes		1,478,290	1,326,785
Decrease in inventories		92,394	23,862
Increase in trade receivables		(968,905)	(204,313)
Increase in prepayments, other receivables and other assets		(316,498)	(51,109)
Decrease in contract assets		26,426	38,362
Decrease/(increase) in pledged deposits		8,560	(8,559)
Increase in trade payables		212,504	161,366
Increase /(decrease) in other payables and accruals		76,261	(136,486)
Increase in contract liabilities		642,166	103,349
Increase in deferred income		59,978	16,893
Cash from operations		1,311,176	1,270,150
Tax paid		(5,556)	(28,263)
Net cash generated from operating activities		1,305,620	1,241,887
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		(311,371)	(164,008)
Additions to intangible assets		(888,371)	(673,198)
Placement of time deposits with original maturity of more than three months		(193,000)	(73,000)
Withdrawal of time deposits with original maturity of more than three months		196,420	–
Proceeds from disposal of items of property, plant and equipment		173	241
Net cash flows used in investing activities		(1,196,149)	(909,965)

continued/...

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

		2025	2024
	Notes	RMB'000	RMB'000
CASH FLOWS FROM FINANCING ACTIVITIES			
New financing through other payables and accruals		161,662	–
New bank and other borrowings		3,713,854	2,673,958
Repayment of bank and other borrowings		(3,771,642)	(3,081,685)
Principal portion of lease payments	16(b)	(94,747)	(102,608)
Interest paid		(102,988)	(133,032)
Net cash used in from financing activities		(93,861)	(643,367)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		571,401	867,663
Effect of foreign exchange rate changes, net		(7,803)	15,183
CASH AND CASH EQUIVALENTS AT END OF YEAR		579,208	571,401
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		772,209	772,962
Less: Pledged deposits	23	1	8,561
Time deposits with original maturity of more than three months		193,000	193,000
Cash and cash equivalents as stated in the statement of cash flows		579,208	571,401

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

1. CORPORATE AND GROUP INFORMATION

Shanghai Henlius Biotech, Inc. (the “Company”) is a joint stock company with limited liability established in the People’s Republic of China (“PRC”). The registered office of the Company is located at Room 901, 9/F, Building 1, No.367 Shengrong Road, China (Shanghai) Pilot Free Trade Zone, the PRC.

The Company and its subsidiaries are involved in the following principal activities:

- biopharmaceutical research and development (“biopharmaceutical R&D”)
- biopharmaceutical services
- biopharmaceutical production and sales

In the opinion of the directors of the Company (the “Directors”), the ultimate holding company of the Company is Fosun International Holdings Limited, which is a company incorporated in Hong Kong, and the ultimate controlling shareholder of the Company is Mr. Guo Guangchang.

The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 25 September 2019.

INFORMATION ABOUT SUBSIDIARIES

The particulars of the Company’s principal subsidiaries are as follows:

Name	Place and date of incorporation/registration, place of operations and kind of legal entity	Issued ordinary/ registered share capital	Percentage of ownership interest		Principal activities
			Direct	Indirect	
Shanghai Henlius Biopharmaceutical Co., Ltd. (上海復宏漢霖生物製藥有限公司)*	Shanghai, PRC/Chinese Mainland 26 June 2014, limited liability company	Registered share capital of Renminbi (“RMB”) 740,000,000	100%	–	Biopharmaceutical production; biopharmaceutical services; and biopharmaceutical R&D
Henlius USA Inc. (“Henlius USA”)	CA, United States of America 18 August 2015, incorporated company	Registered share capital of United States dollar (“USD”) 81,500,000/88,905,000	100%	–	Biopharmaceutical R&D and biopharmaceutical services
Shanghai Henlius Biologics Co., Ltd. (上海復宏漢霖生物醫藥有限公司)*	Shanghai, PRC/Chinese Mainland 26 December 2017, limited liability company	Registered share capital of RMB 1,000,000,000	100%	–	Biopharmaceutical R&D and biopharmaceutical services
Aton (Shanghai) Biotech Co., Ltd. (安騰瑞霖(上海)生物技術有限公司)*	Shanghai, PRC/Chinese Mainland 24 March 2022, limited liability company	Registered share capital of RMB 683,980,350	100%	–	Biopharmaceutical R&D and biopharmaceutical services
Shanghai Henlius Pharmaceutical Trading Co., Ltd. (上海復宏漢霖醫藥貿易有限公司)*	Shanghai, PRC/Chinese Mainland 23 November 2023, limited liability company	Registered share capital of RMB 10,000,000	100%	–	Pharmaceutical trading
Shanghai Fuhong Ruilin Biotechnology Co., Ltd. (上海復宏瑞霖生物技術有限公司)*	Shanghai, PRC/Chinese Mainland 5 January 2024, limited liability company	Registered share capital of RMB 400,000,000	100%	–	Pharmaceutical trading

* The English names of these subsidiaries represent the best efforts made by management of the Company to translate the Chinese names as they do not have official English names registered in the PRC.

2 ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board (the “IASB”), and International Accounting Standards (“IASS”) and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee that remain in effect, and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention. These financial statements are presented in RMB, and all values are rounded to the nearest thousand except when otherwise indicated.

The Group had net current liabilities of RMB1,454,817,000 as at 31 December 2025. Having taken into account the unused banking facilities and the expected cash flows from operating, financing and investing activities, the Directors consider that it is appropriate to prepare the financial statements on a going concern basis.

BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets, liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

2 ACCOUNTING POLICIES *(CONTINUED)*

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to IAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

In addition, the IASB has issued amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37 Disclosures about Uncertainties in the Financial Statements, which added illustrative examples in the corresponding IFRS Accounting Standards. These examples reflect existing requirements in the corresponding IFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. Therefore, the amendments do not have an effective date or transitional provisions.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ²
IFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures</i> ²
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ¹
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> ¹
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
Amendments to IAS 21	<i>Translation to a Hyperinflationary Presentation Currency</i> ²
<i>Annual Improvements to IFRS Accounting Standards</i> – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 ¹

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual/reporting periods beginning on or after 1 January 2027

³ No mandatory effective date yet determined but available for adoption

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below.

2 ACCOUNTING POLICIES *(CONTINUED)*

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS *(CONTINUED)*

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below.

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS Accounting Standards. IFRS 19 was amended in 2025 (i) remove disclosure objectives from IFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to IFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply IFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of IFRS 19 and its amendments in their specified financial statements.

Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

2 ACCOUNTING POLICIES *(CONTINUED)*

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS *(CONTINUED)*

Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the “own-use” requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity’s financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to IFRS 9 and IFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group’s financial statements.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor’s profit or loss only to the extent of the unrelated investor’s interest in that associate. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB. However, the amendments are available for adoption now.

Amendments to IAS 21 *Translation to a Hyperinflationary Presentation Currency* require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of IAS 29 *Financial Reporting in Hyperinflationary Economies*, to the foreign operation’s comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group’s financial statements.

2 ACCOUNTING POLICIES *(CONTINUED)*

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS *(CONTINUED)*

Annual Improvements to IFRS Accounting Standards – Volume 11 set out amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- **IFRS 7 *Financial Instruments: Disclosures*:** The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing IFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing IFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **IFRS 9 *Financial Instruments*:** The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in HKFRS 16 and an extinguishment of a lease liability in accordance with IFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **IFRS 10 *Consolidated Financial Statements*:** The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **IAS 7 *Statement of Cash Flows*:** The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

2.4 MATERIAL ACCOUNTING POLICIES

FAIR VALUE MEASUREMENT

The Group measures its derivative financial instruments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

2 ACCOUNTING POLICIES *(CONTINUED)*

2.4 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

FAIR VALUE MEASUREMENT *(CONTINUED)*

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

2 ACCOUNTING POLICIES *(CONTINUED)*

2.4 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

RELATED PARTIES

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;or
- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

2 ACCOUNTING POLICIES *(CONTINUED)*

2.4 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	2%
Plant and machinery	9.5% to 19%
Motor vehicles	19%
Office and other equipment	9.5% to 19%
Electronic equipment	9.5% to 19%
Leasehold improvements	10% to 20%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

INTANGIBLE ASSETS

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

2 ACCOUNTING POLICIES (CONTINUED)**2.4 MATERIAL ACCOUNTING POLICIES** (CONTINUED)**INTANGIBLE ASSETS** (CONTINUED)**NON-PATENT TECHNOLOGIES AND PURCHASED MEDICINE SUPPLY RIGHTS**

Non-patent technologies and purchased medicine supply rights have been classified as assets with an indefinite useful life. They have indefinite life as there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows, the extension cost is low and assets can be used indefinitely. They are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful lives of such intangible assets are reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

MEDICINE LICENSES

Medicine licenses with finite useful lives are measured initially at cost, which is transferred from the deferred development costs after the licenses for the medicine are obtained from the related authorities. Medicine licenses are amortised on the expected pattern of consumption of the future economic benefits, which are assessed by the Group after considering the similar medicine and the market condition.

OFFICE SOFTWARE

Purchased office software is stated at cost less any impairment losses and is amortised on the straight-line basis over the estimated useful life of 5 to 10 years. The useful lives of the software are assessed by the Group after considering the contractual term, the current functionality of the software, usage plan and operation needs of the software. Software that serves as a foundational IT system or technological platform is amortised over a long period as 10 years. Other software serves as fast updating applications and single application software is amortised over a shorter period, such as 5 years.

RESEARCH AND DEVELOPMENT COSTS

All research costs are charged to the statement of profit or loss as incurred.

The expenditure on an internal research and development project is classified into expenditure in the research phase and expenditure in the development phase based on its nature and whether there is material uncertainty that the research and development activities can form an intangible asset at end of the project.

Expenditure in the development phase is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

The specific criteria for the classification of expenditures on the research phase and expenditures on the development phase are as follows:

As for biosimilar products, expenditures on the research phase are all the expenditures incurred before the commencement of Phase I clinical trial for the medicines. Expenditures on the development phase are all the expenditures incurred after the commencement of Phase I clinical trial for the medicines. Commencement of Phase I clinical trial is determined based on the approval by authorities.

As for bio-innovative products, expenditures on the research phase are all the expenditures incurred before the commencement of Phase III clinical trial for the medicines. Expenditures on the development phase are all the expenditures incurred after the commencement of Phase III clinical trial for the medicines.

Deferred development costs are stated at cost less any impairment losses and will be transferred to medicine licenses when the products are put into commercial production.

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

2 ACCOUNTING POLICIES *(CONTINUED)*

2.4 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

LEASES

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

GROUP AS A LESSEE

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) *Right-of-use assets*

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Land	50 years
Plant and machinery	2 to 10 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) *Lease liabilities*

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in the assessment to purchase the underlying asset.

The Group's lease liabilities are included in interest-bearing bank and other borrowings.

(c) *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment that is considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

2 ACCOUNTING POLICIES *(CONTINUED)*

2.4 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

LEASES *(CONTINUED)*

GROUP AS A LESSOR

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

INVESTMENTS AND OTHER FINANCIAL ASSETS

INITIAL RECOGNITION AND MEASUREMENT

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

SUBSEQUENT MEASUREMENT

The subsequent measurement of financial assets depends on their classification as follows:

FINANCIAL ASSETS AT AMORTISED COST (DEBT INSTRUMENTS)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified, or impaired.

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

2 ACCOUNTING POLICIES *(CONTINUED)*

2.4 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

DERECOGNITION OF FINANCIAL ASSETS

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired, or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

IMPAIRMENT OF FINANCIAL ASSETS

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

GENERAL APPROACH

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

2 ACCOUNTING POLICIES *(CONTINUED)*

2.4 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

IMPAIRMENT OF FINANCIAL ASSETS *(CONTINUED)*

GENERAL APPROACH *(CONTINUED)*

The Group considers a financial asset in default when contractual payments are 1 year past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

SIMPLIFIED APPROACH

For trade receivables and contract assets that do not contain a significant financing component, or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

FINANCIAL LIABILITIES

INITIAL RECOGNITION AND MEASUREMENT

Financial liabilities are classified, at initial recognition, as loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, financial liabilities included in other payables and accruals and interest-bearing bank and other borrowings.

The Group classifies financial liabilities that arise from a supplier finance arrangement within trade payables in the statement of financial position if they have a similar nature and function to trade payables. This is the case if the supplier finance arrangement is part of the working capital used in the Group's normal operating cycle, the level of security provided is similar to trade payables and the terms of the liabilities that are part of the supply chain finance arrangement are not substantially different from the terms of trade payables that are not part of the arrangement. Cash flows related to liabilities arising from supplier finance arrangements that are classified in trade payables in the statement of financial position are included in operating activities in the statement of cash flows. Otherwise, the financial liabilities are classified in interest-bearing bank and other borrowings in the statement of financial position and the related cash flows are included in financing activities in the statement of cash flows.

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

2 ACCOUNTING POLICIES *(CONTINUED)*

2.4 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

FINANCIAL LIABILITIES *(CONTINUED)*

SUBSEQUENT MEASUREMENT

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in the statement of profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

DERECOGNITION OF FINANCIAL LIABILITIES

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

2 ACCOUNTING POLICIES *(CONTINUED)*

2.4 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on weighted moving average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, and form an integral part of the Group's cash management.

PROVISIONS

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

The Group provides for warranties in relation to the sale of certain biopharmaceutical products during the warranty period. Provisions for these assurance-type warranties granted by the Group are initially recognised based on sales volume and past experience of the level of returns, discounted to their present values as appropriate. The warranty-related cost is revised annually.

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

2 ACCOUNTING POLICIES *(CONTINUED)*

2.4 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

INCOME TAX

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2 ACCOUNTING POLICIES *(CONTINUED)*

2.4 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

GOVERNMENT GRANTS

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

REVENUE RECOGNITION

REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

SALE OF BIOPHARMACEUTICAL PRODUCTS

Revenue from the sale of biopharmaceutical products is recognised at the point in time when control of the asset is transferred to the customer, generally on receipt of the biopharmaceutical products. Some contracts for the sale of biopharmaceutical products provide customers with sales rebates. Sales rebates, giving rise to variable consideration.

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

2 ACCOUNTING POLICIES *(CONTINUED)*

2.4 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

REVENUE RECOGNITION *(CONTINUED)*

LICENSE

The Group grant commercialisation licenses or intellectual property licenses (collectively, the “License”) for certain products. The License are either sold separately or bundled together with research and development service to one customer.

Contracts for bundled License and research and development services comprise two performance obligations because the promises to transfer the License and provide research and development service are capable of being distinct and separately identifiable. Accordingly, the transaction price is allocated based on the relative stand-alone selling prices of the License and research and development services.

For the commercialisation licenses, the Group undertakes activities, such as being the exclusive supplier of certain biopharmaceutical products related to the License, which significantly affect the License. Thus, the customers obtain a right to access the License and the revenue from License is recognised overtime during the expected commercialisation period after obtaining the commercialisation authorisation from the local authorities. For the intellectual property licenses which the customer obtains a right to use the License, the revenue of the License is recognised at a point time, when the control of the license is transferred to the customer and the customer is able to consume and benefit from the License. The consideration for License comprises fixed element and variable elements. The variable elements are included in the transaction price when the Group can conclude that it is highly probable there will not be a significant reversal of revenue.

RESEARCH AND DEVELOPMENT SERVICE

The Group provides research and development services that are either rendered separately or bundled together with the License to a customer.

Contracts for bundled research and development service and License are comprised of two performance obligations because the promises to provide research and development service and transfer the License are capable of being distinct and separately identifiable. Accordingly, the transaction price is allocated based on the relative stand-alone selling prices of the research and development services and License.

For the research and development service which the customers can't control the service or consume the benefit or have no enforceable obligation to pay for the service provided to date, the Group concluded that the research and development service can be identified as a performance obligation satisfied at a point in time. The stand-alone selling prices is recognised as revenue when the customers accept and can benefit from this service.

For research and development service which the customer simultaneously receives and consumes the benefits provided by the Group, the revenue from research and development services is recognised over time, using an input or output method to measure progress towards complete satisfaction of the service. The progress is determined on the basis of the cost expended relative to the total expected cost to complete the service.

2 ACCOUNTING POLICIES *(CONTINUED)*

2.4 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

REVENUE RECOGNITION *(CONTINUED)*

REVENUE FROM OTHER SOURCES

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

OTHER INCOME

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

CONTRACT ASSETS

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

CONTRACT LIABILITIES

A contract liability is recognised when a payment is received, or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

CONTRACT COSTS

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all the following criteria are met:

- (a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;
- (b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- (c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to the statement of profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

2 ACCOUNTING POLICIES *(CONTINUED)*

2.4 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

SHARE-BASED PAYMENTS

The Group operates several share-award schemes. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments (“equity-settled transactions”). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer, further details of which are given in note 32 to the financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group’s best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group’s best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms have not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it has vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

2 ACCOUNTING POLICIES (CONTINUED)**2.4 MATERIAL ACCOUNTING POLICIES** (CONTINUED)**OTHER EMPLOYEE BENEFITS****PENSION SCHEME**

The employees are required to participate in a defined central pension scheme managed by the local municipal government of the areas in the PRC. The PRC companies are required to contribute a certain percentage of the relevant part of the payroll of these employees to the central pension scheme. The Group has no obligation for the payment of retirement benefits beyond the annual contributions. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

ACCOMMODATION BENEFITS

According to the relevant PRC rules and regulations, the PRC companies now comprising the Group and their employees are each required to make contributions which are in proportion to the salaries and wages of the employees to an accommodation fund administered by the government agencies in the PRC. There is no further obligation on the part of the Group except for such contributions to the accommodation fund. Contributions to an accommodation fund administered by government agencies are charged to the consolidated statement of profit or loss as and when they are incurred.

BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

EVENTS AFTER THE REPORTING PERIOD

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

DIVIDENDS

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Proposed final dividends are disclosed in the notes to the financial statements. Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

FOREIGN CURRENCIES

These financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

2 ACCOUNTING POLICIES *(CONTINUED)*

2.4 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

FOREIGN CURRENCIES *(CONTINUED)*

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense, or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than the RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

JUDGEMENTS

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

(a) *Identifying performance obligation under contracts which have bundled sales of the license and research and development services*

The Group have certain contracts which provide the License together with research and development service to a customer. The Group determined that both the License and research and development services are capable of being distinct. The Group also determined that the promises to transfer the License and provide research and development services are distinct within the context of the contract. The Group is not providing a significant integration service because the presence of the License and research and development services together in the contract does not result in any additional or combined functionality and neither the License nor the research and development modifies or customises the other. In addition, the License and research and development services are not highly interdependent or highly interrelated, because the Group would be able to transfer the License even if the customer declined research and development service and would be able to provide research and development service if other distributors have such request. Consequently, the Group has allocated a portion of the transaction price to the License and the research and development services based on relative stand-alone selling prices.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(CONTINUED)*

JUDGEMENTS *(CONTINUED)*

REVENUE FROM CONTRACTS WITH CUSTOMERS *(CONTINUED)*

(b) Determining the timing of satisfaction of the License

The Group concluded that for the License which would be significantly affected by the activities undertaken by the Group, such as being the exclusive supplier of certain biopharmaceutical products related to the License, the customers get a right to access the License, the revenue is recognised overtime during the expected commercialisation period of the related biopharmaceutical products. The Group determined that the output method is the best method in measuring the progress of the License because there is a relationship between the Group's output and the transfer of the License to the customers. The Group recognises revenue on the basis of the output happened relative to the total expected output during the expected commercialisation period.

For the License which the customer gets a right to use the License, revenue for the License is recognised at the point of time when the control of the License is transferred to the customer and the customer is able to consume and benefit from the License.

(c) Determining the timing of satisfaction of research and development services

The Group concluded that in some contracts, revenue for research and development services is to be recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group. The fact that another entity would not need to re-perform the research and development services that the Group has provided to date demonstrates that the customer simultaneously receives and consumes the benefits of the Group's performance as it performs.

The Group determined that the input method is the best method in measuring the progress of the research and development services because there is a direct relationship between the Group's effort (i.e., actual cost incurred) and the transfer of services to the customer. The Group recognises revenue on the basis of the cost expended relative to the total expected cost to complete the services.

The Group also concluded that in some other contracts, revenue for research and development services is to be recognised at a point of time, because the customers cannot control the service or consume the benefit and have no enforceable obligation to pay for the service provided to date.

(d) Determining the method to estimate variable consideration

Certain contracts include variable consideration based on the future events. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

Given that the payments of certain variable consideration are not within the control of the Group, such as regulatory approvals, relevant consideration is not considered until relevant approvals are obtained. The Group determines that the most likely amount method is the appropriate method to estimate the variable consideration. When it is highly probable that the income corresponding to the relevant consideration will not be significantly reversed, the uncertainty of the variable consideration is eliminated and the variable consideration will be included in the transaction price. At the end of each reporting period, the Group will re-evaluate the probability of the payment of the variable consideration, and if necessary, adjust the estimation of the overall transaction price.

SIGNIFICANT JUDGEMENT IN DETERMINING THE LEASE TERM OF CONTRACTS

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by a highly possible renewal action which is reasonably certain to be exercised.

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(CONTINUED)*

JUDGEMENTS *(CONTINUED)*

SIGNIFICANT JUDGEMENT IN DETERMINING THE LEASE TERM OF CONTRACTS *(CONTINUED)*

The Group has a high possibility to renew the periods under some of its leases to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to renew. That is, it considers all relevant factors that create an economic incentive for it to renew. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to renew (or not to renew) the periods of existing leases (e.g., a change in business strategy).

The Group includes the renewal period as part of the lease term for leases of machinery due to the significance of these assets to its operations. These leases have a short non-cancellable period (i.e., three to five years) and there will be a significant negative effect on production if a replacement is not readily available.

DEFERRED TAX ASSETS

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The Group has tax losses of RMB1,800,505,000 (2024: RMB1,885,231,000) carried forward. These losses related to subsidiaries that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward. Further details on deferred taxes are disclosed in note 18 to the financial statements.

ESTIMATION UNCERTAINTY

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

PROVISION FOR EXPECTED CREDIT LOSSES ON TRADE RECEIVABLES AND CONTRACT ASSETS

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products) are expected to deteriorate over the next year, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets are disclosed in note 20 and note 22 to the financial statements, respectively.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(CONTINUED)***ESTIMATION UNCERTAINTY** *(CONTINUED)***LEASES – ESTIMATING THE INCREMENTAL BORROWING RATE**

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate (“IBR”) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group “would have to pay”, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary’s functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary’s stand-alone credit rating).

NET REALISABLE VALUE OF INVENTORIES

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated cost to be incurred to completion and sale. These estimates are based on the current market condition and the historical experience of selling products of a similar nature. It could change significantly as a result of changes in customers’ needs and prices change when the products’ expiration date is approaching. Management reassesses these estimates at the end of the reporting period.

STAND-ALONE SELLING PRICES OF THE LICENSE AND THE RESEARCH AND DEVELOPMENT SERVICES

The Group has certain contracts which provide the License together with research and development services to customers. As part of the accounting for these arrangements, the Group will develop assumptions that require estimation to determine the stand-alone selling price for each performance obligation identified in the contract. In developing the stand-alone selling price for a performance obligation, the Group considers the fair value of each performance obligation, and the fair value is determined using the valuation techniques (expected cost plus a margin approach or income approach) that are appropriate in the circumstances and for which sufficient data are available to measure fair value, the key assumptions include the discount rates, royalty rates and the cost mark-up rates. The consideration allocated to each performance obligation is limited to the consideration that is not constrained.

USEFUL LIVES OF PROPERTY, PLANT AND EQUIPMENT

The Group determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations, or competitor actions in response to severe industry cycles. Management will increase the depreciation charge where useful lives are less than previously estimated, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

USEFUL LIVES OF INTANGIBLE ASSETS

The Group reviews the useful life of intangible assets at least at the end of each year. If there is evidence that the useful life of intangible assets is different from the previous estimate, the amortisation period of intangible assets with limited useful lives will be changed. For intangible assets with uncertain service life, if there is evidence that its service life is limited, it shall be amortised according to a reasonable method. The difference between the actual result and the original estimate will affect the book value of intangible assets and the provision for impairment of intangible assets in the current and subsequent periods when the estimate is changed.

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(CONTINUED)*

ESTIMATION UNCERTAINTY *(CONTINUED)*

IMPAIRMENT OF NON-FINANCIAL ASSETS

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Indefinite life intangible assets and deferred development costs are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

DEFERRED DEVELOPMENT COSTS

Deferred development costs are capitalised in accordance with the accounting policy for research and development costs in note 2.4 to the financial statements. In determining the amounts to be capitalised, management makes assumptions with regard to future economic benefits generated from the assets, discount rates to be applied and the expected period of benefits. Further details are contained in note 15 to the financial statements.

4. OPERATING SEGMENT INFORMATION

The Group is engaged in biopharmaceutical R&D, biopharmaceutical services and biopharmaceutical production and sales, which is regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's senior management for purposes of resource allocation and performance assessment. Therefore, no analysis by operating segment is presented.

GEOGRAPHICAL INFORMATION

(A) REVENUE FROM EXTERNAL CUSTOMERS

	2025 RMB'000	2024 RMB'000
Chinese Mainland	5,781,769	5,046,100
Asia Pacific (excluding Chinese Mainland)	116,011	236,864
North America	465,473	329,124
South America	27,578	10,624
Europe	275,796	101,412
Oceania	—	325
Total revenue	6,666,627	5,724,449

The revenue geographical information above is based on the locations of the customers.

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

4. OPERATING SEGMENT INFORMATION *(CONTINUED)*

GEOGRAPHICAL INFORMATION *(CONTINUED)*

(B) NON-CURRENT ASSETS

	2025 RMB'000	2024 RMB'000
Chinese Mainland	8,746,073	7,982,313
Overseas	57,472	103,683
Total non-current assets	8,803,545	8,085,996

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

INFORMATION ABOUT A MAJOR CUSTOMER

Revenue from a customer amounting to over 10% of the total revenue of the Group during the reporting period is as follows:

	2025 RMB'000	2024 RMB'000
Customer A	2,469,372	2,055,889

5. REVENUE

An analysis of revenue is as follows:

	2025 RMB'000	2024 RMB'000
<i>Revenue from contracts with customers</i>	6,663,761	5,721,643
<i>Revenue from other sources</i>		
Gross rental income from operating leases	2,866	2,806
Total revenue	6,666,627	5,724,449

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

5. REVENUE (CONTINUED)

REVENUE FROM CONTRACTS WITH CUSTOMERS

(A) REVENUE INFORMATION

	2025 RMB'000	2024 RMB'000
Types of goods or service		
Sale of biopharmaceutical products	5,774,611	4,933,529
Research and development services	619,141	523,473
Licensing revenue	257,766	260,760
Others	12,243	3,881
Total revenue from contracts with customers	6,663,761	5,721,643
Timing of revenue recognition		
Transferred at a point in time	5,973,473	5,220,316
Transferred over time	690,288	501,327
Total revenue from contracts with customers	6,663,761	5,721,643

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2025 RMB'000	2024 RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of biopharmaceutical products	136,065	155,203
Licensing revenue	38,149	25,959
Research and development services	265,887	301,322
	440,101	482,484

There is no revenue recognised from performance obligations satisfied in previous periods.

(B) PERFORMANCE OBLIGATIONS

Information about the Group's performance obligations is summarised below:

Sale of biopharmaceutical products

The performance obligation is satisfied upon receipt of the products and payment is generally due within 90 days from the date of receipt.

The license

The performance obligation for commercialisation licenses is generally satisfied overtime during the expected commercialisation period after the Group obtains the commercialisation authorisation from the local authorities and payment in advance is normally required. The performance obligation for intellectual property licenses is satisfied at a point in time and payment is billed based on the milestone achieved.

5. REVENUE (CONTINUED)

REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

(B) PERFORMANCE OBLIGATIONS (CONTINUED)

Research and development services

Based on the terms of the contracts, the performance obligation is generally satisfied over time as services are rendered or at the point in time as the services are completed and accepted and payment is billed based on the milestone achieved.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	2025 RMB'000	2024 RMB'000
Amounts expected to be recognised as revenue:		
Within one year	518,115	444,033
After one year	1,643,322	1,075,238
Total	2,161,437	1,519,271

The remaining performance obligations expected to be recognised after one year mainly relate to the transaction prices allocated to sale of biopharmaceutical products, the license and research and development services. The revenue from sale of biopharmaceutical products is expected to be recognised in which the risk of the biopharmaceutical products is transferred. The revenue from the license is expected to be recognised during the future estimated commercialisation period. The revenue from research and development services is expected to be recognised during the period in which the services are being rendered. The amounts disclosed above do not include variable consideration.

6. OTHER INCOME AND GAINS

	2025 RMB'000	2024 RMB'000
Interest income	18,787	21,703
Exchange gains	–	8,136
Government grants	99,958	77,785
Gains on reclassification adjustments for liquidation of a subsidiary outside Chinese Mainland	10,833	–
Others	999	356
Total other income and gains	130,577	107,980

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Notes	2025 RMB'000	2024 RMB'000
Cost of inventories sold		1,183,517	896,929
Cost of services provided		498,403	642,858
Depreciation of property, plant and equipment*		161,062	141,500
Depreciation of right-of-use assets*		74,971	71,944
Amortisation of intangible assets*		193,377	161,355
Research and development expenses:			
Current year expenditure		1,515,498	1,035,130
Lease payments not included in the measurement of lease liabilities	16(c)	7,422	12,551
Auditor's remuneration		5,000	4,100
Employee benefit expense (including directors', supervisors' and chief executive's remuneration (note 9)):			
Wages and salaries		1,267,099	1,392,662
Staff welfare expenses		337,243	283,527
Share-based payment expense*	32	124,519	–
Foreign exchange losses/(gains)		6,828	(8,136)
Impairment of financial assets, net:			
Impairment/(reversal of impairment) of trade receivables	20	10,478	(5,160)
(Reversal of impairment)/impairment of other receivables		(479)	317
Impairment of contract assets	22	95	129
Write-down of inventories to net realisable value		23,460	5,102
Change in fair value of financial liabilities		2,614	–
Bank interest income	6	(18,787)	(21,703)
Gain on disposal of items of right-of-use assets		(440)	(911)
(Gains)/losses on disposal of items of property, plant and equipments		(51)	90
Gain on reclassification adjustments of liquidation of a subsidiary outside Chinese Mainland	6	(10,833)	–

* The depreciation of property, plant and equipment, the depreciation of right-of-use assets, the amortisation of intangible assets and the share-based payment expense recognised in profit or loss for the year are included in "Cost of sales", "Research and development expenses", "Selling and distribution expenses" and "Administrative expenses" in the consolidated statement of profit or loss.

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

8. FINANCE COSTS

An analysis of finance costs is as follows:

	2025 RMB'000	2024 RMB'000
Interest expense on bank and other borrowings	102,806	128,661
Interest expense on lease liabilities (note 16(b))	9,457	11,583
Less: Interest capitalised (note 14)	(9,770)	(17,357)
Total	102,493	122,887

9. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE' REMUNERATION

Directors', supervisors' and chief executive' remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2025 RMB'000	2024 RMB'000
Fees	1,463	1,312
Other emoluments:		
Salaries, allowances and benefits in kind	16,705	17,955
Performance-related bonuses	2,880	2,064
Share award scheme	15,916	–
Subtotal	35,501	20,019
Total fees and other emoluments	36,964	21,331

During the year, certain directors and supervisors were granted share options and restricted share units in respect of their services to the Group, further details of which are set out in note 32 to the financial statements. The fair value of these share options and restricted share units, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the directors', supervisors' and chief executive' remuneration disclosures below.

There were no emoluments paid by the Group to the directors as an inducement to join the Group, or upon joining the Group, or as compensation for loss of office during the year.

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

9. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE' REMUNERATION *(CONTINUED)*

(A) INDEPENDENT NON-EXECUTIVE DIRECTORS

The fees paid to independent non-executive directors during the year were as follows:

	Fees RMB'000	Share award scheme RMB'000	Total RMB'000
2025			
Dr. Lik Yuen Chan	366	68	434
Mr. Tak Young So	366	68	434
Dr. Ruilin Song	366	68	434
Dr. Guoping Zhao ⁽¹⁾	214	—	214
Mr. Yihao Zhang ⁽²⁾	151	68	219
Total	1,463	272	1,735

(1) Dr. Guoping Zhao resigned as an independent non-executive director of the Company in August 2025.

(2) Mr. Yihao Zhang was appointed as an independent non-executive director of the Company in August 2025.

	Fees RMB'000
2024	
Dr. Lik Yuen Chan	328
Mr. Tak Young So	328
Dr. Ruilin Song	328
Dr. Guoping Zhao	328
Total	1,312

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

9. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE' REMUNERATION (CONTINUED)

(B) EXECUTIVE DIRECTORS, NON-EXECUTIVE DIRECTORS, SUPERVISORS AND THE CHIEF EXECUTIVE

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance- related bonuses RMB'000	Pension scheme contributions RMB'000	Share award scheme RMB'000	Total remuneration RMB'000
2025						
<i>Executive directors</i>						
Mr. Jun Zhu (<i>chief executive</i>)	-	10,043	960	-	14,693	25,696
Mr. Wenjie Zhang ⁽¹⁾	-	4,404	960	-	-	5,364
Subtotal	-	14,447	1,920	-	14,693	31,060
<i>Non-executive directors</i>						
Mr. Wenjie Zhang ⁽¹⁾	-	-	-	-	-	-
Mr. Qiyu Chen	-	-	-	-	-	-
Mr. Yifang Wu ⁽²⁾	-	-	-	-	-	-
Ms. Xiaohui Guan	-	-	-	-	-	-
Mr. Deyong Wen ⁽³⁾	-	-	-	-	-	-
Mr. Yuqing Chen	-	-	-	-	-	-
Mr. Yi Liu	-	-	-	-	-	-
Mr. Xingli Wang	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
<i>Supervisors</i>						
Ms. Rongli Feng	-	-	-	-	-	-
Mr. Deli Kong	-	-	-	-	-	-
Mr. Yexing Yuan ⁽⁴⁾	-	-	-	-	-	-
Mr. Zhiyong Liu ⁽⁵⁾	-	2,258	960	-	952	4,170
Subtotal	-	2,258	960	-	952	4,170
Total	-	16,705	2,880	-	15,645	35,230

(1) Mr. Wenjie Zhang was re-designated from an executive director to a non-executive director of the Company in March 2025.

(2) Mr. Yifang Wu resigned as a non-executive director of the Company in August 2025.

(3) Mr. Deyong Wen resigned as a non-executive director of the Company in August 2025.

(4) Mr. Yexing Yuan resigned as a supervisor of the Company in January 2025.

(5) Mr. Zhiyong Liu was appointed as a supervisor of the Company in January 2025.

There was no arrangement under which a director, a supervisor or the chief executive waived or agreed to waive any remuneration during the year (2024: Nil).

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

9. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE' REMUNERATION *(CONTINUED)*

(B) EXECUTIVE DIRECTORS, NON-EXECUTIVE DIRECTORS, SUPERVISORS AND THE CHIEF EXECUTIVE *(CONTINUED)*

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance- related bonuses RMB'000	Pension scheme contributions RMB'000	Share award scheme RMB'000	Total remuneration RMB'000
2024						
<i>Executive directors</i>						
Mr. Wenjie Zhang	–	9,277	960	–	–	10,237
Mr. Jun Zhu (<i>chief executive</i>)	–	7,978	960	71	–	9,009
Subtotal	–	17,255	1,920	71	–	19,246
<i>Non-executive directors</i>						
Mr. Qiyu Chen	–	–	–	–	–	–
Mr. Yifang Wu	–	–	–	–	–	–
Ms. Xiaohui Guan	–	–	–	–	–	–
Mr. Deyong Wen	–	–	–	–	–	–
Mr. Zihou Yan	–	–	–	–	–	–
Mr. Xingli Wang	–	–	–	–	–	–
Subtotal	–	–	–	–	–	–
<i>Supervisors</i>						
Ms. Rongli Feng	–	–	–	–	–	–
Mr. Deli Kong	–	–	–	–	–	–
Mr. Yexing Yuan	–	582	144	47	–	773
Subtotal	–	582	144	47	–	773
Total	–	17,837	2,064	118	–	20,019

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included one director (2024: two directors), details of whose remuneration are set out in note 9 above. Details of the remuneration for the year of the remaining four (2024: three) highest paid employees who are neither a director, supervisor nor chief executive of the Company are as follows:

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	20,782	13,440
Performance-related bonuses	9,049	5,210
Share award scheme	22,724	–
Total	52,555	18,650

The number of non-director, non-supervisor and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	2025 RMB'000	2024 RMB'000
Nil to RMB4,000,000	–	–
RMB4,000,001 to RMB4,500,000	–	1
RMB6,000,001 to RMB6,500,000	–	1
RMB7,500,001 to RMB8,000,000	–	1
RMB11,000,001 to RMB11,500,000	1	–
RMB11,500,001 to RMB12,000,000	1	–
RMB14,500,001 to RMB15,000,000	2	–
Total	4	3

During the year, share options and restricted share units were granted to certain non-director, non-supervisor and non-chief executive highest paid employees in respect of their services to the Group, further details of which are included in the disclosures in note 32 to the financial statements. The fair value of such share options and restricted share units, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above non-director, non-supervisor and non-chief executive highest paid employees' remuneration disclosures.

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

11. INCOME TAX

The provision for Chinese Mainland current income tax is based on the statutory rate of 25% (2024: 25%) of the assessable profits of the Group as determined in accordance with the PRC Corporate Income Tax Law which was approved and became effective on 1 January 2008, except for certain group entities in Chinese Mainland, which are taxed at a preferential rate of 15%.

Taxes on profits assessable elsewhere have been calculated at the tax rates prevailing in the jurisdictions in which the Group operates. The provision for current income tax of Henlius USA incorporated in the United States and Henlius Industrial incorporated in Hong Kong in 2025, is based on the statutory rates of 29.84% and 8.25%, respectively (2024: 29.84% and 8.25%, respectively).

	2025 RMB'000	2024 RMB'000
Current – Chinese Mainland	56,196	25,411
Deferred (note 18)	(71,516)	–
Total tax (credited)/charged for the year	(15,320)	25,411

A reconciliation of the tax (credit)/expense applicable to profit/(loss) before tax at the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled and or operate to the tax (credit)/expense at the effective tax rates is as follows:

Year ended 31 December 2025

	Chinese Mainland RMB'000	Other countries and regions RMB'000	Total RMB'000
Profit/(Loss) before tax	863,505	(51,783)	811,722
Tax at the statutory tax rate	215,876	(12,927)	202,949
Lower tax rate for specific entities	(159,805)	–	(159,805)
Withholding income tax paid	4,991	–	4,991
Expenses not deductible for tax	109,689	–	109,689
Additional deductible allowance for R&D expenses	(181,613)	–	(181,613)
Utilisation of the unrecognised tax losses	(152,991)	(33)	(153,024)
Deductible temporary differences and tax losses not recognised	148,501	12,992	161,493
Tax (credited)/charged at the effective rate	(15,352)	32	(15,320)

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

11. INCOME TAX (CONTINUED)

Year ended 31 December 2024

	Chinese Mainland RMB'000	Other countries and regions RMB'000	Total RMB'000
Profit/(Loss) before tax	916,703	(70,822)	845,881
Tax at the statutory tax rate	229,176	(21,197)	207,979
Lower tax rate for specific entities	(95,459)	–	(95,459)
Withholding income tax paid	25,411	–	25,411
Expenses not deductible for tax	64,291	–	64,291
Additional deductible allowance for R&D expenses	(150,293)	–	(150,293)
Utilisation of the unrecognised tax losses	(151,829)	(827)	(152,656)
Deductible temporary differences and tax losses not recognised	104,114	22,024	126,138
Tax charged at the effective rate	25,411	–	25,411

12. DIVIDENDS

No dividends have been paid or declared by the Company during the reporting period.

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares of 543,494,853 (2024: 543,494,853) outstanding during the year.

The calculation of the diluted earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the year, as used in the basic earnings per share calculation, and the weighted average number of conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	2025 RMB'000	2024 RMB'000
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	827,042	820,470
Shares		
	2025	2024
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation	543,494,853	543,494,853
Effect of dilution – weighted average number of ordinary shares:		
– Share award scheme*	2,282,566	–
– Share option scheme*	155,677	–
Weighted average number of ordinary shares outstanding during the year in the diluted earnings per share calculation	545,933,096	543,494,853

* All the shares under the 2018 Share Award Scheme had been vested in 2023. Therefore, there was no effect of dilution in 2024.

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

14. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Plant and machinery RMB'000	Motor vehicles RMB'000	Office and other equipment RMB'000	Electronic equipment RMB'000	Leasehold improvements RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2025								
At 1 January 2025:								
Cost	767,005	1,290,807	954	625	124,653	360,252	584,239	3,128,535
Accumulated depreciation	(12,701)	(484,935)	(748)	(578)	(78,625)	(207,594)	-	(785,181)
Net carrying amount	754,304	805,872	206	47	46,028	152,658	584,239	2,343,354
At 1 January 2025, net of accumulated depreciation	754,304	805,872	206	47	46,028	152,658	584,239	2,343,354
Additions	-	-	-	-	-	976	115,482	116,458
Disposals	-	(237)	(81)	-	(172)	(1,321)	-	(1,811)
Depreciation provided during the year	(20,177)	(122,326)	(110)	(45)	(16,379)	(36,443)	-	(195,480)
Transfers	397,241	69,425	-	-	6,732	9,843	(483,241)	-
Exchange rate fluctuation	-	-	-	-	(289)	(314)	-	(603)
At 31 December 2025, net of accumulated depreciation	1,131,368	752,734	15	2	35,920	125,399	216,480	2,261,918
At 31 December 2025:								
Cost	1,164,246	1,358,577	285	625	126,778	369,258	216,480	(3,236,249)
Accumulated depreciation	(32,878)	(605,843)	(270)	(623)	(90,858)	(243,859)	-	(974,331)
Net carrying amount	1,131,368	752,734	15	2	35,920	125,399	216,480	2,261,918

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Buildings RMB'000	Plant and machinery RMB'000	Motor vehicles RMB'000	Office and other equipment RMB'000	Electronic equipment RMB'000	Leasehold improvements RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2024								
At 1 January 2024:								
Cost	629,256	929,020	954	625	116,786	346,790	816,158	2,839,589
Accumulated depreciation	–	(368,914)	(622)	(533)	(62,296)	(169,456)	–	(601,821)
Net carrying amount	629,256	560,106	332	92	54,490	177,334	816,158	2,237,768
At 1 January 2024, net of								
accumulated depreciation	629,256	560,106	332	92	54,490	177,334	816,158	2,237,768
Additions	–	14,881	–	–	2,968	15,887	256,114	289,850
Disposals	–	(318)	–	–	(13)	–	–	(331)
Depreciation provided during the year	(12,701)	(116,262)	(126)	(45)	(17,416)	(37,989)	–	(184,539)
Transfers	137,749	347,465	–	–	5,614	(2,795)	(488,033)	–
Exchange rate fluctuation	–	–	–	–	385	221	–	606
At 31 December 2024, net of accumulated depreciation	754,304	805,872	206	47	46,028	152,658	584,239	2,343,354
At 31 December 2024:								
Cost	767,005	1,290,807	954	625	124,653	360,252	584,239	3,128,535
Accumulated depreciation	(12,701)	(484,935)	(748)	(578)	(78,625)	(207,594)	–	(785,181)
Net carrying amount	754,304	805,872	206	47	46,028	152,658	584,239	2,343,354

As at 31 December 2025, the carrying amounts of property, plant and equipment of the Group included accumulated capitalised interest of approximately RMB102,213,000 (31 December 2024: RMB92,443,000).

As at 31 December 2025, the Group's property, plant and equipment with a carrying amount of RMB1,184,687,000 (2024: RMB1,115,558,000) were pledged as security for the Group's interest-bearing bank and other borrowings, as further detailed in note 27 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

15. INTANGIBLE ASSETS

	Non-patent technologies RMB'000	Medicine supply license RMB'000	Office software RMB'000	Deferred development costs RMB'000	Medicine license RMB'000	Total RMB'000
31 December 2025						
Cost at 1 January 2025, net of accumulated amortisation and impairment	48,921	24,900	52,318	1,659,168	3,569,897	5,355,204
Additions	–	–	9,650	976,434	15,889	1,001,973
Amortisation during the year	–	–	(8,393)	–	(186,495)	(194,888)
Exchange rate fluctuation	–	–	(1)	–	–	(1)
At 31 December 2025	48,921	24,900	53,574	2,635,602	3,399,291	6,162,288
At 31 December 2025						
Cost	48,921	24,900	88,000	2,664,450	4,095,782	6,922,853
Accumulated amortisation	–	–	(35,226)	–	(696,491)	(731,717)
Accumulated impairment	–	–	–	(28,848)	–	(28,848)
Net carrying amount	48,921	24,900	53,574	2,635,602	3,399,291	6,162,288
31 December 2024						
Cost at 1 January 2024, net of accumulated amortisation and impairment	48,921	–	43,549	1,250,144	3,168,115	4,510,729
Additions	–	24,900	16,330	805,373	161,984	1,008,587
Transfers	–	–	–	(396,349)	396,349	–
Amortisation during the year	–	–	(7,562)	–	(156,551)	(164,113)
Exchange rate fluctuation	–	–	1	–	–	1
At 31 December 2024	48,921	24,900	52,318	1,659,168	3,569,897	5,355,204
At 31 December 2024						
Cost	48,921	24,900	79,164	1,688,016	4,079,893	5,920,894
Accumulated amortisation	–	–	(26,846)	–	(509,996)	(536,842)
Accumulated impairment	–	–	–	(28,848)	–	(28,848)
Net carrying amount	48,921	24,900	52,318	1,659,168	3,569,897	5,355,204

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

15. INTANGIBLE ASSETS (CONTINUED)

The intangible assets of the Group with indefinite life are non-patent technologies and medicine supply license, which have indefinite life as the extension cost is low and these assets can be used indefinitely. In addition, the intangible assets of the Group also include the deferred development costs which are the expenditure incurred in the development phase of each project. Management tests the intangible assets with indefinite useful life and the deferred development costs which were not yet available for use for impairment annually by comparing their carrying amounts with their recoverable amounts.

NON-PATENT TECHNOLOGIES

The recoverable amounts of the non-patent technologies were determined based on the fair value less costs of disposal, and the fair values of non-patent technologies were determined using the relief from the royalty method taking into account the nature of the asset, using cash flow projections based on financial budget approved by the management, and the growth rate used to extrapolate the cash flows beyond the financial budget period is 2.0% (2024: 2.0%), which is close to the long-term inflation rate. The fair value measurement hierarchy of the non-patent technologies was level 3. Other key assumptions to the valuation model used are listed as follows:

	31 December 2025	31 December 2024
Discount rates	16.00%	16.00%
Royalty rates	5.00%	5.00%

Discount rates – The discount rates used reflect specific risks relating to non-patent technologies.

Royalty rates – The basis used to determine the value assigned to royalty rates is the royalty rate of the market where non-patent technologies are located, taking into account the profitability of the Group and qualitative factors.

MEDICINE SUPPLY LICENSE

The recoverable amounts of the medicine supply license were determined based on the fair value less costs of disposal, and the fair value of the medicine supply license was determined using the multi-period excess earnings method taking into account the nature of the assets, and using cash flow projections based on financial budget approved by the management, covering the economic life of corresponding biopharmaceutical products.

The fair value measurement hierarchy of the remaining deferred development costs was Level 3. Other key assumptions to the valuation model used are listed as follows:

	31 December 2025	31 December 2024
Discount rates	24.77%	22.19%
Contributory asset charges	0.54%	0.60%

Discount rates – The discount rates used reflect specific risks relating to deferred development costs.

Contributory asset charges – The basis used to determine the value assigned to contributory asset charges is the return on revenue (“ROR”) of the contributory assets, and the ROR was determined according to the borrowing rate and cost of equity. The contributory assets mainly included working capital, tangible assets and assembled workforce.

15. INTANGIBLE ASSETS *(CONTINUED)*

DEFERRED DEVELOPMENT COSTS

The recoverable amounts of the deferred development costs were determined based on the fair value less costs of disposal, and the fair value of the deferred development costs was determined using the multi-period excess earnings method taking into account the nature of the assets, using cash flow projections based on financial budget approved by the management, covering the economic life of corresponding biopharmaceutical products.

The fair value measurement hierarchy of the remaining deferred development costs was Level 3. Other key assumptions to the valuation model used are listed as follows:

	31 December 2025	31 December 2024
Discount rates	17.87% to 24.77%	18.01% to 22.19%
Contributory asset charges	0.54% to 2.37%	0.60% to 2.29%

Discount rates – The discount rates used reflect specific risks relating to deferred development costs.

Contributory asset charges – The basis used to determine the value assigned to contributory asset charges is the ROR of the contributory assets, the ROR was determined according to the borrowing rate and cost of equity. The contributory assets mainly included working capital, tangible assets and assembled workforce.

With regard to the assessment of fair value, management believes that no reasonably possible changes in any of the key assumptions would cause the recoverable amounts of non-patent technologies, medicine supply license and deferred development costs to be materially lower than their carrying amounts.

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

16. LEASES

THE GROUP AS A LESSEE

The Group has lease contracts for various items of plant and machinery and other equipment used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of plant and machinery generally have lease terms between 2 and 10 years. Other equipment generally has lease terms of 12 months or less and/or is individually of low value. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(A) RIGHT-OF-USE ASSETS

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

31 December 2025

	Land RMB'000	Plant and machinery RMB'000	Total RMB'000
As at 1 January 2025	188,371	168,732	357,103
Additions	–	48,844	48,844
Disposal	–	(4,564)	(4,564)
Depreciation charge during the year	(4,233)	(76,832)	(81,065)
Exchange rate fluctuation	–	(790)	(790)
As at 31 December 2025	184,138	135,390	319,528

31 December 2024

	Land RMB'000	Plant and machinery RMB'000	Total RMB'000
As at 1 January 2024	192,604	222,282	414,886
Additions	–	21,842	21,842
Disposal	–	(1,761)	(1,761)
Depreciation charge during the year	(4,233)	(74,263)	(78,496)
Exchange rate fluctuation	–	632	632
As at 31 December 2024	188,371	168,732	357,103

At 31 December 2025, the Group's right-of-use assets with a carrying amount of RMB184,138,000 (31 December 2024: RMB188,371,000) were pledged as security for the Group's interest-bearing bank and other borrowings, as further detailed in note 27 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

16. LEASES (CONTINUED)

THE GROUP AS A LESSEE (CONTINUED)

(B) LEASE LIABILITIES

The carrying amount of lease liabilities (included under interest-bearing bank and other borrowings) and the movements during the years are as follows:

	2025 RMB'000	2024 RMB'000
Carrying amount at 1 January	202,377	273,416
New leases	48,844	21,842
Accretion of interest recognised during the year	9,457	11,583
Disposal	(5,004)	(2,671)
Payments	(94,747)	(102,608)
Exchange rate fluctuation	(1,050)	815
Carrying amount at 31 December	159,877	202,377
Analysed into:		
Current portion	58,140	64,975
Non-current portion	101,737	137,402

The maturity analysis of lease liabilities is disclosed in note 40 to the financial statements.

(C) THE AMOUNTS RECOGNISED IN PROFIT OR LOSS IN RELATION TO LEASES ARE AS FOLLOWS:

	2025 RMB'000	2024 RMB'000
Interest on lease liabilities	9,457	11,583
Depreciation charge of right-of-use assets	74,971	71,944
Expense relating to short-term leases and leases of low-value assets	7,422	12,551
Total amount recognised in profit or loss	91,850	96,078

(D) THE TOTAL CASH OUTFLOW FOR LEASES AND FUTURE CASH OUTFLOWS RELATING TO LEASES THAT HAVE NOT YET COMMENCED ARE DISCLOSED IN NOTES 33(C) AND 35(B), RESPECTIVELY, TO THE FINANCIAL STATEMENTS.

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

17. OTHER NON-CURRENT ASSETS

	2025 RMB'000	2024 RMB'000
Prepayment for non-current assets	15,384	14,503
Long-term deposits	15,480	15,832
Input value added tax to be deducted	28,947	–
Total	59,811	30,335

18. DEFERRED TAX ASSETS

The movements in deferred tax liabilities and assets during the year are as follows:

DEFERRED TAX ASSETS

	Accrued expenses RMB'000	Lease liabilities RMB'000	Provision RMB'000	Others RMB'000	Total RMB'000
At 1 January 2024	–	30,505	–	–	30,505
Deferred tax charged to profit or loss during the year	–	(7,272)	–	–	(7,272)
At 31 December 2024 and 1 January 2025	–	23,233	–	–	23,233
Deferred tax credited/(charged) to profit or loss during the year	60,551	(15,679)	5,478	4,585	54,935
At 31 December 2025	60,551	7,554	5,478	4,585	78,168

DEFERRED TAX LIABILITIES

	Right-of-use assets RMB'000
At 1 January 2024	30,505
Deferred tax credited to profit or loss during the year	(7,272)
At 31 December 2024 and 1 January 2025	23,233
Deferred tax credited to profit or loss during the year	(16,581)
At 31 December 2025	6,652

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2025 RMB'000	2024 RMB'000
Deferred tax offset in the consolidated statement of financial position	6,652	23,233
Net deferred tax assets recognised in the consolidated statement of financial position	71,516	–

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

19. INVENTORIES

	2025 RMB'000	2024 RMB'000
Raw materials	279,330	256,325
Work in progress	186,506	266,577
Finished goods	127,999	198,671
Contract performance costs	18,577	6,693
Total	612,412	728,266

20. TRADE RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables	1,836,111	867,206
Less: Impairment	(20,254)	(9,776)
Net carrying amount	1,815,857	857,430

The Group's trading terms with its customers are mainly on credit. The credit period is generally three months. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of each reporting period, based on the invoice date and net of loss allowance, is as follows:

	2025 RMB'000	2024 RMB'000
Within 3 months	1,815,602	856,286
3 to 6 months	255	1,144
Total	1,815,857	857,430

	2025 RMB'000	2024 RMB'000
At the beginning of year	9,776	16,129
Impairment losses (reversal of impairment losses), net	10,478	(5,160)
Amount written off as uncollectible	—	(1,193)
At the end of year	20,254	9,776

For the trade receivables, to which the customers have similar loss patterns, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due, and the calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions, and forecasts of future economic conditions.

The expected loss rate for the trade receivables that are not past due is assessed to be 0.5% to 1%, while the expected loss rate for those that are past due is assessed to be 10% to 100% based on the time of past due. The Directors are of the opinion that the ECL in respect of these balances is sufficient.

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Notes	2025 RMB'000	2024 RMB'000
Prepayments		181,269	44,278
Input value added tax to be deducted and certified		15,841	23,890
Deposits and other receivables		71,036	40,770
Due from AMTD	(i)	466,438	477,029
		734,584	585,967
Less: Impairment	(i)	(466,438)	(477,029)
		268,146	108,938

Note:

- (i) On 25 September 2019, the Company entered into an investment management agreement (the "IMA") with AMTD Global Markets Limited ("AMTD", now renamed as oOo Securities (HK) Group Limited). Pursuant to the IMA, the Company deposited a total principal amount of USD117,000,000 into its investment portfolio account with AMTD (the "AMTD Account") and engaged AMTD to provide investment management services.

The Company recovered in total of USD30,640,000 from AMTD during the years ended 31 December 2020, 2021 and 2022. As at 31 December 2022, the outstanding balances in the AMTD Account amounted to USD86,360,000. During the year ended 31 December 2023, the Company further recovered an amount of USD20,000,000 from AMTD. As at 31 December 2024 and 2025, the outstanding balances of the investment principal in AMTD Account amounted to USD66,360,000 (equivalent to RMB477,029,000 and RMB466,438,000 respectively).

Based on the analysis by the Company's management and with the assistance of the Company's external legal counsel, it is clarified that when the IMA was terminated on 25 September 2021, the Company had the legal rights to recover all the outstanding investment amounts from AMTD. Therefore, the outstanding investment amounts with AMTD is accounted for as an amount due from AMTD. Since the year of 2023, the Company has taken legal actions to recover the outstanding investment amount from AMTD.

The Company assessed the expected credit losses based on all the facts and available information, including historical correspondence with AMTD and relevant analysis from the external legal counsel of the Company, etc. Impairment of the amount due from AMTD amounted to USD66,361,000 was provided for amounts due from AMTD as at 31 December 2025 and 2024.

The deposits and other receivables included in the above balances relate to receivables for which there was no recent history of default and past due amounts. As at 31 December 2025 and 2024, the loss allowance was assessed to be minimal.

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

22. CONTRACT ASSETS

	2025 RMB'000	2024 RMB'000
Contract assets arising from:		
Research and development services	17,632	44,057
Less: Impairment	(224)	(129)
Net carrying amount	17,408	43,928

Contract assets are initially recognised for revenue earned from research and development services as the receipt of consideration is based on achieving of operational milestones under development plan. Included in contract assets for research and development services are retention receivables. Upon achievement of operational milestones, the amounts recognised as contract assets are reclassified to trade receivables. The decrease in contract assets in 2025 was the result of the settlement from the customer during the year.

As at 31 December 2025, the Group's loss allowance of contract assets was RMB224,000 (31 December 2024: RMB129,000). The Group's trading terms and credit policy with customers are disclosed in note 20 to the financial statements.

The expected timing of recovery or settlement for contract assets as at 31 December is as follows:

	2025 RMB'000	2024 RMB'000
Within one year	17,408	43,928

The movements in the loss allowance for impairment of contract assets are as follows:

	2025 RMB'000	2024 RMB'000
At beginning of year	129	–
Impairment losses, net	95	129
At end of year	224	129

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

23. CASH AND BANK BALANCES

	2025 RMB'000	2024 RMB'000
Cash on hand	1	1
Bank balances	772,208	772,961
Subtotal	772,209	772,962
Less: Pledged for letter of credit	(1)	(8,561)
Term deposits with original maturity of more than three months	(193,000)	(193,000)
	(193,001)	(201,561)
Cash and cash equivalents	579,208	571,401

The Group's cash and bank balances as at the end of each reporting period are denominated in the following currencies:

	2025 RMB'000	2024 RMB'000
Denominated in RMB	389,537	466,791
Denominated in USD	359,059	299,954
Denominated in Euro	4,602	669
Denominated in Hong Kong Dollar ("HKD")	7,030	2,803
Denominated in New Taiwan Dollar	1,678	2,745
Denominated in Japanese Yen	10,303	-
Total	772,209	772,962

The RMB is not freely convertible into other currencies, however, under Chinese Mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term time deposit rates. The bank balances and restricted cash for investment are deposited with creditworthy banks with no recent history of default.

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

24. TRADE PAYABLES

	2025 RMB'000	2024 RMB'000
Trade payables	831,012	729,099

Trade payables are non-interest-bearing and are normally settled on terms of three to six months.

An ageing analysis of the trade payables as at the end of each reporting period based on the invoice date, is as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year	791,462	692,208
1 to 2 years	38,291	36,869
2 to 3 years	1,259	–
Over 3 years	–	22
Total	831,012	729,099

The financial liabilities that are part of the Group's supplier finance arrangements included in interest-bearing bank and other borrowings are normally settled on 12 month terms.

The Group has established supplier finance arrangements that are offered to some of the Group's suppliers in Chinese Mainland. Participation in the arrangements is at the suppliers' own discretion. Suppliers that participate in the supplier finance arrangements will receive early payments or payments at the original due dates on invoices sent to the Group from the Group's external finance provider. If suppliers choose to receive early payments, they pay a fee to the finance provider. In order for the finance provider to pay the invoices, the goods must have been received or supplied and the invoices must have been approved by the Group. Payments to suppliers ahead of or at the invoice due date are processed by the finance provider and, in all cases, the Group settles the original invoice by paying the finance provider in line with the original invoice maturity date or at a later date as agreed with the finance provider. Payment terms with suppliers have not been renegotiated in conjunction with the arrangements. The Group provides no security to the finance provider.

The financial liabilities that are part of the supplier finance arrangements, amounting to RMB46,734,000, are included in interest-bearing bank and other borrowings.

25. OTHER PAYABLES AND ACCRUALS

	Note	2025 RMB'000	2024 RMB'000
Other payables	(i)	242,779	261,026
Payroll and welfare payables		590,493	535,974
Accruals		374,868	385,392
Other current liabilities		–	1,037
Other taxes payables		85,781	115,921
Total		1,293,921	1,299,350

Note:

- (i) Other payables mainly represent the payables related to the purchase of property, plant and equipment, the deposits received and refundable prepayment in advance.

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

26. CONTRACT LIABILITIES

	2025 RMB'000	2024 RMB'000
<i>Short-term advances received from customers</i>		
Sales of goods	310,449	136,065
License and research and development services	207,666	307,968
Subtotal	518,115	444,033
<i>Long-term advances received from customers</i>		
License and research and development services	1,643,322	1,075,238
Subtotal	1,643,322	1,075,238
Total	2,161,437	1,519,271

27. INTEREST-BEARING BANK AND OTHER BORROWINGS

	31 December 2025			31 December 2024		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Current						
Lease liabilities (note 16)	3.04-6.20	2026	58,140	3.53-6.28	2025	64,975
Bank borrowings – unsecured	2.15-3.80	2026	1,832,852	2.65-3.86	2025	2,063,924
Current portion of long-term bank borrowings – secured (Note (a))	3.53	2026	300,000	3.53	2025	154,950
Current portion of long-term bank borrowings – unsecured	2.55-3.65	2026	55,636	3.45-3.95	2025	275,665
Total – current			2,246,628			2,559,514
Non-current						
Lease liabilities (note 16)	3.04-6.20	2026-2030	101,737	3.53-6.28	2026-2030	137,402
Bank borrowings – secured (Note (a))	3.53	2026-2030	656,219	3.53	2026-2030	951,269
Bank borrowings – unsecured	2.55-3.65	2026-2028	592,440	–	–	–
Total – non-current			1,350,396			1,088,671
Total			3,597,024			3,648,185

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

27. INTEREST-BEARING BANK AND OTHER BORROWINGS *(CONTINUED)*

	2025 RMB'000	2024 RMB'000
Analysed into:		
Bank borrowings repayable:		
Within one year	2,188,488	2,494,539
In the second year	431,611	300,000
In the third to fifth years, inclusive	801,302	639,888
Beyond five years	15,746	11,381
Subtotal	3,437,147	3,445,808
Lease liabilities:		
Within one year	58,140	64,975
In the second year	49,905	48,137
In the third to fifth years, inclusive	48,798	86,162
Beyond five years	3,034	3,103
Subtotal	159,877	202,377
Total	3,597,024	3,648,185

Notes:

- (a) Certain of the Group's bank borrowings are secured by:
- (i) mortgages over the Group's right-of-use assets, which had a net carrying value at the end of the reporting period of RMB184,138,000 (2024: RMB188,371,000); and
 - (ii) mortgages over the Group's property, plant and equipment that had a net carrying value at the end of the reporting period of RMB1,184,687,000 (2024: RMB1,115,558,000).
- (b) All borrowings are in RMB.

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

28. OTHER LONG-TERM PAYABLES

	2025 RMB'000	2024 RMB'000
Payables relating to the license out contract	24,601	62,893
Payable relating to the cooperation agreement (Note)	164,276	–
Payroll and welfare payables	–	79,328
Other taxes payables	–	7,045
Total	188,877	149,266

Note:

Pursuant to the co-investment agreement entered into by the Company and Nexa Pharma (“NexaPharm”, a company registered in Dubai) in 2024, NexaPharma will make cash payment to the Company totaling USD60,000,000 in accordance with the milestone payment schedule. As consideration for NexaPharm’s milestone payments, the Company will make payments to NexaPharm based on certain percentage of commercialization income of the product of HLX17 in the agreed territories actually received by the Company. The co-investment agreement is subject to early termination by both parties based on several conditions where the milestone payment received would be refunded. During the year of 2025, the Company received the milestone payment amounting to USD23,000,000 (equivalent to RMB161,662,000) and the fair value of the payables is RMB164,276,000.

29. DEFERRED INCOME

	2025 RMB'000	2024 RMB'000
Government grants	277,180	238,728

Various government grants have been received from local government authorities for setting up research and development activities. Some government grants received that did not meet the fulfilled conditions were included in deferred income. These grants are recognised as income over the periods necessary to match the grants on a systematic basis to the costs that they are intended to compensate. The movements in government grants of the Group during the reporting period are as follows:

	2025 RMB'000	2024 RMB'000
At the beginning of the year	238,728	230,048
Received during the year	59,978	16,893
Recognised as income during the year	(21,526)	(8,213)
At the end of the year	277,180	238,728

30. SHARE CAPITAL

SHARES

	2025 RMB'000	2024 RMB'000
Issue and fully paid: 543,494,853 (2024: 543,494,853) ordinary shares	543,495	543,495

A summary of movements in the Company’s share capital is as follows:

	Number of shares in issue	Share capital RMB'000
At 1 January 2024, 31 December 2024 and 31 December 2025	543,494,853	543,495

31. RESERVES

The amounts of the Group's reserves and the movements therein for the year are presented in the consolidated statement of changes in equity of the Group.

32. SHARE-BASED PAYMENT

On 27 June 2025, the board resolved the 2025 H share option scheme (the "Share Option Scheme") and the 2025 H Share restricted share units scheme (the "RSU Scheme") for the purpose of motivating the key personnel of the Group to promote success of the business, which is subject to the further approval by shareholders. The Share Option Scheme and RSU Scheme were approved by the extraordinary general meeting and became effective on 21 July 2025 (the "Adoption Date").

The total number of H Shares which may be issued in respect of all options to be granted under the Share Option Scheme, all restricted share units (the "RSUs") to be granted under the RSU Scheme and all options and awards to be granted under any other share scheme(s) of the Company shall not exceed 43,479,588 H Shares, representing approximately 8% of the total number of shares in issue (excluding any treasury shares) as at the Adoption Date (the "Scheme Mandate Limit").

Within the Scheme Mandate Limit, the total number of H Shares which may be issued in respect of all options to be granted under the Share Option Scheme, all RSUs to be granted under the RSU Scheme and all options and awards to be granted under any other share scheme(s) of the Company to the service provider participants shall not exceed 8,152,422 H Shares, representing approximately 1.5% of the total number of shares in issue (excluding any treasury shares) as at the Adoption Date (the "Service Provider Sublimit").

As at the date of this report, the Scheme Mandate Limit and the Service Provider Sublimit represented approximately 8% and 1.5% of the total issued shares of the Company (excluding treasury shares), respectively.

The total number of H Shares issued and to be issued in respect of all options granted and to be granted under the Share Option Scheme, all RSUs granted and to be granted under the RSU Scheme and all options and awards granted or to be granted under any other share scheme(s) of the Company to each Participant (excluding options or awards lapsed in accordance with the relevant scheme rules) in any 12-month period up to (and including) the date of the latest grant shall not exceed 1% of the total number of Shares in issue (excluding any treasury shares) (the "1% Individual Limit"). Any further grant of Options or RSUs to a Participant which would exceed the 1% Individual Limit shall be subject to separate approval of the shareholders in a general meeting in accordance with the Listing Rules and subject to the other requirements under the Listing Rules.

The option period in respect of any option, being the period within which a grantee may exercise an option, shall be determined by the Board or the Scheme Administrator and notified to the participant in the offer letter. The option period for an option shall, in any event, not exceed ten years from the grant date. An option shall lapse automatically and shall not be exercisable on the expiry of the option period.

The vesting period, being the minimum period for which an option must be held before it can be exercised or an RSU must be held before it can be vested, is determined by the Board (or the Scheme Administrator as authorised by the Board), which shall not be less than twelve months, except that Options or RSUs granted to Employee Participants may be subject to a shorter vesting period under any of the some circumstances.

The exercise price in respect of any option shall be determined by the Board (or the Scheme Administrator as authorised by the Board) and notified to the participant in the offer letter, provided that such exercise price must be at least the highest of (i) the official closing price of the H Shares as stated in the daily quotations sheet of the Stock Exchange on the grant date; (ii) the average of the official closing price of the H Shares as stated in the daily quotations sheets of the Stock Exchange for the five business days immediately preceding the grant date; and (iii) the nominal value of an H Share, provided that in the event of fractional prices, the exercise price per share shall be rounded upwards to the nearest whole cent.

Subject to provisions under the Share Option Scheme and the RSU Scheme, each of the Share Option Scheme and the RSU Scheme shall be valid and effective for a period of ten (10) years commencing from (and including) the Adoption Date, unless terminated earlier in accordance with the Share Option Scheme or the RSU Scheme (as the case may be).

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32. SHARE-BASED PAYMENT (CONTINUED)

2025 SHARE OPTION SCHEME

- (1) On 23 July 2025, pursuant to the 2025 Share Option Scheme, 6,985,000 options conditionally granted by the Company on 27 June 2025 at an exercise price of HKD50.25 per share with vesting periods from one to four years were accepted by 279 eligible participants of the 2025 Share Option Scheme.

The following share options were outstanding under the 2025 Share Option Scheme during the reporting period:

	2025 Weighted average exercise price HKD per share	Number of options
At 1 January		–
Granted during the year	50.25	6,985,000
Forfeited during the year	50.25	(53,000)
<hr/>		
At 31 December		6,932,000

The exercise prices and vesting periods of the share options outstanding at the end of the reporting period are as follows:

Number of options	Exercise price HKD per share	Vesting period
1,733,000	50.25	From grant date to 27 June 2026
1,733,000	50.25	From grant date to 27 June 2027
1,733,000	50.25	From grant date to 27 June 2028
1,733,000	50.25	From grant date to 27 June 2029
<hr/>		
6,932,000		

Among the 6,932,000 options, the vesting of 20% of the options is subject to the satisfaction of the performance targets relating to the Company's market capitalisation for the relevant years and may be deferred for vesting for one year to the next anniversary of the original vesting date.

The grant date fair value of the share options granted was RMB191,158,000 (HKD28.00 to HKD37.20 each).

The grant date fair value of the share options granted was estimated as at the date of grant, using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

Dividend yield (%)	–
Expected volatility (%)	46.80
Risk-free interest rate (%)	3.13
Expected life of options (year)	10.00
Weighted average share price (HKD per share)	32.47

The management estimated the risk-free interest rate based on the yield of Hong Kong Government Bonds with a maturity life close to the option life of the share options. Volatility was estimated at grant date based on average of historical volatilities of the comparable companies with length commensurable to the time to maturity of the share options. Dividend yield is based on management estimation at the grant date.

32. SHARE-BASED PAYMENT (CONTINUED)

2025 SHARE OPTION SCHEME (CONTINUED)

- (2) On 29 August 2025, the Board resolved to grant a total of 67,500 options to 4 eligible participants of the 2025 Share Option Scheme at an exercise price of HKD80.12 per share with vesting periods from one to four years.

The following share options were outstanding under the 2025 Share Option Scheme during the reporting period:

	2025 Weighted average exercise price HKD per share	Number of options
At 1 January		–
Granted during the year	80.12	67,500
At 31 December		67,500

The exercise prices and vesting periods of the share options outstanding at the end of the reporting period are as follows:

Number of options	Exercise price HKD per share	Vesting period
16,875	80.12	From grant date to 29 August 2026
16,875	80.12	From grant date to 29 August 2027
16,875	80.12	From grant date to 29 August 2028
16,875	80.12	From grant date to 29 August 2029
67,500		

Among the 67,500 options, the vesting of 20% of the options is subject to the satisfaction of the performance targets relating to the Company's market capitalisation for the relevant years and may be deferred for vesting for one year to the next anniversary of the original vesting date.

The grant date fair value of the share options granted was RMB1,966,000 (HKD29.98 to HKD39.58 each).

The grant date fair value of the share options granted was estimated as at the date of grant, using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

Dividend yield (%)	–
Expected volatility (%)	46.79
Risk-free interest rate (%)	3.21
Expected life of options (year)	10.00
Weighted average share price (HKD per share)	33.75

The management estimated the risk-free interest rate based on the yield of Hong Kong Government Bonds with a maturity life close to the option life of the share options. Volatility was estimated at grant date based on average of historical volatilities of the comparable companies with length commensurable to the time to maturity of the share options. Dividend yield is based on management estimation at the grant date

As at 31 December 2025, the Company had 6,999,500 share options outstanding under the 2025 Share Option Scheme, which represented approximately 1.29% of the Company's shares in issue as at that date. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 6,999,500 additional ordinary shares of the Company and additional share capital and share premium of HKD346,875,000 (before issue expenses).

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

32. SHARE-BASED PAYMENT (CONTINUED)

2025 RSU SCHEME

- (1) On 23 July 2025, pursuant to the 2025 RSU Scheme, 6,985,000 RSUs conditionally granted by the Company on 27 June 2025 at a purchase price of RMB1.00 per restricted share with vesting periods from one to four years were accepted by 279 eligible participants of the 2025 RSU Scheme.

The following RSUs were outstanding under the 2025 RSU Scheme during the reporting period:

	2025 Weighted average purchase price RMB per share	Number of RSUs
At 1 January		–
Granted during the year	1.00	6,985,000
Forfeited during the year	1.00	(53,000)
At 31 December		6,932,000

The purchase prices and vesting periods of the RSUs outstanding at the end of the reporting period are as follows:

Number of RSUs	Purchase price RMB per share	Vesting period
1,733,000	1.00	From grant date to 27 June 2026
1,733,000	1.00	From grant date to 27 June 2027
1,733,000	1.00	From grant date to 27 June 2028
1,733,000	1.00	From grant date to 27 June 2029
6,932,000		

Among the 6,932,000 RSUs, the vesting of 20% of the RSUs is subject to the satisfaction of the performance targets relating to the Company's market capitalisation for the relevant years and may be deferred for vesting for one year to the next anniversary of the original vesting date.

The grant date fair value of the share RSUs granted was RMB358,876,000 (HKD60.92 to HKD61.02 each).

The grant date fair value of the RSUs granted was estimated as at the date of grant, using a Black-Scholes model, taking into account the terms and conditions upon which the RSUs were granted. The following table lists the inputs to the model used:

Dividend yield (%)	–
Expected volatility (%)	46.93-56.52
Risk-free interest rate (%)	2.00-2.43
Expected life of RSUs (year)	10.00
Weighted average share price (HKD per share)	60.96

32. SHARE-BASED PAYMENT (CONTINUED)

2025 RSU SCHEME (CONTINUED)

- (2) On 29 August 2025, the Board resolved to grant a total of 87,500 RSUs to 8 eligible participants of the 2025 RSU Scheme at a purchase price of RMB1.00 per restricted share with vesting periods from one to three/four years.

The following RSUs were outstanding under the 2025 RSU Scheme during each reporting period:

	2025 Weighted average purchase price RMB per share	Number of RSUs
At 1 January		–
Granted during the year	1.00	87,500
At 31 December		87,500

The purchase prices and vesting periods of the RSUs outstanding at the end of the reporting period are as follows:

Number of RSUs	Purchase price RMB per share	Vesting period
23,475	1.00	From grant date to 29 August 2026
23,475	1.00	From grant date to 29 August 2027
23,675	1.00	From grant date to 29 August 2028
16,875	1.00	From grant date to 29 August 2029
87,500		

Among the 87,500 RSUs, the vesting of 13,500 RSUs is subject to the satisfaction of the performance targets relating to the Company's market capitalisation for the relevant years and may be deferred for vesting for one year to the next anniversary of the original vesting date.

The grant date fair value of the RSUs granted was RMB5,706,000 (HKD74.53 to HKD74.63 each).

The grant date fair value of the RSUs granted was estimated as at the date of grant, using a Black-Scholes model, taking into account the terms and conditions upon which the RSUs were granted. The following table lists the inputs to the model used:

Dividend yield (%)	–
Expected volatility (%)	47.16-56.23
Risk-free interest rate (%)	2.21-2.46
Expected life of RSUs (year)	10.00
Weighted average share price (HKD per share)	74.56

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

32. SHARE-BASED PAYMENT *(CONTINUED)*

2025 RSU SCHEME *(CONTINUED)*

At 31 December 2025, the 7,019,500 RSUs under the 2025 RSU Scheme had not yet been registered as share capital of the Company and remained unvested, which represented approximately 1.29% of the Company's shares in issue as at 31 December 2025.

The Group recognised expenses of RMB107,070,000, deferred development costs of RMB9,348,000, construction in progress of RMB87,000 and cost of sales of RMB17,449,000 for the year ended 31 December 2025 in respect of the 2025 Share Option Scheme and the 2025 RSU Scheme.

33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(A) MAJOR NON-CASH TRANSACTIONS

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB48,844,000 (2024: RMB21,842,000) and RMB48,844,000 (2024: RMB21,842,000), respectively, and non-cash disposals to right-of-use assets and lease liabilities of RMB4,564,000 (2024: RMB1,761,000) and RMB5,004,000 (2024: RMB2,671,000), respectively, in respect of lease arrangements for plant and machinery.

During the year, the Group reclassified trade payables of RMB46,734,000 to interest-bearing bank and other borrowings in respect of the supplier finance arrangements.

(B) CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES:

	Bank and other borrowings RMB'000	Lease liabilities RMB'000	Interest payable included in other payables and accruals RMB'000	Payables included in other long-term payables
2025				
At 1 January 2025	3,445,808	202,377	4,208	–
New leases	–	48,844	–	–
Disposal	–	(5,004)	–	–
Changes from financing cash flows	(57,788)	(94,747)	(102,988)	161,662
Foreign exchange movement	1,651	(1,050)	–	–
Interest capitalised	–	–	9,770	–
Interest expense	742	9,457	92,294	–
Fair value change	–	–	–	2,614
Increase arising from supplier finance arrangements	46,734	–	–	–
At 31 December 2025	3,437,147	159,877	3,284	164,276
2024				
At 1 January 2024	3,819,635	273,416	4,209	–
New leases	–	21,842	–	–
Disposal	–	(2,671)	–	–
Changes from financing cash flows	(407,727)	(102,608)	(133,032)	–
Foreign exchange movement	3,269	816	–	–
Interest capitalised	–	–	17,358	–
Interest expense	(4,369)	11,583	115,673	–
Increase arising from supplier finance arrangements	35,000	–	–	–
At 31 December 2024	3,445,808	202,377	4,208	–

33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(C) TOTAL CASH OUTFLOW FOR LEASES

The total cash outflow for leases included in the statement of cash flows is as follows:

	2025 RMB'000	2024 RMB'000
Within operating activities	7,422	12,551
Within financing activities	94,747	102,608
Total	102,169	115,159

34. PLEDGE OF ASSETS

Details of the Group's assets pledged for the Group's bank and other borrowings are included in notes 27 to the financial statements.

35. COMMITMENTS

(A) THE GROUP HAD THE FOLLOWING CAPITAL COMMITMENTS AT THE END OF THE REPORTING PERIOD:

	2025 RMB'000	2024 RMB'000
Contracted, but not provided for: plant and machinery	64,456	83,336

(B) The Group did not have any lease contracts that have not yet commenced as at 31 December 2025 and 2024.

(C) OTHER BUSINESS AGREEMENTS

The Company enters into collaboration agreements with companies to license intellectual property. The Company may be obligated to make future development, regulatory and commercial milestone payments and royalty payments on future sales of specified products associated with its collaboration agreements. Payment under these agreements generally become due and payable upon achievement of such milestones or sales. These commitments are not recorded in the consolidated financial statements because the achievement and timing of these milestones are not fixed and determinable. When the achievement of these milestones or sales has been reached, the corresponding amounts are recognised in the consolidated financial statements.

36. CONTINGENT LIABILITIES

At the end of the reporting period, the Group did not have any contingent liabilities.

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

37. RELATED PARTY TRANSACTIONS

The Directors are of the view that the following companies are related parties that have material transactions or balances with the Group during the year.

(A) NAME AND RELATIONSHIPS OF THE RELATED PARTIES

Name	Relationship with the Group
Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* ("上海復星醫藥(集團)股份有限公司") ("Fosun Pharma")	Ultimate parent company
Shanghai Clone High Technology Co., Ltd.* ("上海克隆生物高技術有限公司") ("Clone High Tech")	Fellow subsidiary
Shanghai Fosun Pharmaceutical Industrial Development Co., Ltd.* ("上海復星醫藥產業發展有限公司") ("Fosun Pharma Industrial Development")	Fellow subsidiary
Fosun Wanbang (Jiangsu) Pharmaceutical Group Co., Ltd.* ("復星萬邦(江蘇)醫藥集團有限公司") ("Fosun Wanbang")	Fellow subsidiary
Fosun Yaohong (Jiangsu) Pharmaceutical Technology Co., Ltd.* ("復星曜泓(江蘇)醫藥科技有限公司") ("Fosun Yaohong")	Fellow subsidiary
Shanghai Old Temple Gold Co., Ltd.* ("上海老廟黃金有限公司") ("Old Temple Gold")	Fellow subsidiary
Shanghai Fukun Pharmaceutical Technology Development Co., Ltd.* ("上海復坤醫藥科技發展有限公司") ("Shanghai Fukun")	Fellow subsidiary
Hainan Fosun Trade Co., Ltd.* ("海南復星商社貿易有限公司") ("Fosun Trade")	Fellow subsidiary
Shanghai Yunji Information Technology Co., Ltd.* ("上海雲濟信息科技有限公同") ("Shanghai Yunji")	Fellow subsidiary
Shanghai Golte Property Management Co., Ltd.* ("上海高地物業管理有限公司") ("Shanghai Golte Property")	Fellow subsidiary
Chengdu Forte Real Estate Co., Ltd.* ("成都復地置業有限公司") ("Chengdu Forte")	Fellow subsidiary
Shanghai Fosun High Tech Group Finance Co., Ltd.* ("上海復星高科技集團財務有限公司") ("Shanghai Fosun Finance")	Fellow subsidiary
Starmab Biotechnology (Shanghai) Co., Ltd.* ("星濟生物(上海)有限公司") ("Starmab Biotechnology")	Fellow subsidiary
Hainan Fosun International Business Travel Co., Ltd.* ("海南復星國際商旅有限公司") ("Fosun International Business Travel")	Fellow subsidiary
Gland Pharma Limited ("Gland Pharma")	Fellow subsidiary
Shanghai Fosun Xingtai Pharmaceutical Technology Co., Ltd.* ("上海復星星泰醫藥科技有限公司") ("Fosun Xingtai Pharmaceutical")	Fellow subsidiary

37. RELATED PARTY TRANSACTIONS (CONTINUED)

(A) NAME AND RELATIONSHIPS OF THE RELATED PARTIES (CONTINUED)

Name	Relationship with the Group
Shanghai Xingpuyun Technology Co., Ltd.* ("上海理樸雲科技有限公司") ("Shanghai Xingpuyun")	Fellow subsidiary
Suzhou Boa Mingsai Biopharmaceutical Co., Ltd.* ("蘇州博奧明賽生物製藥有限公司") ("Suzhou Boa Mingsai")	Fellow subsidiary
Avanc Pharmaceutical Co., Ltd.* ("錦州奧鴻藥業有限責任公司") ("Avanc Pharmaceutical")	Fellow subsidiary
YaoPharma Co., Ltd.* ("重慶藥友製藥有限責任公司") ("YaoPharma")	Fellow subsidiary
Fosun Pharma Industrial Development (Shenzhen) Co., Ltd.* ("復星醫藥產業發展(深圳)有限公司") ("Shenzhen Fosun Pharma Industrial Development")	Fellow subsidiary
Sinopharm Group Co., Ltd. and its subsidiaries ("國藥控股股份有限公司"及其子公司) ("Sinopharm")	Associate of the ultimate parent company
Chongqing Pharmaceutical (Group) Co., Ltd. and its subsidiaries ("重慶醫藥(集團)股份有限公司"及其子公司) ("Chongqing Pharma")	Other related companies

* The English names of the companies registered in the PRC represent the best efforts made by the management of the Company in directly translating the Chinese names of these companies as no English names have been registered.

(B) TRANSACTIONS WITH RELATED PARTIES

	Notes	2025 RMB'000	2024 RMB'000
Licensing revenue to related parties			
Fosun Pharma Industrial Development	(i),(v)	21,926	21,926
Fosun Wanbang	(i),(v)	734	–
		22,660	21,926
Services provided to related parties			
Fosun Pharma Industrial Development	(ii),(v)	130,232	144,166
YaoPharma	(ii)	1,285	–
Suzhou Boa Mingsai	(ii)	852	–
Shenzhen Fosun Pharma Industrial Development	(ii),(v)	517	–
Starmab Biotechnology	(ii),(v)	–	509
Others	(ii)	433	567
		133,319	145,242
Sales of goods to related parties			
Sinopharm	(iii),(v)	2,469,372	2,055,888
Fosun Yaohong	(iii),(v)	598,770	543,089
Chongqing Pharma	(iii)	151,633	108,107
		3,219,775	2,707,084

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

37. RELATED PARTY TRANSACTIONS (CONTINUED)

(B) TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

	Notes	2025 RMB'000	2024 RMB'000
Services purchased from related parties			
Fosun International Business Travel	(iv),(v)	29,604	1,723
Fosun Yaohong	(iv),(v)	14,712	26,731
Old Temple Gold	(iv)	2,310	923
Fosun Xingtai Pharmaceutical	(iv)	2,184	231
Fosun Pharma	(iv),(v)	1,508	2,616
Gland Pharma	(iv),(v)	1,145	372
Shanghai Yunji	(iv),(v)	1,022	2,051
Shanghai Golte Property	(iv),(v)	787	2,096
Others	(iv),(v)	3,150	2,226
		56,422	38,969
Purchases of goods/materials from			
Avanc Pharmaceutical	(iv),(v)	4,368	–
Sinopharm	(iv),(v)	2,222	2,878
		6,590	2,878
Purchases of right-of-use assets from			
Shanghai Fukun	(iv),(v)	20,819	–
Clone High Tech	(iv),(v)	19,468	6,111
Chengdu Forte	(iv),(v)	123	–
		40,410	6,111
Purchases of property, plant and equipment from			
Shanghai Yunji	(iv)	1,343	1,824
Purchases of intangible assets from			
Shanghai Yunji	(iv)	724	1,511
Fosun Pharma	(iv)	821	559
Shanghai Xingpuyun	(iv)	97	105
		1,642	2,175
Deposits in related parties			
Shanghai Fosun Finance	(v),(vi)	193,000	193,000
Interest income			
Shanghai Fosun Finance	(v),(vi)	4,405	4,759

37. RELATED PARTY TRANSACTIONS *(CONTINUED)*

(B) TRANSACTIONS WITH RELATED PARTIES *(CONTINUED)*

Notes:

- (i) The Group granted exclusive licenses of the Group's certain biopharmaceutical products in the PRC to related parties after the Group obtains the market distribution authorisation of such products from government authorities. The Group received advance payments from the customers accordingly. The licensing revenue is recognised over the commercialisation period. The transactions were carried out in accordance with the terms and conditions similar to those offered to unrelated customers in the ordinary course of business.
- (ii) The research and development services provided to related parties were carried out in accordance with the terms and conditions similar to those offered to unrelated customers in the ordinary course of business.
- (iii) The sale of biopharmaceutical products to related parties were carried out in accordance with the terms and conditions similar to those offered to unrelated customers in the ordinary course of business.
- (iv) The purchases and rental services from related parties were charged in accordance with the terms and conditions offered by the related parties to their unrelated customers.
- (v) The related party transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules, which are subject to announcement or independent shareholders' approval requirements. The Group confirmed that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of these transactions.
- (vi) Shanghai Fosun High Technology Group Finance Co., Ltd., a fellow subsidiary of the Group, provides deposit services to subsidiaries of the Group, and the maturity date is from March 2026 to May 2026. The applicable interest rates were determined in accordance with the prevailing market rates and the transactions were carried out in accordance with normal commercial terms.

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

37. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) OUTSTANDING BALANCES WITH RELATED PARTIES

	Notes	2025 RMB'000	2024 RMB'000
Amounts due from related parties			
<i>Trade receivables</i>			
Sinopharm	(i)	740,007	300,917
Fosun Yaohong	(i)	142,465	139,817
Chongqing Pharma	(i)	50,175	19,973
Others	(ii)	549	218
		933,196	460,925
<i>Prepayments, other receivables and other assets</i>			
Clone High Tech	(ii)	3,013	2,706
Shanghai Fosun Finance	(ii)	2,932	2,930
Shanghai Fukun	(ii)	1,962	1,125
Others	(ii)	29	59
		7,936	6,820
<i>Other non-current assets</i>			
Fosun Trade	(ii)	—	12
Amounts due to related parties			
<i>Trade payables</i>			
Fosun Yaohong	(iii)	2,585	—
Fosun Xingtai Pharmaceutical	(iii)	1,479	—
Sinopharm	(iii)	791	1,520
Others	(iii)	90	211
		4,945	1,731
<i>Other payables, accruals and other current liabilities</i>			
Fosun Pharma Industrial Development	(iv)	157,233	125,986
Sinopharm	(iv)	1,093	74
Fosun Pharma	(iv)	868	833
Clone High Tech	(iv)	803	—
Shanghai Yunji	(iv)	33	720
Fosun International Business Travel	(iv)	—	1,807
Others	(iv)	980	1,568
		161,010	130,988

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

37. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) OUTSTANDING BALANCES WITH RELATED PARTIES (CONTINUED)

	Notes	2025 RMB'000	2024 RMB'000
<i>Amounts due to related parties (continued)</i>			
<i>Other long-term payable</i>			
Fosun Pharma Industrial Development	(iv)	–	62,893
<i>Lease liabilities</i>			
Clone High Tech	(v)	22,720	51,370
Shanghai Fukun	(v)	16,782	2,793
Chengdu Forte	(v)	–	48
		39,502	54,211
<i>Contract liabilities</i>			
Fosun Pharma Industrial Development	(vi)	631,526	782,221
Sinopharm	(vi)	128,431	61,974
Fosun Wanbang	(vi)	81,552	82,286
Chongqing Pharma	(vi)	11,487	4,492
Others	(iv)	167	526
		853,613	931,499

Notes:

- (i) The amounts due from related parties in the trade receivables were trade in nature, unsecured, interest-free and repayable within 90 days.
- (ii) The amounts due from related parties in the prepayments, deposits, other receivables and other non-current assets were trade in nature, unsecured, interest-free and have no fixed terms of repayment.
- (iii) The amounts due to related parties in trade payables were trade in nature, unsecured, interest-free and repayable. The outstanding balances were repayable within 90 days.
- (iv) The amounts due to related parties in other payables and accruals were unsecured, interest-free and have no fixed terms of repayment.

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

37. RELATED PARTY TRANSACTIONS (CONTINUED)

(C) OUTSTANDING BALANCES WITH RELATED PARTIES (CONTINUED)

Notes: (CONTINUED)

- (v) The Company rented plant and machinery from Clone High Tech, Shanghai Fukun and Chengdu Forte, and recognised the corresponding lease liabilities. The maturity profile of the lease liabilities due to Clone High Tech, Shanghai Fukun and Chengdu Forte as at 31 December 2025 is as follows:

	2025 RMB'000	2024 RMB'000
Within one year	18,993	34,386
In the second year	16,668	13,150
In the third to fifth years, inclusive	3,841	6,675
	39,502	54,211

- (vi) The amounts due to related parties in contract liabilities were the advance payments and sales rebates of the License for certain biopharmaceutical products. These amounts are trade in nature, unsecured and with interest recognised which represented the significant financing component in the revenue contract.

(D) COMPENSATION OF KEY MANAGEMENT PERSONNEL OF THE GROUP

	2025 RMB'000	2024 RMB'000
Fees	1,463	1,312
Other emoluments:		
Salaries, allowances and benefits in kind	58,770	40,935
Performance related bonuses	16,709	9,854
Share award scheme	63,033	–
Total compensation paid to key management personnel	139,975	52,101

Further details of directors', supervisors' and chief executive' remuneration are included in note 9 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

38. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period of the Group are as follows:

FINANCIAL ASSETS AT AMORTISED COST

	2025 RMB'000	2024 RMB'000
Trade receivables	1,815,857	857,430
Financial assets included in prepayments, deposits and other receivables	71,036	40,770
Other non-current assets	15,480	15,832
Cash and bank balances	772,209	772,962
Total	2,674,582	1,686,994

FINANCIAL LIABILITIES

31 December 2025

	Financial liabilities at fair value through profit or loss Designated as such upon initial recognition RMB'000	Financial liabilities at amortised cost RMB'000	Total RMB'000
Trade payables	–	831,012	831,012
Financial liabilities included in other payables and accruals	–	242,779	242,779
Financial liabilities included in other long-term payables	164,276	24,601	188,877
Interest-bearing bank and other borrowings	–	3,597,024	3,597,024
Total	164,276	4,695,416	4,859,692

31 December 2024

	RMB'000
Trade payables	729,099
Financial liabilities included in other payables and accruals	261,026
Financial liabilities included in other long-term payables	62,893
Interest-bearing bank and other borrowings	3,648,185
Total	4,701,203

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Financial liabilities				
Financial liabilities included in other long-term payables	164,276	–	164,276	–
Interest-bearing bank and other borrowings (non-current portion) (other than lease liabilities)	1,248,659	951,269	1,235,524	945,748
Total	1,412,935	951,269	1,399,800	945,748

Management has assessed that the fair values of cash and bank balances, trade receivables, trade payables, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables and accruals, and the current portion of interest-bearing bank and other borrowings approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of interest-bearing bank borrowings and financial liabilities included in other long term payables have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing bank and other borrowings as at the end of the reporting period was assessed to be insignificant. The fair values of the non-current portion of interest-bearing bank borrowings.

FAIR VALUE HIERARCHY

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Liabilities measured at fair value:

As at 31 December 2025

	Quoted prices in active markets (Level 1) RMB'000	Fair value measurement using		Total RMB'000
		Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Financial liabilities included other long-term payables	–	164,276	–	164,276

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(CONTINUED)*

FAIR VALUE HIERARCHY *(CONTINUED)*

Liabilities disclosed at fair values:

As at 31 December 2025

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Interest-bearing bank and other borrowings (non-current portion) (other than lease liabilities)	–	1,235,524	–	1,235,524

As at 31 December 2024

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Interest-bearing bank and other borrowings (non-current portion) (other than lease liabilities)	–	945,748	–	945,748

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments mainly include cash and bank balances, and interest-bearing bank and other borrowings. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Directors review and agree policies for managing each of these risks and they are summarised below.

INTEREST RATE RISK

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations with a floating interest rate.

The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts. The Group does not use derivative financial instruments to hedge its interest rate risk. At 31 December 2025, approximately 47% (31 December 2024: 59%) of the Group's interest-bearing bank and other borrowings bore interest at fixed rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings) and the Group's equity.

	Increase/ (decrease) in basis points	(Decrease)/ increase in equity RMB'000
Year ended 31 December 2025		
RMB	25	(4,025)
RMB	(25)	4,025
Year ended 31 December 2024		
RMB	25	(3,497)
RMB	(25)	3,497

FOREIGN CURRENCY RISK

The Group has transactional currency exposures. Such exposures arise from activities by operating units in currencies other than the units' functional currencies.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the USD exchange rates, with all other variables held constant, of the Group's profit or loss before tax and the Group's equity due to changes arising on fair values of monetary assets and liabilities.

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

FOREIGN CURRENCY RISK (CONTINUED)

	Increase/ (decrease) in USD rate %	Increase/ (decrease) in equity RMB'000
Year ended 31 December 2025		
If the RMB weakens against the USD	5	8,970
If the RMB strengthens against the USD	(5)	(8,970)
Year ended 31 December 2024		
If the RMB weakens against the USD	5	10,876
If the RMB strengthens against the USD	(5)	(10,876)

CREDIT RISK

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

MAXIMUM EXPOSURE AND YEAR-END STAGING

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December.

The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2025

	12-month ECLs		Lifetime ECLs		Simplified approach	Total
	Stage 1	Stage 2	Stage 3			
	RMB'000	RMB'000	RMB'000		RMB'000	RMB'000
Trade receivables*	–	–	–		1,836,111	1,836,111
Contract assets*	–	–	–		17,632	17,632
Financial assets included in prepayments, deposits and other receivables						
– Normal**	71,036	–	–		–	71,036
– Doubtful**	–	–	466,438		–	466,438
Other non-current assets	15,840	–	–		–	15,840
Cash and bank balance						
– Not yet past due	772,209	–	–		–	772,209

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

CREDIT RISK (CONTINUED)

MAXIMUM EXPOSURE AND YEAR-END STAGING (CONTINUED)

As at 31 December 2024

	12-month ECLs		Lifetime ECLs		Simplified approach RMB'000	Total RMB'000
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000			
Trade receivables*	–	–	–	–	867,206	867,206
Contract assets*	–	–	–	–	43,928	43,928
Financial assets included in prepayments, deposits and other receivables						
– Normal**	18,683	–	–	–	–	18,683
– Doubtful**	–	–	477,029	–	–	477,029
Other non-current assets	15,832	–	–	–	–	15,832
Cash and bank balance						
– Not yet past due	772,962	–	–	–	–	772,962

* For trade receivables and contract assets to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in notes 20 and 22 to the financial statements.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

Further quantitative data in respect of the Group’s exposure to credit risk arising from trade receivables are disclosed in note 20 to the financial statements.

At the end of the reporting period, the Group had certain concentrations of credit risk as 8% (2024: 4%) and 24% (2024: 16%) of the Group’s trade receivables were due from the Group’s largest customer and five largest customers, respectively.

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(CONTINUED)*

LIQUIDITY RISK

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management of the Group to finance the operations and mitigate the effects of fluctuations of cash flows.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

31 December 2025

	On demand or within one year RMB'000	One to five years RMB'000	Over five years RMB'000	Total RMB'000
Trade payables	831,012	–	–	831,012
Financial liabilities included in other payables and accruals	242,779	–	–	242,779
Other long-term payables	24,601	164,276	–	188,877
Lease liabilities	65,526	110,313	–	175,839
Interest-bearing bank and other borrowings (excluding lease liabilities)	2,225,710	1,342,404	–	3,568,114
	3,389,628	1,616,993	–	5,006,621

31 December 2024

	On demand or within one year RMB'000	One to five years RMB'000	Over five years RMB'000	Total RMB'000
Trade payables	729,099	–	–	729,099
Financial liabilities included in other payables and accruals	261,026	–	–	261,026
Other long-term payables	–	62,893	–	62,893
Lease liabilities	73,089	147,254	3,134	223,477
Interest-bearing bank and other borrowings (excluding lease liabilities)	2,531,869	1,036,388	13,598	3,581,855
	3,595,083	1,246,535	16,732	4,858,350

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

CAPITAL MANAGEMENT

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payments to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 31 December 2024.

The Group monitors capital using a gearing ratio, which is net debt divided by the capital plus net debt. Net debt includes interest-bearing bank and other borrowings less cash and cash equivalents. Capital includes equity attributable to owners of the parent. The gearing ratios as at the end of the reporting periods were as follows:

	2025 RMB'000	2024 RMB'000
Interest-bearing bank and other borrowings (note 27)	3,597,024	3,648,185
Less: Cash and cash equivalents (note 23)	(579,208)	(571,401)
Net debt	3,017,816	3,076,784
Equity attributable to owners of the parent	3,960,469	3,013,621
Capital and net debt	6,978,285	6,090,405
Gearing ratio	43%	51%

41. EVENTS AFTER THE REPORTING PERIOD

As at the date of approval of these financial statements, there have been no significant events after the end of the reporting period.

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS		
Property, plant and equipment	123,383	153,571
Intangible assets	4,515,690	4,005,202
Investments in subsidiaries	3,952,538	3,082,748
Right-of-use assets	28,403	25,975
Total non-current assets	8,620,014	7,267,496
CURRENT ASSETS		
Trade receivables	2,529,518	4,093,384
Contract assets	5,260	31,368
Prepayments, deposits and other receivables	2,305,519	705,336
Inventories	12,927	3,151
Cash and bank balances	635,331	501,873
Total current assets	5,488,555	5,335,112
CURRENT LIABILITIES		
Trade payables	884,308	916,616
Other payables and accruals	2,793,932	3,832,974
Contract liabilities	219,074	303,444
Interest-bearing bank and other borrowings	1,481,513	1,417,413
Total current liabilities	5,378,827	6,470,447
NET CURRENT ASSETS/(LIABILITIES)	109,728	(1,135,335)
TOTAL ASSETS LESS CURRENT LIABILITIES	8,729,742	6,132,161
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	402,800	14,179
Other long-term payables	188,877	113,024
Contract liabilities	1,634,252	1,075,238
Deferred income	65,104	74,485
Total non-current liabilities	2,291,033	1,276,926
Net assets	6,438,709	4,855,235
EQUITY		
Share capital	543,495	543,495
Reserves (Note)	5,895,214	4,311,740
Total equity	6,438,709	4,855,235

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2025

42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Note:

A summary of the Company's reserves is as follows:

	Share premium RMB'000	Other reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
Balance at 1 January 2024	6,069,384	17,306	(2,473,377)	3,613,313
Profit for the year	–	–	698,427	698,427
At 31 December 2024 and 1 January 2025	6,069,384	17,306	(1,774,950)	4,311,740
Profit for the year	–	–	1,449,520	1,449,520
Share based payment (note 32)	133,954	–	–	133,954
At 31 December 2025	6,203,338	17,306	(325,430)	5,895,214

43. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the directors on 20 March 2026.

DEFINITIONS

In this annual report, the following expressions have the meanings set out below unless the context requires otherwise.

“Abbott”	Abbott Operations Uruguay S.R.L.
“Accord”	Accord Healthcare Limited
“AMTD” or “Investment Manager”	AMTD Global Markets Limited (now renamed as oOo Securities (HK) Group Limited)
“Avanc Pharma”	Jinzhou Avanc Pharmaceutical Company Limited*(錦州奧鴻藥業有限責任公司), a company established in the PRC with limited liability and a subsidiary of Fosun Pharma
“Articles of Association”	the articles of association of the Company
“Board”	the board of directors of the Company
“Business Travel Management Services Agreement”	the business travel management services agreement dated 5 September 2024 entered into between the Company and Hainan Fosun International Business Travel
“Cayman Henlius”	Henlius Biopharmaceuticals, Inc., a company established in the Cayman Islands on 23 February 2009, and a substantial shareholder
“CG Code”	Corporate Governance Code contained in Appendix C1 to the Listing Rules
“Clone High Tech”	Shanghai Clone High Technology Co., Ltd.* (上海克隆生物高技術有限公司), a limited liability company incorporated under the laws of the PRC and a wholly-owned subsidiary of Fosun Pharma
“Clone Property Leasing Framework Agreement”	the property leasing framework agreement dated 17 November 2022 entered into between the Company and Clone High Tech in relation to the leasing of the premises
“CMC Technical Services Framework Agreement”	the CMC technical services framework agreement dated 29 June 2023 entered into between Aton Ruilin (a wholly-owned subsidiary of the Company) and Fosun Pharma Industrial Development
“Company” or “Henlius”	Shanghai Henlius Biotech, Inc., a joint stock company incorporated under the laws of the PRC with limited liability, the H Shares of which are listed on the Main Board of the Stock Exchange
“Company Law”	the Company Law of the PRC, as revised or supplemented from time to time
“CSCO”	Chinese Society of Clinical Oncology
“Director(s)”	the director(s) of the Company
“Eligible Person”	(a) an Employee Participant, (b) a Related Entity Participant, or (c) a Service Provider Participant who has contributed or may contribute to the development and growth of the Group, subject to the eligibility criteria as provided in the Share Option Scheme and/or the RSU Scheme; however, no individual who is resident in a place where (x) the grant, acceptance, vesting or exercise of an Option pursuant to the Share Option Scheme or (y) the grant, acceptance or vesting of an RSU pursuant to the RSU Scheme (as the case may be) is not permitted under the laws and regulations in such place or where (in the sole opinion of Board or the Scheme Administrator without the need to assign a reason therefor) compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual shall be entitled to participate in the Share Option Scheme or the RSU Scheme and such individual shall therefore be excluded therefrom

DEFINITIONS

“Employee Participant”	any PRC or non-PRC director (including executive, non-executive and independent non-executive director) and employee (whether full-time or part-time) of the Company or any of its subsidiaries, and including any person who is granted Options and/or RSUs as an inducement to enter into employment contracts with the Company or any of its subsidiaries
“European Medicines Agency”	European Medicines Agency
“EU”	European Union
“Eurofarma”	Eurofarma Laboratorios S.A.
“FDA”	the United States Food and Drug Administration
“FHL”	Fosun Holdings Limited (復星控股有限公司), a company incorporated in Hong Kong on 18 February 2005 with limited liability, and a controlling shareholder
“FIHL”	Fosun International Holdings Ltd. (復星國際控股有限公司), a company incorporated in the British Virgin Islands on 9 September 2004 with limited liability, and a controlling shareholder
“Financial Services Agreement”	the financial services agreement dated 14 February 2023 entered into between the Company and Fosun Finance
“Fosun Finance”	Shanghai Fosun High Technology (Group) Finance Co., Ltd.* (上海復星高科技集團財務有限公司), a limited liability company established in the PRC, and a subsidiary of Fosun High Tech
“Fosun High Tech”	Shanghai Fosun High Technology (Group) Co., Ltd.* (上海復星高科技(集團)有限公司), a company incorporated in the PRC on 8 March 2005, and a controlling shareholder
“Fosun High Tech Group”	Fosun High Tech and its subsidiaries
“Fosun Industrial”	Fosun Industrial Co., Limited (復星實業(香港)有限公司), a company incorporated in Hong Kong on 22 September 2004 with limited liability
“Fosun International”	Fosun International Limited (復星國際有限公司), a company incorporated in Hong Kong on 24 December 2004 with limited liability, the shares of which are listed on the Main Board of the Stock Exchange, and a controlling shareholder
“Fosun New Medicine”	Shanghai Fosun New Medicine Research Co., Ltd. (上海復星新藥研究股份有限公司) (formerly known as Shanghai Fosun New Medicine Research Company Limited (上海復星新藥研究有限公司)), a company incorporated in the PRC on 12 September 2008 with limited liability, and a controlling shareholder
“Fosun Pharma”	Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (上海復星醫藥(集團)股份有限公司), a joint stock company established in the PRC with limited liability, the H shares and A shares of which are listed and traded on the Main Board of the Stock Exchange and the Shanghai Stock Exchange, respectively, and a controlling shareholder
“Fosun Pharma Group”	Fosun Pharma and its subsidiaries

“Fosun Pharma Industrial Development”	Shanghai Fosun Pharmaceutical Industrial Development Co., Ltd. * (上海復星醫藥產業發展有限公司), a company incorporated in the PRC on 27 November 2001 with limited liability, a wholly-owned subsidiary of Fosun Pharma, and a controlling shareholder
“Fosun Pharma Industrial Technical Services Agreement”	the technical services agreement dated 16 March 2022 entered into between the Company and Fosun Pharma Industrial Development
“Fosun Wanbang”	Fosun Wanbang (Jiangsu) Pharmaceutical Group Co., Ltd. *(復星萬邦(江蘇)醫藥集團有限公司) (formerly known as Jiangsu Wanbang (Group) Biopharmaceutical Co., Ltd. *(江蘇萬邦生化醫藥集團有限責任公司)), a company incorporated in the PRC with limited liability, and a wholly-owned subsidiary of Fosun Pharma
“Fosun Yaohong”	Fosun Yaohong (Jiangsu) Pharmaceutical Technology Co., Ltd. *(復星曜泓(江蘇)醫藥科技有限公司) (formerly known as Jiangsu Fosun Pharmaceutical Sales Co., Ltd. *(江蘇復星醫藥銷售有限公司)), a company incorporated in the PRC with limited liability, and a wholly-owned subsidiary of Fosun Pharma
“Fukun Pharmaceutical”	Shanghai Fukun Pharmaceutical Technology Development Co., Ltd.* (上海復坤醫藥科技發展有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of Fosun Pharma
“Fukun Property Leasing Framework Agreement”	the property leasing framework agreement dated 17 November 2022 entered into between the Company and Fukun Pharmaceutical in relation to the leasing of the premises
“General Procurement Framework Agreement”	the general procurement framework agreement dated 13 April 2024 entered into between the Company and Fosun High Tech
“Gland Pharma”	Gland Pharma Limited (stock code of Bombay Stock Exchange Limited and National Stock Exchange of India: GLAND)
“GMP”	Good Manufacturing Practice of Medical Products
“Group”, “we”, “our” or “us”	the Company and its subsidiaries
“H Shares”	overseas listed foreign share(s) in the Company’s ordinary share capital, with a nominal value of RMB1.00 each, which were listed on the Stock Exchange and traded in Hong Kong dollars
“Hainan Fosun International Business Travel”	Hainan Fosun International Business Travel Co., Ltd.* (海南復星國際商旅有限公司), a company established in the PRC with limited liability and a non-wholly owned subsidiary of Fosun International
“Henlius Biopharmaceuticals”	Shanghai Henlius Biopharmaceuticals Co., Ltd.* (上海復宏漢霖生物製藥有限公司), a wholly owned subsidiary of the Company
“Henlius Biologics”	Shanghai Henlius Biologics Co., Ltd. *(上海復宏漢霖生物醫藥有限公司), a wholly-owned subsidiary of the Company
“Henlius Pharmaceutical Trading”	Shanghai Henlius Pharmaceutical Trading Co., Ltd.* (上海復宏漢霖醫藥貿易有限公司)(formerly known as Shanghai Baodao Hongshun Pharmaceutical Trading Co., Ltd.* (上海寶島宏順醫藥貿易有限公司)), a wholly-owned subsidiary of the Company

DEFINITIONS

“HK\$” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“HLX01 Agreement”	the cooperation agreement dated 18 September 2015 entered into with Fosun Pharma Industrial Development relating to cooperation arrangements for HLX01
“HLX03 Agreement”	the cooperation agreement dated 18 September 2017 entered into with Jiangsu Wanbang (Group) Biopharmaceutical Co., Ltd., a wholly-owned subsidiary of Fosun Pharma, relating to the cooperation arrangements for HLX03
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange” or the “Stock Exchange”	The Stock Exchange of Hong Kong Limited
“IFRSs”	International Financial Reporting Standards
“IMA”	the investment management agreement dated 25 September 2019 entered into between the Company and AMTD
“IND”	investigational new drug or investigational new drug application, also known as clinical trial application in China
“Independent Shareholders”	the Shareholders, other than Dr. Jun Zhu, his associates and all other core connected persons of the Company
“Intas”	Intas Pharmaceuticals Limited, founded in 1976 and headquartered in India
“Latest Practicable Date”	20 April 2026, being the latest practicable date for ascertaining the contents set out in this report prior to printing
“Listing”	the listing of the H Shares on the Main Board of the Stock Exchange
“Listing Date”	25 September 2019, being the date on which the H Shares were listed on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“MAA”	marketing authorisation application
“mAb”	monoclonal antibodies
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules
“NDA”	new drug application
“NMPA”	the National Medical Products Administration of the PRC
“Option”	a right to subscribe for such number of H Shares pursuant to the Share Option Scheme

“Participant”	any Eligible Person who is approved for participation in the Share Option Scheme and/or the RSU Scheme and who has been granted any Option pursuant to the Share Option Scheme and/or RSU pursuant to the RSU Scheme
“PRC”, “China” or “Chinese Mainland”	the People’s Republic of China, but for the purposes of this annual report only, except where the context requires, references in this annual report to PRC, China or Chinese Mainland exclude Hong Kong, Macau and Taiwan Regions
“Promotional Services Agreement”	the agreement entered into by Henlius Biopharmaceuticals and Jiangsu Fosun on 24 August 2020 in relation to the provision of promotional services by Jiangsu Fosun to the Group, as amended by a supplemental agreement on 31 December 2020, 30 June 2022, 29 December 2023, 31 December 2024 and 31 December 2025
“Property Leasing Framework Agreements”	the Clone Property Leasing Framework Agreement and the Fukun Property Leasing Framework Agreement
“R&D”	research and development
“Related Entity”	the holding companies, fellow subsidiaries or associated companies of the Company, and a member of the Related Entity means any of the aforementioned entities
“Related Entity Participant”	any director or employee (whether full-time or part-time employees) of any member of the Related Entity
“Reporting Period”	the year ended 31 December 2025
“Restricted Share(s)”	the H Share(s) underlying the RSU(s) granted to a Grantee
“RMB”	Renminbi, the lawful currency of the PRC
“RSU(s)”	restricted share unit(s), being contingent rights to receive such number of Restricted Shares awarded pursuant to the RSU Scheme
“Scheme Administrator”	the committee of the Board or person(s) to which the Board has delegated its authority (as applicable) to administer the Share Option Scheme and/or the RSU Scheme
“Service Provider Participant”	persons providing services to the Group on a continuing or recurring basis akin to those of the employees of the Group in the Group’s ordinary and usual course of business which are in the interests of the long term growth of the Group as determined by the Board or the Scheme Administrator, including consultants, advisors and/or contractors who provide advisory services, consultancy services, and/or other professional services to any member of the Group in connection with the R&D, manufacturing, product commercialisation, or in areas relating to the Group’s principal business activities that are being carried out by the Group from time to time, or on areas that are desirable and necessary from a commercial or strategic perspective and help maintain or enhance the competitiveness of the Group by way of introducing new business opportunities and/or applying their specialized skills and/or knowledge in the abovementioned fields, but excluding placing agents or financial advisors providing advisory services for fundraising, mergers or acquisitions, and professional service providers such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity

DEFINITIONS

“Rules of Procedures of the Board of Supervisors”	the rules of procedures of the Board of Supervisors of the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
“Share(s)”	ordinary shares with nominal value of RMB1.00 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Sinopharm”	Sinopharm Group Co. Ltd.* (國藥控股股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed and traded on the Stock Exchange
Sinopharm Distribution Framework Agreement”	the distribution framework agreement dated 24 April 2020 entered into between the Company and Sinopharm relating to the sales of self-owned products (except for HANLIKANG and HANDAYUAN)
“Sinopharm Group”	Sinopharm and its subsidiaries
“Sinopharm Industrial Investment”	Sinopharm Industrial Investment Co. Ltd.* (國藥產業投資有限公司), a company incorporated in the PRC on 5 June 2008 and the controlling shareholder of Sinopharm
“Sinopharm Procurement Framework Agreement”	the procurement framework agreement dated 24 April 2020 entered into between the Company and Sinopharm relating to the procurement of (i) warehousing and logistics services and (ii) raw materials by the Group from Sinopharm Group
“Songjiang First Plant”	the Company’s manufacturing facility at Guangfu Lin Road of the Songjiang District of Shanghai
“Songjiang Second Plant”	Henlius Biotech Biopharmaceutical Industrialization Base II, the Company’s manufacturing facility with total planned area of 200 acres currently under construction in the Songjiang District of Shanghai
“Supervisor(s)”	the supervisor(s) of the Company
“U.S.” or “United States”	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
“USD”	U.S. Dollars, the lawful currency of the U.S.
“Unlisted Share(s)”	ordinary share(s) with nominal value of RMB1.00 each in the share capital of the Company, which are not listed on any stock exchange
“Xuhui Facility”	the Company’s manufacturing facility at Yishan Road of the Xuhui District of Shanghai

In this annual report, if there is any inconsistency between the Chinese names of the entities, authorities, organisations, institutions, or enterprises established in China or the awards or certificate given in China and their English translations, the Chinese version shall prevail.

* For identification only