BeOne Medicines Ltd.
百濟神州有限公司
(a corporation incorporated under the laws of Switzerland)
(Stock Code: 06160)

VOLUNTARY ANNOUNCEMENT – BUSINESS UPDATE

This announcement is made by BeOne Medicines Ltd. (the "**Company**") on a voluntary basis. Please refer to the attached for the Swiss Statutory Financial Statements prepared pursuant to Swiss law.

By order of the Board
BeOne Medicines Ltd.
Mr. John V. Oyler
Chairman

Hong Kong, February 27, 2026

As of the date of this announcement, the Board of Directors of the Company consists of Mr. John V. Oyler as Chairman and Executive Director, Dr. Xiaodong Wang as Non-executive Director, and Dr. Olivier Brandicourt, Dr. Margaret Han Dugan, Mr. Michael Goller, Mr. Anthony C. Hooper, Mr. Ranjeev Krishana, Dr. Alessandro Riva, Dr. Corazon (Corsee) D. Sanders, Ms. Shalini Sharp and Mr. Qingqing Yi as Independent Non-executive Directors.

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To the General Meeting of
BeOne Medicines Ltd, Basel,

Basel, February 26, 2026

REPORT OF THE STATUTORY AUDITOR

Report on the audit of the financial statements

Opinion

We have audited the financial statements of BeOne Medicines Ltd (the Company), which comprise the balance sheet as of December 31, 2025, and the income statement for the period from May 27, 2025 to December 31, 2025, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements comply with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession that are relevant to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

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 judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

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Other information
The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, and our auditor's reports thereon. We expect to obtain the remuneration report after the date of our auditor's report.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, 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.

Board of Directors' responsibilities for the financial statements
The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company'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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Based on our audit in accordance with Art. 728a para. 1 item 2 CO, we confirm that the proposal of the Board of Directors complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young AG

Elisa Alfieri
(Qualified Signature)

Licensed audit expert
(Auditor in charge)

Helena Pires Rosa
(Qualified Signature)

Licensed audit expert

Enclosures
- Financial statements (balance sheet, income statement, notes to the financial statements)
- Proposal of the Board of Directors

BeOne Medicines Ltd.

Aeschengraben 27
4501 Basel

Statutory financial statements 2025

Balance sheet as at December 31, 2025

Income statement for the period May 27, 2025 to December 31, 2025

Notes

BeOne Medicines Ltd., Basel

Balance Sheet

		As of December 31, 2025	
		USD in 000'	CHF in 000'
Assets	Note		
Current assets:			
Cash and cash equivalents	4.1	614,417	486,803
Other short term receivables			
– from companies in which the entity holds an investment		140,359	111,206
Prepaid expenses and other current assets	4.2	36,198	28,679
		790,974	626,688
Non-current assets:			
Financial assets	4.3	24,654	19,533
Long-term loans (from companies in which the entity holds an investment)		1,714,121	1,358,098
Long-term investments	4.4	7,259,271	5,751,521
Intangible assets		1,776	1,408
Prepaid expenses	4.2	12,561	9,952
		9,012,383	7,140,512
Total assets		9,803,357	7,767,200
Liabilities and shareholders' equity			
Short-term liabilities:			
Trade accounts payable			
– from third parties		1,396	1,106
Short-term interest bearing liabilities			
– from third parties		12,298	9,744
– from companies in which the entity holds an investment		250,000	198,075
Other short-term liabilities			
– from third parties		2,712	2,149
– from companies in which the entity holds an investment		212,733	168,548
Accrued liabilities and deferred revenue		45,734	36,235
		524,873	415,857
Long-term liabilities:			
Long-term interest-bearing liabilities			
– from third parties	4.5	855,151	677,537
Other long-term liabilities			
– from companies in which the entity holds an investment		52,288	41,429
		907,439	718,966
Total liabilities		1,432,312	1,134,823
Shareholders' equity			
Share capital	4.6	154	122
Statutory capital reserve			
– Reserve for capital contributions	4.6	14,377,156	11,391,020
Legal retained earnings			
– Reserve for treasury shares held by subsidiaries	4.6	1,692,901	1,341,285
Loss brought forward	4.6	(7,585,270)	(6,009,810)
Loss for the period	4.6	(113,896)	(90,240)
		8,371,045	6,632,377
Total liabilities and shareholders' equity		9,803,357	7,767,200

The accompanying notes form an integral part of the Financial Statements.

BeOne Medicines Ltd., Basel

Income Statement

	May 27, 2025 – December 31, 2025	
	USD in 000'	**CHF in 000'**
Other operating income	35,599	28,205
Total Income	35,599	28,205
Personnel expenses	(72)	(57)
Other operating expenses	(65,341)	(51,771)
Impairment losses on investments	(40,376)	(31,990)
Impairment losses on financial assets	(21,840)	(17,304)
Amortization on intangible assets	(852)	(674)
Total expenses	(128,481)	(101,796)
Loss from operations	(92,882)	(73,591)
Financial income	19,160	15,181
Financial expenses	(40,174)	(31,830)
Loss before income taxes	(113,896)	(90,240)
Loss for the period	(113,896)	(90,240)

The accompanying notes form an integral part of the Financial Statements.

BeOne Medicines Ltd., Basel

Notes to the financial statements

1 General formation

BeOne Medicines Ltd. (the "Company"), incorporated under Swiss law and headquartered at Aeschengraben 27, 4051 Basel, Switzerland, is the ultimate holding company of the BeOne group of companies, which includes affiliated and associated companies and joint ventures worldwide (the "BeOne Group").

2 Basis of Presentation

On May 27, 2025, BeOne Medicines Ltd. completed its change in jurisdiction of incorporation from the Cayman Islands to Switzerland, and thus became subject to Swiss law on May 27, 2025. Prior to such date, BeOne Medicines Ltd. was organized under the laws of the Cayman Islands under the name of "BeiGene, Ltd.". Because the Company became subject to Swiss law on May 27, 2025, there are no comparative figures to be presented. The statutory financial statements present the results of BeOne Medicines Ltd. on a standalone basis.

The statutory financial statements reflect the results of operations for the period from May 27, 2025 to December 31, 2025 and have been prepared in accordance with the requirements of the Swiss Code of Obligations ("SCO"). They are prepared under the historical cost convention and on an accrual basis.

When referring to fiscal year 2025 in these statutory financial statements, the Company considers the period from its incorporation on May 27, 2025 to December 31, 2025.

3 Accounting Principles

3.1 Information on the annual accounts applied principles

The annual financial statements are prepared in accordance with the valuation principles prescribed by Swiss law (Title Thirty-Two of the Swiss Code of Obligations). In addition, they have been prepared under the historical cost convention, taking into account income and expenses not yet due at the balance sheet date. The main valuation principles applied which are not prescribed by law are described below. It should be noted that to ensure the Company's going concern, the company may create or release hidden reserves.

3.2 Other information required by law

The Company's functional currency is USD. Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction.

To meet the requirements of SCO, the financial statements are also disclosed in local currency (CHF) by using the closing rate method. Applying this method, all figures in Swiss francs in the balance sheet, income statement and notes are converted at the closing rate at the end of the period (December 31, 2025). At December 31, 2025, the exchange rate was CHF 0.7923 for USD1. Disclosing the financial statements in CHF is for informative purposes only.

3.3 Interest-bearing liabilities

Interest-bearing liabilities are recognized in the balance sheet at nominal value. Issue costs for the loans are recognized as prepaid expenses and amortized on a straight line basis over the maturity of the loans.

3.4 Foregoing a cash flow statement and additional disclosures in the notes

The Company is integrated into the operations of the BeOne Group, which presents its consolidated financial statements in accordance with US GAAP. In accordance with Article 961d of the Swiss Code of Obligations, the Company has decided not to present additional information in the notes, the cash flow statement and the management report.

4 Information on balance sheet items

4.1 Cash and cash equivalents

Cash and cash equivalents include deposits with maturities of less than three months.

4.2 Prepaid expenses and other current assets

Long-term prepaid expenses contain the non-yet-amortized amount of the issue costs which arose when the loans were drawn. The part to be amortized in the following year is recognized in the short-term prepaid expenses.

4.3 Financial assets

Financial assets include securities with a long-term holding period that have no quoted market price or no other observable market price, as well as convertible notes. Financial assets are valued at their acquisition cost adjusted for impairment losses.

	As of December 31, 2025	
	USD in 000'	**CHF in 000'**
Convertible Debt Instruments	5,335	4,227
Other Financial Assets	19,319	15,306
	24,654	**19,533**

4.4 Long term investments

(a) Direct investments

Direct shareholdings of BeOne Medicines Ltd. were as follows as at December 31, 2025:

Company	Subsidiary	Domicile	Share in voting and capital rights, in % As of December 31, 2025
BeOne Medicines (Hong Kong) Co., Limited	Direct	Hong Kong	100%
Pi Health Inc.	Direct	Massachusetts, USA	46%
MapKure, LLC	Direct	Connecticut, USA	53%
BG NC 1, Ltd.	Direct	Cayman Islands	100%
BG NC 2, Ltd.	Direct	Cayman Islands	100%
BeOne Medicines Treasury Ltd.	Direct	Cayman Islands	100%
Ribonaut Therapeutics, Inc.	Direct	Delaware USA	34%
Salsola Therapeutics, Inc.	Direct	Delaware USA	30%

(b) Indirect investments

Significant indirect shareholdings of BeOne Medicines Ltd. were as follows as at December 31, 2025:

Company	Subsidiary	Domicile	Share in voting and capital rights, in % As of December 31, 2025
BeiGene 101	Indirect	Cayman Islands	100%
BeOne Medicines Argentina S.R.L.	Indirect	Argentina	100%
BeOne Medicines AUS Pty Ltd	Indirect	Australia	100%
BeOne Medicines Austria GmbH	Indirect	Austria	100%
BeOne Medicines (Beijing) Co., Ltd.	Indirect	PRC	100%
BeOne Medicines Belgium SRL	Indirect	Belgium	100%
BeOne Biologics Co., Ltd.	Indirect	PRC	100%
BeOne Medicines Brasil Ltda.	Indirect	Brazil	100%
BeOne Medicines (Canada) ULC	Indirect	Canada	100%
BeOne Medicines Chile Limitada	Indirect	Chile	100%
BeOne Medicines Colombia S.A.S.	Indirect	Columbia	100%
BeOne Medicines ESP, S.L.U. Unipersonal	Indirect	Spain	100%
BeOne Medicines France Sarl	Indirect	France	100%
BeOne Medicines Germany GmbH	Indirect	Germany	100%
BeOne Guangzhou Biologics Manufacturing Co., Ltd.	Indirect	PRC	100%
BeOne (Guangzhou) Innovation Technology Co., Ltd.	Indirect	PRC	100%

Company	Subsidiary	Domicile	Share in voting and capital rights, in % As of December 31, 2025
BeOne Medicines Hopewell Urban Renewal, LLC	Indirect	New Jersey, USA	100%
BeOne Medicines International GmbH	Indirect	Switzerland	100%
BeOne Medicines Ireland Limited	Indirect	Republic of Ireland	100%
BeOne Medicines (Italy) S.r.l.	Indirect	Italy	100%
BeOne Medicines Japan, GK	Indirect	Japan	100%
BeOne Medicines Korea Y.H.	Indirect	South Korea	100%
BeOne Medicines Malaysia Sdn. Bhd.	Indirect	Malaysia	100%
BeOne Medicines Mexico S. de R.L. de C.V.	Indirect	Mexico	100%
BeOne Medicines Netherlands B.V.	Indirect	Netherlands	100%
BeOne Medicines NZ Unlimited	Indirect	New Zealand	100%
BeOne Medicines Peru (Sociedad Comercial de Responsabilidad Limitada – S.R.L)	Indirect	Peru	100%
BeOne Medicines Pharmaceuticals GmbH	Indirect	Switzerland	100%
BeOne Pharmaceuticals (Guangzhou) Co., Ltd.	Indirect	PRC	100%
BeOne Medicines Pharmaceuticals Israel Ltd.	Indirect	Israel	100%
BeOne Medicines (Shanghai) Co., Ltd.	Indirect	PRC	100%
BeOne Medicines Poland sp. z o.o.	Indirect	Poland	100%
BeOne Medicines Portugal, Unipessoal Lda.	Indirect	Portugal	100%
BeiGene Shanghai	Indirect	Cayman Islands	95%
BeiGene Shanghai 101	Indirect	Cayman Islands	95%
BeOne Medicines (Shanghai) Development Co., Ltd.	Indirect	PRC	95%
BeOne Medicines (Shanghai) Management Consulting Co., Ltd.	Indirect	PRC	100%
BeOne Medicines (Shanghai) Research & Development Co., Ltd.	Indirect	PRC	100%
BeOne Medicines Shanghai Asset Limited	Indirect	Hong Kong	95%
BeOne Medicines Singapore Pte. Ltd	Indirect	Singapore	100%

Company	Subsidiary	Domicile	Share in voting and capital rights, in % As of December 31, 2025
BeOne Medicines South Africa (PTY) Ltd	Indirect	South Africa	100%
BeOne Pharmaceutical (Suzhou) Co., Ltd.	Indirect	PRC	100%
BeOne Medicines Sweden AB	Indirect	Sweden	100%
BeOne Medicines (Taiwan) Limited	Indirect	Taiwan	100%
BeiGene (Thailand) Ltd.	Indirect	Thailand	100%
BeiGene Turkey Medical Products Trade Limited Company	Indirect	Turkey	100%
BeOne Medicines UK, Ltd.	Indirect	United Kingdom	100%
BeOne Medicines United Kingdom, Ltd.	Indirect	United Kingdom	100%
BeOne Medicines USA, Inc.	Indirect	Delaware, USA	100%
BeOne Medicines US Holdings, LLC	Indirect	Delaware, USA	100%
BeOne Medicines US Manufacturing Co., Inc.	Indirect	Delaware, USA	100%
Beijing Innerway Bio-tech Co., Ltd.	Indirect	PRC	100%
BeOne Medicines Global Business Services Sp. Z o.o.	Indirect	Poland	100%
BeOne Medicines I GmbH	Indirect	Switzerland	100%
BeONe Medicines d.o.o. Beograd	Indirect	Serbia	100%
Newco 101	Indirect	Cayman Islands	100%
SuGene Pharmaceuticals (Suzhou) Co., Ltd.	Indirect	PRC	100%

4.5 Long-term interest-bearing liabilities from third party

The long-term interest-bearing liabilities consists of term loans and a revolving credit line from various banks.

4.6 Shareholders's equity

Share capital

The Company was incorporated on May 27, 2025, with a share capital of USD154,097.5898, corresponding to 1,540,975,898 fully paid-in registered shares with a par value of USD0.0001 each.

The following table presents the activity related to our equity accounts as at December 31, 2025 in USD:

	Share Capital	Reserve from capital contributions		Legal retained earnings		Total shareholders's equity
		Foreign	*Domestic*	Reserve for treasury shares	Loss brought forward	
Redomiciliation	154	13,784,270	—	2,270,652	(7,585,270)	8,469,806
Share-based compensation	—	577,751	15,135	(577,751)	—	15,135
Loss for the period	—	—	—	—	(113,896)	(113,896)
Balance as at December 31, 2025	**154**	**14,362,021**	**15,135**	**1,692,901**	**(7,699,166)**	**8,371,045**

The following table presents the activity related to our equity accounts as at December 31, 2025 in CHF:

	Share Capital	Reserve from capital contributions		Legal retained earnings		Total shareholders's equity
		Foreign	*Domestic*	Reserve for treasury shares	Loss brought forward	
Redomiciliation	122	10,921,277	—	1,799,037	(6,009,810)	6,710,626
Share-based compensation	—	457,752	11,991	(457,752)	—	11,991
Loss for the period	—	—	—	—	(90,240)	(90,240)
Balance as at December 31, 2025	**122**	**11,379,029**	**11,991**	**1,341,285**	**(6,100,050)**	**6,632,377**

Capital Band

The Company's Articles of Association provides for a capital band between USD138,687.8308 (lower limit) and USD231,146.3847 (upper limit). Within this capital band, the Board of Directors is authorized, until April 28, 2029, to increase or decrease the share capital at any time or from time to time and in any (partial) amounts, or to cause the company or one of its group companies to directly or indirectly acquire registered shares with a nominal value of USD0.0001 each including as part of share buyback programs).

Reserves from capital contributions

Statutory reserves from capital contributions, subject to certain conditions, are distributable reserves.

From a fiscal point of view, any distribution made from reserves from capital contributions are treated the same as a repayment of share capital. The Swiss Federal Tax Administration (SFTA) has not yet confirmed that it will recognize disclosed reserves from capital contribution as a capital contribution as per Article 5(1bis) Withholding Tax Act.

Reserve for treasury shares held by subsidiaries

In 2025, a subsidiary (BG NC 2, Ltd.) acquired 133,000,000 registered shares of BeOne Medicines Ltd. at a price of USD17 each. A respective reserve for treasury shares was recorded. During the period, 33,840,898 shares were delivered to employees as part of the Company's Third Amended and Restated 2016 Share Option and Incentive Plan (as amended from time to time). As of December 31, 2025, the Company held, through BG NC 2, Ltd., 99,159,102 of its own registered shares with a par value of USD0.0001 each. The Company has deposited, and will continue to deposit, these treasury shares to the Company's depositary bank to satisfy the Company's obligations to deliver ordinary shares in connection with awards granted under the Company's Third Amended and Restated 2016 Share Option and Incentive Plan (as amended from time to time) within the then-available scheme mandate limit as approved by the Company's shareholders under Chapter 17 of the Listing Rules of The Stock Exchange of Hong Kong Limited.

Bulk shares

Additionally, the Company has deposited bulk shares to the Company's depository bank for the sole purpose of satisfying the Company's obligations to deliver ordinary shares in connection with the Fourth Amended and Restated 2018 Employee Share Purchase Plan ("2018 ESPP"). As of December 31, 2025, 877,395 shares are held in custody of the Company's depositary bank and are available for potential future issuances under the 2018 ESPP.

5 Other information

5.1 Full-time equivalent employees

The annual average number of full-time equivalent employees for the reporting period did not exceed 10.

5.2 Shares or options on shares for members of the Board of Directors

According to the compensation policy, independent Board members receive equity compensation in the form of share options and restricted share units (RSUs). Each director is granted equity awards with a total value of USD400,000 at the time of their initial appointment (prorated to the first AGM cycle) and an additional USD400,000 annually at each Annual General Meeting. 50 percent of the equity award is delivered as share options and 50 percent as RSUs. Both options and RSUs vest in full after one year (or earlier upon the next AGM). A director may elect to defer RSU settlement until six months after leaving the Board. Equity awards and cash compensation are capped at USD1,000,000 per calendar year per director (except in the first year of service).

In 2025 the Board members received their compensation prior to the redomiciliation, consequently no allocation of shares and options is disclosed for the period May 27, 2025 to December 31, 2025.

5.3 Significant subsequent events

There have been no subsequent events requiring a change in the value of assets and liabilities or additional disclosure in the notes.

5.4 Guarantees

As part of daily operations, certain affiliates of the BeOne Group enter into various credit arrangements. In its role as ultimate holding company, the Company has provided guarantees in respect of certain of these credit arrangements. As of December 31, 2025, the aggregate maximum amount guaranteed by the Company is USD4.41 million (equivalent to approximately CHF 3.49 million).

The Company has also provided a guarantee covering the lease payment obligations of an affiliate under agreements entered into with third parties amounting up to USD12.36 millions (equivalent to approximately CHF 9.79 million).

As at December 31, 2025, the Company does not anticipate having to perform under these guarantees.

BeOne Medicines Ltd., Basel

PROPOSED APPROPRIATION OF ACCUMULATED LOSSES

	USD in 000'	CHF in 000'
Losses brought forward	(7,585,270)	(6,009,810)
Losses for the period	(113,896)	(90,240)
Total available to the Annual General Meeting of Shareholders	**(7,699,166)**	**(6,100,050)**
Proposal of the Board of Directors for the appropriation of accumulated losses:		
Balance to be carried forward	(7,699,166)	(6,100,050)

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To the General Meeting of
BeOne Medicines Ltd., Basel

Basle, February 26, 2026

Report of the statutory auditor

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements of BeOne Medicines Ltd. and its subsidiaries (the Group), which comprise the consolidated balance sheet as of December 31, 2025, the related consolidated statements of operations, comprehensive income (loss), cash flows and shareholders' equity for the period ended December 31, 2025, and the related notes, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2025 and the results of its operations and its cash flows in the period ended December 31, 2025, in conformity with U.S. generally accepted accounting principles (US GAAP) and comply with Swiss law.

The consolidated financial statements for the years ended December 31, 2024 and 2023 were audited by another auditor, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB standards) and an unmodified opinion was expressed on those consolidated financial statements on February 26, 2025.

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Basis for opinion

We conducted our audit in accordance with Swiss law, Swiss Standards on Auditing (SA-CH) and the PCAOB standards. Our responsibility is to express an opinion on these consolidated financial statements based on our audit and our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are a public accounting firm and are independent of the Group in accordance with the provisions of Swiss law, U.S. federal securities law, as well as the requirements of the Swiss audit profession that are relevant to audits of the financial statements of public interest entities, the U.S. Securities and Exchange Commission and the PCAOB. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Critical audit matters

The critical audit matter communicated below is the matter arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the Audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing separate opinions on the critical audit matter or on the accounts or disclosures to which it relates.

Gross-to-Net U.S. Rebate Accruals for Chargebacks and Third-Party Managed Rebates

Description of the Matter

At December 31, 2025, the Company recorded $398.5 million of accrued sales chargebacks, rebates, returns and other deductions. As discussed in Note 2 to the consolidated financial statements under the caption "Revenue Recognition", the Company recognizes revenue when the transfer of control of goods or services to the customer is completed. To determine the appropriate transaction price at the time revenue is recognized, the Company estimates variable consideration related to rebates that will ultimately be due to the customer and others in the distribution channel under the terms of their contracts. Where appropriate, these estimates take into consideration, among other items, the Company's historical experience, current contractual and statutory requirements, channel inventory levels, and forecasted customer buying and payment patterns. The Company recognizes revenue related to variable consideration to the extent it is probable that a significant revenue reversal will not occur and estimates variable consideration from rebates using the expected value method.

Auditing the Company's United States chargebacks and accrued revenue rebates owed pursuant to definitive contractual agreements or legal requirements with private (Managed Care and Group Purchasing Organizations) & public (Medicaid, Tricare, and Manufacturer's Discounts) benefit providers was challenging due to the extent of effort required to audit the significant number of rebate programs, as the terms vary by program and by benefit provider. Additionally, due to the volume of chargebacks and rebates, third-party processing and the timing of invoicing received from distributors and benefit providers, the actual amounts incurred for all distributors and benefit providers are not known at the time the financial statements are issued.

Gross-to-Net U.S. Rebate Accruals for Chargebacks and Third-Party Managed Rebates

How We Addressed the Matter in Our Audit	We evaluated and tested the design and operating effectiveness of internal controls over the Company's process used in determining the measurement and completeness of accrued revenue rebates in the United States. This included testing controls over management's review of contractual rebates and other inputs used in the estimation of accrued revenue rebates in the United States, including but not limited to the Company's historical results, current contractual and statutory requirements, channel inventory levels, and projected subsequent-period invoicing. We tested controls over management's review of contractual terms, and total invoicing to date, as well as controls to ensure that the data used to evaluate and support the significant assumptions were complete, accurate, and, where applicable, verified to external data sources.

Gross-to-Net U.S. Rebate Accruals for Chargebacks and Third-Party Managed Rebates

To test the accrued revenue rebates in the United States, our audit procedures included, among others, testing the accuracy and completeness of the underlying data used in determining the accrued revenue rebates and evaluating the assumptions and inputs used by management. To evaluate the measurement and completeness of the accrual, we performed analytical procedures in combination with confirmations of a sample of the inventory remaining in the distribution channel at period end. We assessed the historical accuracy of management's accrued revenue rebates estimates by comparing prior period accrued revenue rebates to the amount of actual payments made in subsequent periods. We examined terms and conditions for a sample of contracts with the Company's customers and others in the distribution channel, tested a sample of credits issued and payments made throughout the year, and agreed rates to underlying contract terms. We independently calculated the revenue rebate accruals using actual rebate invoicing, executed third-party contracts, current-period expense activity, and projected subsequent-period invoicing. Finally, we assessed subsequent events and subsequent period invoicing to determine whether there was any new information that would require adjustment to the accruals.

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Other information
The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, and our auditor's reports thereon. We expect to obtain the remuneration report after the date of our auditor's report.

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 financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, 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.

Other matter
As disclosed in note 1 BeiGene, Ltd. changed its name to BeOne Medicines Ltd. and was registered in Basel, Switzerland, on May 27, 2025 after its redomiciliation from Camana Bay, Cayman Islands. The consolidated financial statements of BeiGene, Ltd, Camana Bay, Cayman Islands, for the year ended December 31, 2024 were audited in accordance with the PCAOB standards by another auditor who expressed an unmodified opinion on those consolidated financial statements on February 27, 2025.

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Board of Directors' responsibilities for the consolidated financial statements
The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with US GAAP and the provisions of Swiss law, and for such internal control as the Board of Directors determines 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 Board of Directors is 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 Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, SA-CH and PCAOB standards 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 Swiss law, SA-CH and PCAOB standards, we exercise professional judgment and maintain professional skepticism 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. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. 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.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors and 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 Board of Directors and 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 arising from the audit of the consolidated financial statements that were communicated or required to be communicated to the Board of Directors and the Audit Committee, we determine those matters that related to accounts or disclosures that are material to the consolidated financial statements and involved especially challenging, subjective, or complex auditor judgment in the current period and are therefore critical audit matters.

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Report on other legal and regulatory requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

We have served as the Group's auditor since 2025.

Ernst & Young AG

Elisa Alfieri
(Qualified Signature)

Licensed audit expert
(Auditor in charge)

Helena Pires Rosa
(Qualified Signature)

Licensed audit expert

Enclosures

- Consolidated financial statements (consolidated balance sheets as of December 31, 2025, and as of December 2024, the related consolidated statements of operations, comprehensive income (loss), cash flows and shareholders' equity for the periods ended December 31, 2025, 2024 and 2023, and the related notes, including a summary of significant accounting policies)

BEONE MEDICINES LTD.

CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)

	Note	Year Ended December 31, 2025	2024	2023
		$	$	$
Revenues				
Product revenue, net	13	5,282,061	3,779,546	2,189,852
Other revenue	3	60,972	30,695	268,927
Total revenues		5,343,033	3,810,241	2,458,779
Cost of sales – product		668,540	594,089	379,920
Gross profit		4,674,493	3,216,152	2,078,859
Operating expenses				
Research and development		2,145,868	1,953,295	1,778,594
Selling, general and administrative		2,081,489	1,831,056	1,508,001
Total operating expenses		4,227,357	3,784,351	3,286,595
Income (loss) from operations		447,136	(568,199)	(1,207,736)
Interest income		70,505	69,641	78,373
Interest expense		(58,234)	(21,805)	(4,364)
Other (expense) income, net	6	(42,553)	(12,638)	307,891
Income (loss) before income taxes		416,854	(533,001)	(825,836)
Income tax expense	10	129,921	111,785	55,872
Net income (loss)		286,933	(644,786)	(881,708)
Earnings (loss) per share				
Basic	14	0.20	(0.47)	(0.65)
Diluted	14	0.19	(0.47)	(0.65)
Weighted-average shares outstanding – basic		1,417,803,727	1,368,746,793	1,357,034,547
Weighted-average shares outstanding – diluted		1,474,829,908	1,368,746,793	1,357,034,547
Earnings (loss) per American Depositary Share ("ADS")				
Basic	14	2.63	(6.12)	(8.45)
Diluted	14	2.53	(6.12)	(8.45)
Weighted-average ADSs outstanding – basic		109,061,825	105,288,215	104,387,273
Weighted-average ADSs outstanding – diluted		113,448,454	105,288,215	104,387,273

The accompanying notes are an integral part of these consolidated financial statements.

BEONE MEDICINES LTD.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)

	Note	Year Ended December 31, 2025	2024	2023
		$	$	$
Net income (loss)		286,933	(644,786)	(881,708)
Other comprehensive income (loss), net of tax of nil:				
Foreign currency translation adjustments	16	69,300	(47,565)	(25,464)
Other adjustments	16	1,504	(1,977)	3,435
Comprehensive income (loss)		357,737	(694,328)	(903,737)

The accompanying notes are an integral part of these consolidated financial statements.

BEONE MEDICINES LTD.

CONSOLIDATED BALANCE SHEETS
(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)

	Note	As of December 31, 2025	As of December 31, 2024
		$	$
Assets			
Current assets:			
Cash and cash equivalents		4,547,530	2,627,410
Accounts receivable, net		865,080	676,278
Inventories, net	11	608,227	494,986
Prepaid expenses and other current assets	11	212,752	192,919
Total current assets		6,233,589	3,991,593
Property, plant and equipment, net	8	1,641,678	1,578,423
Operating lease right-of-use assets	7	148,184	139,309
Intangible assets, net	9	62,704	51,095
Other non-current assets	11	102,418	160,490
Total non-current assets		1,954,984	1,929,317
Total assets		8,188,573	5,920,910
Liabilities and shareholders' equity			
Current liabilities:			
Accounts payable		479,035	404,997
Accrued expenses and other payables	11	1,109,120	803,713
Tax payable	10	41,625	25,930
Operating lease liabilities, current portion	7	20,698	17,576
Research and development cost share liability, current portion	3	64,345	111,154
Sale of future royalty liability, current portion	4	56,714	–
Short-term debt	12	57,293	851,529
Total current liabilities		1,828,830	2,214,899
Non-current liabilities:			
Long-term debt	12	961,913	166,484
Sale of future royalty liability, non-current portion	4	850,242	–
Operating lease liabilities, non-current portion	7	52,940	44,277
Deferred tax liabilities	10	53,209	42,007
Research and development cost share liability, non-current portion	3	–	54,286
Other long-term liabilities	11	80,245	66,735
Total non-current liabilities		1,998,549	373,789
Total liabilities		3,827,379	2,588,688
Commitments and contingencies	20		
Shareholders' equity:			
Ordinary shares, $0.0001 par value per share; 1,540,975,898 and 1,387,367,704 shares issued and 1,441,075,618 and 1,387,367,704 shares outstanding as of December 31, 2025 and 2024, respectively		144	138
Additional paid-in capital		12,759,137	12,087,908
Accumulated other comprehensive loss	16	(78,184)	(148,988)
Accumulated deficit		(8,319,903)	(8,606,836)
Total shareholders' equity		4,361,194	3,332,222
Total liabilities and shareholders' equity		8,188,573	5,920,910

The accompanying notes are an integral part of these consolidated financial statements.

BEONE MEDICINES LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)

	Note	Year Ended December 31, 2025	2024	2023
		$	$	$
Cash flows from operating activities:				
Net income (loss)		286,933	(644,786)	(881,708)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization expense		141,686	171,762	87,675
Share-based compensation expense	15	510,857	441,618	367,618
Acquired in-process research and development	3	691	60,000	46,800
Amortization of research and development cost share liability	3	(101,095)	(73,226)	(55,294)
Impairment of equity investments		75,626	6,838	7,529
Loss on long-term investments	6	596	17,184	8,692
Non-cash interest expense		14,872	–	–
Deferred income tax expense		9,469	25,983	689
Gain on BMS termination settlement		–	–	(362,917)
Other items, net		(2,953)	11,163	(5,998)
Changes in operating assets and liabilities:				
Accounts receivable		(164,954)	(329,443)	(188,306)
Inventories		(93,168)	(91,496)	(140,948)
Other assets		37,164	45,126	12,120
Accounts payable		79,833	121,497	21,484
Accrued expenses and other payables		311,762	111,354	180,111
Deferred revenue		1,293	633	(255,587)
Other liabilities		18,968	(14,838)	587
Net cash provided by (used in) operating activities		1,127,580	(140,631)	(1,157,453)
Cash flows from investing activities:				
Purchases of property and equipment		(185,839)	(492,663)	(561,896)
Purchase of in-process research and development		(60,691)	(31,800)	(15,000)
Purchase of intangible assets	3	(20,000)	(4,674)	(19,365)
Purchase of long-term investments	6	(11,834)	(19,006)	(14,900)
Proceeds from sale or maturity of short-term investments		3,446	2,655	673,240
Other investing activities		(1,237)	(2,862)	(2,075)
Net cash (used in) provided by investing activities		(276,155)	(548,350)	60,004
Cash flows from financing activities:				
Proceeds from sale of future royalties	4	911,000	–	–
Proceeds from long-term loan	12	850,586	9,053	22,502
Repayment of long-term loan	12	(35,680)	(28,031)	(13,690)
Proceeds from short-term loans	12	233,676	868,270	661,530
Repayment of short-term loans	12	(1,044,781)	(704,216)	(309,576)
Payments of debt issuance costs	12	(23,392)	–	–
Payments of withholding taxes from share-based awards		(24,195)	–	–
Proceeds from option exercises and employee share purchase plan		196,281	45,373	55,712
Repayment of sale of future royalties liability	4	(4,044)	–	–
Other financing activities		–	3,000	–
Net cash provided by financing activities		1,059,451	193,449	416,478
Effect of foreign exchange rate changes, net		60,024	(51,705)	(8,082)
Net increase (decrease) in cash, cash equivalents, and restricted cash		1,970,900	(547,237)	(689,053)
Cash, cash equivalents, and restricted cash, beginning of year		2,638,747	3,185,984	3,875,037
Cash, cash equivalents, and restricted cash, end of year		4,609,647	2,638,747	3,185,984
Supplemental cash flow disclosures:				
Cash and cash equivalents		4,547,530	2,627,410	3,171,800
Short-term restricted cash		41,284	9,312	11,473
Long-term restricted cash		20,833	2,025	2,711
Interest paid		52,452	51,175	19,753
Supplemental non-cash activities:				
Accruals for capital expenditures		57,283	70,314	91,804
Purchase of in-process research and development included in accounts payable		–	60,000	31,800

The accompanying notes are an integral part of these consolidated financial statements.

BEONE MEDICINES LTD.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)

	Ordinary Shares Issued	Effect of Redomiciliation[1]	Total Outstanding Shares	Ordinary Shares Issued	Additional Paid-In Capital	Accumulated Other Comprehensive Income/(Loss)	Accumulated Deficit	Total
		Shares		$	$	$	$	$
Balance at December 31, 2022	1,356,140,180	–	1,356,140,180	135	11,540,979	(77,417)	(7,080,342)	4,383,355
Issuance of shares reserved for share option exercises	84,227	–	84,227	–	–	–	–	–
Exercise of options, ESPP and release of RSUs	26,561,925	–	26,561,925	2	53,006	–	–	53,008
Cancellation of ordinary shares	(23,273,108)	–	(23,273,108)	(2)	(362,915)	–	–	(362,917)
Share-based compensation	–	–	–	–	367,618	–	–	367,618
Other comprehensive loss	–	–	–	–	–	(22,029)	–	(22,029)
Net loss	–	–	–	–	–	–	(881,708)	(881,708)
Balance at December 31, 2023	1,359,513,224	–	1,359,513,224	135	11,598,688	(99,446)	(7,962,050)	3,537,327
Use of shares reserved for share option exercises	(2,258,161)	–	(2,258,161)	–	–	–	–	–
Exercise of options, ESPP and release of RSUs	30,112,641	–	30,112,641	3	45,550	–	–	45,553
Deconsolidation of a subsidiary	–	–	–	–	2,052	–	–	2,052
Share-based compensation	–	–	–	–	441,618	–	–	441,618
Other comprehensive loss	–	–	–	–	–	(49,542)	–	(49,542)
Net loss	–	–	–	–	–	–	(644,786)	(644,786)
Balance at December 31, 2024	1,387,367,704	–	1,387,367,704	138	12,087,908	(148,988)	(8,606,836)	3,332,222
Issuance of shares reserved for share option exercises	109,709,434	(112,772,594)	(3,063,160)	–	–	–	–	–
Exercise of options, ESPP and release of RSUs	43,898,760	12,872,314	56,771,074	6	195,895	–	–	195,901
Share-based compensation	–	–	–	–	510,857	–	–	510,857
Withholding taxes from share-based awards	–	–	–	–	(35,523)	–	–	(35,523)
Other comprehensive income	–	–	–	–	–	70,804	–	70,804
Net income	–	–	–	–	–	–	286,933	286,933
Balance at December 31, 2025	1,540,975,898	(99,900,280)	1,441,075,618	144	12,759,137	(78,184)	(8,319,903)	4,361,194

1. Upon effectiveness of the Continuation, ordinary shares (including in the form of ADS) held by the Company or one of its controlled subsidiaries immediately prior to the effective date of the Continuation became part of the Company's issued but not outstanding share capital and are considered ordinary shares of the Company, or "treasury shares" under Swiss law. The Company expects to use these treasury shares in the future to satisfy obligations to deliver shares in connection with awards granted under the Company's equity incentive plans and agreements.

The accompanying notes are an integral part of these consolidated financial statements.

1. Description of Business

Formerly known as BeiGene, Ltd., BeOne Medicines Ltd. (the "Company" or "BeOne") is a global oncology company focused on discovering and developing innovative treatments that are more affordable and accessible to cancer patients worldwide.

Effective May 27, 2025, the Company changed its jurisdiction of incorporation from the Cayman Islands to Switzerland through a transaction known as a continuation under Section 206 of the Companies Act (as amended) of the Cayman Islands and Article 161 of the Swiss Federal Act on Private International Law (such transaction, the "Continuation"), The Continuation did not change the accounting basis under U.S. generally accepted accounting principles ("GAAP") of any of the Company's consolidated assets, liabilities, equity, or any previous results of operations or cash flows.

In connection with the Continuation, ordinary shares held by the Company or one of its controlled subsidiaries immediately prior to the effective date of the Continuation became part of the Company's issued share capital and are considered ordinary shares of the Company, or "treasury shares" under Swiss law. See the Company's final prospectus filed with the U.S. Securities and Exchange Commission pursuant to Rule 424(b)(3) on March 10, 2025 for a full description of the changes related to the Company's ordinary shares following the Continuation.

Since its inception in 2010, the Company has become a fully integrated global organization with nearly 12,000 employees worldwide.

2. Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The consolidated financial statements of the Company have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). The consolidated financial statements include the financial statements of the Company and its subsidiaries. All significant intercompany transactions and balances between the Company and its wholly-owned subsidiaries are eliminated upon consolidation.

Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Areas where management uses subjective judgment include, but are not limited to, estimating the useful lives of long-lived assets, estimating variable consideration in product sales and collaboration revenue arrangements, assessing the impairment of long-lived assets, valuation and recognition of share-based compensation expenses, realizability of deferred tax assets, estimating uncertain tax positions, valuation of inventory, estimating the allowance for credit losses, determining defined benefit pension plan obligations, measurement of right-of-use assets and lease liabilities, estimates related to research and development accruals, estimates related to the sale of future royalty liability and the fair value of financial instruments. Management bases the estimates on historical experience, known trends and various other assumptions that are believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities and reported amounts of revenues and expenses. Actual results could differ from these estimates.

Functional Currency and Foreign Currency Translation

Functional currency and foreign currency gains and losses

The Company uses the U.S. dollar ("$" or U.S. dollar) as its reporting currency. Transactions in subsidiaries are recorded in the functional currency of the respective subsidiary and such transactions denominated in currencies other than the functional currency give rise to foreign exchange remeasurement (monetary assets and liabilities) and related gains and losses that are classified in other (expense) income, net in the consolidated statement of operations. The determination of functional currency is based on the criteria of Accounting Standard Codification ("ASC") 830, Foreign Currency Matters. For those periods presented, the Company has not entered into any foreign currency derivative instruments to hedge its foreign currency positions.

Foreign currency translation

For subsidiaries whose functional currencies are not the U.S. dollar, the Company uses the average exchange rate for the period and the exchange rate at the balance sheet date to translate the operating results and financial position to the U.S. dollar, which is the Company's reporting currency. Translation differences are recorded in accumulated other comprehensive loss, a component of shareholders' equity.

Cash, Cash Equivalents and Restricted Cash

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and bank deposits, which are unrestricted as to withdrawal and use. The Company considers all highly liquid investments with an original maturity date of three months or less at the date of purchase to be cash equivalents. Cash equivalents which consist primarily of money market funds are stated at fair value.

Restricted cash

Restricted cash primarily consists of RMB-denominated cash deposits pledged in designated bank accounts as collateral for letters of credit and cash used to settle employee benefit obligations and related taxes. The Company classifies restricted cash as current or non-current based on the term of the restriction.

In addition to the restricted cash balances above, the Company is required by the PRC securities law to use the proceeds from the STAR offering in strict compliance with the planned uses as disclosed in the PRC offering prospectus as well as those disclosed in the Company's proceeds management policy approved by its board of directors.

Accounts Receivable and Allowance for Credit Losses

Trade accounts receivable are recorded at their invoiced amounts, net of trade discounts and allowances as well as an allowance for credit losses. The allowance for credit losses reflects the Company's current estimate of credit losses expected to be incurred over the life of the receivables. The Company considers various factors in establishing, monitoring, and adjusting its allowance for credit losses including the aging of receivables and aging trends, customer creditworthiness and specific exposures related to particular customers. The Company also monitors other risk factors and forward-looking information, such as country specific risks and economic factors that may affect a customer's ability to pay in establishing and adjusting its allowance for credit losses. Accounts receivable are written off after all collection efforts have ceased.

Inventory

Prior to the regulatory approval of product candidates, the Company may incur costs for the manufacture of drug product to support the commercial launch of those products. Until the date at which regulatory approval has been received or is otherwise considered probable, all such costs are recorded as research and development expenses as incurred.

Inventories are stated at the lower of cost and net realizable value, with cost determined in a manner that approximates weighted average cost. The Company periodically analyzes its inventory levels, and writes down inventory that has become obsolete, inventory that has a cost basis in excess of its estimated realizable value and inventory in excess of expected sales requirements as cost of product sales. The determination of whether inventory costs will be realizable requires estimates of future prices by management. If actual market conditions are less favorable than projected by management, additional write-downs of inventory may be required, which would be recorded in the consolidated statements of operations.

Investments

The Company's investments consist of convertible note instruments, public equity securities with readily determinable fair values, private equity securities without readily determinable fair values, and equity-method investments. The classification of an investment is determined based on the nature of the investment, the Company's ability and intent to hold the investment, and the degree to which the Company may exercise influence over the investee.

- Convertible note instruments are recorded using the fair value option method of accounting. Accordingly, convertible note instruments are remeasured at fair value on a recurring basis, with any changes in the fair value option recorded in other (expense) income, net.

- Public equity securities with readily determinable fair values are recorded at fair value. Subsequent changes in fair value are recorded in other (expense) income, net. Derivative financial instruments to purchase public equity securities are recorded at fair value. The estimated fair value of derivative financial instruments is determined based on the Black-Scholes valuation model. Changes in fair value of derivative instruments are recorded in other (expense) income, net.

- Private equity securities without readily determinable fair values and where the Company does not have significant influence are measured at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. Adjustments to private equity securities are recorded in other (expense) income, net.

- Equity investments in common stock or in-substance common stock where the Company has significant influence over the financial and operating policies of the investee are accounted for as equity-method investments. Equity-method investments are initially recorded at cost and subsequently adjusted based on the Company's percentage ownership in the investee's income and expenses, as well as dividends, if any. The Company records its share of the investee's results of operations in other (expense) income, net. The Company records impairment losses on our equity method investments if it deems the impairment to be other-than-temporary. The Company deems an impairment to be other-than-temporary based on various factors, including but not limited to, the length of time the fair value is below the carrying value and ability to retain the investment to allow for a recovery in fair value.

Realized gains or losses on sales of investments are determined based on the specific identification method.

The Company regularly evaluates its investments for impairment. The Company recognized impairment losses from observable price changes in orderly transactions for a similar investment of $75,626, $7,635 and $7,529 related to its investments in equity during the years ended December 31, 2025, 2024 and 2023, respectively.

(Amounts in thousands of U.S. Dollar ("$") and Renminbi ("RMB"),
except for number of shares and per share data)

Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and amortization. Property, plant and equipment, other than land and construction in progress, are depreciated using the straight-line method over the estimated useful lives of the respective assets as follows:

	Useful Lives
Building	20 to 30 years
Manufacturing equipment	3 to 10 years
Laboratory Equipment	3 to 5 years
Software, Electronic and Office Equipment	3 to 5 years
Leasehold Improvements	Lesser of useful life or lease term

The Company periodically evaluates whether events and circumstances have occurred that indicate the estimated useful lives of its long-lived assets may require reassessment.

Leases

The Company applies ASC, Topic 842, Leases ("ASC 842") to account for its leases. The Company determines if an arrangement is a lease at inception. The Company has lease agreements with lease and non-lease components, which are accounted for as a single lease component based on the Company's policy election to combine lease and non-lease components for its leases. Leases are classified as operating or finance leases in accordance with the recognition criteria in ASC 842-20-25. The Company's lease portfolio consists entirely of operating leases as of December 31, 2025. The Company's leases do not contain any material residual value guarantees or material restrictive covenants.

At the commencement date of a lease, the Company determines the classification of the lease based on the relevant factors present and records a right-of-use ("ROU") asset and lease liability. ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. ROU assets and lease liabilities are calculated as the present value of the lease payments not yet paid. Variable lease payments not dependent on an index or rate are excluded from the ROU asset and lease liability calculations and are recognized in expense in the period in which the obligation for those payments is incurred. As the rate implicit in the Company's leases is not typically readily available, the Company uses an incremental borrowing rate based on the information available at the lease commencement date in determining the present value of lease payments. This incremental borrowing rate reflects the fixed rate at which the Company could borrow on a collateralized basis the amount of the lease payments in the same currency, for a similar term, in a similar economic environment. ROU assets include any lease prepayments and are reduced by lease incentives. Operating lease expense for lease payments is recognized on a straight-line basis over the lease term. Lease terms are based on the non-cancelable term of the lease and may contain options to extend the lease when it is reasonably certain that the Company will exercise that option.

Operating leases are included in operating lease right-of-use assets and operating lease liabilities on the consolidated balance sheet. Lease liabilities that become due within one year of the balance sheet date are classified as current liabilities.

Leases with an initial lease term of 12 months or less are not recorded on the consolidated balance sheet. Lease expense for these leases is recognized on a straight-line basis over the lease term.

(Amounts in thousands of U.S. Dollar ("$") and Renminbi ("RMB"),
except for number of shares and per share data)

Land Use Right, Net

All land in the PRC is owned by the PRC government. The PRC government may sell land use rights for a specified period of time. Land use rights represent operating leases in accordance with ASC 842. The purchase price of land use rights represents lease prepayments to the PRC government and is recorded as an operating lease ROU asset on the balance sheet. The ROU asset is amortized over the remaining lease term. As of December 31, 2025, the Company held land use rights in the following regions:

	Terms
Guangzhou	50 years
Beijing	36 years
Suzhou	30 years
Shanghai	47 years

Intangible Assets

Intangible assets acquired through business combinations are recognized as assets separate from goodwill and are measured at fair value upon acquisition. Intangible assets acquired in transactions that are not business combinations are recorded at the allocated portion of total consideration transferred based on their relative fair value in relation to net assets acquired. Intangible assets associated with milestone payments made to third parties subsequent to regulatory approval are recorded at cost. Identifiable intangible assets consist of post-approval milestone payments under license and commercialization agreements, that are amortized over the remainder of the product patent or the term of the commercialization agreements; and trading licenses that are amortized over the initial license term.

Intangible assets with finite useful lives are tested for impairment when events or circumstances occur that could indicate that the carrying amount of an asset may not be recoverable. When these events occur, the Company evaluates the recoverability of the intangible assets by comparing the carrying amount of the assets to the future undiscounted cash flows expected to result from the use of the assets and their eventual disposition. If the sum of the expected undiscounted cash flows is less than the carrying amount of the assets, the Company recognizes an impairment loss based on the excess of the carrying amount of the assets over their fair value. Fair value is generally determined by discounting the cash flows expected to be generated by the assets, when the market prices are not readily available. For the years ended December 31, 2025, 2024 and 2023, the Company determined that there were no indicators of impairment of its intangible assets.

Impairment of Long-Lived Assets

Long-lived assets are reviewed for impairment in accordance with authoritative guidance for impairment or disposal of long-lived assets. Long-lived assets are reviewed for events or changes in circumstances, which indicate that their carrying value may not be recoverable. Long-lived assets are reported at the lower of carrying amount or fair value less cost to sell. For the years ended December 31, 2025, 2024 and 2023, there was no impairment of the value of the Company's long-lived assets.

(Amounts in thousands of U.S. Dollar ("$") and Renminbi ("RMB"),
except for number of shares and per share data)

Fair Value Measurements

Fair value of financial instruments

The Company applies ASC topic 820 ("ASC 820"), Fair Value Measurements and Disclosures, in measuring fair value. ASC 820 defines fair value, establishes a framework for measuring fair value and requires disclosures to be provided on fair value measurement. ASC 820 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1 – Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 – Include other inputs that are directly or indirectly observable in the marketplace.

Level 3 – Unobservable inputs which are supported by little or no market activity.

ASC 820 describes three main approaches to measuring the fair value of assets and liabilities: (1) market approach; (2) income approach; and (3) cost approach. The market approach uses prices and other relevant information generated from market transactions involving identical or comparable assets or liabilities. The income approach uses valuation techniques to convert future amounts to a single present value amount. The measurement is based on the value indicated by current market expectations about those future amounts. The cost approach is based on the amount that would currently be required to replace an asset.

Financial instruments measured at fair value on a recurring basis

The following tables set forth assets measured at fair value on a recurring basis as of December 31, 2025 and 2024:

As of December 31, 2025	**Quoted Price in Active Market for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
	$	**$**	**$**
Cash equivalents:			
Money market funds	2,384,656	–	–
Other non-current assets:			
Equity securities with readily determinable fair values	–	2	–
Convertible debt instrument	–	–	6,135
Other	1,271	–	–
Total	2,385,927	2	6,135

(Amounts in thousands of U.S. Dollar ("$") and Renminbi ("RMB"),
except for number of shares and per share data)

As of December 31, 2024	Quoted Price in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	$	$	$
Cash equivalents			
Money market funds	950,704	–	–
Prepaid expenses and other current assets:			
Convertible debt instrument	–	–	618
Other non-current assets:			
Equity securities with readily determinable fair values	2,113	168	–
Convertible debt instrument	–	–	4,616
Total	952,817	168	5,234

The Company's cash equivalents are highly liquid investments with original maturities of 3 months or less. The Company determines the fair value of cash equivalents using a market approach based on quoted prices in active markets.

The Company's equity securities carried at fair value consisted of holdings in common stock and warrants to purchase additional shares of common stock of a publicly-traded biotechnology company. The common stock investment was measured and carried at fair value and classified as a Level 1 investment. The warrants to purchase additional shares of common stock are measured using the Black-Scholes option-pricing valuation model and classified as a Level 2 investment. In 2025, the Company sold its common stock holdings. Refer to Note 6, *Investments* for details of the determination of the carrying amount of private equity investments without readily determinable fair values and equity method investments.

The Company holds convertible notes issued by private biotech companies. The Company has elected the fair value option method of accounting for the convertible notes. Accordingly, the convertible notes are remeasured at fair value on a recurring basis using Level 3 inputs, with any changes in the fair value option recorded in other (expense) income, net. The Company recorded gain on fair value adjustments of $1,368 for the year ended December 31, 2025 and losses on fair value adjustments of $4,842 and $1,492 for the years ended December 31, 2024 and 2023, respectively.

There were no transfers of instruments between levels of valuation categories during the years ended December 31, 2025 and 2024.

As of December 31, 2025 and 2024, the fair values of cash and cash equivalents, restricted cash, accounts receivable, accounts payable, and short-term debt approximated their carrying values due to their short-term nature. Long-term debt approximates its fair value due to the fact that the related interest rates approximate the rates currently offered by financial institutions for similar debt instrument of comparable maturities.

Revenue Recognition

The Company applies ASC, Topic 606, *Revenue from Contracts with Customers* ("ASC 606") to account for its revenue transactions.

Under ASC 606, an entity recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration that the entity expects to receive in exchange for those goods or services. To determine revenue recognition for arrangements that an entity determines are within the scope of ASC 606, the entity performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price, including variable consideration, if any; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the entity satisfies a performance obligation. The Company only applies the five-step model to contracts when it is probable that the entity will collect the consideration to which it is entitled in exchange for the goods or services it transfers to the customer.

Once a contract is determined to be within the scope of ASC 606 at contract inception, the Company reviews the contract to determine which performance obligations it must deliver and which of these performance obligations are distinct. The Company recognizes as revenue the amount of the transaction price that is allocated to each performance obligation when that performance obligation is satisfied or as it is satisfied.

Product Revenue

In the U.S. and EU, the Company generates product revenues from the sale of BRUKINSA® and TEVIMBRA®. In China, the Company generates product revenues from the sale of its internally developed drugs TEVIMBRA, BRUKINSA and PARTRUVIX®, and the sale of in-licensed products through its agreements with Amgen, BMS, Bio-Thera, EUSA Pharma and Luye Pharmaceutical. Under the commercial profit share arrangement with Amgen, the Company is the principal for in-licensed product sales to customers in China during the commercialization period and recognizes 100% of net product revenue on these sales. Amounts due to Amgen for its portion of net product sales are recorded as cost of sales.

In the U.S., the Company distributes its products through specialty pharmacies and specialty distributors. The specialty pharmacies and specialty distributors subsequently resell the product to health care providers and patients. In the EU, the Company distributes its products through distributors or directly to hospitals. In China, the Company sells its internally developed products to multiple distributors, who in turn sell the product to hospitals or pharmacies within their authorized territories to be sold ultimately to patients. In-licensed products are sold to a first tier distributor who subsequently resells the products to second tier distributors who ultimately sell the products to health care providers and patients.

The Company is the principal under the product sales as the Company controls the products with the ability to direct the use of, and obtain substantially all the remaining benefits from the products before they are sold to the customer. For product sales transactions, the Company has a single performance obligation which is to sell the products to its customer. The Company includes variable consideration in the transaction price to the extent it is probable that a significant reversal will not occur and estimates variable consideration from rebates, chargebacks, trade discounts and allowances, sales returns allowances and other incentives using the expected value method. Revenues for product sales are recognized at a point in time when the single performance obligation is satisfied upon delivery to the customer. The Company's payment terms are approximately 30-90 days. Actual amounts of consideration ultimately received may differ from the Company's estimates. The Company will reassess estimates for variable consideration periodically. If actual results in the future vary from the Company's estimates, the Company will adjust these estimates, which would affect net product revenue and earnings in the period such variances become known.

Estimates for variable consideration for which reserves are established at the time of sale include government and commercial rebates, provisions for acceptance of National Reimbursement Drug List ("NRDL") pricing in the PRC, chargebacks, trade discounts and allowances, sales returns allowances and other incentives that are offered within contracts between the Company and its customers, health care providers and other indirect customers. Where appropriate, these estimates take into consideration relevant factors such as the Company's historical experience, current contractual and statutory requirements, channel inventory levels, specific known market events and trends, industry data and forecasted customer buying and payment patterns. The Company bases its sales returns allowance on estimated distributor inventories, customer demand as reported by third-party sources, and actual returns history, as well as other factors, as appropriate. To date, sales returns have not been significant.

Collaboration Revenue

At contract inception, the Company analyzes its collaboration arrangements to assess whether they are within the scope of ASC 808, *Collaborative Arrangements* ("ASC 808") to determine whether such arrangements involve joint operating activities performed by parties that are both active participants in the activities and exposed to significant risks and rewards dependent on the commercial success of such activities. For collaboration arrangements within the scope of ASC 808 that contain multiple elements, the Company first determines which elements of the collaboration are deemed to be within the scope of ASC 808 and those that are more reflective of a vendor-customer relationship and therefore within the scope of ASC 606. For elements of collaboration arrangements that are accounted for pursuant to ASC 808, an appropriate recognition method is determined and applied consistently.

In determining the appropriate amount of revenue to be recognized as it fulfills its obligations under each of its agreements, the Company performs the five-step model under ASC 606 noted above.

The Company's collaborative arrangements may contain more than one unit of account, or performance obligation, including grants of licenses to intellectual property rights, agreement to provide research and development services and other deliverables. The collaborative arrangements do not include a right of return for any deliverable. As part of the accounting for these arrangements, the Company must develop assumptions that require judgment 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 Company considers competitor pricing for a similar or identical product, market awareness of and perception of the product, expected product life and current market trends. In general, the consideration allocated to each performance obligation is recognized when the respective obligation is satisfied either by delivering a good or providing a service, limited to the consideration that is not constrained. Non-refundable payments received before all of the relevant criteria for revenue recognition are satisfied are recorded as advances from customers.

Licenses of Intellectual Property: Upfront non-refundable payments for licensing the Company's intellectual property are evaluated to determine if the license is distinct from the other performance obligations identified in the arrangement. For licenses determined to be distinct, the Company recognizes revenues from non-refundable up-front fees allocated to the license at a point in time, when the license is transferred to the licensee and the licensee is able to use and benefit from the license.

Options to License Intellectual Property: Upfront non-refundable payments for options to license the Company's intellectual property are evaluated to determine if the option represents a material right and is distinct from the other performance obligations identified in the arrangement. For options determined to be a material right and distinct, the Company defers the non-refundable up-front fees allocated to the option and recognizes revenues at a point in time, at the earlier of when the option is exercised or the option period expires.

Right to Access Intellectual Property during the Option Period: The portion of a transaction price allocated to the other parties right to access the Company's intellectual property to generate their own data during an option period is deferred and recognized as collaboration revenue over the option period on a straight-line basis as the right to use the intellectual property is provided and the data generated.

Research and Development Services: The portion of a transaction price allocated to research and development services performance obligations is deferred and recognized as collaboration revenue over time as delivery or performance of such services occurs.

Milestone Payments: At the inception of each arrangement that includes development milestone payments, the Company evaluates whether the milestones are considered probable of being reached and estimates the amount to be included in the transaction price using the most likely amount method. If it is probable that a significant revenue reversal would not occur, the associated milestone value is included in the transaction price. Milestones related to the Company's development-based activities may include initiation of various phases of clinical trials. Due to the uncertainty involved in meeting these development-based targets, they are generally fully constrained at contract inception. The Company will assess whether the variable consideration is fully constrained each reporting period based on the facts and circumstances surrounding the clinical trials. Upon changes to constraint associated with the developmental milestones, variable consideration will be included in the transaction price when a significant reversal of revenue recognized is not expected to occur and allocated to the separate performance obligations. Regulatory milestones are fully constrained until the period in which those regulatory approvals are achieved due to the inherent uncertainty with the approval process. Regulatory milestones are included in the transaction price in the period regulatory approval is obtained.

Royalties: For arrangements that include sales-based royalties, including milestone payments based on the level of sales, and the license is deemed to be the predominant item to which the royalties relate, the Company recognizes revenue at the later of (i) when the related sales occur, or (ii) when the performance obligation to which some or all of the royalty has been allocated has been satisfied (or partially satisfied).

Research and Development Expenses

Research and development expenses consist of the costs associated with our research and development activities, conducting preclinical studies and clinical trials, and activities related to regulatory filings, which primarily include (i) payroll and related costs (including share-based compensation) associated with research and development personnel, (ii) costs related to clinical trials and preclinical testing of the Company's technologies under development, (iii) costs to develop the product candidates, including raw materials and supplies, product testing, depreciation, and facility related expenses, (iv) expenses for research services provided by universities and contract laboratories, including sponsored research funding, and (v) other research and development expenses. Research and development expenses are charged to expense as incurred when these expenditures relate to the Company's research and development services and have no alternative future uses.

Clinical trial costs are a significant component of the Company's research and development expenses. The Company has a history of contracting with third parties that perform various clinical trial activities on behalf of the Company in the ongoing development of the Company's product candidates. Expenses related to clinical trials are accrued based on the Company's estimates of the actual services performed by the third parties for the respective period. If the contracted amounts are modified (for instance, as a result of changes in the clinical trial protocol or scope of work to be performed), the Company will modify the related accruals accordingly on a prospective basis. Revisions in the scope of a contract are charged to expense in the period in which the facts that give rise to the revision become probable.

Acquired In-Process Research and Development Expense

The Company has acquired rights to develop and commercialize product candidates. Upfront payments that relate to the acquisition of a new drug compound, as well as pre-commercial milestone payments (prior to government approval), are immediately expensed as acquired in-process research and development in the period in which they are incurred, provided that the new drug compound did not also include processes or activities that would constitute a "business" as defined under GAAP, the drug has not achieved regulatory approval for marketing and, absent obtaining such approval, has no established alternative future use. Milestone payments made to third parties subsequent to regulatory approval are capitalized as intangible assets and amortized over the estimated remaining useful life of the related product. Royalties owed on sales of the products licensed pursuant to the agreements are expensed in the period the related revenues are recognized.

Government Grants

Government financial incentives that involve no conditions or continuing performance obligations of the Company are recognized as other income upon receipt. During the years ended December 31, 2025, 2024 and 2023, the Company recognized other income of $22,718, $22,326, and $23,989, respectively, for government grants received after the related expenses have been incurred.

In the event government grants or incentives involve continuing performance obligations, the Company will recognize the payment as a liability and amortize it within the same financial statement caption as the performance obligation relates over the performance period. The Company received government assistance in the form of cash primarily to support the Guangzhou manufacturing facility build-out and research and development programs.

Government assistance received to support the Guangzhou manufacturing facility build-out is recognized as other long-term liabilities and amortized over the same useful lives of the related assets as depreciation expense. As of December 31, 2025 and 2024, other long-term liabilities related to the Guangzhou manufacturing facility build-out totaled $28,900 and $30,235, respectively. For the years ended December 31, 2025, 2024 and 2023, depreciation expense is presented net of amortization of government assistance of $2,587, $3,053 and $2,938, respectively.

Government assistance received to support research and development programs is recorded as other long-term liabilities upon receipt and recognized as other income when the associated research and development programs are completed. As of December 31, 2025 and 2024, other long-term liabilities related to research and development programs totaled $79 and $89, respectively. No income was recognized during the three years ended December 31, 2025 related to grants received for research and development programs.

Comprehensive Income (Loss)

Comprehensive income (loss) is defined as the changes in equity of the Company during a period from transactions and other events and circumstances excluding transactions resulting from investments by owners and distributions to owners. Among other disclosures, ASC 220, *Comprehensive Income*, requires that all items that are required to be recognized under current accounting standards as components of comprehensive income (loss) be reported in a financial statement that is displayed with the same prominence as other financial statements. For each of the periods presented, the Company's comprehensive income (loss) includes net income (loss), foreign currency translation adjustments and pension liability adjustments, and is presented in the consolidated statements of comprehensive income (loss).

Share-Based Compensation

Awards granted to employees

The Company applies ASC 718, *Compensation – Stock Compensation* ("ASC 718"), to account for its employee share-based payments. In accordance with ASC 718, the Company determines whether an award should be classified and accounted for as a liability award or equity award. All the Company's grants of share-based awards to employees were classified as equity awards and are recognized in the financial statements based on their grant date fair values. Specifically, the grant date fair value of share options is calculated using an option pricing model. The fair value of restricted shares and restricted share units are based on the closing market price of our ADSs on the Nasdaq Global Select Market on the date of grant. The Company has elected to recognize compensation expense using the straight-line method for all employee equity awards granted with graded vesting based on service conditions provided that the amount of compensation cost recognized at any date is at least equal to the portion of the grant-date value of the options that are vested at that date. The Company uses the accelerated method for all awards granted with graded vesting based on performance conditions. To the extent the required vesting conditions are not met resulting in the forfeiture of the share-based awards, previously recognized compensation expense relating to those awards are reversed.

ASC 718 requires forfeitures to be estimated at the time of grant and revised, if necessary, in the subsequent period if actual forfeitures differ from initial estimates. Forfeiture rates are estimated based on historical and future expectations of employee turnover rates and are adjusted to reflect future changes in circumstances and facts, if any. Share-based compensation expense is recorded net of estimated forfeitures such that expense is recorded only for those share-based awards that are expected to vest. To the extent the Company revises these estimates in the future, the share-based payments could be materially impacted in the period of revision, as well as in following periods. The Company, with the assistance of an independent third-party valuation firm, determined the estimated fair value of the stock options granted to employees using the binomial option pricing model.

Awards granted to non-employees

The Company has accounted for equity instruments issued to non-employees in accordance with the provisions of ASC 718 and ASC 505, *Equity*. All transactions in which goods or services are received in exchange for equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. The grant date is the measurement date of the fair value of the equity instrument issued. The expense is recognized in the same manner as if the Company had paid cash for the services provided by the non-employees in accordance with ASC 505-50, *Equity-based payments to non-employees*. The Company estimated the fair value of share options granted to non-employees using the same method as employees.

Modification of awards

A change in any of the terms or conditions of the awards is accounted for as a modification of the award. Incremental compensation cost is measured as the excess, if any, of the fair value of the modified award over the fair value of the original award immediately before its terms are modified, measured based on the fair value of the awards and other pertinent factors at the modification date. For vested awards, the Company recognizes incremental compensation cost in the period the modification occurs. For unvested awards, the Company recognizes over the remaining requisite service period, the sum of the incremental compensation cost and the remaining unrecognized compensation cost for the original award on the modification date. If the fair value of the modified award is lower than the fair value of the original award immediately before modification, the minimum compensation cost the Company recognizes is the cost of the original award.

Sale of Future Royalty Liability

The Company records upfront payments received from the sale of future royalties as a liability. Royalty payments made to the purchaser are recorded as a reduction of the liability or accrued interest. The Company accounts for the associated interest expense under the effective interest rate method, while continuing to recognize the full amount of royalty revenue in the period in which the counterparty sells the related product and recognizes the related revenue.

The Company calculates the liability related to the sale of future royalties, effective interest rate and the related interest expense using the current estimate of anticipated future royalty payments under the arrangement, which is periodically reassessed based on internal projections of future royalty revenues and information from partners who are responsible for commercializing the medicines. If there is a material change in the estimate, the Company will prospectively adjust the effective interest rate and the related interest expense.

Income Taxes

The Company uses the liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial reporting and the tax bases of assets and liabilities and are measured using enacted tax rates that will be in effect when the differences are expected to reverse. A valuation allowance is provided when it is more likely than not that some portion or all of a deferred tax asset will not be realized.

The Company evaluates its uncertain tax positions using the provisions of ASC 740, *Income Taxes,* which prescribes a recognition threshold that a tax position is required to meet before being recognized in the financial statements. The Company recognizes in the financial statements the benefit of a tax position which is "more likely than not" to be sustained under examination based solely on the technical merits of the position assuming a review by tax authorities having all relevant information. Tax positions that meet the recognition threshold are measured using a cumulative probability approach, at the largest amount of tax benefit that has a greater than fifty percent likelihood of being realized upon settlement. It is the Company's policy to recognize interest and penalties related to unrecognized tax benefits, if any, as a component of income tax expense.

Earnings (Loss) Per Share

Basic earnings (loss) per share is calculated in accordance with ASC 260, *Earnings per Share*. Basic earnings (loss) per ordinary share is computed by dividing net earnings (loss) attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings (loss) per share is calculated by dividing net earnings (loss) attributable to ordinary shareholders as adjusted for the effect of dilutive ordinary equivalent shares, if any, by the weighted average number of ordinary and dilutive ordinary equivalent shares outstanding during the period. Ordinary equivalent shares consist of the ordinary shares issuable upon the conversion of the Company's ordinary shares issuable upon the conversion of the share options, and unvested employee share purchase plan, restricted shares units, employee share purchase plan ("ESPP") shares and performance-based restricted shares units ("PSUs") using the treasury stock method. The dilutive effects of PSUs are included in the weighted average common share calculation based on the cumulative achievement against the performance targets only when the performance targets have been achieved as of the end of the reporting period.

Ordinary share equivalents are excluded from the computation of diluted earnings (loss) per share if their effects would be anti-dilutive. Basic and diluted earnings (loss) per ordinary share is presented in the Company's consolidated statements of operations.

Segment Information

In accordance with ASC 280, *Segment Reporting*, the Company's chief operating decision maker, the Chief Executive Officer, reviews the consolidated results when making decisions about allocating resources and assessing performance of the Company as a whole and hence, the Company has only one reportable segment: pharmaceutical products.

Concentration of Risks

Concentration of cash and credit risk

Financial instruments that are potentially subject to credit risk consist of cash and cash equivalents and accounts receivable.

As of December 31, 2025 and 2024, $4,547,530 and $2,627,410 were deposited with various major reputable financial institutions located in the U.S., PRC and other international financial institutions. The deposits placed with financial institutions are not protected by statutory or commercial insurance. In the event of bankruptcy of one of these financial institutions, the Company may be unable to claim its deposits back in full. Management believes that these financial institutions are of high credit quality and continually monitors the credit worthiness of these financial institutions.

As of December 31, 2025 and 2024, the Company had accounts receivable, net of $865,080 and $676,278, respectively. Accounts receivable, net represent amounts arising from product sales. The Company monitors economic conditions to identify facts or circumstances that may indicate receivables are at risk of collection.

Customer concentration risk

For the year ended December 31, 2025, sales to the Company's three largest product distributors, ASD Specialty Healthcare (Cencora), McKesson and Shanghai Pharmaceutical represented approximately 18.5%, 17.5% and 10.1% of product revenue, respectively, and collectively, represented approximately 37.1% of trade accounts receivable as of December 31, 2025.

For the year ended December 31, 2024, sales to the Company's three largest product distributors, ASD Specialty Healthcare (Cencora), McKesson and Shanghai Pharmaceutical represented approximately 18.0%, 16.9% and 11.1% of product revenue, respectively, and collectively, represented approximately 51.0% of trade accounts receivable as of December 31, 2024.

Recent Accounting Pronouncements

New accounting standards which have been adopted

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-09, *Income Taxes* (Topic 740): Improvements to Income Tax Disclosures. This update requires that public entities on an annual basis, (1) in the rate reconciliation, disclose specific categories and provide additional information for reconciling items that meet a quantitative threshold; (2) about income taxes paid, disclose the amount of income taxes paid (net of refunds received) disaggregated by federal, state, and foreign taxes and by individual jurisdiction in which income taxes paid (net of refunds received) is equal to or greater than 5 percent of total income taxes paid (net of refunds received); and (3) disclose income (or loss) from continuing operations before income tax expense (or benefit) disaggregated between domestic and foreign and income tax expense (or benefit) disaggregated by federal, state, and foreign. The Company adopted ASU 2023-09 effective December 31, 2025 on a prospective basis. Refer to Footnote 10 for income taxes related disclosures.

New accounting standards which have not yet been adopted

In December 2025, the FASB issued ASU 2025-10, *Government Grants (Topic 832): Accounting for Government Grants Received by Business Entities* (ASU 2025-10), which establishes authoritative guidance on the recognition, measurement, presentation, and disclosure of government grants. Under ASU 2025-10, government grants are recognized when it is probable that the entity will both comply with the conditions of the grant and the grant will be received. The ASU provides specific accounting models for grants related to assets and grants related to income, including options to recognize government grants as deferred income or as a reduction of the asset's cost basis. The ASU also requires enhanced disclosures regarding the nature of government grants, significant terms and conditions, accounting policies applied, and amounts recognized in the financial statements. ASU 2025-10 is effective for fiscal years beginning after December 15, 2028, including interim periods within those fiscal years, with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2025-10 on its consolidated financial statements and related disclosures.

In September 2025, the FASB issued ASU 2025-06, *Intangibles – Goodwill and Other – Internal-Use Software* (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software. This update removes all references to prescriptive and sequential software development stages throughout Subtopic 350-40. The update requires an entity to start capitalizing software costs when management has authorized and committed to funding the software project, and it is probable that the project will be completed and the software will be used to perform the function intended. The update further specifies that the disclosures in Subtopic 360-10 are required for all capitalized internal-use software costs. This update is effective for annual reporting periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. Early adoption is permitted. The guidance can be applied using a prospective transition approach, a modified transition approach that is based on the status of the project and whether software costs were capitalized before the date of adoption, or a retrospective transition approach. The Company is currently evaluating the impact on its financial statements of adopting this guidance.

(Amounts in thousands of U.S. Dollar ("$") and Renminbi ("RMB"), except for number of shares and per share data)

In November 2024, the FASB issued ASU 2024-03, *Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures* (Subtopic 220-40): Disaggregation of Income Statement Expenses. This update requires that at each interim and annual reporting period public entities disclose (1) the amounts of purchases of inventory, employee compensation, depreciation, amortization, and depletion in commonly presented expense captions; (2) certain amounts that are already required to be disclosed under current GAAP in the same disclosure as the other disaggregation requirements; (3) a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively; and (4) the total amount of selling expenses and, in annual reporting periods, the definition of selling expenses. In January 2025, the FASB issued ASU 2024-03, *Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures* (Subtopic 220-40): Clarifying the Effective Date. This update clarifies that ASU 2024-03 is effective for annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the impact on its financial statements of adopting this guidance.

3. Collaborative, Licensing and Other Arrangements

The Company enters into collaborative arrangements for the research and development, manufacture and/or commercialization of drug products and drug candidates. To date, these collaborative arrangements have included out-licenses of and options to out-license internally developed products and drug candidates to other parties, in-licenses of products and drug candidates from other parties, and profit – and cost-sharing arrangements. These arrangements may include non-refundable upfront payments, contingent obligations for potential development, regulatory and commercial performance milestone payments, cost-sharing and reimbursement arrangements, royalty payments, and profit sharing.

During the three years ended December 31, 2025, the Company's other revenue consisted primarily of royalty revenue from IMDELLTRA® sales outside of China under the Amgen collaboration agreement, revenue generated under the Novartis broad markets agreement, and research and development services revenue and right to access intellectual property revenue from its former collaboration agreements with Novartis for tislelizumab and ociperlimab.

The following table summarizes total other revenue recognized for the years ended December 31, 2025, 2024 and 2023:

	Year Ended December 31,		
	2025	2024	2023
Other Revenue	$	$	$
Amgen royalty revenue	40,733	7,841	–
Novartis broad markets revenue	17,598	18,259	8,859
Research and development service revenue	–	–	79,431
Right to access intellectual property revenue	–	–	104,477
Material rights revenue	–	–	71,980
Other	2,641	4,595	4,180
Total	60,972	30,695	268,927

In-Licensing Arrangements – Commercial

Amgen

In October 2019, the Company entered into a global strategic oncology collaboration with Amgen (as amended, the "Amgen Collaboration Agreement") for the commercialization and development in China (excluding Hong Kong, Macao and Taiwan) (the "Collaboration Territory"), of Amgen's XGEVA®, KYPROLIS®, and BLINCYTO®, and the joint global development of a portfolio of oncology assets in Amgen's pipeline, with the Company responsible for development and commercialization in the Collaboration Territory. The agreement became effective on January 2, 2020, following approval by the Company's shareholders and satisfaction of other closing conditions.

Under the agreement, the Company is responsible for the commercialization of XGEVA®, KYPROLIS® and BLINCYTO® in the Collaboration Territory for so long as each product is sold in the Collaboration Territory following each product's regulatory approval in the Collaboration Territory. Amgen is responsible for manufacturing the products globally and supplying the products to the Company at an agreed upon price. The Company and Amgen share equally in the Collaboration Territory commercial profits and losses during the commercialization period.

Amgen and the Company are also jointly developing a portfolio of Amgen oncology pipeline assets under the collaboration. The Company is responsible for conducting clinical development activities in the Collaboration Territory and co-funding global development costs by contributing cash and development services up to a total cap of $1,250,000. Amgen is responsible for all development, regulatory and commercial activities outside of the Collaboration Territory. For each pipeline asset that is approved in the Collaboration Territory, the Company will receive commercial rights for seven years from approval. The Company has the right to retain approximately one out of every three approved pipeline assets, other than LUMAKRAS® (sotorasib) ("AMG 510"), Amgen's KRAS G12C inhibitor, for commercialization in the Collaboration Territory. The Company and Amgen will share equally in the Collaboration Territory commercial profits and losses during the commercialization period. The Company is entitled to receive royalties from sales in the Collaboration Territory for pipeline assets returned to Amgen for five years after the seven-year commercialization period. The Company is also entitled to receive royalties from global sales of each product outside of the Collaboration Territory (with the exception of AMG 510).

In April 2022, the parties entered into the First Amendment to Amgen Collaboration Agreement, which amends certain terms and conditions relating to the financial responsibilities of the parties in connection with the development and commercialization of certain Amgen proprietary products for the treatment of oncology-related diseases and conditions. In connection with the Company's ongoing assessment of the Amgen Collaboration Agreement cost-share contributions, the Company determined that further investment in the development of LUMAKRAS® was no longer commercially viable for the Company. As a result, in February 2023, the Company and Amgen entered into the Second Amendment to the Amgen Collaboration Agreement to (i) stop sharing costs with Amgen for the further development of LUMAKRAS® during the period starting January 1, 2023 and ending August 31, 2023; and (ii) cooperate in good faith to prepare a transition plan with the termination of LUMAKRAS® from the Amgen Collaboration Agreement.

In October 2025, the parties entered into the Third Amendment to Amgen Collaboration Agreement, which amends certain terms and conditions relating to financial responsibility for early access programs in certain regions of the Collaboration Territory and commercial supply of IMDELLTRA® (tarlatamab-dlle). In November 2025, the parties entered into the Fourth Amendment to the Amgen Collaboration Agreement, which extends the Company's commercialization rights to certain products in the Collaboration Territory.

The Amgen Collaboration Agreement is within the scope of ASC 808, as both parties are active participants and are exposed to the risks and rewards dependent on the commercial success of the activities performed under the agreement. The Company is the principal for product sales to customers in the Collaboration Territory during the commercialization period and will recognize 100% of net product revenue on these sales. Amounts due to Amgen for its portion of net product sales will be recorded as cost of sales. Cost reimbursements due to or from Amgen under the profit share will be recognized as incurred and recorded to cost of sales; selling, general and administrative expense; or research and development expense, based on the underlying nature of the related activity subject to reimbursement. Costs incurred for the Company's portion of the global co-development funding are recorded to research and development expense as incurred.

(Amounts in thousands of U.S. Dollar ("$") and Renminbi ("RMB"), except for number of shares and per share data)

In connection with the Amgen Collaboration Agreement, a Share Purchase Agreement ("SPA") was entered into by the parties on October 31, 2019. On January 2, 2020, the closing date of the transaction, Amgen purchased 15,895,001 of the Company's ADSs for $174.85 per ADS, representing a 20.5% ownership stake in the Company. Per the SPA, the cash proceeds shall be used as necessary to fund the Company's development obligations under the Amgen Collaboration Agreement. Pursuant to the SPA, Amgen also received the right to designate one member of the Company's board of directors, and Anthony Hooper joined the Company's board of directors as the Amgen designee in January 2020. Amgen relinquished its right to appoint a designated director to the Company's board of directors in January 2023.

In determining the fair value of the common stock at closing, the Company considered the closing price of the common stock on the closing date of the transaction and included a lack of marketability discount because the shares are subject to certain restrictions. The fair value of the shares on the closing date was determined to be $132.74 per ADS, or $2,109,902 in the aggregate. The Company determined that the premium paid by Amgen on the share purchase represents a cost share liability due to the Company's co-development obligations. The fair value of the cost share liability on the closing date was determined to be $601,857 based on the Company's discounted estimated future cash flows related to the pipeline assets. The estimation of future cash flows involved management assumptions of revenue growth rates and probability of technical and regulatory success of the pipeline assets. The total cash proceeds of $2,779,241 were allocated based on the relative fair value method, with $2,162,407 recorded to equity and $616,834 recorded as a research and development cost share liability. The cost share liability is being amortized proportionately as the Company contributes cash and development services to its total co-development funding cap.

Amounts recorded related to the Company's portion of the co-development funding on the pipeline assets for the years ended December 31, 2025, 2024 and 2023 were as follows:

	Year Ended December 31,		
	2025	**2024**	**2023**
	$	**$**	**$**
BeOne's portion of the development funding	205,238	148,391	108,608
Less: Amortization of research and development cost share liability	101,095	73,226	55,294
Research and development expense	104,143	75,165	53,314

	As of December 31, 2025
Remaining portion of development funding cap	130,393

As of December 31, 2025 and 2024, the research and development cost share liability recorded in the Company's balance sheet was as follows:

	As of December 31,	
	2025	**2024**
	$	**$**
Research and development cost share liability, current portion	64,345	111,154
Research and development cost share liability, non-current portion	–	54,286
Total research and development cost share liability	64,345	165,440

(Amounts in thousands of U.S. Dollar ("$") and Renminbi ("RMB"),
except for number of shares and per share data)

The net reimbursement paid under the commercial profit-sharing agreement for in-line product sales is classified in the consolidated statements of operations for the three years ended December 31, 2025 as follows:

	Year Ended December 31,		
	2025	2024	2023
	$	$	$
Cost of sales – product	35,985	37,150	8,358
Selling, general and administrative	(99,448)	(83,674)	(60,917)
Research and development	(3,115)	(2,438)	1,688
Total	(66,578)	(48,962)	(50,871)

The Company purchases commercial inventory from Amgen to distribute in the Collaboration Territory. Total inventory purchases amounted to $263,896, $247,655 and $108,691, respectively, during the years ended December 31, 2025, 2024 and 2023. Net amounts payable to Amgen as of December 31, 2025 and 2024 were $79,097 and $116,563, respectively.

Out-Licensing Arrangements

Novartis

Tislelizumab Collaboration and License

In January 2021, the Company entered into a collaboration and license agreement with Novartis, granting Novartis rights to develop, manufacture and commercialize tislelizumab in North America, Europe, and Japan (the "Novartis Territory"). The Company and Novartis agreed to jointly develop tislelizumab in these licensed countries, with Novartis responsible for regulatory submissions after a transition period and for commercialization upon regulatory approvals. In addition, both companies had the ability to conduct clinical trials globally to explore combinations of tislelizumab with other cancer treatments, and the Company has an option to co-detail the product in North America, funded in part by Novartis.

Under the agreement the Company received an upfront cash payment of $650,000 from Novartis. A portion of the transaction price was allocated to the R&D services to be performed under the agreement and deferred and was being recognized as collaboration revenue as the R&D services were performed using a percentage-of-completion method.

In September 2023, the Company and Novartis agreed to mutually terminate the collaboration and license agreement, effective immediately. Pursuant to the termination agreement, the Company regained full, global rights to develop, manufacture and commercialize tislelizumab with no royalty payments due to Novartis. Novartis may continue its ongoing clinical trials and has the ability to conduct future combination trials with tislelizumab subject to the Company's approval. The Company agreed to provide Novartis with ongoing clinical supply of tislelizumab to support its clinical trials. Pursuant to the termination agreement, Novartis agreed to provide transition services to the Company to enable key aspects of the tislelizumab development and commercialization plan to proceed without disruption, including manufacturing, regulatory, safety and clinical support. Upon termination of the agreement in September 2023, there were no further performance obligations, and the remaining deferred revenue balance associated with the tislelizumab R&D services was recognized in full.

(Amounts in thousands of U.S. Dollar ("$") and Renminbi ("RMB"), except for number of shares and per share data)

The following table summarizes collaboration revenue recognized in connection with the tislelizumab collaboration and license agreement for the years ended December 31, 2025, 2024 and 2023:

	Year Ended December 31,		
	2025	2024	2023
	$	$	$
Research and development service revenue	–	–	72,278
Other[1]	–	2,113	5,067
Total	–	2,113	77,345

[1] Represents revenue recognized on sale of tislelizumab clinical supply to Novartis in conjunction with the collaboration.

Ociperlimab Option, Collaboration and License Agreement and China Broad Market Development Agreement

In December 2021, the Company expanded its collaboration with Novartis by entering into an option, collaboration and license agreement with Novartis to develop, manufacture and commercialize the Company's investigational TIGIT inhibitor ociperlimab in the Novartis Territory. In addition, the Company and Novartis entered into an agreement granting the Company rights to market, promote and detail five approved Novartis oncology products, TAFINLAR® (dabrafenib), MEKINIST® (trametinib), VOTRIENT® (pazopanib), AFINITOR® (everolimus), and ZYKADIA® (ceritinib), across designated regions of China referred to as "broad markets." In the first quarter of 2022, the Company initiated marketing and promotion of these five products.

Under the terms of the option, collaboration and license agreement, the Company received an upfront cash payment of $300,000. At inception, a portion of the upfront cash payment was deferred related to performance obligations to be satisfied at a later point in time or over time.

In July 2023, the Company and Novartis mutually agreed to terminate the ociperlimab option, collaboration and license agreement, effective immediately. Pursuant to the termination agreement, the Company regained full, global rights to develop, manufacture and commercialize ociperlimab. Upon termination the Company had no further performance obligations under the collaboration, and all remaining deferred revenue balances were recognized in full. The China broad markets agreement remains in place.

The following table summarizes collaboration revenue recognized in connection with the ociperlimab option, collaboration and license agreement for the years ended December 31, 2025, 2024 and 2023:

	Year Ended December 31,		
	2025	2024	2023
	$	$	$
Research and development service revenue	–	–	7,153
Right to access intellectual property revenue	–	–	104,477
Material rights revenue	–	–	71,980
Novartis broad markets revenue	17,598	18,259	8,859
Total	17,598	18,259	192,469

(Amounts in thousands of U.S. Dollar ("$") and Renminbi ("RMB"),
except for number of shares and per share data)

In-Licensing Arrangements – Development

The Company has in-licensed the rights to develop, manufacture and, if approved, commercialize multiple development stage drug candidates globally or in specific territories. These arrangements typically include non-refundable upfront payments, contingent obligations for potential development, regulatory and commercial performance milestone payments, cost-sharing arrangements, royalty payments, and profit sharing.

Upfront and milestone payments made under these arrangements for the years ended December 31, 2025, 2024 and 2023 are set forth below. All upfront and development milestones were expensed to research and development expense. All regulatory and commercial milestones were capitalized as intangible assets and are being amortized over the remainder of the respective product patent or the term of the commercialization agreements.

		Year Ended December 31,		
		2025	2024	2023
Payments due to collaboration partners	**Classification**	**$**	**$**	**$**
Upfront payments	Research and development expense	691	60,027	46,800
Development milestone payments	Research and development expense	–	54,000	–
Regulatory and commercial milestone payments	Intangible asset	20,000	–	24,365
Total		20,691	114,027	71,165

The Company has entered into a number of in-licensing collaborative arrangements during the years ended December 31, 2025, 2024 and 2023. A summary of amounts incurred under these arrangements is included above. The Company may be required to pay additional amounts upon the achievement of various development and commercial milestones under these agreements. The Company may also incur significant research and development costs if the related product candidate were to advance to late-stage clinical trials. In addition, if any products related to these collaborations are approved for sale, the Company may be required to pay significant milestones upon approval and milestones and/or royalties on future sales. The payment of these amounts, however, is contingent upon the occurrence of various future events, which have a high degree of uncertainty of occurrence.

4. Sale of Future IMDELLTRA® Royalties

On August 25, 2025, the Company entered into an agreement ("Royalty Agreement") to sell its royalty rights on the worldwide sales, excluding China, of Amgen's IMDELLTRA® (tarlatamab-dlle) for up to $950,000 to Royalty Pharma Investments 2023 ICAV ("Royalty Pharma"). Under the terms of the Royalty Agreement, the Company received a non-refundable upfront payment of $885,000 upon closing of the Royalty Agreement. Subsequently, the Company exercised its option to sell additional royalties to Royalty Pharma and received $26,000 in the fourth quarter of 2025. The Company will share in a portion of the royalty on annual sales above $1.5 billion, and will maintain royalty and all other rights to other assets under the terms of its collaboration agreement with Amgen.

(Amounts in thousands of U.S. Dollar ("$") and Renminbi ("RMB"),
except for number of shares and per share data)

The Company evaluated the arrangement and determined that the proceeds from the sale of future IMDELLTRA® royalties, as well as the option to sell remaining royalties when and if exercised, should be treated as a financing liability according to ASC 470, Debt due to the Company's continuing involvement with the Amgen collaboration. At the transaction date, the Company recognized the upfront proceeds of $885,000 and, subsequently, the option proceeds of $26,000, as liabilities and is amortizing them using the effective interest method over the life of the arrangement. The Company imputes interest expense associated with the liability using the effective interest rate method. The effective interest rate is the rate that equates the present value of the estimate of remaining royalty revenues payable to Royalty Pharma with the carrying amount of the liability. The interest rate on the sale of future royalty liability may vary during the term of the agreement depending on a number of factors, including the royalty revenues forecast. The Company evaluates the interest rate quarterly based on its expectations of future royalty revenues, historical experience and current market conditions using the prospective method. A significant increase or decrease in future royalty revenues will materially impact the timing of royalty sale liability amortization, interest expense and the time period for repayment. The Company will assess the expected payments to Royalty Pharma quarterly, and, to the extent the amount or timing of such payments is materially different than its initial estimates, the Company will prospectively adjust the amortization of the liability and the related interest expense.

The repayment of this obligation to Royalty Pharma will be made upon the receipt of royalties from Amgen throughout the royalty period. The repayment does not follow a fixed repayment schedule and will be recognized over the life of the royalty stream, which is expected to occur through at least 2041. The Royalty Agreement also contains customary representations, warranties, covenants, and indemnification provisions.

As of December 31, 2025, the royalty financing obligation recorded in the Company's balance sheet was as follows:

	As of December 31, 2025
	$
Sale of future royalty liability, current portion	56,714
Sale of future royalty liability, non-current portion	850,242
Total sale of future royalty liability	906,956

The following table summarizes the sale of future royalty liability activity during the year ended December 31, 2025:

	Royalty Sale Liability
	$
Balance at August 25, 2025	885,000
Proceeds from option exercise	26,000
Payments to Royalty Pharma, excluding effective interest payments	(4,044)
Balance at December 31, 2025	906,956

The carrying value of the sale of future royalty liability approximates fair value as of December 31, 2025 and is based on the Company's current estimates of future royalties expected to be paid to Royalty Pharma over the life of the royalty stream, which are considered Level 3 inputs. The Company recognized interest expense of $19,760 related to this arrangement for the year ended December 31, 2025, of which $14,180 was accrued as of December 31, 2025. The effective annual imputed interest rate was 6.4% as of December 31, 2025.

(Amounts in thousands of U.S. Dollar ("$") and Renminbi ("RMB"),
except for number of shares and per share data)

5. Restricted Cash

The Company's restricted cash primarily consist of RMB-denominated cash deposits held in designated bank accounts for collateral for letters of credit and cash used to settle employee benefit obligations and related taxes. The Company classifies restricted cash as current or non-current based on term of restriction. Restricted cash as of December 31, 2025 and 2024 was as follows:

	As of December 31,	
	2025	2024
	$	$
Short-term restricted cash	41,284	9,312
Long-term restricted cash	20,833	2,025
Total	62,117	11,337

In addition to the restricted cash balances above, the Company is required by the PRC securities law to use the proceeds from the STAR Offering in strict compliance with the planned uses as disclosed in the PRC offering prospectus as well as those disclosed in the Company's proceeds management policy approved by the board of directors. As of December 31, 2025, the Company had cash remaining related to the STAR Offering proceeds of $146,253.

6. Investments

The following table summarizes the Company's investments in equity securities:

	As of December 31,	
	2025	2024
	$	$
Equity securities with readily determinable fair values[1]	2	2,281
Equity securities without readily determinable fair values		
Pi Health, Inc.[2]	422	40,798
Other[3]	32,732	48,157
Equity-method investments[4]	22,387	33,081
Total	55,543	124,317

[1] Represents common stock and warrants to purchase additional shares of common stock of a publicly-traded biotechnology company. The Company measures the investment in the common stock and warrants at fair value, with changes in fair value recorded to other (expense) income, net. In the fourth quarter of 2025, the Company sold its common stock holdings.

[2] In the first quarter of 2024, the Company divested the net assets comprising substantially all of its Pi Health business with a carrying value of $38,063. The consideration received for the divestiture consisted of preferred stock in a newly formed entity, Pi Health, Inc., with a fair value of $40,798 and cash consideration of $1,000. The transaction resulted in a pre-tax gain of $3,735 recorded within other (expense) income, net during year ended December 31, 2024. The Company accounts for its investment as a private equity security without a readily determinable fair value, and the divestiture was not treated as a discontinued operation in the Statement of Operations and therefore the historical results of operations of the Pi Health business will remain in the Company's continuing operations. In the fourth quarter of 2025, the Company recognized an impairment loss of $40,376 within other (expense) income, net resulting from a decline in enterprise value in business reorganization.

(Amounts in thousands of U.S. Dollar ("$") and Renminbi ("RMB"),
except for number of shares and per share data)

[3] In the third quarter of 2025, the Company recognized an impairment loss of $15,552 within other (expense) income, net, resulting from a decline in the enterprise value related to a business acquisition of one of its investees.

[4] In the first quarter of 2025, as a result of the wind-down of the operations and related financial obligations of one of the Company's equity-method investments, the investment's fair value was assessed to be zero. The Company recognized an other-than-temporary impairment loss of $12,376 within unrealized losses from equity-method investments.

The following table summarizes realized and unrealized losses related to investments in equity securities recorded in other (expense) income, net:

	Year Ended December 31,		
	2025	2024	2023
	$	$	$
Equity securities with readily determinable fair values	(1,252)	(1,307)	(425)
Equity securities without readily determinable fair values	(58,282)	(7,596)	(6,448)
Equity-method investments	(14,982)	(10,275)	(7,856)

The following table summarizes the portion of unrealized losses that relates to equity securities still held by the Company as of December 31, 2025:

	Year Ended December 31,
	2025
	$
Net losses recognized on equity securities	(74,516)
Less: net losses recognized on equity securities sold	(16,638)
Net unrealized losses on equity securities held at end of period	(57,878)

7. Leases

The Company has operating leases for office and manufacturing facilities in the U.S., Switzerland, and China. The leases have remaining lease terms of up to five years, some of which include options to extend the leases that have not been included in the calculation of the Company's lease liabilities and ROU assets. The Company has land use rights, which represent land acquired for the biologics manufacturing facility in Guangzhou, the land acquired for the Company's research, development and office facility in Changping, Beijing, the land acquired for the Company's research, development and manufacturing facility in Suzhou, and the land acquired for the Company's research and development facility in Shanghai. The Company also has certain leases with terms of 12 months or less for certain equipment, office and lab space, which are expensed and not recorded on the balance sheet.

The components of lease expense were as follows:

	Year Ended December 31,		
	2025	2024	2023
	$	$	$
Operating lease cost	24,899	26,575	25,978
Variable lease cost	4,282	4,580	6,101
Short-term lease cost	1,804	2,897	1,683
Total lease cost	30,985	34,052	33,762

(Amounts in thousands of U.S. Dollar ("$") and Renminbi ("RMB"),
except for number of shares and per share data)

Supplemental balance sheet information related to leases was as follows:

	As of December 31,	
	2025	2024
	$	$
Operating lease right-of-use assets	69,306	60,639
Land use rights, net	78,878	78,670
Total operating lease right-of-use assets	148,184	139,309
Current portion of operating lease liabilities	20,698	17,576
Operating lease liabilities, non-current portion	52,940	44,277
Total lease liabilities	73,638	61,853

Maturities of operating lease liabilities are as follows:

	Amounts
	$
Year ending December 31, 2026	23,653
Year ending December 31, 2027	21,761
Year ending December 31, 2028	16,453
Year ending December 31, 2029	11,173
Year ending December 31, 2030	6,641
Thereafter	888
Total lease payments	80,569
Less imputed interest	(6,931)
Present value of lease liabilities	73,638

Other supplemental information related to leases is summarized below:

	Year ended December 31,		
	2025	2024	2023
	$	$	$
Operating cash flows used in operating leases	24,000	56,005	27,985
ROU assets obtained in exchange for new operating lease liabilities	29,826	47,066	11,854

	As of December 31,	
	2025	2024
Weighted-average remaining lease term (years)	4	4
Weighted-average discount rate	5.02%	5.23%

(Amounts in thousands of U.S. Dollar ("$") and Renminbi ("RMB"),
except for number of shares and per share data)

8. Property, Plant and Equipment, Net

Property, plant and equipment, net are recorded at cost less accumulated depreciation and consisted of the following:

	As of December 31,	
	2025	2024
	$	$
Land	71,434	65,485
Building	1,187,836	607,857
Manufacturing equipment	273,769	244,255
Laboratory equipment	309,471	240,885
Software, electronics and office equipment	124,136	100,348
Leasehold improvements	76,568	64,680
Property and equipment, at cost	2,043,214	1,323,510
Less: Accumulated depreciation	(528,695)	(399,105)
Construction in progress	127,159	654,018
Property, plant and equipment, net	1,641,678	1,578,423

The Company has made a significant investment in its newly opened manufacturing and R&D center in Hopewell, New Jersey. In the year ended December 31, 2025, $469,006 of assets were placed into service. As of December 31, 2025, the Company had construction in progress of $91,390 related to the Hopewell facility, the majority of which will be put into service in 2026.

Construction in progress ("CIP") as of December 31, 2025 and 2024 primarily related to the Hopewell facility and the research and development facility acquired in 2024. CIP by fixed asset class are summarized as follows:

	As of December 31,	
	2025	2024
	$	$
Manufacturing equipment	92,673	89,897
Laboratory equipment	7,997	9,805
Building	16,442	528,629
Other	10,047	25,687
Total	127,159	654,018

Depreciation expense for the years ended December 31, 2025, 2024 and 2023 were $131,615, $166,938 and $80,436, respectively. Included within depreciation expense for the year ended December 31, 2024 is $59,792 of accelerated depreciation expense resulting from the move of production to more efficient, larger scale equipment for TEVIMBRA.

(Amounts in thousands of U.S. Dollar ("$") and Renminbi ("RMB"),
except for number of shares and per share data)

9. Intangible Assets

Intangible assets as of December 31, 2025 and 2024 are summarized as follows:

	December 31, 2025			December 31, 2024		
	Gross carrying amount	Accumulated amortization	Intangible assets, net	Gross carrying amount	Accumulated amortization	Intangible assets, net
	$	$	$	$	$	$
Finite-lived intangible assets:						
Developed products	77,486	(15,291)	62,195	62,889	(12,370)	50,519
Other	8,987	(8,478)	509	8,987	(8,411)	576
Total finite-lived intangible assets	86,473	(23,769)	62,704	71,876	(20,781)	51,095

Developed products represent post-approval milestone payments under license and commercialization agreements. The Company is amortizing the developed products over the remainder of the respective product patent or the term of the commercialization agreements.

Amortization expense for developed products is included in cost of sales-product in the accompanying consolidated statements of operations. Amortization expense for other intangible assets is included in selling, general and administrative expense in the accompanying consolidated statements of operations. The weighted-average life for each finite-lived intangible assets is approximately 10 years. Amortization expense is as follows:

	Year Ended December 31,		
	2025	2024	2023
	$	$	$
Amortization expense – Cost of sales – product	10,004	4,729	3,739
Amortization expense – Selling, general and administrative	67	95	3,500
Total	10,071	4,824	7,239

Estimated amortization expense for each of the five succeeding years and thereafter, as of December 31, 2025 is as follows:

Year Ending December 31,	Cost of Sales – Product	Selling, General and Administrative Expense	Total
	$		
2026	6,226	67	6,293
2027	6,226	67	6,293
2028	6,226	67	6,293
2029	6,226	67	6,293
2030	6,226	67	6,293
2031 and thereafter	31,065	174	31,239
Total	62,195	509	62,704

(Amounts in thousands of U.S. Dollar ("$") and Renminbi ("RMB"),
except for number of shares and per share data)

10. Income Taxes

The components of income (loss) before income taxes are as follows:

	Year Ended December 31,		
	2025	2024	2023
	$	$	$
Switzerland	189,967	277,710	(21,368)
U.S.	203,189	201,516	117,446
PRC	(66,300)	(263,159)	(315,852)
Other	89,998	(749,068)	(606,062)
Total	416,854	(533,001)	(825,836)

The current and deferred components of the income tax expense (benefit) from continuing operations are as follows:

	Year Ended December 31,		
	2025	2024	2023
	$	$	$
Current tax expense			
Switzerland	82	2	88
U.S.	39,305	57,222	25,170
PRC	23,133	12,331	24,956
Other	57,932	16,223	4,971
Total	120,452	85,778	55,185
Deferred tax expense (benefit)			
Switzerland	–	–	–
U.S.	6,039	23,556	–
PRC	5,450	180	687
Other	(2,020)	2,271	–
Total	9,469	26,007	687
Income tax expense	129,921	111,785	55,872

The Company established tax residency in Switzerland upon the Continuation and adopted ASU 2023-09 on a prospective basis beginning with the year ended December 31, 2025. The following table presents the required disclosure pursuant to ASC 2023-09 and reconciles the Switzerland federal statutory tax amount and rate to the Company's actual global effective income tax amount and rate for the year ended December 31, 2025:

(Amounts in thousands of U.S. Dollar ("$") and Renminbi ("RMB"),
except for number of shares and per share data)

	Year Ended December 31, 2025	
	$	Percent
Income before income taxes	416,854	
Switzerland federal statutory tax rate	35,433	8.5%
State and local income tax, net of federal income tax effect[1]	(1,789)	(0.4)%
Foreign tax effects		
United States		
Statutory tax rate difference between the U.S. and Switzerland	25,399	6.1%
State and local income tax, net of federal income tax effect[2]	9,610	2.3%
Share-based payment awards	(17,702)	(4.2)%
Foreign-derived intangible income	(15,337)	(3.7)%
Unremitted earnings	6,039	1.4%
Research tax credits and incentives	(35,048)	(8.4)%
Changes in valuation allowances	47,084	11.3%
Other	960	0.2%
China		
Statutory tax rate difference between China and Switzerland	(2,122)	(0.5)%
Share-based payment awards	37,822	9.1%
Non-deductible business expenses	12,676	3.0%
Research tax credits and incentives	(23,404)	(5.6)%
Effect of changes in tax rates	5,283	1.3%
Deferred asset adjustment	10,239	2.5%
Changes in valuation allowances	(19,272)	(4.6)%
Other	3,839	0.9%
Australia		
Statutory tax rate difference between Australia and Switzerland	9,089	2.2%
Share-based payment awards	3,076	0.7%
Changes in valuation allowances	16,013	3.8%
Other	421	0.1%
Germany		
Statutory tax rate difference between Germany and Switzerland	2,453	0.6%
Share-based payment awards	2,158	0.5%
Other	(2,671)	(0.6)%
Italy		
Changes in valuation allowances	4,260	1.0%
Other	2,360	0.6%
Cayman Islands		
Statutory tax rate difference between Cayman Islands and Switzerland	4,253	1.0%
Other	59	0.0%
Japan	1,928	0.5%
Brazil	1,827	0.4%
Other foreign jurisdictions	3,055	0.7%
Changes in valuation allowance	(12,725)	(3.1)%
Changes in unrecognized tax benefits	16,208	3.9%
Other adjustments	(1,553)	(0.4)%
Effective tax rate	129,921	31.2%

1. Local taxes in Basel-Stadt canton made up the majority (greater than 50%) of the tax effect in this category.

2. State taxes in Kentucky, Tennessee, New York, and New York City made up the majority (greater than 50%) of the tax effect in this category.

(Amounts in thousands of U.S. Dollar ("$") and Renminbi ("RMB"),
except for number of shares and per share data)

The following table presents the required disclosures prior to the adoption of ASU 2023-09 and reconciles the U.S. statutory tax rate to the Company's effective income tax rate for the years ended December 31, 2024 and 2023:

	Year Ended December 31,	
	2024	2023
	$	$
Loss before tax	(533,001)	(825,836)
U.S. statutory tax rate	21%	21%
Expected taxation at U.S. statutory tax rate	(111,930)	(173,426)
Foreign and preferential tax rate differential	93,741	144,310
Non-deductible expenses	1,130	19,134
Share-based payment awards	53,446	32,581
State tax (benefit)	(7,988)	(5,872)
Change in valuation allowance	157,286	845,811
Tax relief credits	–	(704,928)
Research tax credits and incentives	(43,602)	(64,343)
Deductible research expenses	(13,644)	–
Tax on unremitted earnings	23,743	–
Foreign-derived intangible income	(40,397)	(37,395)
Taxation for the year	111,785	55,872
Effective tax rate	(21.0)%	(6.8)%

Significant components of deferred tax assets (liabilities) are as follows:

	Year Ended December 31,		
	2025	2024	2023
	$	$	$
Accruals and reserves	168,454	121,549	106,708
Net operating losses carryforward	1,338,800	1,137,890	996,588
Share-based compensation	42,236	38,397	26,687
Research tax credits	40,224	34,561	68,117
Tax relief credits	704,928	704,928	704,928
Intangible asset amortization	1,020,858	1,081,442	699,974
Lease liability	14,960	11,882	7,893
R&D and other capitalized costs	361,557	277,061	164,190
Total gross deferred tax assets	3,692,017	3,407,710	2,775,085
Less: valuation allowance	(3,648,017)	(3,403,505)	(2,771,470)
Net deferred tax assets	44,000	4,205	3,615
Property, plant and equipment, net	(53,199)	(10,795)	(12,374)
Tax on unremitted earnings	(29,995)	(23,735)	–
Right of use asset	(14,015)	(11,682)	(7,735)
Total gross deferred tax liabilities	(97,209)	(46,212)	(20,109)
Net deferred tax assets/(liabilities)	(53,209)	(42,007)	(16,494)

(Amounts in thousands of U.S. Dollar ("$") and Renminbi ("RMB"), except for number of shares and per share data)

Valuation allowances have been provided on deferred tax assets where, based on all available evidence, it was considered more likely than not that some portion or all of the recorded deferred tax assets will not be realized in future periods. After consideration of all positive and negative evidence, the Company believes that as of December 31, 2025, it is more likely than not that certain deferred tax assets will not be realized for the Company's subsidiaries in Australia, Switzerland, the U.S. and certain subsidiaries in China. For the years ended December 31, 2025 and 2024, there was an increase in the valuation allowance of $158,816 and $157,286, respectively. Adjustments could be required in the future if the Company estimates that the amount of deferred tax assets to be realized is more or less than the net amount recorded.

During 2025, the Company reevaluated its indefinite reinvestment assertions and concluded that a portion of earnings from certain subsidiaries, primarily in the U.S., Canada, Argentina and Israel, are no longer indefinitely reinvested. Accordingly, the Company recognized a deferred tax liability of $29,995, representing the estimated withholding taxes that would be incurred upon the future distribution of these earnings. The Company continues to assert that earnings in its other jurisdictions remain indefinitely reinvested. The Company has not recorded a deferred tax liability for these jurisdictions because the determination of the amount of the associated unrecognized deferred tax liability is not practicable, as it depends on the timing, manner, and tax consequences of potential future distributions, all of which remain uncertain.

The valuation allowances for the years ended December 31, 2025, 2024 and 2023 were as follows:

	Year Ended December 31,		
	2025	**2024**	**2023**
	$	**$**	**$**
Beginning balance, as of January 1	3,403,505	2,771,470	1,943,775
Additions/(subtractions) charged to income tax provision	158,816	157,286	845,811
Additions/(subtractions) charged to equity	50,721	497,823	–
Currency translation and other	34,975	(23,074)	(18,116)
Ending balance, as of December 31	3,648,017	3,403,505	2,771,470

As of December 31, 2025 and 2024, the Company had net operating losses of approximately $7,598,546 and $6,720,659, respectively. As of December 31, 2025, net operating losses were primarily comprised of: $2,239,157 from entities in the PRC which expire in years 2026 through 2035; and $5,359,251 derived from Switzerland which expires in years 2026 through 2032. The Company has approximately $50,843 of U.S. research tax credits which will expire between 2037 and 2045 and approximately $704,928 of Switzerland tax relief credits which will expire in 2028, if not utilized.

(Amounts in thousands of U.S. Dollar ("$") and Renminbi ("RMB"),
except for number of shares and per share data)

The gross unrecognized tax benefits for the years ended December 31, 2025, 2024 and 2023 were as follows:

	Year Ended December 31,		
	2025	2024	2023
	$	$	$
Beginning balance, as of January 1	17,239	14,264	11,555
Additions based on tax positions related to prior tax years	5,957	–	–
Reductions based on tax positions related to prior tax years	–	–	–
Additions based on tax positions related to the current tax year	4,639	2,975	2,709
Reductions based on lapse of statute of limitations	–	–	–
Ending balance, as of December 31	27,835	17,239	14,264

Current and prior year additions include assessment of U.S. federal and state tax credits and incentives and intercompany positions taken in China. As of December 31, 2025, the Company had $27,835 of unrecognized tax benefits substantially all of which, if recognized, would reduce the effective tax rate. The Company does not anticipate that the amount of existing unrecognized tax benefits will significantly change within the next 12 months.

The Company has elected to record interest and penalties related to income taxes as a component of income tax expense. For the years ended December 31, 2025, the Company's accrued interest and penalties were $2,676 related to positions taken in the U.S. and $3,264 related to positions taken in China. For the years ended December 31, 2024 and 2023, the Company's accrued interest and penalties, where applicable, related to uncertain tax positions were not material.

The Company conducts business in a number of tax jurisdictions and, as such, is required to file income tax returns in multiple jurisdictions globally. As of December 31, 2025, Australia tax matters are open to examination for the years 2014 through 2025, China tax matters are open to examination for the years 2015 through 2025, Switzerland tax matters are open to examination for the years 2021 through 2025, and U.S. federal tax matters are open to examination for years 2016 through 2025. Other U.S. states and non-US tax jurisdictions in which the Company files tax returns remain open to examination for 2015 through 2025. Various U.S., foreign and state income tax returns are currently under examination by taxing authorities, with potential income tax liabilities estimated and updated in light of available facts and circumstances. Due to the uncertain and complex application of income tax regulations globally, it is possible that the ultimate resolution of audits may result in liabilities that could be materially different from original estimates. In such an event, the Company will record additional income tax expense or income tax benefit in the period in which such resolution occurs.

(Amounts in thousands of U.S. Dollar ("$") and Renminbi ("RMB"),
except for number of shares and per share data)

The following table summarizes income taxes paid, net of refunds received, for the year ended December 31, 2025, as required by ASU 2023-09:

	Year Ended December 31,
	2025
	$
U.S. federal	40,500
U.S. state and local	
Kentucky	6,065
Other	3,831
Foreign	
China	15,472
Australia	14,575
Italy	5,691
Other	14,547
Total income taxes paid	100,681

The following table presents income taxes paid for the years ended December 31, 2024 and 2023:

	Year Ended December 31,	
	2024	2023
	$	$
Income taxes paid	69,430	56,003

The Company qualifies for the Technology Advanced Service Enterprises and High and New Technology Enterprise status for certain subsidiaries in China, which began to expire at the end of 2025. The income tax benefits attributable to this status for the year ended December 31, 2025 is approximately $5,953, or less than $0.06 per share outstanding.

11. Supplemental Balance Sheet Information

Inventories, net consisted of the following:

	As of December 31,	
	2025	2024
	$	$
Raw materials	236,190	170,584
Work in process	122,681	60,118
Finished goods	249,356	264,284
Total inventories, net	608,227	494,986

(Amounts in thousands of U.S. Dollar ("$") and Renminbi ("RMB"),
except for number of shares and per share data)

Prepaid expenses and other current assets consist of the following:

	As of December 31,	
	2025	2024
	$	$
Prepaid research and development costs	52,594	64,277
Short-term restricted cash	41,284	9,312
Prepaid taxes	42,232	23,792
Other receivables	21,781	32,828
Prepaid general and administrative expenses	22,209	21,253
Prepaid insurance	9,759	6,242
Prepaid manufacturing cost	3,935	19,333
Other current assets	18,958	15,882
Total	212,752	192,919

Other non-current assets consist of the following:

	As of December 31,	
	2025	2024
	$	$
Long-term investments	61,678	128,933
Long-term restricted cash	20,833	2,025
Rental deposits and other	10,470	8,481
Prepayment of property and equipment	4,964	5,927
Prepaid VAT	3,504	2,875
Prepaid supply cost	969	12,249
Total	102,418	160,490

Accrued expenses and other payables consisted of the following:

	As of December 31,	
	2025	2024
	$	$
Compensation related	305,055	248,348
Sales rebates and returns related	398,533	235,600
External research and development activities related	156,525	154,269
Commercial activities	118,449	77,530
Accrued general and administrative expenses	36,635	31,106
Individual income tax and other taxes	60,359	34,904
Other	33,564	21,956
Total	1,109,120	803,713

(Amounts in thousands of U.S. Dollar ("$") and Renminbi ("RMB"),
except for number of shares and per share data)

Other long-term liabilities consist of the following:

	As of December 31,	
	2025	2024
	$	$
Deferred government grant income	28,979	30,324
Pension liability	18,170	16,405
Asset retirement obligation	3,565	3,794
Other	29,531	16,212
Total	80,245	66,735

12. Debt

Facilities Agreement

In November 2025, BeOne Medicines Ltd. entered into the Facilities Agreement (the "Facilities Agreement"), by and among certain subsidiaries of the Company, as guarantors, the Hongkong and Shanghai Banking Corporation Limited ("HSBC"), as global coordinator, original mandated lead arranger and bookrunner, agent and security agent, and certain financial institutions listed in the Facilities Agreement, as lenders. The Facilities Agreement provides for a $140,000 U.S. dollar-denominated, 2-year, B1 revolving credit facility (the "B1 Revolving Loan Facility"), a $560,000 U.S. dollar-denominated, 2-year, B2 term loan facility (the "B2 Term Loan Facility" and, together with the B1 Revolving Loan Facility, the "B Loan Facilities"), and a RMB2,150,000 Renminbi-denominated, 3-year, A term loan facility (the "A Loan Facility") (collectively, the "Loan Facilities"). Subsequently, the Company consummated the refinancing of its short-term working capital loans of $768,375 in aggregate through the proceeds from the B2 Term Loan Facility and A Loan Facility.

The following table presents outstanding borrowings under the Facilities Agreement:

	As of December 31,
	2025
	$
A Loan Facility	12,298
Less: unamortized debt issuance costs	(3,235)
Total short-term debt	9,063
A Loan Facility	295,152
B2 Term Loan Facility	560,000
Less: unamortized debt issuance costs	(18,783)
Total long-term debt	836,369

The A Loan Facility requires repayment of 4% of the aggregate amount outstanding every six months beginning on November 24, 2026, with all remaining principal outstanding due on November 24, 2028. The B2 Term Loan Facility requires repayment of 10% of the aggregate amount outstanding every three months beginning on June 15, 2027, with all remaining principal outstanding due on December 15, 2027, unless the final repayment date is extended. The Company may voluntarily prepay borrowings, in whole or in part, under the Facilities Agreement without premium or penalty. The Facilities Agreement also contains certain customary mandatory prepayment provisions in the event that the Company undergoes a change of control and in relation to disposal and insurance proceeds.

The A Loan Facility is subject to an interest rate equal to the Reference Rate (RMB) (as defined in the Facilities Agreement) plus a margin of 0.65% per annum. The B Loan Facilities are subject to an interest rate equal to the Reference Rate (USD) (as defined in the Facilities Agreement) plus a margin of 2.40% per annum. In addition to paying interest on the outstanding principal, the Company is also required to pay a commitment fee of 0.85% on the undrawn and uncancelled amounts under the Loan Facilities.

As of December 31, 2025, the B1 Revolving Loan Facility was available for borrowing. Excluding commitment fees, the interest rate for the A Loan Facility and B2 Term Loan Facility was 3.65% and 6.10%, respectively, as of December 31, 2025.

The Loan Facilities are guaranteed by BeOne Medicines UK, Ltd., BeOne Medicines US Holdings, LLC, BeOne Medicines I GmbH, BeOne Medicines (Hong Kong) Co., Limited, BeOne Medicines Aus Pty Ltd, BG NC, Ltd., BG NC, Ltd., BeOne Medicines Hopewell Urban Renewal, LLC, BeOne Medicines US Manufacturing Co., Inc., BeOne Medicines Treasury Ltd., and BeOne Medicines USA, Inc. (collectively, "Guarantors"). Except as otherwise provided by applicable law, all obligations under the Loan Facilities are unconditionally guaranteed jointly and severally by the Guarantors.

Subject to certain limitations, the Loan Facilities are secured on a first priority basis granted in favor of HSBC (as security agent on behalf of the secured parties) by: (a) a security interest in the equity interests of a member of the Company and its subsidiaries and (b) security interests in, and mortgage on, the Company's manufacturing and clinical R&D facility in New Jersey.

The Facilities Agreement contains various customary representations, warranties and covenants applicable to the Company and its subsidiaries. In addition, the Facilities Agreement contains financial covenants, including covenants requiring the maintenance of: (i) a minimum cash interest coverage ratio of not less than 5.00 to 1.00; (ii) a net leverage ratio of not greater than 2.50 to 1.00; (iii) a minimum total consolidated shareholders' equity of not less than $2.7 billion; (iv) a minimum cash balance held outside the PRC by the Company and the Guarantors of $500.0 million; (v) a maximum financial indebtedness of the Company and its subsidiaries not to exceed $2.0 billion; and (vi) a maximum financial indebtedness of the Company's subsidiaries that are incorporated or registered in the PRC not to exceed $500.0 million. The Company was compliant with the required covenants as of December 31, 2025.

In connection with the execution of the Facilities Agreement, the Company capitalized $23,392 of debt issuance costs. The Company allocated these costs among the Loan Facilities based on the maximum borrowing capacity and amortizes the costs using the effective interest method for the A Loan Facility and B2 Term Loan Facility and on a straight-line basis for the B1 Revolving Loan Facility. Non-cash interest expense related to the amortization of the debt issuance costs for the year ended December 31, 2025 was $692.

(Amounts in thousands of U.S. Dollar ("$") and Renminbi ("RMB"),
except for number of shares and per share data)

Other Bank Loans

The following table summarizes the Company's short-term working capital loans and project loans of December 31, 2025 and 2024:

Lender	Borrower	Term	Maturity Date	Note	As of December 31, 2025	As of December 31, 2024
					$	$
China Construction Bank	BeOne Guangzhou Biologics Manufacturing Co., Ltd.	9-year	June 11, 2027	1	21,450	16,440
China Merchants Bank	BeOne Guangzhou Biologics Manufacturing Co., Ltd.	9-year	January 20, 2029	2	8,989	8,611
China Merchants Bank	BeOne Guangzhou Biologics Manufacturing Co., Ltd.	9-year	November 8, 2029	3	8,497	8,148
China CITIC Bank	BeOne Pharmaceutical (Suzhou) Co., Ltd.	10-year	July 28, 2032	4	9,294	1,384
China Merchants Bank	BeOne Medicines Ltd.	1-year	January 21, 2026	5	–	380,000
China Minsheng Bank	BeOne Medicines Ltd.	1-year	December 16, 2025	6	–	150,000
China Industrial Bank	BeOne Medicines USA, Inc.	364-days	June 28, 2026	7	–	–
China Industrial Bank	BeOne Medicines Ltd.	364-days	March 27, 2025	8	–	92,475
China Merchants Bank	BeOne Guangzhou Biologics Manufacturing Co., Ltd.	1-year	June 5, 2025	9	–	54,800
HSBC Bank	BeOne Medicines Ltd.	1-year	June 17, 2026	10	–	46,580
Shanghai Pudong Development Bank	BeOne Medicines Ltd.	1-year	November 24, 2025	11	–	93,091
Total short-term debt					48,230	851,529
China Construction Bank	BeOne Guangzhou Biologics Manufacturing Co., Ltd.	9-year	June 11, 2027	1	21,450	41,100
China Merchants Bank	BeOne Guangzhou Biologics Manufacturing Co., Ltd.	9-year	January 20, 2029	2	20,224	27,987
China Merchants Bank	BeOne Guangzhou Biologics Manufacturing Co., Ltd.	9-year	November 8, 2029	3	25,970	33,020
China CITIC Bank	BeOne Pharmaceutical (Suzhou) Co., Ltd.	10-year	July 28, 2032	4	57,900	64,377
Total long-term debt					125,544	166,484

1. The credit facility offers a borrowing capacity of RMB580,000, denominated in RMB, and bears floating interest rates benchmarking RMB loan interest rates of financial institutions in the PRC. The loan interest rate was 3.8% as of December 31, 2025. The outstanding principal balance is payable in semi-annual installments. The Company repaid $17,225 (or RMB120,000) during the year ended December 31, 2025. The loan is secured by BeOne Guangzhou Biologics Manufacturing Co., Ltd.'s property ownership certificate and fixed assets.

2. The credit facility offers a borrowing capacity of RMB350,000, denominated in RMB, and bears floating interest rates benchmarking RMB loan interest rates of financial institutions in the PRC. The loan interest rate was 3.4% as of December 31, 2025. The outstanding principal balance is payable in quarterly installments. The Company repaid $8,726 (RMB62,857) during the year ended December 31, 2025. The loan is secured by Guangzhou Factory's south district land use right and certain fixed assets.

3. The credit facility offers a borrowing capacity of RMB378,000, denominated in RMB, and bears floating interest rates benchmarking RMB loan interest rates of financial institutions in the PRC. The loan interest rate was 3.2% as of December 31, 2025. The outstanding principal balance is payable in quarterly installments. The Company repaid $8,287 (RMB59,475) during the year ended December 31, 2025. The loan is secured by fixed assets placed into service in the third phase of the Guangzhou manufacturing facility's buildout.

4. The credit facility offers a borrowing capacity of RMB480,000, denominated in RMB, and bears floating interest rate benchmarking RMB loan interest rates of financial institutions in the PRC. The loan interest rate was 3.3% as of December 31, 2025. The outstanding principal balance is payable in semi-annual installments. The Company repaid $1,442 (RMB10,100) during the year ended December 31, 2025. The loan is secured by BeOne Pharmaceutical (Suzhou) Co., Ltd.'s property ownership certificate of the small molecule manufacturing campus in Suzhou, China.

5. The working capital loan facility offers a borrowing capacity of up to $380,000, denominated in USD, and bears floating interest rates benchmarking the secured overnight financing rate. The Company repaid the loan with the proceeds from the Loan Facilities in the fourth quarter of 2025.

6. The working capital loan facility offers a borrowing capacity of up to $150,000, denominated in USD. The Company repaid the loan with the proceeds from the Loan Facilities in the fourth quarter of 2025.

7. The working capital loan facility offered a borrowing capacity of up to RMB675,000, denominated in RMB. The Company drew down the facility in the second quarter of 2025 and repaid the loan with the proceeds from the Loan Facilities in the fourth quarter of 2025.

8. The working capital loan facility offered a borrowing capacity of up to RMB675,000, denominated in RMB. The Company repaid the loan during the year ended December 31, 2025.

9. The working capital loan facility offers a borrowing capacity of up to RMB400,000, denominated in RMB. The Company repaid the loan during the year ended December 31, 2025.

10. The working capital loan facility offers a borrowing capacity of up to RMB340,000, denominated in RMB, and bears floating interest rates benchmarking Hong Kong interbank market rate for RMB. The Company repaid the loan with the proceeds from the Loan Facilities in the fourth quarter of 2025.

11. The working capital loan facility offers a borrowing capacity of up to RMB700,000, denominated in RMB. The Company repaid the loan with the proceeds from the Loan Facilities in the fourth quarter of 2025.

The Company has numerous financial and non-financial covenants on its debt obligations with the lenders above. Some of these covenants include default and/or cross-default provisions that could require acceleration of repayment of loans in the event of default. As of December 31, 2025, the Company was in compliance with all covenants of its material debt agreements.

(Amounts in thousands of U.S. Dollar ("$") and Renminbi ("RMB"),
except for number of shares and per share data)

Contractual Maturities of Debt Obligations

The aggregate contractual maturities of all borrowings due subsequent to December 31, 2025 are as follows:

Maturity dates	Amounts
	$
Year ending December 31, 2026	60,528
Year ending December 31, 2027	632,825
Year ending December 31, 2028	297,337
Year ending December 31, 2029	20,518
Year ending December 31, 2030	9,295
Thereafter	20,721
Total	1,041,224

Interest Expense

Interest on bank loans is paid quarterly until the respective loans are fully settled. Excluding the amortization of debt issuance costs, interest expense on bank loans for the years ended December 31, 2025, 2024 and 2023 amounted to $49,950, $46,894 and $20,800, respectively, among which, $12,443, $32,158 and $16,571 was capitalized, respectively. Interest paid for the years ended December 31, 2025, 2024 and 2023, net of amounts capitalized, amounted to $34,428, $19,723 and $3,484, respectively.

13. Product Revenue

The Company's product revenue is primarily derived from the sale of its internally developed products BRUKINSA and TEVIMBRA in the U.S., China, and other regions; XGEVA®, BLINCYTO® and KYPROLIS® in China under a license from Amgen; REVLIMID® and VIDAZA® in China under a license from BMS; and POBEVCY® in China under a license from Bio-Thera.

The table below presents the Company's net product sales for the years ended December 31, 2025, 2024 and 2023.

	Year Ended December 31,		
	2025	2024	2023
	$	$	$
Product revenue – gross	6,730,957	4,786,744	2,718,969
Less: Rebates and sales returns	(1,448,896)	(1,007,198)	(529,117)
Product revenue – net	5,282,061	3,779,546	2,189,852

(Amounts in thousands of U.S. Dollar ("$") and Renminbi ("RMB"),
except for number of shares and per share data)

The following table disaggregates net product revenue by product for the years ended December 31, 2025, 2024 and 2023.

	Year Ended December 31,		
	2025	2024	2023
	$	$	$
BRUKINSA®	3,928,489	2,644,226	1,290,396
TEVIMBRA®	737,304	620,836	536,620
XGEVA®	305,979	224,403	92,828
BLINCYTO®	104,224	74,331	54,342
KYPROLIS®	74,974	66,171	39,799
POBEVCY®	47,400	53,509	56,547
Other	83,691	96,070	119,320
Total product revenue – net	5,282,061	3,779,546	2,189,852

The following table presents the roll-forward of accrued sales chargebacks, rebates, returns and other deductions for the years ended December 31, 2025 and 2024.

	Rebates, Returns and Other Deductions	Contra AR Accruals	Total
	$	$	
Balance at December 31, 2023	139,936	30,435	170,371
Amounts charged against product revenue	491,756	515,442	1,007,198
Payments and credits	(396,092)	(495,178)	(891,270)
Balance at December 31, 2024	235,600	50,699	286,299
Amounts charged against product revenue	657,138	791,758	1,448,896
Payments and credits	(494,205)	(763,331)	(1,257,536)
Balance at December 31, 2025	398,533	79,126	477,659

(Amounts in thousands of U.S. Dollar ("$") and Renminbi ("RMB"),
except for number of shares and per share data)

14. Earnings (Loss) Per Share/ADS

The following table reconciles the numerator and denominator in the computations of earnings (loss) per share/ADS:

	Year Ended December 31,		
	2025	2024	2023
	$	$	$
Numerator:			
Net income (loss)	286,933	(644,786)	(881,708)
Denominator:			
Weighted-average shares outstanding – basic	1,417,803,727	1,368,746,793	1,357,034,547
Dilutive common shares equivalents	57,026,181	–	–
Weighted-average shares outstanding – diluted	1,474,829,908	1,368,746,793	1,357,034,547
Antidilutive common share equivalents excluded from above	1,089,967	–	–
Earnings (loss) per share:			
Basic	0.20	(0.47)	(0.65)
Diluted	0.19	(0.47)	(0.65)
Earnings (loss) per ADS:			
Basic	2.63	(6.12)	(8.45)
Diluted	2.53	(6.12)	(8.45)

For the year ended December 31, 2025, diluted earnings per share was computed using the weighted-average number of ordinary shares and the effect of potentially dilutive shares outstanding during the periods. Potentially dilutive shares consist of stock options, restricted stock units and ESPP shares. The dilutive effect of outstanding stock options, restricted stock units and ESPP shares is reflected in diluted net earnings per share using the treasury stock method.

For the years ended December 31, 2024 and 2023, the Company was in a net loss position and the effects of all share options, restricted share units and ESPP shares were excluded from the calculation of diluted loss per share, as their effect would have been anti-dilutive.

Each ADS represents 13 ordinary shares. Basic and diluted earnings (loss) per ADS was derived from the basic and diluted earnings (loss) per share, respectively.

15. Share-Based Compensation

2016 Share Option and Incentive Plan

In January 2016, in connection with its U.S. IPO, the board of directors and shareholders of the Company approved the 2016 Share Option and Incentive Plan (the "2016 Plan"), which became effective in February 2016. The Company initially reserved 65,029,595 ordinary shares for the issuance of awards under the 2016 Plan, plus any shares available under the 2011 Option Plan (the "2011 Plan"), and not subject to any outstanding options as of the effective date of the 2016 Plan, along with underlying share awards under the 2011 Plan that were cancelled or forfeited without issuance of ordinary shares. As of December 31, 2025, ordinary shares cancelled or forfeited under the 2011 Plan that were carried over to the 2016 Plan totaled 5,167,238. The 2016 Plan provided for an annual increase in the shares available for issuance, to be added on the first day of each fiscal year, beginning on January 1, 2017, equal to the lesser of (i) five percent (5%)% of the outstanding shares of the Company's ordinary shares on the last day of the immediately preceding fiscal year or (ii) such number of shares determined by the Company's board of directors or the compensation committee. On January 1, 2018, 29,603,616 ordinary shares were added to the 2016 Plan under this provision. However, in August 2018, in connection with the Hong Kong IPO, the board of directors of the Company approved an amended and restated 2016 Plan to remove this "evergreen" provision and implement other changes required by the Hong Kong Stock Exchange ("HKEx") rules. In December 2018, the shareholders of the Company approved a second amended and restated 2016 Plan to increase the number of shares authorized for issuance by 38,553,159 ordinary shares, as well as amend the cap on annual compensation to independent directors and make other changes. In June 2020, the shareholders approved an Amendment No. 1 to the 2016 Plan to increase the number of shares authorized for issuance by 57,200,000 ordinary shares and to extend the term of the plan through April 13, 2030. The number of shares available for issuance under the 2016 Plan is subject to adjustment in the event of a share split, share dividend or other change in the Company's capitalization.

As of December 31, 2025, share-based awards to acquire 60,641,671 ordinary shares were available for future grant under the 2016 Plan.

In order to continue to provide incentive opportunities under the 2016 Plan, the Board of Directors and shareholders of the Company approved an amendment to the 2016 Plan (the "Amendment No. 2"), which became effective as of June 22, 2022, to increase the number of authorized shares available for issuance under the 2016 Plan by 66,300,000 ordinary shares, or 5%, of the Company's outstanding shares as of March 31, 2022. In June 2024, the shareholders approved a third amended and restated 2016 Plan to increase the number of shares authorized for issuance by 92,820,000.

2018 Inducement Equity Plan

In June 2018, the board of directors of the Company approved the 2018 Inducement Equity Plan (the "2018 Plan") and reserved 12,000,000 ordinary shares to be used exclusively for grants of awards to individuals who were not previously employees of the Company or its subsidiaries, as a material inducement to the individual's entry into employment with the Company or its subsidiaries, within the meaning of Rule 5635(c)(4) of the Nasdaq Listing Rules. The 2018 Plan was approved by the board of directors upon recommendation of the compensation committee, without shareholder approval pursuant to Rule 5635(c)(4) of the Nasdaq Listing Rules. The terms and conditions of the 2018 Plan, and the forms of award agreements to be used thereunder, are substantially similar to the 2016 Plan and the forms of award agreements thereunder. In August 2018, in connection with the listing of the Company's ordinary shares on the HKEx, the board of directors of the Company approved an amended and restated 2018 Plan to implement changes required by the HKEx rules.

Upon the effectiveness of Amendment No. 2 to the 2016 Plan, on June 22, 2022, the 2018 Plan was terminated to the effect that no new equity awards shall be granted under the plan but the outstanding equity awards under the plan shall continue to vest and/or be exercisable in accordance with their terms.

(Amounts in thousands of U.S. Dollar ("$") and Renminbi ("RMB"), except for number of shares and per share data)

2018 Employee Share Purchase Plan

In June 2018, the shareholders of the Company approved the 2018 ESPP. Initially, 3,500,000 ordinary shares of the Company were reserved for issuance under the ESPP. In August 2018, in connection with the Hong Kong IPO, the board of directors of the Company approved an amended and restated ESPP to remove an "evergreen" share replenishment provision originally included in the plan and implement other changes required by the HKEx rules. In December 2018, the shareholders of the Company approved a second amended and restated ESPP to increase the number of shares authorized for issuance by 3,855,315 ordinary shares to 7,355,315 ordinary shares. In June 2024, the shareholders of the Company approved a fourth amended and restated ESPP to increase the number of shares authorized for issuance by 5,070,000 ordinary shares to 12,425,315 ordinary shares. The ESPP allows eligible employees to purchase the Company's ordinary shares (including in the form of ADSs) at the end of each offering period, which will generally be six months, at a 15% discount to the market price of the Company's ADSs at the beginning or the end of each offering period, whichever is lower, using funds deducted from their payroll during the offering period. Eligible employees are able to authorize payroll deductions of up to 10% of their eligible earnings, subject to applicable limitations.

The following tables summarizes the shares issued under the ESPP:

Issuance Date	Number of Ordinary Shares Issued	Market Price[1]		Purchase Price[2]		Proceeds
		ADS	Ordinary	ADS	Ordinary	
August 31, 2025	818,506	$ 245.53	$ 18.89	$ 208.70	$ 16.05	$ 13,140
February 28, 2025	955,396	$ 188.26	$ 14.48	$ 160.02	$ 12.31	$ 11,760
August 31, 2024	1,035,996	$ 165.20	$ 12.69	$ 140.27	$ 10.78	$ 11,178
February 29, 2024	1,021,397	$ 165.65	$ 12.74	$ 140.80	$ 10.83	$ 11,063
August 31, 2023	794,144	$ 207.55	$ 15.97	$ 176.42	$ 13.57	$ 10,777
February 28, 2023	930,582	$ 171.10	$ 13.16	$ 145.44	$ 11.19	$ 10,414

[1] The market price is the lower of the closing price on Nasdaq on the issuance date or the offering date, in accordance with the terms of the ESPP.

[2] The purchase price is the price which was discounted from the applicable market price, in accordance with the terms of the ESPP.

As of December 31, 2025, 3,179,780 ordinary shares were available for future issuance under the ESPP.

Share options

Generally, share options have a contractual term of 10 years and vest over a three – to five-year period, with the first tranche vesting one calendar year after the grant date or the service relationship start date and the remainder of the awards vesting on a monthly basis thereafter. Restricted shares and restricted share units generally vest over a four-year period, with the first tranche vesting one calendar year after the grant date or the service relationship start date and the remainder of the awards vesting on a yearly basis thereafter, or sometimes vest upon the achievement of pre-specified performance conditions.

(Amounts in thousands of U.S. Dollar ("$") and Renminbi ("RMB"),
except for number of shares and per share data)

The following table summarizes the Company's share option activities during the year ended December 31, 2025 under the 2011, 2016 and 2018 Plans:

	Number of Options	Weighted Average Exercise Price	Weighted Average Grant Date Fair Value	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
		$	$	Years	$
Outstanding at December 31, 2024	77,982,656	9.70			
Granted	2,527,499	19.80	10.44		
Exercised	(30,065,802)	5.61			448,698
Forfeited	(2,211,642)	16.61			
Outstanding at December 31, 2025	48,232,711	12.46		5.03	537,801
Exercisable as of December 31, 2025	37,198,441	11.67		4.09	446,954
Vested and expected to vest at December 31, 2025	46,467,228	12.36		4.91	523,265

As of December 31, 2025, the unrecognized compensation cost related to 9,268,787 unvested share options expected to vest was $63,875. This unrecognized compensation will be recognized over an estimated weighted-average amortization period of 2.4 years.

The total fair value of employee share option awards vested during the years ended December 31, 2025, 2024 and 2023 was $55,954, $68,420 and $61,121, respectively.

Fair value of options

The Company uses the binomial option-pricing model in determining the estimated fair value of the options granted. The model requires the input of highly subjective assumptions including the estimated expected stock price volatility and, the exercise multiple for which employees are likely to exercise share options. For expected volatilities, the trading history and observation period of the Company's own share price is used in conjunction with historical price volatilities of ordinary shares of several comparable companies in the same industry as the Company. For the exercise multiple, the Company was not able to develop an exercise pattern as reference, thus the exercise multiple is based on management's estimation, which the Company believes is representative of the future exercise pattern of the options. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury Bills yield curve in effect at the time of grant.

The following table presents the range of fair values and the assumptions used to estimate those fair values of the share options granted in the years presented:

	Year Ended December 31,		
	2025	2024	2023
Fair value of ordinary share	$8.79 ~ $10.76	$5.72 ~ $9.19	$7.26 ~ $10.72
Risk-free interest rate	4.2% ~ 4.6%	3.8% ~ 4.6%	3.4% ~ 4.6%
Expected exercise multiple	2.8	2.8	2.8
Expected volatility	56% ~ 57%	57% ~ 58%	58% ~ 60%
Expected dividend yield	0%	0%	0%
Contractual life	10 years	10 years	10 years

(Amounts in thousands of U.S. Dollar ("$") and Renminbi ("RMB"),
except for number of shares and per share data)

Restricted share units

The following table summarizes the Company's restricted share unit activities during the year ended December 31, 2025 under the 2016 and 2018 Plans:

	Numbers of Shares	Weighted-Average Grant Date Fair Value
		$
Outstanding at December 31, 2024	83,654,116	13.70
Granted	29,086,395	20.34
Vested	(26,921,973)	14.43
Forfeited	(8,737,846)	14.72
Outstanding at December 31, 2025	77,080,692	15.84
Expected to vest at December 31, 2025	64,747,781	15.84

As of December 31, 2025, the unrecognized compensation cost related to unvested restricted share units expected to vest was $899,790. This unrecognized compensation will be recognized over an estimated weighted-average amortization period of 2.7 years.

Performance share units

The following table summarizes the Company's performance share unit activities during the year ended December 31, 2025 under the 2016 Plan:

	Numbers of Shares	Weighted-Average Grant Date Fair Value
		$
Outstanding at December 31, 2024	2,176,551	12.37
Granted	1,876,056	20.38
Performance adjustments[1]	151,567	12.34
Forfeited	(269,542)	13.09
Outstanding at December 31, 2025	3,934,632	16.14
Expected to vest at December 31, 2025	3,305,091	16.14

1. The amount shown represents performance adjustments related primarily to the performance-based awards granted during the year ended December 31, 2024.

As of December 31, 2025, the unrecognized compensation cost related to unvested performance share units expected to vest was $38,878. This unrecognized compensation will be recognized over an estimated weighted-average amortization period of 1.9 years.

(Amounts in thousands of U.S. Dollar ("$") and Renminbi ("RMB"),
except for number of shares and per share data)

Share-based compensation expense

The following table summarizes total share-based compensation cost recognized for the years ended December 31, 2025, 2024 and 2023:

	Year Ended December 31,		
	2025	2024	2023
	$	$	$
Research and development	217,440	186,113	163,550
Selling, general and administrative	292,807	255,680	204,038
Total	510,247	441,793	367,588

16. Accumulated Other Comprehensive Loss

The movement of accumulated other comprehensive (loss) income was as follows:

	Foreign Currency Translation Adjustments	Other Adjustments	Total
	$	$	$
December 31, 2023	(87,987)	(11,459)	(99,446)
Other comprehensive loss before reclassifications	(47,565)	(2,788)	(50,353)
Amounts reclassified from accumulated other comprehensive loss[1]	–	811	811
Net-current period other comprehensive loss	(47,565)	(1,977)	(49,542)
December 31, 2024	(135,552)	(13,436)	(148,988)
Other comprehensive income before reclassifications	69,300	591	69,891
Amounts reclassified from accumulated other comprehensive loss[1]	–	913	913
Net-current period other comprehensive income	69,300	1,504	70,804
December 31, 2025	(66,252)	(11,932)	(78,184)

[1] The amounts reclassified from accumulated other comprehensive (loss) income were included in other (expense) income, net in the consolidated statements of operations.

17. Shareholders' Equity

During the three years ended December 31, 2025, the Company completed the following equity transactions:

BMS Settlement

On August 1, 2023, the Company entered into a Settlement and Termination Agreement (the "Settlement Agreement") with BMS-Celgene and certain of its affiliates relating to the termination of the parties' ongoing contractual relationships, the previously-disclosed ongoing arbitration proceeding concerning ABRAXANE® (the "Arbitration"), the License and Supply Agreement ("LSA"), the Amended and Restated Quality Agreement (the "QA"), and the Share Subscription Agreement (the "SSA"), entered into by the parties in 2017 and 2018. Pursuant to the Settlement Agreement, the parties agreed to mutually dismiss the Arbitration and BMS-Celgene and its affiliates agreed to transfer 23,273,108 ordinary shares of the Company originally purchased in 2017, in each case subject to and in accordance with the terms and conditions of the Settlement Agreement. In consideration for the shares being returned, the Company agreed to drop its claims pursuant to the Settlement Agreement. Furthermore, the parties agreed to terminate the LSA and QA on December 31, 2023, subject to the Company's right to continue selling all inventory of REVLIMID and VIDAZA until sold out or February 2025, whichever is earlier. The Settlement Agreement provides for a settlement and release by each party of claims arising from or relating to the Arbitration, the LSA, the QA and the SSA, as well as other disputes and potential disputes between the parties, in each case subject to and in accordance with the terms and conditions of the Agreement. The receipt of the shares occurred on August 15, 2023. The Company recorded a noncash gain upon receipt of $362,917, which represents the fair value on the day the shares were received. The gain was recorded within other (expense) income, net in the consolidated statements of operations. The shares were constructively retired during the year ended December 31, 2023. The Company recorded the amount of the cancelled shares in excess of par to additional paid-in capital.

18. Restricted Net Assets

The Company's ability to pay dividends may depend on the Company receiving distributions of funds from its PRC subsidiaries. Relevant PRC laws and regulations permit payments of dividends by the Company's PRC subsidiaries only out of its retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. The results of operations reflected in the consolidated financial statements prepared in accordance with GAAP differ from those reflected in the statutory financial statements of the Company's PRC subsidiaries.

In accordance with the company law of the PRC, a domestic enterprise is required to provide statutory reserves of at least 10% of its annual after-tax profit until such reserve has reached 50% of its respective registered capital based on the enterprise's PRC statutory accounts. A domestic enterprise is also required to provide discretionary surplus reserve, at the discretion of the Board of Directors, from the profits determined in accordance with the enterprise's PRC statutory accounts. The aforementioned reserves can only be used for specific purposes and are not distributable as cash dividends. The Company's PRC subsidiaries were established as domestic invested enterprises and therefore were subject to the above-mentioned restrictions on distributable profits.

During the years ended December 31, 2025, 2024 and 2023, no appropriation to statutory reserves was made, because the PRC subsidiaries had an accumulated deficit as of the end of such periods.

As a result of these PRC laws and regulations, including the requirement to make annual appropriations of at least 10% of after-tax income and set aside as general reserve fund prior to payment of dividends, the Company's PRC subsidiaries are restricted in their ability to transfer a portion of their net assets to the Company.

Foreign exchange and other regulations in the PRC may further restrict the Company's PRC subsidiaries from transferring funds to the Company in the form of dividends, loans, and advances. As of December 31, 2025 and 2024, amounts restricted were the net assets of the Company's PRC subsidiaries, which, after intercompany eliminations, amounted to $2,012,019 and $1,709,961, respectively.

19. Employee Benefit Plans

Defined Contribution Plans

Full-time employees of the Company in the PRC participate in a government mandated defined contribution plan, pursuant to which certain pension benefits, medical care, employee housing fund and other welfare benefits are provided to employees. Chinese labor regulations require that the Company's PRC subsidiaries make contributions to the PRC government for these benefits based on certain percentage of employees' salaries. The Company has no legal obligation for such benefits beyond the contributions made. The total amounts for such employee benefits, which were expensed as incurred, were $107,246, $101,779 and $94,358 for the years ended December 31, 2025, 2024 and 2023, respectively.

The Company maintains a defined contribution 401(k) savings plan (the "401(k) Plan") for U.S. employees. The 401(k) Plan covers all U.S. employees and allows participants to defer a portion of their annual compensation on a pre-tax, Roth or non-Roth after-tax basis. In addition, the Company has a matching contribution to the 401(k) Plan, matched dollar for dollar of eligible contributions up to 6% in the 2025 plan year. Company contributions to the 401(k) Plan totaled $24,494, $20,839 and $15,316 in the years ended December 31, 2025, 2024 and 2023, respectively.

The Company maintains a government mandated program to cover its employees in Switzerland for pension, death, and disability. The program is considered a defined contribution plan under U.S. GAAP. Employer and employee contributions are made based on various percentages of salaries and wages that vary based on employee age and other factors. Company contributions into the program amounted to $4,562, $3,825, and $2,710 in the years ended December 31, 2025, 2024 and 2023, respectively.

Company contributions into defined contribution plans for the remaining subsidiaries were immaterial.

Defined Benefit Plan

The Company maintains a defined benefit pension plan covering its employees in Switzerland (the "Swiss Pension Plan"). The Swiss Pension Plan is a government mandated fund that provides benefits to employees upon retirement, death, or disability. Contributions are made based on various percentages of participants' salaries and wages determined based on participants' age and other factors. As of December 31, 2025 and 2024, the projected benefit obligations under the Swiss Pension Plan were approximately $105,538 and $80,199, respectively, and the Swiss Pension Plan assets were approximately $87,368 and $63,794, respectively. The funded status of the Swiss Pension Plan is included in other long-term liabilities in the accompanying consolidated balance sheets.

The Company's annual contribution to the Swiss Pension Plan is estimated to be approximately $4,540 in 2026 and is expected to evolve thereafter proportionally with changes in staffing and compensation levels, actuarial assumptions and actual investment returns on plan assets.

(Amounts in thousands of U.S. Dollar ("$") and Renminbi ("RMB"),
except for number of shares and per share data)

The following table reflects the total expected benefit payments to Swiss Pension Plan participants in the upcoming 10 years and have been estimated based on the same assumptions used to measure the Company's benefit obligations as of December 31, 2025:

	Amounts
	$
Year ending December 31, 2026	5,766
Year ending December 31, 2027	5,622
Year ending December 31, 2028	5,581
Year ending December 31, 2029	5,734
Year ending December 31, 2030	5,876
Thereafter	29,271
Total	57,850

20. Commitments and Contingencies

Purchase Commitments

As of December 31, 2025, the Company had purchase commitments amounting to $205,175, of which $24,921 related to non-utilization fees and minimum purchase requirements for supply purchased from contract manufacturing organizations and $180,254 related to binding purchase order obligations of inventory from Amgen. The Company does not have any minimum purchase requirements for inventory from Amgen.

Capital Commitments

The Company had capital commitments amounting to $46,431 for the acquisition of property, plant and equipment as of December 31, 2025 related to various facilities across the globe.

Co-Development Funding Commitment

Under the Amgen Collaboration Agreement, the Company is responsible for co-funding global clinical development costs for the Amgen oncology pipeline assets up to a total cap of $1,250,000. The Company is funding its portion of the co-development costs by contributing cash and/or development services. As of December 31, 2025, the Company's remaining co-development funding commitment was $130,393.

Funding Commitment

The Company had committed capital related to equity investments in the amount of $15,891. As of December 31, 2025, the remaining capital commitment was $5,241 and is expected to be paid from time to time over the investment period.

Other Business Agreements

The Company enters into agreements in the ordinary course of business with contract research organizations ("CROs") to provide research and development services. These contracts are generally cancellable at any time by the Company with prior written notice.

The Company also enters into collaboration agreements with institutions and 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. Payments under these agreements generally become due and payable upon achievement of such milestones or sales. These commitments are not recorded on the consolidated balance sheet because the achievement and timing of these milestones are not fixed and determinable. When the achievement of these milestones or sales have occurred, the corresponding amounts are recognized in the consolidated financial statements.

(Amounts in thousands of U.S. Dollar ("$") and Renminbi ("RMB"),
except for number of shares and per share data)

21. Segment and Geographic Information

Operating segments are defined as components of an enterprise for which separate financial information is available and evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The Company operates in one segment: pharmaceutical products. Its chief operating decision maker is the Chief Executive Officer, who makes operating decisions, assesses performance, and allocates resources on a consolidated basis.

The primary measure of segment profitability for the Company's operating segment is considered to be consolidated net income (loss). Significant segment expenses reviewed by the CODM on a regular basis included within net income (loss) include cost of product sales, research and development expenses and selling, general and administrative expenses which are separately presented on the Company's consolidated statements of operations. Other segment items within net income (loss) include interest income, interest expense, other (expense) income, net and income tax expense.

The Company's long-lived assets are primarily located in the U.S. and China.

Net product revenues by geographic area are based upon the location of the customer, and net other revenue is recorded in the jurisdiction in which the related income is expected to be sourced from. Total net revenues by geographic area are presented as follows:

	Year Ended December 31,		
	2025	2024	2023
	$	$	$
U.S. - total revenue	**2,880,324**	**1,957,498**	**1,128,219**
Product revenue	2,841,246	1,950,530	945,551
Other revenue	39,078	6,968	182,668
China – total revenue	**1,679,531**	**1,411,307**	**1,101,951**
Product revenue	1,659,363	1,390,699	1,093,091
Other revenue	20,168	20,608	8,860
Europe – total revenue	**611,369**	**362,626**	**202,014**
Product revenue	609,643	359,507	122,228
Other revenue	1,726	3,119	79,786
Rest of world – total revenue	**171,809**	**78,810**	**26,595**
Product revenue	171,809	78,810	28,982
Other revenue	–	–	(2,387)
Total Revenue	**5,343,033**	**3,810,241**	**2,458,779**