EDDING 亿腾

# 亿腾嘉和醫藥集團有限公司

EDDING GENOR GROUP HOLDINGS LIMITED

*(incorporated in the Cayman Islands with limited liability)*

Stock Code: 6998

# 2025

## ANNUAL REPORT

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Mr. Ni Xin (倪昕)
*(Chairman) (appointed on 30 December 2025)*
Dr. Han Shuhua (韓淑華)
*(appointed on 27 March 2026)*
Ms. Zhai Jing (翟婧) *(resigned on 27 March 2026)*
Mr. Weng Chengyi (翁承毅)
*(resigned on 30 December 2025)*

### Non-Executive Directors

Dr. David Guowei Wang
*(appointed on 30 December 2025)*
Mr. Yu Tieming (于鐵銘)
Dr. Lyu Dong (呂東) *(retired on 26 June 2025)*
Mr. Liu Yi (劉逸) *(resigned on 30 December 2025)*

### Independent Non-Executive Directors

Dr. Xu Qing (許慶) *(appointed on 30 December 2025)*
Mr. Chen Wen (陳文)
Ms. Zheng Jingjing (鄭晶晶)
*(appointed on 30 December 2025)*
Mr. Fung Edwin (馮冠豪)
*(resigned on 30 December 2025)*
Ms. Cui Bai (崔白) *(resigned on 30 December 2025)*

## AUDIT COMMITTEE

Ms. Zheng Jingjing (鄭晶晶) *(Chairperson)*
*(appointed on 30 December 2025)*
Mr. Yu Tieming (于鐵銘)
*(appointed on 30 December 2025)*
Dr. Xu Qing (許慶) *(appointed on 30 December 2025)*
Mr. Fung Edwin (馮冠豪) *(Chairperson)*
*(resigned on 30 December 2025)*
Mr. Liu Yi (劉逸) *(resigned on 30 December 2025)*
Ms. Cui Bai (崔白)
*(resigned on 30 December 2025)*

## COMPENSATION COMMITTEE

Dr. Xu Qing (許慶) *(Chairperson)*
*(appointed on 30 December 2025)*
Dr. David Guowei Wang
*(appointed on 30 December 2025)*
Mr. Chen Wen (陳文)
Mr. Yu Tieming (于鐵銘)
*(resigned on 30 December 2025)*
Mr. Fung Edwin (馮冠豪)
*(resigned on 30 December 2025)*

## NOMINATION COMMITTEE

Mr. Ni Xin (倪昕) *(Chairperson)*
*(appointed on 30 December 2025)*
Dr. Xu Qing (許慶) *(appointed on 30 December 2025)*
Ms. Zheng Jingjing (鄭晶晶)
*(appointed on 30 December 2025)*
Mr. Chen Wen (陳文) *(Chairperson)*
*(resigned on 30 December 2025)*
Dr. Lyu Dong (呂東) *(retired on 26 June 2025)*
Mr. Fung Edwin (馮冠豪)
*(resigned on 30 December 2025)*
Ms. Cui Bai (崔白) *(resigned on 30 December 2025)*

## JOINT COMPANY SECRETARIES

Ms. Zhai Jing (翟婧) *(appointed on 30 December 2025)*
Ms. Yip Chui Mei (葉翠媚)
*(appointed on 30 December 2025)*
Mr. Ip Tak Wai (葉德偉)
*(resigned on 30 December 2025)*

## AUTHORISED REPRESENTATIVES

Mr. Ni Xin (倪昕) *(appointed on 30 December 2025)*
Ms. Yip Chui Mei (葉翠媚)
*(appointed on 30 December 2025)*
Mr. Yu Tieming (于鐵銘)
*(resigned on 30 December 2025)*
Mr. Ip Tak Wai (葉德偉)
*(resigned on 30 December 2025)*

# CORPORATE INFORMATION

## AUDITORS

Ernst & Young
Certified Public Accountants
Registered Public interest Entity Auditor
27th floor, One Taikoo Place
979 King's Road, Quarry Bay
Hong Kong

## REGISTERED OFFICE

Maples Corporate Services Limited
PO Box 309, Ugland House
Grand Cayman
KY1-1104
Cayman Islands

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN CHINA

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No. 36 Doukou Road
Hengqin New Area
Zhuhai, Guangdong Province
PRC

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40/F, Dah Sing Financial Centre
248 Queen's Road East
Wanchai, Hong Kong
*(with effect from 30 December 2025)*

## LEGAL ADVISOR

Kirkland & Ellis
26th Floor, Gloucester Tower
The Landmark, 15 Queen's Road Central
Central, Hong Kong

## COMPLIANCE ADVISER

Red Solar Capital Limited
Unit 402B, 4/F
China Insurance Group Building
No. 141 Des Voeux Road Central
Central, Hong Kong

## PRINCIPAL SHARE REGISTRAR

Maples Fund Services (Cayman) Limited
PO Box 1093
Boundary Hall
Cricket Square
KY1-1102
Cayman Islands

## HONG KONG SHARE REGISTRAR

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

## PRINCIPAL BANK

The Hongkong and Shanghai Banking Corporation
1 Queen's Road Central
Central, Hong Kong

## STOCK CODE

6998

## COMPANY WEBSITE

www.eddingpharm.com

# FINANCIAL HIGHLIGHTS

- Revenue in 2025 was RMB2,487.5 million.
- Net profit increased to RMB399.3 million in 2025, RMB11.4 million higher than 2024.
- Cash and cash equivalents increased to RMB1,054.9 million as at 31 December 2025, RMB943.2 million higher than the balance as at 31 December 2024.
- In 2025, our adjusted net profit was RMB470.6 million and adjusted EBITDA was RMB950.4 million.

* *Note:*

All numbers in this "Financial Highlights" section are subject to rounding adjustments and therefore approximate numbers only.

Adjusted net profit (non-HKFRS measure) represents net profit excluding share-based payment expenses and transaction expenses in connection with the reverse takeover. Adjusted EBITDA (non-HKFRS measure) represents net profit excluding depreciation of property, plant and equipment, depreciation of right-of-use assets, amortisation of other intangible assets, finance costs, net, income tax expense, share-based payment expenses and transaction expenses in connection with the reverse takeover.

For the definition and reconciliation of the most directly comparable HKFRS measure and the adjusted net profit (non-HKFRS measure) and adjusted EBITDA (non-HKFRS measure), please refer to "Management Discussion and Analysis – Financial Review – 23. Non-HKFRS Measures" in this annual report.

## OUR PRODUCT AND PIPELINE PORTFOLIOS

The Group has seven commercialised products, comprising three originator-branded products (Vancocin, Ceclor and FPN) and four innovative products (Vascepa, Mulpleta, Jing Zhu Da and Rujianing). A total of six of its products have been included in the NRDL. The therapeutic coverage spans anti-infectives, respiratory, cardiovascular, haematology and breast cancer.

The Group's new drug development pipeline comprises three clinical-stage products and multiple preclinical products, spanning therapeutic areas including oncology, autoimmune diseases, chronic inflammation, cardiometabolic, and respiratory diseases. The Group is committed to building an integrated drug R&D system encompassing early drug discovery, preclinical research, clinical trials and regulatory submission, achieving full-chain coverage from early discovery to commercialisation.

## PIPELINE IN-DEVELOPMENT

| | Project | Targets/Modality | Indications | Discovery | PCC | IND enabling | Phase I/II | Phase III |
|---|---|---|---|---|---|---|---|---|
| Cardiometabolic/ Nephrology | EDP167 | ANGPTL3 | HoFH | | | | | |
| | | | Mixed hyperlipidemia | | | | | |
| | EDP168 | siRNA-bispecific | hyperlipidemia, ASCVD | | | | | |
| | EDP169 | siRNA | IgAN | | | | | |
| Cancer | GB268 | PD-1/CTLA-4/VEGF | Solid tumours | | | | | |
| | GB261 | CD3/CD20 | B lymphoma, AID | | | | | |
| | EDP004 | CD3/BCMA/GPRC5D | MM | | | | | |
| | GBD201 | CCR8/CTLA-4 | Solid tumours | | | | | |
| | EDP005 | BsAb-ADC | BC | | | | | |
| Autoimmune/ Inflammation | EDP001 | CD3/CD19/CD19/BCMA | Autoimmune diseases | | | | | |
| | EDP007 | BsAb/multi-specific Ab | Asthma, COPD, AD | | | | | |

# BUSINESS HIGHLIGHTS

- **Key progress made during the Reporting Period**

The Group has achieved commercialisation of seven products, comprising three originator-branded products (Vancocin, Ceclor and FPN) and four innovative products (Vascepa, Mulpleta, Jing Zhu Da and Rujianing). During the Reporting Period, the Group's principal revenue was derived from the sales of the three originator-branded products. Among the four innovative products, three have been included in the NRDL, and the innovative product portfolio is expected to provide new sales growth momentum for the Group.

- Vancocin, a vancomycin injection, is classified as a special-use antibiotic. In 2025, due to its high clinical use risk and following consultations with relevant authorities and experts, it was not included in the eleventh batch of the national centralised drug procurement list. The Group expects that Vancocin will continue to leverage its high-quality originator-branded product attributes and the strong brand trust accumulated through long-term clinical practice to consolidate and expand its leading position in the relevant market segment.

- On 7 December 2025, the National Reimbursement Drug List for Basic Medical Insurance, Maternity Insurance and Work-Related Injury Insurance (2025 Edition) (《全國基本醫療保險、生育保險和工傷保險藥品目錄(2025年)》) was announced. Jing Zhu Da (Entinostat) and Rujianing (Lerociclib), two Category 1 innovative drugs in the breast cancer field, were successfully newly included in the list. The updated NRDL officially came into effect on 1 January 2026. As at January 2026, both innovative drugs had been successfully included in the dual-channel reimbursement lists across 31 provinces or municipalities in China.

The Group's new drug development pipeline comprises three clinical-stage products and multiple preclinical products, spanning therapeutic areas including oncology, autoimmune diseases, chronic inflammation, cardiometabolic, and respiratory diseases. The Group has established both a large-molecule antibody drug R&D platform and a small nucleic acid drug R&D platform, and is committed to building an integrated drug R&D system.

- ***GB268***

GB268 is an innovative trispecific antibody that simultaneously blocks PD-1/CTLA-4/VEGF signalling pathways, achieving synergistic efficacy through multiple mechanisms. The unique molecular design of GB268 enables it to preferentially bind to PD-1+CTLA-4+ T cells in the tumour microenvironment while sparing peripheral CTLA-4 single-positive Treg cells, thereby significantly reducing systemic toxicity and broadening the therapeutic window. The product received clinical trial approval from the NMPA in July 2025 and is currently in the expansion stage of its Phase I clinical trial. Preliminary data demonstrate favourable safety and tolerability, encouraging PK/PD profiles, and anti-tumour activities observed in both the 10 mg/kg and 20 mg/kg dose cohorts.

- ***EDP167***

  EDP167 is an innovative GalNAc-siRNA drug targeting hepatic ANGPTL3 for the treatment of dyslipidaemia. By specifically degrading ANGPTL3 mRNA in hepatocytes and inhibiting protein expression, EDP167 achieves dual reductions in LDL-C and TG. Its mechanism of action is independent of LDLR pathway, enabling it to overcome limitations of conventional lipid-lowering therapies. The drug received NMPA clinical trial approval in June 2025. Phase I studies in healthy volunteers and subjects with mild dyslipidaemia have been successfully completed, demonstrating overall favourable safety and tolerability. Detailed data will be presented at the annual medical conference later in the year. In February 2026, a Phase II clinical study of EDP167 for HoFH was formally initiated, with the primary endpoint being to evaluate the reduction in LDL-C from baseline after 24 weeks of treatment. Primary endpoint analysis is expected to be completed in the fourth quarter of 2026, with the potential to address significant unmet clinical needs in the HoFH field.

- ***GB261***

  GB261 is a differentiated bispecific antibody targeting CD3 and CD20 for the treatment of B-cell lymphoma and autoimmune diseases. The molecule incorporates a unique low-affinity CD3 design, effectively reducing cytokine release-related safety risks and providing advantages in clinical development. Currently, a Phase I/II dose escalation study has been completed, demonstrating an excellent safety profile and a favourable balance between efficacy and safety in patients with DLBCL and FL. In 2025, the Company entered into a strategic collaboration with Candid to jointly advance the clinical development of GB261 in autoimmune diseases. Multiple clinical studies, including those in RA and SLE, have been initiated, continuously expanding its therapeutic applications.

- ***EDP001***

  EDP001 is a highly innovative tetravalent T-cell engager targeting CD3/CD19/CD19/BCMA, primarily intended for the treatment of multiple B-cell-driven autoimmune diseases. The molecule features high specificity and affinity binding to both BCMA and CD19, with a dual-epitope CD19 design that significantly enhances binding to $CD19^+$ B cells, enabling efficient B-cell depletion, while simultaneously targeting BCMA to eliminate autoantibody-secreting plasma cells. The CD3 arm adopts a low-affinity design to reduce cytokine release, thereby optimising safety while enhancing efficacy. Preclinical studies demonstrate potent cytotoxic activity against primary B cells and B-cell lymphoma cell lines, together with favourable drug-like properties that support subsequent development of subcutaneous formulations. The programme is currently advancing IND-enabling preclinical studies, and relevant preclinical data will be presented in poster form at the 2026 AACR Annual Meeting.

**The Company cannot guarantee that it will be able to develop, and ultimately market, any of its drug candidates in-development successfully. Shareholders and potential investors of the Company are advised to exercise due care when dealing in the Shares of the Company.**

# BUSINESS HIGHLIGHTS

## OUR COMMERCIALISED PRODUCTS

### Originator-Branded Products

- **Vancocin (Vancomycin Hydrochloride for Injection)**

  Vancocin is the originator-branded version of vancomycin product. The Group acquired the product rights for Vancocin in China and Italy from Eli Lilly in October 2019. Vancomycin is a tricyclic glycopeptide antibiotic used to treat a number of bacterial infections, and is especially suitable for the treatment of MRSA infections, which are caused by a type of Gram-positive bacteria that have become resistant to many anti-bacterial drugs. Due to proven safety and strong efficacy profiles, vancomycin is perceived to be the "gold standard" for the treatment of MRSA infections, and is know as a core therapy among the principal therapies for MRSA infections included in the NRDL. In terms of sales revenue for the first half of 2025, Vancocin accounted for a market share of 78.7% in the vancomycin drug market in China.

  - Vancocin, a vancomycin injection, is classified as a special-use antibiotic. In 2025, due to its high clinical use risk and following consultations with relevant authorities and experts, it was not included in the eleventh batch of the national centralised drug procurement list. The Group expects that Vancocin will continue to leverage its high-quality originator-branded product attributes and the strong brand trust accumulated through long-term clinical practice to consolidate and expand its leading position in the relevant market segment.

- **Ceclor: Ceclor Dry Suspension, Ceclor Capsules, Ceclor Sustained Release Tablets (II)**

  Ceclor is an originator-branded cefaclor product and a broad-spectrum antibiotic used to treat a number of bacterial infections. The Group acquired the product rights for Ceclor in China and the Ceclor manufacturing facilities in China from Eli Lilly in October 2019. The Group manufactures, markets and sells three dosage forms of Ceclor products, including dry suspension, capsules and sustained release tablets. The Group focuses sales on the out-of-hospital retail market.

  Ceclor dry suspension is a leading anti-bacterial brand for paediatric use in China. Its pleasant strawberry taste and strawberry logo have contributed to its strong brand identity and reputation, especially among paediatricians, patients and their parents. It held a dominant and growing market share in retail channel sales of cefaclor in China, with a market share reaching 83% in the first half of 2025. In addition to its dry suspension formulation mainly used for paediatric indications, the sustained release capsules of Ceclor can also be used as an anti-bacterial drug for adults. Accordingly, the target hospital departments for Ceclor also include respiratory, otolaryngology, urology and emergency. All three dosage forms of Ceclor are included in Category B of the NRDL.

- **FPN (Fluticasone Propionate Nebuliser Suspension)**

  FPN is ICS nebuliser indicated for the treatment of mild to moderate asthma in children and adolescents in China. The Group completed the acquisition of the product rights in China and the Netherlands from GSK in May 2020 and commenced production of FPN at its own manufacturing facilities in February 2024. ICSs are by far the most effective controller used in the treatment of asthma, and are one of a few types of drug that can effectively suppress the characteristic inflammation in asthmatic airways. FPN has been included in Category B of the NRDL and is expected to become a leading brand in the nebulised inhalation market.

## Innovative Products

- **Vascepa (Icosapent Ethyl ("IPE"))**

Vascepa is the first triglyceride-lowering therapy approved by both the FDA and the NMPA that can reduce the risk of cardiovascular events, for the comprehensive reduction of the risks of myocardial infarction, stroke, coronary revascularisation and hospitalisation for unstable angina. Following approval for the very high triglycerides (VHTG) indication in 2023, Vascepa subsequently received approval in 2024 for the indication of reducing cardiovascular event risk (the cardiovascular risk reduction indication). The Group obtained an exclusive licence from Amarin in February 2015 to develop and commercialise Vascepa in Greater China.

Over the past three decades, standardised statin therapy has been widely recognised as the gold standard in cardiovascular event management, providing cardiovascular benefits of approximately 25-35%. However, residual cardiovascular risk of 65%-75% remains even after statin therapy. Robust evidence from the large cardiovascular outcomes trial REDUCE-IT demonstrated that Vascepa, when used in patients with established cardiovascular disease or those at high cardiovascular risk who continue to exhibit hypertriglyceridaemia despite statin therapy, significantly reduced the relative risk of major adverse cardiovascular events by 25%, and is currently the only lipid-lowering therapy that, when used in combination with statins, has been shown to reduce cardiovascular mortality by up to 20%. Vascepa is anticipated to possess significant sales potential.

- In 2025, the academic gap in the TG field and the uniqueness of Vascepa in reducing cardiovascular events became increasingly evident. The investigator initiated trial (IIT) study of Vascepa received broad recognition from cardiology experts, with approximately 60 IIT study programmes initiated to date.

- IPE has been positively recommended by over 80 international guidelines and consensus statements and 20 domestic guidelines and consensus statements for further reduction of residual risk. In 2025, three additional domestic guidelines and consensus statements were issued, including Expert Consensus on the Management of Metabolic Abnormalities in Polyvascular Disease (2024 Edition) (泛血管疾病代謝異常管理專家共識(2024版)), Chinese Guidelines for the Prevention and Treatment of Diabetes (2024 Edition) (中國糖尿病防治指南(2024版)), and Chinese Expert Consensus on the Comprehensive Management of Patients with Cardiovascular-Renal-Metabolic Syndrome《心血管－腎臟－代謝綜合徵患者的綜合管理中國專家共識》). In addition, the 2025 American Association of Clinical Endocrinologists Guidelines and the 2025 ESC/EAS Guidelines on the management of dyslipidaemia both provided positive recommendations for IPE.

- In 2025, Vascepa gained broad patient recognition and ranked fourth among originator lipid-lowering drugs during JD.com's "Double Eleven Shopping Festival", following Lipitor, Crestor and Ezetrol.

- Approximately 1.6 million PCI procedures are performed annually in China. In 2025, Vascepa reached 1,500 cardiologists performing PCI procedures and benefited approximately 20,000 post-PCI patients, comprehensively reducing the risk of recurrent cardiovascular events and generating benefits for patients, society and the state.

# BUSINESS HIGHLIGHTS

- **Mulpleta (lusutrombopag tablets)**

  Mulpleta is TPO-RA indicated for the treatment of thrombocytopenia in specific patient populations. It demonstrates favourable safety and efficacy profiles, does not require injection or dose titration, and is the only preferred therapy capable of rapidly and effectively increasing platelet counts without being affected by dietary restrictions or drug-drug interactions. In the liver disease field, only lusutrombopag and avatrombopag have been approved for liver-related indications. Avatrombopag was included in the eleventh batch of national centralised procurement in 2025, making lusutrombopag the only oral small-molecule TPO-RA not impacted by centralised procurement. The Group obtained exclusive licence from Shionogi & Co., Ltd. in 2019 for the development and commercialisation of Mulpleta in China, Hong Kong and Macau, and subsequently acquired the relevant product rights in 2024.

  - In December 2025, following the announcement of the NRDL, Mulpleta was successfully transferred into the regular Category B reimbursement list.

- **Jing Zhu Da (Entinostat)**

  Jing Zhu Da is the first oral, once-weekly HDAC inhibitor indicated for use in combination with aromatase inhibitors for the treatment of HR+/HER2 locally advanced or metastatic breast cancer in patients whose disease has relapsed or progressed following endocrine therapy. It possesses a unique mechanism for reversing drug resistance and extending survival. The Group obtained marketing, distribution, sale, and promotion rights of Jing Zhu Da in China from Taizhou EOC in 2023.

  - In 2025, Jing Zhu Da was included in the Breast Cancer Diagnosis and Treatment Guidelines and Specifications (Concise Edition 2026) (《乳腺癌診治指南與規範(精要本2026版)》) issued by the Breast Cancer Committee of the Chinese Anti-Cancer Association and the Oncology Branch of the Chinese Medical Association, as well as the Guiding Principles for the Clinical Application of Novel Anti-Tumour Drugs (2025 Edition) (《新型抗腫瘤藥物臨床應用指導原則(2025版)》) issued by the National Health Commission.

  - In December 2025, Jing Zhu Da (Entinostat), a Category 1 innovative drug in the breast cancer field, was successfully included in the NRDL and is currently the only HDAC inhibitor in the breast cancer field covered by national medical insurance.

  - In January 2026, being the first month of NRDL implementation, Jing Zhu Da was covered by 76 hospitals, benefiting approximately 100 patients.

- **Rujianing (Lerociclib)**

  Rujianing is a novel, potent, selective oral bioavailable CDK4/6i for use in combination with endocrine therapy for the treatment of HR+/HER2- locally advanced or metastatic breast cancer patients. HR+/HER2- is the most common breast cancer subtype, representing approximately 65% of all breast cancer incidence in China. Rujianing demonstrates strong efficacy and a favourable safety profile, providing robust support for improved patient survival.

  - In 2025, Rujianing was included in the Breast Cancer Diagnosis and Treatment Guidelines and Specifications (Concise Edition 2026) 《乳腺癌診治指南與規範(精要本2026版)》 issued by the Breast Cancer Committee of the Chinese Anti-Cancer Association and the Oncology Branch of the Chinese Medical Association, ranking first among the four CDK4/6i products newly launched in 2025. Rujianing was also included in the Guiding Principles for the Clinical Application of Novel Anti-Tumour Drugs (2025 Edition) 《新型抗腫瘤藥物臨床應用指導原則(2025版)》 issued by the National Health Commission.

  - In December 2025, Rujianing (Lerociclib) was successfully included in the NRDL and was the only CDK4/6i product among the three products newly included in 2025 that possesses both first-line and second-line indications for advanced disease.

  - In January 2026, being the first month of NRDL implementation, Rujianing was covered by 88 hospitals, benefiting approximately 200 patients.

## R&D

### Our Core Pipeline Products

During the Reporting Period, the Group made significant progress in the development of its core pipeline products and achieved the following R&D milestones:

*Clinical-Stage Core Products*

**GB268: A trispecific antibody targeting PD-1, CTLA-4 and VEGF which has entered Phase I clinical development for the treatment of multiple solid tumours**

- **Mechanism and design**: GB268 is a highly innovative trispecific antibody that simultaneously blocks the immunosuppressive signalling pathways of PD-1 and CTLA-4, reverses T-cell exhaustion, promotes T-cell activation and proliferation, and inhibits VEGF-mediated tumour angiogenesis. Through the synergistic effects of multiple mechanisms, GB268 aims to enhance antitumour efficacy. Its unique molecular design effectively reduces the risk of immune-related adverse events associated with traditional CTLA-4 inhibitors.

- **Clinical progress**: GB268 received clinical trial approval from the NMPA in July 2025 and has progressed to the expansion stage of its Phase I clinical trial. Preliminary clinical data indicate favourable safety and tolerability, encouraging PK/PD profiles, and anti-tumour activities observed in both the 10 mg/kg and 20 mg/kg dose cohorts.

# BUSINESS HIGHLIGHTS

**EDP167: A small interfering RNA (siRNA) therapeutic targeting hepatic ANGPTL3 which has initiated Phase II clinical development for the treatment of HoFH**

- **Mechanism and design**: ANGPTL3 is secreted by the liver and inhibits the activity of both lipoprotein lipase and endothelial lipase, thereby regulating the metabolism of multiple atherogenic lipoproteins. Genetic studies indicate that individuals carrying loss-of-function mutations in ANGPTL3 exhibit a significantly reduced risk of atherosclerotic cardiovascular disease. EDP167 employs a N-acetylgalactosamine ("**GalNAc**") conjugate to target hepatocytes, enabling specific degradation of hepatic ANGPTL3 mRNA and inhibition of ANGPTL3 protein expression, thereby achieving dual reductions in LDL-C and TG levels.

- **Completion of Phase I clinical study**: In June 2025, EDP167 received approval from the NMPA to commence clinical trials. In July 2025, the Group initiated a randomised, double-blind, placebo-controlled, single-ascending-dose Phase I clinical study in healthy volunteers and subjects with mild dyslipidaemia. The study comprised five dose cohorts with a total of 40 subjects enrolled, and the last subject visit was completed on 12 December 2025. The study systematically evaluated the safety, tolerability, pharmacokinetics, pharmacodynamics and immunogenicity of subcutaneous administration of EDP167 across different dose levels. The results demonstrated overall favourable safety and tolerability. Detailed data is expected to be disclosed at the annual medical conference later in the year.

- **Initiation of Phase II clinical study:** On 4 February 2026, a multicentre, open-label Phase II clinical study was initiated to explore dosing in adult patients with HoFH. The study aims to evaluate the efficacy and safety of EDP167 in HoFH patients, with the primary endpoint being the change in LDL-C levels from baseline after 24 weeks of treatment. Assessment of the primary endpoint is expected to be completed in the fourth quarter of 2026. HoFH is an autosomal dominant genetic disorder, with approximately 85%~90% of cases caused by pathogenic mutations in the LDLR gene, resulting in severe impairment of LDL-C metabolism. Without effective treatment, most HoFH patients will die from cardiovascular events before the age of 30. As conventional lipid-lowering therapies, such as statins, and PCSK9 inhibitors, rely on LDLR function, their efficacy in HoFH patients is extremely limited, resulting in a significant unmet clinical need. EDP167 acts independently of the LDLR pathway, overcoming the limitations of conventional lipid-lowering therapies and providing an important innovative treatment option with broad clinical application potential for patients with dyslipidaemia disorders such as HoFH.

**GB261 (CND261): CD3/CD20 Bispecific Antibody for B-cell Lymphoma and Autoimmune Diseases**

- **Mechanism and design**: GB261 is a highly differentiated CD3/CD20 bispecific TCE featuring a low-affinity CD3 design intended to mitigate safety risks associated with cytokine release.

- **Clinical outcomes**: A Phase I/II dose escalation study in patients with B-cell lymphoma has been completed, demonstrating an excellent safety profile. GB261 exhibited a highly favourable balance between safety/efficacy in patients with DLBCL/FL.

- **In 2025, we entered into a strategic collaboration with Candid** to jointly advance the clinical development of GB261 in autoimmune diseases. Clinical studies targeting indications including RA and SLE are currently under way.

*Preclinical Assets*

The Company continues to deepen its pipeline strategy, with multiple bispecific and multispecific antibody candidates as well as small nucleic acid candidates currently in the discovery and preclinical stages. These programmes focus on addressing significant unmet clinical needs and aim to overcome the limitations and technical bottlenecks of existing therapies, thereby continuously building a differentiated and competitive early-stage R&D pipeline.

**EDP001: A highly innovative TCE targeting CD3/CD19/CD19/BCMA, intended for the treatment of multiple B-cell-driven autoimmune diseases**

- Mechanism and design: EDP001 is a TCE specifically engineered for autoimmune diseases, designed to enhance safety while achieving deep B-cell depletion to enable long-term disease remission. EDP001 exhibits high-specificity and high-affinity binding to both BCMA and CD19. Its unique dual-epitope CD19 binding design significantly increases binding affinity to $CD19^{+}$ B cells, enabling highly efficient B-cell depletion. Targeting BCMA facilitates elimination of autoantibody-secreting plasma cells, while the CD3 arm adopts a low-affinity design to reduce cytokine release.

- Preclinical data demonstrate potent cytotoxic activity against primary B cells and B-cell lymphoma cell lines, highlighting its therapeutic potential in refractory autoimmune diseases and B-cell malignancies. In addition, its favourable developability data support subsequent development of subcutaneous formulations. The programme is currently advancing IND-enabling preclinical studies.

- Relevant preclinical data will be presented in poster form at the 2026 AACR Annual Meeting.

# BUSINESS HIGHLIGHTS

## Our Platform Development

- **Large-Molecule Antibody Drug Development Platform**

  We have successfully established a comprehensive and highly efficient large-molecule antibody drug development platform integrating discovery, innovation and application. The platform integrates an experienced antibody R&D team, cutting-edge technologies and artificial intelligence, and possesses end-to-end capabilities spanning target discovery, early-stage antibody screening, bispecific and multispecific antibody design and optimisation, *in vitro* activity validation, *in vivo* efficacy and pharmacokinetic analysis, through to developability assessment. The R&D team has extensive experience across multiple molecular formats, including bispecific and multispecific antibodies, T-cell engagers, antibody-drug conjugates and nanobodies. Based on target biology and disease mechanisms, the team is able to design optimal molecular formats and pursue differentiated innovation throughout the drug development process and across multiple dimensions, with a focus on achieving tangible clinical benefits. Multiple programmes in the early-stage pipeline are currently at the drug discovery stage. It is expected that two to four preclinical candidate compounds will be completed by 2026, covering oncology, autoimmune diseases and chronic inflammation. These programmes are dedicated to continuous innovation to address significant unmet clinical needs and will further diversify the Group's mid – to long-term R&D pipeline and product portfolio.

- **Small Nucleic Acid Drug Development Platform**

  The Group has rapidly established an in-house R&D platform for small nucleic acid therapeutics, laying the foundation for future competitiveness in chronic disease areas. The platform encompasses various classes of small nucleic acid drugs, including siRNA and antisense oligonucleotide (ASO). Built upon three core technology modules including sequence design, chemical modification and targeted delivery, the pipeline strategy is clinically driven and integrates target biological mechanisms with the technical characteristics of small nucleic acid therapeutics, covering chronic disease areas such as cardiovascular, metabolic, autoimmune and liver diseases. A dual-target small nucleic acid platform has been developed, which simultaneously and precisely silences two key pathogenic targets to achieve mechanistic synergy and additive therapeutic effects. This approach not only significantly enhances efficacy, but also reduces dosing requirements and simplifies administration regimens. As at the Latest Practicable Date, two programmes had obtained lead compounds, and it is expected that no fewer than two programmes will enter the IND preparation stage by 2026.

## BUSINESS REVIEW

### 2025: Our Strategic Merger Set Sail for a New Journey

The year 2025 marked a defining milestone in the development of the Company. On 30 December 2025, we successfully completed the Merger, involving a new listing application, pioneering the first reverse takeover involving a biotech company under Chapter 18A of the Listing Rules. This move represented not merely an integration of capital and resources, but a profound convergence of strategic vision and core capabilities. Following the Merger, the Group has been supported by an experienced management team with internationally oriented, frontier scientific perspectives, a proven commercialisation platform, a differentiated product pipeline and a clear strategic direction.

**We successfully established a unified, efficient and dynamic management structure and leadership core.** Upon the Merger Closing, a new Board and management team were promptly formed, ensuring continuity in strategic decision-making and execution capabilities. The Board has brought together seasoned experts across strategic planning, commercial management, biopharmaceuticals and corporate governance, providing solid stewardship for the Company's long-term development. The management team is characterised by a combination of extensive commercial and operational expertise and advanced biopharmaceutical R&D capabilities.

**Through resolute execution, we advanced significant progress across our commercialised products and achieved important breakthroughs in our core pipelines.** The aggregation of resources resulting from the Merger is accelerating the achievement of existing commercial and R&D objectives. In 2025, we witnessed the initial manifestation of synergistic effects. Following the Merger Closing, the Group had a diversified portfolio comprising seven commercialised products, three clinical-stage assets and multiple preclinical product pipelines. Centred on five core therapeutic areas, including oncology, autoimmune, cardiovascular, respiratory and anti-infectives, we are committed to delivering high-quality and differentiated products to healthcare professionals and patients worldwide.

One of the most encouraging commercial milestones was the approval by the NMPA in May 2025 of the marketing application for the innovative product Rujianing (Lerociclib). Rujianing, a CDK4/6 inhibitor, is indicated for first-line and second-line treatment of advanced HR+/HER2- breast cancer and demonstrates broad market potential. Together with Jing Zhu Da (Entinostat), an HDAC inhibitor of the Group in the breast cancer treatment field, Rujianing was included in NRDL on 7 December 2025. The successful inclusion of these two products in the NRDL, alongside four other innovative products including Vascepa and Mulpleta, is expected to become a new driver of sales growth for the Group.

Meanwhile, the Company's R&D engine continued to deliver innovative outcomes. The trispecific antibody GB268 received clinical trial approval from the NMPA in July 2025 and has progressed to the expansion stage of its Phase I clinical trial. Preliminary clinical data indicate favourable safety and tolerability, encouraging PK/PD profiles, and anti-tumour activities observed in both the 10 mg/kg and 20 mg/kg dose cohorts. In the small nucleic acid domain, EDP167, ANGPTL3, entered Phase II clinical trials in February 2026, demonstrating our sustained exploratory capabilities in both tumour immunotherapy and cutting-edge RNA-based therapeutics. In addition, through proactive external collaboration, our GB261 programme has entered into a strategic partnership with overseas partner Candid to jointly advance clinical research in autoimmune diseases, further validating its international potential. Our diversified portfolio of commercialised products and pipelines is expected to create new growth drivers for the Group's development and unlock additional opportunities for external collaboration.

**We implemented prudent financial and operational management to build momentum for future growth.** Amid a complex market environment, we have consistently adhered to sound operating principles. On the one hand, strong emphasis has been placed on operational efficiency; through integration, resource allocation was optimised, operating expenses were significantly reduced and ample cash reserves were maintained. On the other hand, we remained fully cognisant of the necessity of investing for the future, and we will continue to direct resources towards pipeline assets with the greatest market potential and scientific value, thereby building a long-term, sustainable product portfolio.

## BUSINESS OUTLOOK

### 2026: The Year of Integration, Ushering in a New Era

Looking ahead, we are confident in the Company's prospects. Standing at this historic new starting point, we are committed to building a sustainable, leading biopharmaceutical enterprise that combines outstanding R&D innovation capabilities with strong commercialisation strength.

The year 2026 will mark a pivotal inaugural year for the Group, as we transition from comprehensive strategic integration to the realisation of value creation. We will consolidate our commercialisation advantages, cultivate a second growth curve driven by innovative products, and accelerate the advancement of our R&D pipeline, the clinical development of key pipeline products and the pursuit of external collaboration opportunities.

**We will deepen our commercial capabilities to fully drive the growth our core products.** We will continue to drive revenue growth from our originator-branded products and vigorously advance the sales ramp-up and rapid volume expansion of our innovative products. We will further refine the operation of our commercialisation platform, continuously enhance sales capabilities and operational efficiency, and position it as a key driving force supporting the Group's innovative R&D activities.

**We will optimise R&D resource allocation and focus on key milestones.** We will aggressively promote the clinical development and external collaboration of core pipelines, including GB268 and EDP167, while scientifically evaluating and optimising early-stage R&D pipelines. Our objective is to build a differentiated innovative product pipeline that addresses "clinical needs and commercial viability", thereby maximising the Company's differentiated advantages arising from the mutual empowerment of its R&D and commercialisation.

GB268 is planned to present preliminary Phase I clinical data at the ESMO in the fourth quarter of 2026, initiate enrolment in a Phase II monotherapy study in the fourth quarter of 2026, and initiate enrolment in a Phase III monotherapy clinical study in the fourth quarter of 2027. In addition, an IND submission for a Phase Ib/II combination clinical study is planned for the second quarter of 2026.

The Phase I clinical data for EDP167 are expected to be presented at an international cardiovascular congress in the second half of 2026. The Phase II clinical study in the HoFH population commenced enrolment in February 2026, and the primary endpoint evaluation for Phase II is expected to be completed in the fourth quarter of 2026. Enrolment in the Phase III study is expected to commence in the first quarter of 2027, with the primary endpoint evaluation for Phase III expected to be completed in the fourth quarter of 2027. The Phase II clinical study in the mixed dyslipidaemia (MD) population is expected to commence enrolment in the third quarter of 2026, with the primary endpoint evaluation for Phase II expected to be completed in the third quarter of 2027.

GB261 is planned to initiate a Phase II clinical study of monotherapy for relapsed/refractory marginal zone lymphoma in the second quarter of 2026, while also submitting an IND for a Phase Ib/II clinical study of combination therapy, and it is planned to initiate the combination therapy clinical study in the second quarter of 2026. In 2027, the relevant study data are planned to be disclosed at the annual meeting of the American Society of Haematology.

## FINANCIAL REVIEW

The financial statements, prepared in accordance with HKFRS Accounting Standards, reflect the material impact of the Merger completed on 30 December 2025. Pursuant to the Merger, Genor Biopharma Holdings Limited merged with Edding and the Edding Group, with Edding being identified as the accounting acquirer under HKFRS 3 due to the substance of the transaction. Accordingly, these consolidated financial statements have been prepared as a continuation of the consolidated financial statements of the Edding Group. The assets and liabilities of the Edding Group were recognised at their carrying amounts prior to the Merger, while the identified assets and liabilities of Genor Biopharma Holdings Limited and its original subsidiaries were recognised at their fair value as at the Merger Closing. The consideration for the reverse acquisition included: 1) the fair value of the deemed issued shares by the accounting acquirer, which was determined by reference to the market capitalisation of the Company immediately prior the completion of the Merger, and 2) the fair value of Company's share-based payment arrangement related to the service period prior to the Merger. The excess of the consideration over the fair value of the identified net assets of Genor Biopharma Holdings Limited and its original subsidiaries was recognised as goodwill. Comparative information presented in these consolidated financial statements has been restated to reflect the financial performance and position of Edding Group prior to the completion of the Merger.

The application of reverse acquisition accounting under HKFRS 3 reflects the substance of the transaction, wherein the Edding Group is deemed to have acquired the oncology and autoimmune drug business of Genor Biopharma Holdings Limited. As a result, the assets, liabilities, and results of Genor Biopharma Holdings Limited and its original subsidiaries have been consolidated into the financial statements of the Edding Group from the date of completion of the Merger. This treatment ensures that the consolidated financial statements provide a meaningful and accurate representation of the Group's post-Merger financial position and performance. Further details of the Merger, the basis of the reverse acquisition accounting, the measurement of the deemed issued shares, and the goodwill arising on the transaction are disclosed in the sections headed "Independent Auditor's Report" and "Notes to Consolidated Financial Statements" in this report.

### Selected Consolidated Income Statement Items

| | *Notes* | **2025 RMB'000** | 2024 RMB'000 (Restated) |
|---|---|---|---|
| Revenue | *1* | **2,487,461** | 2,546,044 |
| Cost of sales | *2* | **(792,234)** | (829,759) |
| **Gross profit** | *3* | **1,695,227** | 1,716,285 |
| Other income | | **29,508** | 105,292 |
| Selling and distribution expenses | *4* | **(598,614)** | (659,572) |
| Administrative expenses | *5* | **(223,761)** | (205,995) |
| Research and development expenses | *6* | **(162,564)** | (121,866) |
| Amortisation of distribution rights, medicine licences and trademark | | **(73,873)** | (71,343) |
| Impairment losses on financial assets, net | | **(689)** | 671 |
| Other expenses | | **(30,435)** | (26,358) |
| Finance costs, net | *7* | **(138,533)** | (254,632) |
| **PROFIT BEFORE TAX** | | **496,266** | 482,482 |
| Income tax expense | *8* | **(97,003)** | (94,596) |
| **NET PROFIT** | | **399,263** | 387,886 |

## Consolidated Statements of Financial Position

| | Notes | 2025 RMB'000 | 2024 RMB'000 (Restated) |
|---|---|---|---|
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | *9* | **283,673** | 270,153 |
| Prepayments, other receivables and other assets | | **191,245** | 166,544 |
| Equity investment designated at fair value through other comprehensive income | *11* | **102,316** | – |
| Deferred tax assets | | **81,824** | 37,357 |
| Right-of-use assets | | **54,929** | 50,636 |
| Goodwill | | **399,224** | 112,055 |
| Other intangible assets | *10* | **3,238,760** | 3,053,266 |
| Equity investments designated at fair value through profit or loss | | **50,000** | 50,000 |
| Total non-current assets | | **4,401,971** | 3,740,011 |
| CURRENT ASSETS | | | |
| Inventories | *12* | **432,272** | 552,776 |
| Trade receivables | *13* | **631,441** | 319,524 |
| Prepayments, other receivables and other assets | | **79,455** | 82,575 |
| Amounts due from a related party | | **2,075** | 120 |
| Due from the Controlling Shareholder | | **–** | 237,582 |
| Pledged deposits | | **393** | 395,740 |
| Cash and cash equivalents | *14* | **1,054,935** | 111,703 |
| Total current assets | | **2,200,571** | 1,700,020 |

| | Notes | 2025 RMB'000 | 2024 RMB'000 (Restated) |
|---|---|---|---|
| CURRENT LIABILITIES | | | |
| Trade payables | *9* | **322,771** | 332,164 |
| Other payables and accruals | *15* | **707,700** | 451,232 |
| Refund liabilities | | **21,876** | 50,141 |
| Interest-bearing bank and other borrowings | *16* | **1,065,708** | 1,993,140 |
| Dividends payable | | **2,695** | 50,264 |
| Tax payables | | **71,124** | 60,899 |
| Lease liabilities | | **19,090** | 13,951 |
| Total current liabilities | | **2,210,964** | 2,951,791 |
| NET CURRENT LIABILITIES | | **(10,393)** | (1,251,771) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | **4,391,578** | 2,488,240 |
| NON-CURRENT LIABILITIES | | | |
| Interest-bearing bank borrowings | *16* | **374,517** | – |
| Deferred tax liabilities | *17* | **100,636** | 11,563 |
| Lease liabilities | | **27,186** | 27,038 |
| Amounts due to related parties | | **588** | – |
| Other liabilities | | **37,676** | 40,077 |
| Total non-current liabilities | | **540,603** | 78,678 |
| Net assets | | **3,850,975** | 2,409,562 |

| | Notes | 2025 RMB'000 | 2024 RMB'000 (Restated) |
|---|---|---|---|
| EQUITY | | | |
| Equity attributable to owners of the parent | | | |
| Share capital | | **280** | 72 |
| Reserves | | **3,853,549** | 2,409,490 |
| | | **3,853,829** | 2,409,562 |
| Non-controlling interests | | **(2,854)** | – |
| Total equity | | **3,850,975** | 2,409,562 |

**1. Revenue**

The Group's revenue decreased by approximately 2.3% from RMB2,546.0 million for 2024 to RMB2,487.5 million for 2025.

The following table sets forth the breakdown of the Group's gross revenue by products for the periods indicated, and a reconciliation of gross revenue to net revenue. The Group presents revenue by product on a gross basis, which is calculated based on revenue before deduction of sales rebates and sales tax. Sales rebates and sales tax are not allocated to each product, and therefore the breakdown of revenue by product does not take into account such items.

| | 2025<br>RMB'000 | 2024<br>RMB'000<br>(Restated) |
|---|---|---|
| **Originator-branded products** | | |
| Vancocin | **1,237,251** | 1,262,893 |
| Ceclor | **806,827** | 914,714 |
| FPN | **122,616** | 215,466 |
| Subtotal of originator-branded products | **2,166,694** | 2,393,073 |
| **Innovative products** | | |
| Vascepa | **189,051** | 77,495 |
| Mulpleta | **127,818** | 237,320 |
| Rujianing | **10,492** | – |
| Subtotal of innovative products | **327,361** | 314,815 |
| **Other products** [(1)] | **76,920** | 105,149 |
| **Service income** [(2)] | **22,713** | 1,946 |
| **Gross revenue** | **2,593,688** | 2,814,983 |
| Less: | | |
| Sales rebates | **(93,413)** | (256,575) |
| Sales tax | **(12,814)** | (12,364) |
| **Revenue** | **2,487,461** | 2,546,044 |

(1) Represents Recormon as at 31 December 2025 (2024: Recormon and Zinacef).

(2) Represents (a) revenue from promotion activities for Jing Zhu Da since the first half of 2024 and (b) revenue from business support services for GB491 and GB268 since the first half of 2025.

The gross sales revenue of the innovative drug Vascepa in 2025 was RMB189.1 million, showing an increase of RMB111.6 million compared to 2024, with an increase rate of 144.0%. The Company has enhanced the sales promotion efforts for Vascepa, resulting in a good sales growth. On the other hand, in 2025, the gross sales revenue of Mulpleta decreased by RMB109.5 million compared to the previous year, recorded a decrease of 46.1%. The main reason was that in 2025, the products of lusutrombopag products were all undergoing market adjustments, and the overall demand in the terminal market decreased. The revenue of Ceclor in the first half of the year was RMB264.3 million, and RMB542.5 million in the second half. Compared to the first half of 2025, the revenue of Ceclor increased significantly, and the annual revenue was basically flat compared to last year, with a slight decrease. The sales volume of Ceclor declined in the first half of 2025, primarily because Ceclor retail market was impacted by the slow down of the anti-bacterial drug market in China in the first half of 2025, and the Group has adjusted its retail sales strategies, under which it prioritised collaboration with national and regional chain pharmacy customers and reduced business with smaller wholesalers. However, with the gradual increase in innovative antibacterial drugs and the slow rise in the prevalence of patients with relevant indications, the Group's retail business resumed growth in the second half of the year, in line with the Group's strategic plan. The average selling price of Ceclor remained stable during the Reporting Period.

### 2. Cost of Sales

The Group's cost of sales decreased from RMB829.8 million in 2024 to RMB792.2 million in 2025, in line with the Group's revenue trends.

### 3. Gross Profit and Gross Profit Margin

The Group's gross profit decreased from RMB1,716.3 million in 2024 to RMB1,695.2 million in 2025, in line with the Group's revenue trends. The overall gross profit margin was 68.2%, slightly higher than 67.4% in 2024, primarily due to the Company's effective overall cost control.

### 4. Selling and Distribution Expenses

The Group's selling and distribution expenses decreased by 9.2% from RMB659.6 million in 2024 to RMB598.6 million in 2025, primarily due to the decrease in conference expenses. In 2025, the Company strengthened the management of its market expansion activities, focused on the marketing effectiveness, and reduced the expenditure on conference activities. Moreover, the labour costs for sales staff also decreased.

### 5. Administrative Expenses

The Group's administrative expenses increased by 8.6% from RMB206.0 million in 2024 to RMB223.8 million in 2025, primarily due to the increase in employee benefits expenses including share incentive expenses.

### 6. Research and Development Expenses

The Group's R&D expenses increased by 33.4% from RMB121.9 million in 2024 to RMB162.6 million in 2025, primarily due to the increase in new drug development costs and testing expenses as a result of the advancement of the Company's core products at clinical stage, namely GB268 and EDP167, as well as the development of new projects (including biologics and product localisation).

### 7. Finance Costs, Net

The Group's finance costs, net, decreased by 45.6% from RMB254.6 million in 2024 to RMB138.5 million in 2025, primarily due to the decrease of interest expense of loans. In 2025, part of the Company's loans were extended, which further reduced the net finance costs.

### 8. Income Tax Expense

The Group's income tax expense increased from RMB94.6 million in 2024 to RMB97.0 million in 2025, and the effective tax rate decreased from 19.6% to 19.5% during the same periods, primarily due to the utilisation and recognition of tax losses/deductible temporary differences not recognised from previous years and adjustment pursuant to self-assessment of the Group's taxes.

### 9. Property, Plant and Equipment

The Group's property, plant and equipment mainly consist of the manufacturing and R&D assets in our factory in Suzhou. The Group's property, plant and equipment increased from RMB270.2 million as at 31 December 2024 to RMB283.7 million as at 31 December 2025.

### 10. Other Intangible Assets and Goodwill

The other intangible assets of the Group increased by RMB185.5 million from RMB3,053.3 million as at 31 December 2024 to RMB3,238.8 million as at 31 December 2025, and the goodwill of the Group increased by RMB287.2 million from RMB112.1 million as at 31 December 2024 to RMB399.2 million as at 31 December 2025. In 2025, due to the completion of the Merger, the Group's other intangible assets increased by RMB367.7 million, and the goodwill increased by RMB287.2 million. In addition, the net value of other intangible assets decreased by RMB188.2 million as the result of amortisation.

### 11. Equity Investment Designated at Fair Value through Other Comprehensive Income

The Group's equity investments at fair value through other comprehensive income increased from nil as at 31 December 2024 to RMB102.3 million as at 31 December 2025. The increase was recognised from the Merger.

### 12. Inventories

The Group's inventories decreased from RMB552.8 million as at 31 December 2024 to RMB432.3 million as at 31 December 2025, primarily due to (1) the Company's consumption of Vancocin from previous years, resulting in a decrease of approximately RMB52.7 million in the Vancocin inventory; (2) increased sales of Vascepa in the second half of year, leading to a decrease of RMB51.2 million in inventory; and (3) certain products of FPN approaching their expiration dates, for which impairment provisions of RMB18.3 million were made.

### 13. Trade Receivables

The Group's trade receivables increased from RMB319.5 million as at 31 December 2024 to RMB631.4 million as at 31 December 2025. This was mainly due to the increase in sales in the second half of the year, and the receivables from distributors had not been collected by the end of the year. The accounts receivable are mainly due from large domestic distributors with good credit, and the Directors are of the view that no significant credit risk exists. By the end of February 2026, 91.4% of the trade receivables as at 31 December 2025 had been settled.

### 14. Cash and Cash Equivalents, and Pledged Deposits

Our cash and cash equivalents increased to RMB1,054.9 million as at 31 December 2025 from RMB111.7 million as at 31 December 2024 mainly due to the increase of RMB885.7 million in cash equivalents resulting from the completion of the Merger. Our pledged deposits decreased from RMB395.7 million as at 31 December 2024 to RMB0.4 million as at 31 December 2025, mainly because the Company repaid related loans and the deposits had been released.

### 15. Other Payables and Accruals

Our other payables and accruals increased from RMB451.2 million as at 31 December 2024 to RMB707.7 million as at 31 December 2025. This was primarily attributable to the Company's reservation of a portion of Consideration Shares to be issued for the Merger, which will be issued in the future after deducting the income tax of the relevant Shareholders.

### 16. Interest-bearing Bank Borrowings

Our long-term and short-term interest-bearing bank borrowings as at 31 December 2025 decreased by RMB552.9 million compared to the end of 2024, which was mainly due to the repayment and extension of certain bank borrowings.

### 17. Deferred Tax Liabilities

Our deferred tax liabilities increased from RMB11.6 million as at 31 December 2024 to RMB100.6 million as at 31 December 2025 primarily due to deferred tax liabilities recognised for the assets appreciation related to the Merger.

## 18. Key Financial Ratios

The following table sets forth the key financial ratios for the details indicated:

| | 2025 | 2024 (Restated) |
|---|---|---|
| Current ratio[1] | **99.5%** | 57.6% |
| Quick ratio[2] | **78.3%** | 37.7% |
| Gearing ratio[3] | **41.7%** | 55.7% |

*Notes:*

1. Current ratio is calculated using current assets divided by current liabilities as at the same date.

2. Quick ratio is calculated using current assets less inventories and prepayments and divided by current liabilities as at the same date.

3. Gearing ratio is calculated using total liabilities divided by total assets as at the same date.

## 19. Material Acquisitions and Disposals and Future Plans for Material Investments

Save for the Merger, the Group did not have any material acquisitions or disposals of subsidiaries, consolidated affiliated entities or associated companies during the Reporting Period.

As at the date of this report, our Group does not have any concrete committed plans for material investments and capital assets for disclosure.

During the Reporting Period, the Group did not have significant investments held.

## 20. Contingent Liabilities

On 15 April 2024, Genor Biopharma, an indirectly wholly-owned subsidiary of the Company, was notified that it has been named as a defendant in the lawsuit brought by NewBio Therapeutics, Inc. in the Pudong New Area People's Court of Shanghai, for an alleged breach of the cooperation agreement entered into between the two parties on 30 December 2013 and its supplemental agreements. The claim amounted to RMB15 million.

The Directors, based on the advice from the Group's legal counsel, believe that Genor Biopharma has a valid defence against the claim and accordingly, the Group has not provided for any claim arising from the litigation, other than the related legal and other costs.

Save as disclosed above, the Group had no significant contingent liabilities as at 31 December 2025.

## 21. Foreign Exchange Exposure

During the Reporting Period, we operated in the People's Republic of China (the "**PRC**") with most of the transactions settled in Renminbi. Our presentation and functional currency is Renminbi. We have transactional currency exposures. Such exposures arise from sales or purchases by operating units and investing and financing activities by investment holding units in currencies other than the units' functional currencies.

As at 31 December 2025, if RMB weakened or strengthened by 5% against USD, with all other variables held constant, profit before tax for the year of the Group would have been approximately RMB44.4 million higher or lower (2024: RMB2.3 million lower or higher).

We did not use any derivative contracts to hedge against our exposure to currency risk during the Reporting Period. However, our management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

## 22. Liquidity and Source of Funding and Borrowing

Our management monitors and maintains a level of cash and bank balances deemed adequate to finance our operations and mitigate the effects of fluctuations in cash flow. We rely on operating cash flows from daily business activities and financing activities as the major source of liquidity. As at 31 December 2025, the short-term borrowings from bank was RMB1,065.7 million (as at 31 December 2024: RMB1,993.1 million).

Our cash and cash equivalents increased to RMB1,054.9 million as at 31 December 2025 from RMB111.7 million as at 31 December 2024, mainly due to the Merger.

## 23. Non-HKFRS Measures

To supplement the Group's consolidated financial statements which are presented in accordance with HKFRS, the Company presents EBITDA (non-HKFRS measure), adjusted EBITDA (non-HKFRS measure) and adjusted net profit (non-HKFRS measure), as additional financial measures, which are not required by, or presented in accordance with HKFRS.

The Group believes that the adjusted financial measures are useful for understanding and assessing underlying business performance and operating trends, and that the Group's management and investors may benefit from referring to these adjusted financial measures in assessing the Group's financial performance by eliminating the impact of certain unusual, non-cash and/or non-operating items that the Group does not consider indicative of the performance of the Group's core business. The Group's management believes that these non-HKFRS financial measures are widely accepted and adopted in the industry in which the Group operates.

The adjusted financial measures should not be considered in isolation or construed as an alternative to net profit or any measure of performance. Investors are encouraged to review our historical non-HKFRS financial measures together with the most directly comparable HKFRS measures. The adjusted financial measures presented here may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting their usefulness as comparative measures to our data. We encourage investors and others to review our financial information in its entirety and not rely on a single financial measure.

Additional information is provided below to reconcile EBITDA (non-HKFRS measure), adjusted EBITDA (non-HKFRS measure) and adjusted net profit (non-HKFRS measure) to the corresponding measures under HKFRS.

**EBITDA, adjusted EBITDA and adjusted net profit (non-HKFRS measure)**

| | 2025<br>RMB'000 | 2024<br>RMB'000<br>(Restated) |
|---|---|---|
| **Net profit** | **399,263** | 387,886 |
| **Add:** | | |
| Depreciation of property, plant and equipment | **36,774** | 19,064 |
| Depreciation of right-of-use assets | **22,591** | 17,598 |
| Amortisation of other intangible assets | **184,822** | 157,513 |
| Finance costs, net | **138,533** | 254,632 |
| Income tax expense | **97,003** | 94,596 |
| **EBITDA (non-HKFRS measure)** | **878,986** | 931,289 |
| **Add:** | | |
| Share-based payment expenses | **51,847** | 33,294 |
| Transaction expenses in connection with the reverse takeover | **19,536** | 31,645 |
| **Adjusted EBITDA (non-HKFRS measure)** | **950,369** | 996,228 |

| | 2025<br>RMB'000 | 2024<br>RMB'000 |
|---|---|---|
| **Net profit** | **399,263** | 387,886 |
| **Add:** | | |
| Share-based payment expenses | **51,847** | 33,294 |
| Transaction expenses in connection with the reverse takeover | **19,536** | 31,645 |
| **Adjusted net profit (non-HKFRS measure)** | **470,646** | 452,825 |

*Notes:*

(1) EBITDA (non-HKFRS measure) represents net profit excluding depreciation of property, plant and equipment, depreciation of right-of-use assets, amortisation of other intangible assets, finance costs, net and income tax expense.

(2) Adjusted EBITDA (non-HKFRS measure) represents net profit excluding depreciation of property, plant and equipment, depreciation of right-of-use assets, amortisation of other intangible assets, finance costs, net, income tax expense, share-based payment expenses and transaction expenses in connection with the reverse takeover.

(3) Adjusted net profit (non-HKFRS measure) represents net profit excluding share-based payment expenses and transaction expenses in connection with the reverse takeover.

(4) Depreciation and amortisation exclude those allocated to and form part of the costs of inventories before they are sold.

## 24. Employees and Remuneration

As at 31 December 2025, the Group had 1,545 employees. Substantially all of the Group's employees are based in China.

The total remuneration cost incurred by the Group for the Reporting Period was RMB547,135,000, as compared to RMB563,394,000 for the year ended 31 December 2024.

Our employees' remuneration comprises salaries, bonuses, social security contributions and other welfare payments. In accordance with applicable Chinese laws, we have made contributions to social security insurance funds (including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing funds for our employees. As at 31 December 2025, we had complied with all statutory social security insurance fund and housing fund obligations applicable to us under Chinese laws in all material aspects.

Prior to the Merger Closing, the Company adopted Pre-IPO Share Option Plan, Post-IPO Share Option Plan, 2021 RSU Plan, 2023 Share Option Plan and 2023 RSU Plan to provide incentives or rewards to eligible participants for their contribution to the Group. The Post-IPO Share Option Plan and the 2021 RSU Plan were terminated on 27 October 2023. All outstanding share options (to the extent not already exercised) granted under the Post-IPO Share Option Plan shall continue to be valid and exercisable in accordance with the terms of the Post-IPO Share Option Plan and the relevant grant agreements. All unvested restricted share units granted under the 2021 RSU Plan shall continue to be valid and shall vest in accordance with the terms of the 2021 RSU Plan and the relevant grant agreements. The 2023 Share Option Plan and the 2023 RSU Plan were terminated in December 2025 to the effect that no further share options and RSUs may be granted under the 2023 Share Option Plan and the 2023 RSU Plan, but all other terms of the 2023 Share Option Plan and the 2023 RSU Plan shall remain in full force and effect.

The Company has adopted the One-off Share Option Plan, in replacement of the Target Share Option Scheme effective upon the Merger Closing.

Please refer to the section headed "Statutory and General Information – D. Share Option Schemes" in Appendix VI to the circular of the Company dated 5 December 2025 for further details.

During the Reporting Period, the Group did not experience significant labour disputes or difficulties in recruiting employees.

# REPORT OF DIRECTORS

The Board is pleased to present this report of Directors together with the consolidated financial statements of the Group for the Reporting Period.

## DIRECTORS

The Directors who held office during the Reporting Period and up to the date of this annual report are:

### Executive Directors

Mr. Ni Xin (倪昕) *(Chairman) (appointed on 30 December 2025)*
Dr. Han Shuhua (韓淑華) *(appointed on 27 March 2026)*
Ms. Zhai Jing (翟婧) *(resigned on 27 March 2026)*
Mr. Weng Chengyi (翁承毅) *(resigned on 30 December 2025)*

### Non-Executive Directors

Dr. David Guowei Wang *(appointed on 30 December 2025)*
Mr. Yu Tieming (于鐵銘)
Dr. Lyu Dong (呂東) *(retired on 26 June 2025)*
Mr. Liu Yi (劉逸) *(resigned on 30 December 2025)*

### Independent Non-Executive Directors

Dr. Xu Qing (許慶) *(appointed on 30 December 2025)*
Mr. Chen Wen (陳文)
Ms. Zheng Jingjing (鄭晶晶) *(appointed on 30 December 2025)*
Mr. Fung Edwin (馮冠豪) *(resigned on 30 December 2025)*
Ms. Cui Bai (崔白) *(resigned on 30 December 2025)*

Biographical details of the Directors are set out in the section headed "Directors and Senior Management" on pages 90 to 98 of this annual report.

## GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 10 April 2017 as an exempted limited liability company. The Shares were listed on the Main Board of the Stock Exchange on 7 October 2020.

## PRINCIPAL ACTIVITIES

We are an integrated specialty biopharmaceutical company, focusing on oncology, autoimmune diseases, cardiovascular diseases, respiratory diseases, and anti-infectives. Through acquisition of branded drug assets from multinational pharmaceutical companies ("MNC") and licensing in development and commercialisation rights of innovative patented drugs from global biopharmaceutical companies, the Company has established a competitive portfolio of originator-branded drugs and innovative drugs.

## RESULTS

The results of the Group for the year ended 31 December 2025 are set out in the consolidated statement of profit or loss and consolidated statement of comprehensive income on pages 184 to 185 of this annual report.

# REPORT OF DIRECTORS

## BUSINESS REVIEW

A fair review of the business of the Group as required by Schedule 5 to the Companies Ordinance, including an analysis of the Group's financial performance and an indication of likely future developments in the Group's business is set out in the sections headed "Business Review" and "Business Outlook" of this report. These discussions form part of this annual report. Save as disclosed in this annual report, no important events affecting the Company occurred since the Reporting Period and up to the Latest Practicable Date. An account of the Company's key relationships with its employees, customers and suppliers and others that have a significant impact on the Company is set out in the section headed "Environmental, Social and Governance Report" in this report.

## PRINCIPAL RISKS AND UNCERTAINTIES

The following list is a summary of certain principal risks and uncertainties facing the Group, some of which are beyond its control:

- the financial position and need for additional capital;
- uncertain outcomes of clinical development of our drug candidates;
- its ability to identify, discover or in-license new drug candidates;
- all material aspects of the research, development and commercialisation of pharmaceutical products are heavily regulated;
- commercialisation of our drug candidates;
- reliance on third parties;
- the patent and other intellectual property protection for our drug candidates; and
- risks related to industry, business and operations.

However, the above is not an exhaustive list. Investors are advised to make their own judgment or consult their own investment advisors before making any investment in the Shares.

## ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to fulfilling social responsibility, promoting employee benefits and development, protecting the environment, giving back to the community and achieving sustainable growth. The Directors are not aware of any material non-compliance with the environmental laws and regulations during the year ended 31 December 2025. Further information on the Group's environmental policy and performance will be set out in the section headed "Environmental, Social and Governance Report" in this report.

## COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as the Board and management are aware, the Group has complied in all material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the Reporting Period, there was no material breach of, or non-compliance with, applicable laws and regulations by the Group.

## MAJOR CUSTOMERS AND SUPPLIERS

### Major Customers

The sales to the Group's five largest customers accounted for 71.7% of the Group's revenue in the year ended 31 December 2025 (2024: 74.3%). The sales to the Group's largest customer accounted for approximately 57.1% of the Group's revenue for the year ended 31 December 2025 (2024: 54.7%).

### Major Suppliers

For the Reporting Period, purchases from the Group's five largest suppliers accounted for approximately 61.9% (2024: 65.1%) of the Group's total purchase amount in the same year. Purchases from the Group's largest supplier for the Reporting Period accounted for approximately 20.0% (2024: 17.0%) of the Group's total purchase amount for the same year.

During the Reporting Period, none of the Directors, their respective close associates, or any shareholder of the Company who, to the knowledge of the Directors, owns more than 5% of the Company's issued capital (excluding treasury shares), has any interest in any of the Group's five largest suppliers or customers.

During the Reporting Period, the Group did not experience significant disputes with its customers or suppliers.

## FINANCIAL SUMMARY

A summary of the audited consolidated results, assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements, is set out on page 301 of this annual report. This summary does not form part of the audited consolidated financial statements.

## PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands which would oblige the Company to offer new Shares on a pro-rata basis to the existing Shareholders.

## TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's securities.

## SUBSIDIARIES

Particulars of the Company's subsidiaries are set out in Note 1 to the consolidated financial statements.

# REPORT OF DIRECTORS

## PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Reporting Period are set out in Note 13 to the consolidated financial statements.

## SHARE CAPITAL AND SHARES ISSUED

Details of movements in the share capital of the Group for the Reporting Period and details of the Shares issued (including selling treasury shares) during the Reporting Period are set out in Note 29 to the consolidated financial statements.

## DONATION

During the Reporting Period, the Group made no donations for charitable or other purposes (2024: nil).

## DEBENTURE ISSUED

The Group did not issue any debenture during the Reporting Period.

## EQUITY-LINKED AGREEMENTS

Save for the Pre-IPO Share Option Plan, the Post-IPO Share Option Plan, the 2021 RSU Plan, the 2023 Share Option Plan, the 2023 RSU Plan, the Target Share Option Scheme and One-off Share Option Plan as set out in this annual report, and ABT Subscription and Stock Purchase Agreement as set out in the Prospectus, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Group during the Reporting Period, or subsisted during the Reporting Period.

## FINAL DIVIDEND

The Board does not recommend the distribution of a final dividend for the Reporting Period (2024: nil). The Board is not aware of any Shareholders who have waived or agreed to waive any dividends.

## PERMITTED INDEMNITY

Pursuant to the Articles of Association and subject to the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in or about the execution of their duty in their offices.

Such permitted indemnity provision for the benefit of the Directors and officers of the Company is currently in force as at the date of this annual report and has been in force throughout the Reporting Period. The Company has taken out liability insurance to provide appropriate coverage for the Directors.

## DISTRIBUTABLE RESERVES

The Company may pay dividends out of the share premium account, retained earnings and any other reserves provided that immediately following the payment of such dividends, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

As at 31 December 2025, the Company had distributable reserves for share premium of RMB13,575,198,000 (2024: RMB9,477,833,000).

Details of movements in the reserves of the Group and the Company during the Reporting Period are set out in the consolidated statement of changes in equity on pages 188 to 189 and in Note 42 on page 300, respectively.

## BANK LOANS AND OTHER BORROWINGS

As at 31 December 2025, the short-term borrowings from bank was RMB1,065,708,000 (as at 31 December 2024: RMB1,993,140,000).

## DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service contract with the Company for an initial term of three years with effect from the date of his/her service contract, and renewable automatically thereafter for successive periods of three years until terminated by giving to the other party no less than three months' prior notice in writing.

Each of the non-executive Directors has entered into a letter of appointment with the Company for an initial term of three years with effect from the date of his letter of appointment, and renewable automatically thereafter for successive periods of three years until terminated by giving to the other party no less than three months' prior notice in writing.

Each of the independent non-executive Directors has entered into a letter of appointment with the Company for an initial term of three years with effect from the date of his/her letter of appointment, and renewable automatically thereafter for successive periods of three years until terminated by giving to the other party no less than three months' prior notice in writing.

The above appointments are always subject to the provisions of retirement and rotation of Directors pursuant to the Articles of Association.

None of the Directors proposed for re-election at the forthcoming AGM has a service contract with members of the Group that is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

## DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

None of the Directors nor any entity connected with the Directors had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party subsisting during or at the end of the Reporting Period.

## CONTRACTS WITH CONTROLLING SHAREHOLDERS

During the Reporting Period, there was no loan agreement of the Group with covenants relating to specific performance of the Controlling Shareholders. There is also no contract of significance between the Company or any of its subsidiaries and the Controlling Shareholders or any of its subsidiaries or any contract of significance for the provision of services to the Company or any of its subsidiaries by the Controlling Shareholders or any of its subsidiaries subsisted at the end of the Reporting Period or at any time during the Reporting Period.

## MANAGEMENT CONTRACTS

Saved for the Merger, no contract, concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the Reporting Period.

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As at 31 December 2025, the interests and short positions of the Directors or chief executives of our Company in any of the Shares, underlying Shares and debentures of our Company or its associated corporation (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as contained in Appendix C3 to the Listing Rules were as follows:

| Name of Director | Capacity/Nature of interest | Number of ordinary Shares | Approximate percentage of holding[1] | Long position/ Short position |
|---|---|---|---|---|
| Mr. Ni | Beneficial owner[2] | 741,012,568 | 36.84% | Long position |
| | Interest in controlled corporations[3] | 17,089,831 | 0.85% | Long position |
| Ms. Zhai Jing | Beneficial owner[4] | 3,302,384 | 0.16% | Long position |

*Notes:*

(1) The calculation is based on the total number of 2,011,213,774 Shares in issue as at 31 December 2025.

(2) Mr. Ni held 30,675,180 Target Share Options granted to him under the Target Share Option Scheme, which pursuant to the Merger Agreement and the One-off Share Option Plan, converted into 101,301,201 Converted Options.

(3) Mr. Ni owned approximately 45.33% and 46.32% of the issued share capital of Talent Creation and Chinapharm Group, respectively, and also acted as the sole director of each of the Talent Creation and Chinapharm Group. Therefore, Mr. Ni is deemed to be interested in the Shares in which Talent Creation and Chinapharm Group are interested under the SFO.

(4) Ms. Zhai is interested in 3,302,384 underlying Shares within the meaning of Part XV of the SFO. She resigned as a Director with effect from 27 March 2026.

Save as disclosed above, as at 31 December 2025, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2025, so far as the Directors are aware, the following persons (other than the Directors or chief executives of the Company) had interests or short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

| Name of Shareholder | Capacity/Nature of interest | Number of ordinary Shares | Approximate percentage of holding[1] | Long position/ Short position |
|---|---|---|---|---|
| HHJH Holdings Limited[2] | Beneficial owner | 126,239,103 | 6.28% | Long position |
| HH BIO Investment Fund, L.P.[2] | Interest in a controlled corporation | 126,239,103 | 6.28% | Long position |
| Hillhouse Fund IV, L.P.[2] | Interest in a controlled corporation | 126,239,103 | 6.28% | Long position |
| Hillhouse Investment Management Ltd.[2] | Investment manager | 127,989,103 | 6.36% | Long position |
| OrbiMed Advisors Limited[3] | Interest in a controlled corporation | 112,097,156 | 5.57% | Long position |
| OrbiMed Asia Partners, L.P.[3] | Beneficial owner | 112,097,156 | 5.57% | Long position |
| OrbiMed Asia GP, L.P.[3] | Interest in a controlled corporation | 112,097,156 | 5.57% | Long position |
| OrbiMed Asia Partners III, L.P.[4] | Beneficial owner | 104,418,177 | 5.19% | Long position |
| OrbiMed Advisors III Limited[4] | Interest in a controlled corporation | 104,418,177 | 5.19% | Long position |
| OrbiMed Asia GP III, L.P.[4] | Interest in a controlled corporation | 104,418,177 | 5.19% | Long position |
| OrbiMed Advisors LLC[5] | Interest in a controlled corporation | 216,515,333 | 10.77% | Long position |
| HSG Holding Limited[6] | Interest in controlled corporations | 163,103,794 | 8.11% | Long position |
| Forebright New Opportunities Fund, L.P.[7] | Interest in controlled corporations | 134,139,002 | 6.67% | Long position |
| Pink Crystal China Fund, L.P.[8] | Beneficial owner | 135,919,245 | 6.76% | Long position |
| Boundless Plain Holdings Limited[8] | Interest in a controlled corporation | 135,919,245 | 6.76% | Long position |
| Mr. Eric Li[8] | Interest in a controlled corporation | 135,919,245 | 6.76% | Long position |

*Notes:*

(1) The calculation is based on the total number of 2,011,213,774 Shares in issue as at 31 December 2025.

(2) HHJH is an exempted company incorporated in the Cayman Islands with limited liability. HHJH is wholly owned by HH BIO, an exempted limited partnership established in the Cayman Islands. The sole limited partner of HH BIO is Hillhouse Fund IV, L.P., which is managed and controlled by Hillhouse Investment Management Ltd., an exempted company incorporated under the laws of the Cayman Islands. The sole general partner of HH BIO is HH BIO Holdings GP, Ltd.

(3) Each of OrbiMed Asia GP, L.P. (as the general partner of OAP) and OrbiMed Advisors Limited (as the general partner of OrbiMed Asia GP, L.P.) is deemed to be interested in the Shares held by OAP under the SFO.

(4) Each of OrbiMed Asia GP III, L.P. (as the general partner of OAP III) and OrbiMed Advisors III Limited (as the general partner of OrbiMed Asia GP III, L.P.), is deemed to be interested in the Shares held by OAP III under the SFO.

(5) OrbiMed Advisors is the advisory company of OAP and OAP III.

(6) The general partner of each of HongShan Capital I, L.P., HongShan Capital Partners Fund I, L.P. and HongShan Capital Principals Fund I, L.P. is HSG Management I. The general partner of each of HongShan Capital Growth Fund I, L.P., HongShan Capital GF Principals Fund I, L.P. and HongShan Capital Growth Partners Fund I, L.P. is HSGGF Management I. The sole shareholder of HSG Growth V Holdco Q, Ltd. is HongShan Capital Growth Fund V, L.P., whose general partner is HSGG V Management. HSG Holding Limited is the general partner of each of HSG Management I, HSGGF Management I and HSGG V Management. Therefore, each of HSG Holding Limited, SNP China Enterprises Limited (as the sole shareholder of HSG Holding Limited) and Mr. Neil Nanpeng Shen (as the sole shareholder of SNP China Enterprises Limited) is deemed to be interested in the Shares held by HongShan Capital I, L.P., HongShan Capital Partners Fund I, L.P., HongShan Capital Principals Fund I, L.P., HongShan Capital Growth Fund I, L.P., HongShan Capital GF Principals Fund I, L.P., HongShan Capital Growth Partners Fund I, L.P. and HSG Growth V Holdco Q, Ltd. under the SFO.

(7) Novel Insight Investments Limited is wholly owned by Forebright New Opportunities Fund, L.P. and Novel Sky Global Limited is owned as to 75% by Forebright New Opportunities Fund, L.P. Therefore, each of Forebright New Opportunities Fund, L.P., FNOF GP Limited (as the general partner of Forebright New Opportunities Fund, L.P.) and Forebright Global Limited (as the sole shareholder of FNOF GP Limited) is deemed to be interested in the Shares held by Novel Insight Investments Limited and Novel Sky Global Limited under the SFO.

(8) Each of Parallel Universes Asset Management Limited (as general partner of Pink Crystal China Fund, L.P.), Boundless Plain Holdings Limited (as the sole shareholder of Parallel Universes Asset Management Limited) and Mr. Eric Li (as the sole shareholder of Boundless Plain Holdings Limited) is deemed to be interested in the Shares held by Pink Crystal China Fund, L.P. under the SFO.

Save as disclosed above and other than the Directors or chief executives of the Company whose interests are set out in this annual report, as at 31 December 2025, no other persons had any interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept under section 336 of the SFO.

## EQUITY PLANS

### 1. Pre-IPO Share Option Plan

The following is a summary of the principal terms of the Pre-IPO Share Option Plan of the Company as adopted on 19 August 2019 and amended and restated on 16 April 2020 and 31 July 2020.

*(a) Purpose*

The purpose of the Pre-IPO Share Option Plan is to advance the interests of the Company by providing for the grant to participants of the options, and to motivate the selected participants to contribute to the Company's growth and development. The Pre-IPO Share Option Plan, which will be in the form of options, will enable the Company to recruit, incentivize and retain key employees.

*(b) Participants*

The Administrator will select Eligible Persons from among employees, directors, consultants and advisors of the Company and its affiliates, or any other persons approved by the Administrator to participate in the Pre-IPO Share Option Plan. Such Eligible Persons will become participants with the approval of the Administrator, and upon entering into a grant agreement with the Company. Unless otherwise approved by the Administrator, Eligible Person or contractual relationship (consultants and advisors) with the Company, and the employment or contractual relationship is not terminated, whether on the grounds that he has been guilty of misconduct pursuant to the rules and regulations promulgated by the Company, or has committed an act of bankruptcy or has become insolvent or has made an arrangement or composition with creditors generally, or has been convicted of a criminal offence involving his integrity or honesty, or on any other ground on which an employer would be entitled to terminate his employment or contractual relationship forthwith pursuant to applicable laws or under the participant's employment or other contract, provided that a person who is on long term medical leave shall be deemed to have failed to maintain an active employment relationship with the Company.

*(c) Total Number of Shares Available for Issue*

The total number of Shares available for issue under the Pre-IPO Share Option Scheme at any time shall not exceed 58,573,872 Shares, representing approximately 2.91% of the Shares in issue (i.e. 2,011,213,774 Shares) as at 31 December 2025.

*(d) Maximum Entitlement of Each Participant*

There is no maximum entitlement of each Eligible Person under the Pre-IPO Share Option Plan.

*(e) Exercise Period and Vesting Period of the Options Granted*

Any vested part of an option shall be eligible to be exercised only after the completion of the Global Offering, except as otherwise agreed and set forth in the grant agreement. Any exercise of an option shall be at all times subject to the terms and provisions of the grant agreement, the trading policy as adopted or amended by the Company from time to time and any applicable laws.

The Administrator may determine the time or times at which an option will vest or become exercisable and the terms on which an option will remain exercisable. Such terms and conditions should be set out in the grant agreement.

*(f) Consideration for Application or Acceptance of the Options*

Nil consideration was required to be paid by the grantees for the application or acceptance of the options granted under the Pre-IPO Share Option Plan.

*(g) Exercise Price*

The exercise price of options was determined by the Administrator. Options, once granted, may be repriced only in accordance with the applicable requirements of the Pre-IPO Share Option Plan and the grant agreement. There is no basis in determining the exercise price under the Pre-IPO Share Option Plan.

*(h) Remaining Life of the Pre-IPO Share Option Plan*

The Pre-IPO Share Option Plan will expire on 19 August 2029. The remaining life of the Pre-IPO Share Option Plan is approximately 3.3 years from the date of this annual report (i.e. 15 April 2026).

*(i) Outstanding Share Options under the Pre-IPO Share Option Plan*

The tables below show the details of the movement of the outstanding options granted to all grantees under the Pre-IPO Share Option Plan during the Reporting Period. No further options may be granted after 18 September 2020 and no further options were granted since then.

| Name | Role | Date of Grant | Vesting Period[2] | Exercise Period | Exercise Price (per Share) | Outstanding as at 1 January 2025 | Exercised during the Reporting Period[4] | Cancelled during the Reporting Period | Lapsed during the Reporting Period | Outstanding as at 31 December 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| Dr. GUO Feng | then Chief Executive Officer[5] | 30 April 2020 | Date of Grant-4 years from Date of Grant | 10 years from Date of Grant | US$0.0002 | 477,679 | – | – | – | 477,679 |
| Mr. WENG Chengyi | then Executive Director[6] | 16 September 2019 | Date of Grant-4.5 years from Date of Grant | 10 years from Date of Grant | US$2 | 220,000 | 0 | 0 | 0 | 220,000 |
| | | 16 April 2020 | Milestone Achievement | 10 years from Date of Grant | US$2 | 120,000 | 0 | 0 | 0 | 120,000 |
| **Total:** | | | | | | **817,679** | **0** | **0** | **0** | **817,679** |

| Date of Grant | Vesting Period[2] | Exercise Period | Exercise Price (per Share) | Outstanding as at 1 January 2025 | Exercised during the Reporting Period[4] | Cancelled during the Reporting Period | Lapsed during the Reporting Period | Outstanding as at 31 December 2025 |
|---|---|---|---|---|---|---|---|---|
| **Employees Group A (MaplesFS (BVI) Limited on behalf of AKQM Partner Trust)[3]** | | | | | | | | |
| 16 September 2019 | Date of Grant-4.5 years from Date of Grant | 10 years from Date of Grant | US$0.0002 | 72,889 | 0 | 0 | 0 | 72,889 |
| 16 September 2019 | Date of Grant-4.5 years from Date of Grant | 10 years from Date of Grant | US$2 | 474,779 | 0 | 0 | 0 | 474,779 |
| 16 September 2019 | Milestone Achievement | 10 years from Date of Grant | US$0.0002 | 125 | 0 | 0 | 0 | 125 |
| 16 April 2020 | Milestone Achievement | 10 years from Date of Grant | US$0.0002 | 518 | 0 | 0 | 0 | 518 |
| 16 April 2020 | Milestone Achievement | 10 years from Date of Grant | US$2 | 211,000 | 0 | 0 | 0 | 211,000 |
| 16 April 2020 | Date of Grant-4 years from Date of Grant | 10 years from Date of Grant | US$0.0002 | 21 | 0 | 0 | 0 | 21 |
| 31 July 2020 | Date of Grant-4 years from Date of Grant | 10 years from Date of Grant | US$0.0002 | 162,500 | 0 | 0 | 0 | 162,500 |
| 31 July 2020 | Date of Grant-4 years from Date of Grant | 10 years from Date of Grant | US$2 | 1,500,000 | 0 | 0 | 0 | 1,500,000 |
| **Employees Group B** | | | | | | | | |
| 16 September 2019 | Date of Grant-4.5 years from Date of Grant | 10 years from Date of Grant | US$0.0002 | 102,000 | 77,000 | 0 | 0 | 25,000 |
| 16 September 2019 | Date of Grant-4.5 years from Date of Grant | 10 years from Date of Grant | US$2 | 230,000 | 0 | 0 | 185,000 | 45,000 |
| 29 February 2020 | Date of Grant-4 years from Date of Grant | 10 years from Date of Grant | US$0.0002 | 40,000 | 40,000 | 0 | 0 | 0 |
| 29 February 2020 | Date of Grant-4 years from Date of Grant | 10 years from Date of Grant | US$2 | 160,000 | 0 | 0 | 160,000 | 0 |

| Date of Grant | Vesting Period[2] | Exercise Period | Exercise Price (per Share) | Outstanding as at 1 January 2025 | Exercised during the Reporting Period[4] | Cancelled during the Reporting Period | Lapsed during the Reporting Period | Outstanding as at 31 December 2025 |
|---|---|---|---|---|---|---|---|---|
| 16 April 2020 | Milestone Achievement | 10 years from Date of Grant | US$2 | 50,000 | 0 | 0 | 35,000 | 15,000 |
| 30 April 2020 | Date of Grant-4 years from Date of Grant | 10 years from Date of Grant | US$0.0002 | 19,000 | 19,000 | 0 | 0 | 0 |
| 30 April 2020 | Date of Grant-4 years from Date of Grant | 10 years from Date of Grant | US$2 | 50,000 | 0 | 0 | 50,000 | 0 |
| 31 August 2020 | Date of Grant-4 years from Date of Grant | 10 years from Date of Grant | US$0.0002 | 30,000 | 0 | 0 | 0 | 30,000 |
| 31 August 2020 | Date of Grant-4 years from Date of Grant | 10 years from Date of Grant | US$2 | 60,000 | 0 | 0 | 0 | 60,000 |
| **Total** | | | | **3,162,832** | **136,000** | **0** | **430,000** | **2,596,832** |

*Notes:*

(1) Save as disclosed above, none of the grantees were (i) directors, chief executive or substantial Shareholders of the Company, or their respective associates; (ii) participants with options granted and to be granted in excess of the 1% individual limit; (iii) related entity participant or service provider with options and awards granted and to be granted in any 12-month period exceeding 0.1% of the relevant class of Shares in issue as set out in Rule 17.07 of the Listing Rules.

(2) The share options are vested based on the grantees' performance or milestone achievement. For those share options vested based on the grantees' performance, the respective vesting period is listed in the above table. For those share options vested based on milestone achievement, the options shall vest upon achievement of the relevant milestones with respect to the clinical development status, launching status, business development partnering status and/or manufacturing status of the Company's drug candidates.

(3) The outstanding options granted to these grantees are held by MaplesFS (BVI) Limited on behalf of AKQM Partner Trust.

(4) The weighted average closing price of the Shares immediately before the dates on which the options were exercised during the Reporting Period was HK$2.61 per share.

(5) Dr. Guo resigned as the chief executive officer of the Company on 27 March 2026.

(6) Mr. Weng resigned as an executive Director on 30 December 2025.

## 2. Post-IPO Share Option Plan

The Post-IPO Share Option Plan was adopted on 18 September 2020 and terminated with effect from the adoption of the 2023 Share Option Plan and 2023 RSU Plan (i.e. 27 October 2023). Upon the termination of the Post-IPO Share Option Plan, no option was available for grant but all outstanding options (to the extent not already exercised) granted under the Post-IPO Share Option Plan shall continue to be valid and exercisable in accordance with the terms of the Post-IPO Share Option Plan and the relevant grant agreements. The following is a summary of the principal terms of the Post-IPO Share Option Plan:

*(a) Purpose*

The purpose of the Post-IPO Share Option Plan is to advance the interests of the Company by motivating the selected participants to contribute to the Company's growth and development. The Post-IPO Share Option Plan will enable the Company to recruit, incentivize and retain key employees.

*(b) Participants*

The Administrator will select Eligible Persons from among employees, directors, consultants and advisors of the Company and its affiliates, or any other persons approved by the Administrator to participate in the Post-IPO Share Option Plan. The basis of eligibility of any Eligible Persons to the grant of the options shall be determined by the Administrator from time to time on the basis of their contribution to the development and growth of the Group.

Such Eligible Person will become participants with the approval of the Administrator and upon entering into a grant agreement with the Company. Unless otherwise approved by the Administrator, "Eligible Person" means such person who maintains an active employment relationship (employees and directors) or contractual relationship (consultants and advisors) with the Company, and the employment or contractual relationship is not terminated, whether on the grounds that he has been guilty of misconduct pursuant to the rules and regulations promulgated by the Company, or has committed an act of bankruptcy or has become insolvent or has made an arrangement or composition with creditors generally, or has been convicted of a criminal offence involving his integrity or honesty, or on any other ground on which an employer would be entitled to terminate his employment or contractual relationship forthwith pursuant to applicable laws or under the participant's employment or other contract. Provided, a person who is on long term medical leave shall be deemed to have failed to maintain an active employment relationship with the Company.

The Administrator shall comply with the requirements under Chapter 17 of the Listing Rules when selecting the consultants and advisors of the Company and its affiliates as Eligible Persons.

*(c) Total Number of Shares Available for Issue*

The maximum number of Shares in respect of which options might be granted under the Post-IPO Share Option Plan is 48,109,150, representing approximately 2.39% of the Shares in issue (i.e. 2,011,213,774 Shares) as at 31 December 2025. As at the date of this annual report, no further option could be granted under the Post-IPO Share Option Plan.

(d) *Maximum Entitlement of Each Participant*

Unless approved by Shareholders in a general meeting, the maximum number of Shares underlying the options granted to each eligible participant (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the Shares in issue for the time being.

(e) *Exercise Period and Vesting Period of the Options granted*

Unless the Administrator otherwise determined and stated in the grant agreement, a participant is not required to achieve any performance targets before any options granted under the Post-IPO Share Option Plan can be exercised and there is no minimum period for which any option must be held before it can be exercised. The exercise period is from the relevant date of vesting of the option to ten (10) years from the date of grant. Any exercise of an option shall be at all times subject to the terms and provisions of the grant agreement, the trading policy as adopted or amended by the Company from time to time and any applicable laws.

The Administrator might determine the time or times at which an option will vest or become exercisable and the terms on which an option will remain exercisable. Such terms and conditions should be set out in the grant agreement. The Administrator shall comply with the requirements under Chapter 17 of the Listing Rules when determining the vesting period of the options.

(f) *Consideration for Application or Acceptance of the Options*

Nil consideration was required to be paid by the grantees for the application or acceptance of the options granted under the Post-IPO Share Option Plan.

(g) *Exercise Price*

The exercise price of options was determined by the Administrator, in compliance with Chapter 17 of the Listing Rule. The exercise price of options must be at least the higher of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Shares. Options, once granted, may be repriced only in accordance with the applicable requirements of the Post-IPO Share Option Plan and the grant agreement.

(h) *Remaining Life of the Post-IPO Share Option Plan*

The Post-IPO Share Option Plan was terminated with effect from the adoption of the 2023 Share Option Plan and 2023 RSU Plan (i.e. 27 October 2023).

(i) *Outstanding Share Options under the Post-IPO Share Option Plan*

The tables below show the details of the movement of the outstanding options granted to all grantees under the Post-IPO Share Option Plan during the Reporting Period.

| Name | Role | Date of Grant | Vesting Period[2] | Exercise Period | Exercise Price (per Share) | Outstanding as at 1 January 2025 | Granted during the Reporting Period | Exercised during the Reporting Period[3] | Cancelled during the Reporting Period | Lapsed during the Reporting Period | Outstanding as at 31 December 2025 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Dr. GUO Feng | then Chief Executive Officer[4] | 25 May 2023 | 25 May 2024 – 25 May 2027 | 10 years from Date of Grant | HK$1.808 | 3,250,000 | 0 | 1,625,000 | 0 | 0 | 1,625,000 |
| | | 25 May 2023 | Milestone Achievement | 10 years from Date of Grant | HK$1.808 | 1,750,000 | 0 | 437,500 | 0 | 0 | 1,312,500 |
| Mr. WENG Chengyi | then Executive Director[5] | 31 August 2023 | 2 September 2024– 2 September 2027 | 10 years from Date of Grant | HK$1.5 | 600,000 | 0 | 0 | 0 | 0 | 600,000 |
| **Total:** | | | | | | **5,600,000** | **–** | **2,062,500** | **0** | **0** | **3,537,500** |

| Date of Grant | Vesting Period[2] | Exercise Period | Exercise Price (per Share) | Outstanding as at 1 January 2025 | Granted during the Reporting Period | Exercised during the Reporting Period[3] | Cancelled during the Reporting Period | Lapsed during the Reporting Period | Outstanding as at 31 December 2025 |
|---|---|---|---|---|---|---|---|---|---|
| **Employees** | | | | | | | | | |
| 3 June 2021 | Date of entry – 4 years from Date of entry | 10 years from Date of Grant | HKD 17.080 | 178,525 | – | 0 | 0 | 178,525 | 0 |
| 27 August 2021 | Date of entry – 4 years from Date of entry | 10 years from Date of Grant | HKD 10.848 | 36,000 | – | 0 | 0 | 36,000 | 0 |
| 5 October 2022 | Date of entry – 4 years from Date of entry | 10 years from Date of Grant | HKD 1.728 | 1,548,000 | – | 0 | 0 | 0 | 1,548,000 |
| 25 May 2023 | 25 May 2024 – 30 July 2024 | 10 years from Date of Grant | HKD 1.808 | 1,300,000 | – | 0 | 0 | 0 | 1,300,000 |
| 25 May 2023 | 25 May 2024 – 25 May 2026 | 10 years from Date of Grant | HKD 1.808 | 682,500 | – | 0 | 0 | 136,500 | 546,000 |
| 25 May 2023 | 25 May 2024 – 25 May 2027 | 10 years from Date of Grant | HKD 1.808 | 1,137,500 | – | 284,375 | 0 | 0 | 853,125 |
| 25 May 2023 | Milestone Achievement | 10 years from Date of Grant | HKD 1.808 | 980,000 | – | 0 | 0 | 0 | 980,000 |
| 31 August 2023 | 2 Sep 2024 – 2 Sep 2027 | 10 years from Date of Grant | HKD 1.500 | 1,858,560 | – | 232,800 | 0 | 698,400 | 927,360 |
| **Total** | | | | **7,721,085** | **–** | **517,175** | **0** | **1,049,425** | **6,154,485** |

*Notes:*

(1) Save as disclosed above, none of the grantees were (i) directors, chief executive or substantial Shareholders of the Company, or their respective associates; (ii) participants with options granted and to be granted in excess of the 1% individual limit; (iii) related entity participant or service provider with options and awards granted and to be granted in any 12-month period exceeding 0.1% of the relevant class of Shares in issue as set out in Rule 17.07 of the Listing Rules.

(2) The options are vested based on the grantees' performance or milestone achievement. For those options vested based on the grantees' performance, the respective vesting period is listed in the above table. For those options vested based on milestone achievement, the options shall vest upon achievement of the relevant milestones with respect to the clinical development status, launching status, business development partnering status and/or manufacturing status of the Company's drug candidates.

(3) The weighted average closing price of the Shares immediately before the dates on which the options were exercised during the Reporting Period was HK$2.79 per share.

(4) Dr. Guo resigned as the chief executive officer of the Company on 27 March 2026.

(5) Mr. Weng resigned as the executive Director on 30 December 2025.

*(j) Further Information in relation to the Options granted and to be granted under the Post-IPO Share Option Plan*

The grants of options under the Post-IPO Share Option Plan consist of (i) performance grants; and (ii) milestone grants.

The options granted under performance grants shall vest conditional upon the relevant grantee having fulfilled the performance evaluation conducted under the Company's employee performance evaluation system; and the options to be vested on the relevant vesting date shall be adjusted based on the grantee's annual performance results for the preceding fiscal year prior to the relevant vesting date as follows:

i. 100% of the options can be vested on the relevant vesting date shall vest, if annual performance of the grantee is rated "B+" or above;

ii. 60% of the options can be vested on the relevant vesting date shall vest, if annual performance of the grantee is rated "B";

iii. none of the options shall vest, if the probation review is failed or annual performance of the grantee is rated under "B"; and

iv. the Administrator shall determine at its discretion the grantee's level of performance with respect to each fiscal year under the Company's employee performance evaluation system and such determination shall be binding and conclusive upon the grantee.

The options granted under milestone grants shall vest conditional upon fulfillment of milestones with respect to the clinical development status, launching status, business development partnering status and/or manufacturing status of the Company's drug candidates as set out in the relevant granting agreement entered into between the relevant grantee and the Company.

The Post-IPO Share Option Plan was terminated with effect from the adoption of the 2023 Share Option Plan and 2023 RSU Plan (i.e. 27 October 2023). Accordingly, no option was available for grant under the Post-IPO Share Option Plan at the beginning and at the end of the Reporting Period.

### 3. 2021 RSU Plan

The 2021 RSU Plan was adopted on 3 June 2021 and terminated with effect from the adoption of the 2023 Share Option Plan and 2023 RSU Plan (i.e. 27 October 2023). Upon the termination of the 2021 RSU Plan, no RSU was available for grant but all unvested RSUs granted under the 2021 RSU Plan shall continue to be valid and shall vest in accordance with the terms of the 2021 RSU Plan and the relevant grant agreements. The following is a summary of the principal terms of the 2021 RSU Plan:

*(a) Purpose*

The purpose of the 2021 RSU Plan is to (i) advance the interests of the Company by motivating the selected participants to contribute to the Company's growth and development; (ii) recruit, incentivise and retain key employees; (iii) recognise the contributions by the participants with an opportunity to acquire a proprietary interest in the Company; and (iv) motivate the participants to maximise the value of the Company for the benefits of both the participants and the Company, with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the participants directly to the Shareholders through ownership of Shares.

*(b) Participants*

The Administrator will select Eligible Persons from among employees, directors, consultants and advisors of the Company and its Affiliates, or any other persons approved by the Administrator to participate in the 2021 RSU Plan. The basis of eligibility of any Eligible Persons to the grant of the award shall be determined by the Administrator from time to time on the basis of their contribution to the development and growth of the Group.

The Administrator shall comply with the requirements under Chapter 17 of the Listing Rules when selecting the consultants and advisors of the Company and its affiliates as Eligible Persons.

*(c) Total Number of Shares Available for Issue*

The maximum number of Shares in respect of which RSUs may be granted under the 2021 RSU Plan is 14,730,911, representing approximately 0.73% of the Shares in issue (i.e. 2,011,213,774 Shares) as at 31 December 2025. As at the date of this annual report, no further RSU could be granted under the 2021 RSU Plan.

(d) *Maximum Entitlement of Each Participant*

Unless approved by Shareholders in a general meeting, the maximum number of Shares underlying the RSUs granted to each eligible participant in any 12-month period shall not exceed 1% of the Shares in issue for the time being.

(e) *Vesting Period of the RSUs granted*

The Administrator may determine the time or terms and conditions at which a RSU will vest, including without limitation, the granting date, the number of RSUs, the vesting dates and other conditions and rules. Such terms and conditions shall be set out in the grant agreement. The Administrator shall comply with the requirements under Chapter 17 of the Listing Rules when determining the vesting period of the RSUs.

(f) *Consideration for Application or Acceptance of the RSUs*

Nil consideration is required to be paid by the grantees for the application or acceptance of the RSUs granted under the 2021 RSU Plan.

(g) *Purchase Price of the RSUs*

Nil purchase price is required to be paid by the grantees for the RSUs granted under the 2021 RSU Plan.

(h) *Remaining Life of the 2021 RSU Plan*

The 2021 RSU Plan was terminated with effect from the adoption of the 2023 Share Option Plan and 2023 RSU Plan (i.e. 27 October 2023).

(i) *RSUs Granted under the 2021 RSU Plan*

The tables below show the details of the movement of the RSUs granted to all grantees under the 2021 RSU Plan during the Reporting Period. No further RSUs were granted since 27 October 2023.

| Name | Role | Date of grant | Vesting period | Unvested as at 1 January 2025 | Vested during the Reporting Period[3] | Cancelled during the Reporting Period | Lapsed during the Reporting Period | Unvested as at 31 December 2025 |
|---|---|---|---|---|---|---|---|---|
| Mr. WENG Chengyi | then Executive Director[4] | 31 August 2023 | 2 September 2024 – 2 September 2027 | 210,000 | 0 | 0 | 0 | 210,000 |
| **Total** | | | | **210,000** | **0** | **0** | **0** | **210,000** |

| Date of Grant | Vesting Period[2] | Unvested as at 1 January 2025 | Vested during the Reporting Period[3] | Cancelled during the Reporting Period | Lapsed during the Reporting Period | Unvested as at 31 December 2025 |
|---|---|---|---|---|---|---|
| **Employees** | | | | | | |
| 27 August 2021 | Date of entry – 4 years from Date of entry | 4,500 | 0 | 0 | 4,500 | 0 |
| 5 October 2022 | Date of entry – 4 years from Date of entry | 184,750 | 0 | 0 | 0 | 184,750 |
| 25 May 2023 | 25 May 2024 – 25 May 2026 | 273,000 | 0 | 0 | 136,500 | 136,500 |
| 25 May 2023 | 25 May 2024 – 25 May 2027 | 365,625 | 0 | 0 | 0 | 365,625 |
| 25 May 2023 | Milestone Achievement | 304,500 | 225,750 | 0 | 0 | 78,750 |
| 31 August 2023 | 2 September 2024 – 2 September 2027 | 681,960 | 0 | 0 | 349,200 | 332,760 |
| **Total** | | **1,814,335** | **225,750** | **0** | **490,200** | **1,098,385** |

*Notes:*

(1) None of the grantees were (i) directors, chief executive or substantial Shareholders of the Company, or their respective associates; (ii) participants with option granted and to be granted in excess of the 1% individual limit; (iii) related entity participant or service provider with options and awards granted and to be granted in any 12-month period exceeding 0.1% of the relevant class of Shares in issue as set out in Rule 17.07 of the Listing Rules.

(2) The RSUs are vested based on the grantees' performance or milestone achievement. For those RSUs vested based on grantees' performance, the respective vesting period is listed in the above table. For those RSUs vested based on milestone achievement, the RSUs shall vest upon the first anniversary of the date of grant or achievement of the relevant milestones with respect to the clinical development status, launching status, business development partnering status and/or manufacturing status of the Company's drug candidates, whichever is later.

(3) The weighted average closing price of the Shares immediately before the dates on which the RSUs were vested during the Reporting Period was HK$2.73 per share.

(4) Mr. Weng resigned as the executive Director on 30 December 2025.

(j) *Further Information in relation to the RSUs granted and to be granted under the 2021 RSU Plan*

The grants of RSUs under the 2021 RSU Plan consist of (i) performance grants; and (ii) milestone grants.

The RSUs granted under performance grants shall vest conditional upon the relevant grantee having fulfilled the performance evaluation conducted under the Company's employee performance evaluation system; and the RSU to be vested on the relevant vesting date shall be adjusted based on the grantee's annual performance results for the preceding fiscal year prior to the relevant vesting date as follows:

i. 100% of the RSUs can be vested on the relevant vesting date shall vest, if annual performance of the grantee is rated "B+" or above;

ii. 60% of the RSUs can be vested on the relevant vesting date shall vest, if annual performance of the grantee is rated "B";

iii. None of the RSUs shall vest, if the probation review is failed or annual performance of the grantee is rated under "B"; and

iv. The Administrator shall determine at its discretion the grantee's level of performance with respect to each fiscal year under the Company's employee performance evaluation system and such determination shall be binding and conclusive upon the grantee.

The RSUs granted under milestone grants shall vest conditional upon fulfillment of milestones with respect to the clinical development status, launching status, business development partnering status and/or manufacturing status of the Company's drug candidates as set out in the relevant granting agreement entered into between the relevant grantee and the Company.

The 2021 RSU Plan was terminated with effect from the adoption of the 2023 Share Option Plan and 2023 RSU Plan (i.e. 27 October 2023). Accordingly, no RSU was available for grant under the 2021 RSU Plan at the beginning and at the end of the Reporting Period.

## 4. 2023 Share Option Plan

The Board has approved to terminate the 2023 Share Option Plan immediately prior to Merger Closing to the effect that no further share options and RSUs may be granted under the 2023 Share Option Plan, but all other terms of the 2023 Share Option Plan shall remain in full force and effect. The following is a summary of the principal terms of the 2023 Share Option Plan which was adopted on 27 October 2023:

*(a) Purpose*

The purposes of the 2023 Share Option Plan are (i) to advance the interests of the Company by motivating the Eligible Participants of the 2023 Share Option Plan to contribute to the Company's growth and development; and (ii) to enable the Company to recruit, incentivize and retain key employees.

*(b) Participants*

Eligible Participants are persons eligible to participate in the 2023 Share Option Plan and shall comprise director(s) (including executive director(s), non-executive director(s) and independent non-executive director(s)) and employee(s) (whether full-time or part-time) of any member of the Group, including any person who is granted options under the 2023 Share Option Plan as an inducement to enter into employment contracts with any member of the Group.

In determining the eligibility of an Eligible Participant, the Administrator may take into account various factors that it in its sole and absolute discretion considers relevant in assessing his contribution to the long-term development and growth of the Group, including (i) individual performance; (ii) time commitment; (iii) responsibilities or employment conditions according to the prevailing market practice and industry standard; (iv) the length of engagement with the Group; and (v) the actual and/or potential contribution to the development and growth of the Group.

*(c) Total Number of Shares Available for Issue*

The total number of Shares which may be issued in respect of all options to be granted under the 2023 Share Option Plan shall not exceed 21,449,808 Shares, representing approximately 1.07% of the Shares in issue (i.e. 2,011,213,774 Shares) as at 31 December 2025.

*(d) Maximum Entitlement of Each Participant*

Unless approved by Shareholders in a general meeting with such Eligible Participant and his close associates (or associates if such Eligible Participant is a connected person of the Company) abstaining from voting, the maximum number of Shares underlying the options granted to each eligible participant (excluding any options and awards lapsed in accordance with the terms of all effective share plans of the Company which are governed by Chapter 17 of the Listing Rules) in any 12-month period shall not exceed 1% of the Shares in issue for the time being.

*(e)* *Exercise Period and Vesting Period of the Options granted*

The Administrator may in its sole and absolute discretion determine the exercise period of the option(s), but in all circumstances the exercise period shall not be more than ten (10) years from the grant date.

The vesting period of the options shall not be less than twelve (12) months, save and except that options to be granted to an Eligible Participant may be subject to a vesting period of less than twelve (12) months (or no vesting period) in the following circumstances:

a. grants of "make-whole" options to a new joiner to replace the options he forfeited when leaving his previous employers;

b. grants to an Eligible Participant whose employment is terminated due to death or disability or occurrence of any out of control event;

c. grants with performance-based vesting conditions in lieu of time-based vesting criteria;

d. grants that are made in batches during a year for administrative and compliance reasons. They may include options that should have been granted earlier but had to wait for a subsequent batch. In such cases, the vesting periods may be shorter to reflect the time from which the options would have been granted; and

e. grants with a mixed or accelerated vesting schedule such as where the options may vest evenly over a period of 12 months.

*(f)* *Consideration for Application or Acceptance of the Options*

The grantee shall not be required to pay any amount for the application or acceptance of the grant of options.

*(g)* *Exercise Price*

The exercise price of the options granted under the 2023 Share Option Plan shall be at least the higher of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the grant date; and (ii) the average closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five (5) Business Days immediately preceding the grant date.

*(h)* *Remaining Life of the 2023 Share Option Plan*

The Board has approved to terminate the 2023 Share Option Plan immediately prior to Merger Closing to the effect that no further share options and RSUs may be granted under the 2023 Share Option Plan, but all other terms of the 2023 Share Option Plan shall remain in full force and effect.

*(i)* *Outstanding Share Options under the 2023 Share Option Plan*

The table below shows the details of the movement of the outstanding options granted to all grantees under the 2023 Share Option Plan during the Reporting Period.

| Name | Role | Date of Grant | Vesting Period[2] | Exercise Period | Exercise Price (per Share) | Outstanding as at 1 January 2025 | Granted during the Reporting Period | Exercised during the Reporting Period | Cancelled during the Reporting Period | Lapsed during the Reporting Period | Outstanding as at 31 December 2025 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Dr. GUO Feng | then Chief Executive Officer[5] | 31 August 2023[3] | 2 September 2024 – 2 September 2027 | 10 years from the relevant date of vesting of the options | HK$1.50 | 3,626,385 | 0 | 1,813,192 | 0 | 0 | 1,813,193 |
| | | 31 August 2023[3] | Milestone Achievement | 10 years from the relevant date of vesting of the options | HK$1.50 | 1,952,669 | 0 | 1,757,401 | 0 | 0 | 195,268 |
| **Total:** | | | | | | **5,579,054** | **0** | **3,570,593** | **0** | **0** | **2,008,461** |

*Notes:*

(1) Save as disclosed above, none of the grantees were (i) directors, chief executive or substantial Shareholders of the Company, or their respective associates; (ii) participants with options granted and to be granted in excess of the 1% individual limit; (iii) related entity participant or service provider with options and awards granted and to be granted in any 12-month period exceeding 0.1% of the relevant class of Shares in issue as set out in Rule 17.07 of the Listing Rules.

(2) The share options are vested based on the grantees' performance or milestone achievement. For those share options vested based on the grantees' performance, the respective vesting period is listed in the above table. For those share options vested based on milestone achievement, the options shall vest upon achievement of the relevant milestones with respect to the clinical development status, launching status, business development partnering status and/or manufacturing status of the Company's drug candidates.

(3) The grant of share options was approved by the Board on 31 August 2023 and approved by the Shareholders at the extraordinary general meeting held on 27 October 2023.

(4) The weighted average closing price of the Shares immediately before the dates on which the options were vested during the Reporting Period was HK$3.25 per share.

(5) Dr. Guo resigned as the chief executive officer of the Company on 27 March 2026.

(j) *Further Information in relation to the Options granted and to be granted under the 2023 Share Option Plan*

The grants of options under the 2023 Share Option Plan consist of (i) performance grants; and (ii) milestone grants.

The options granted under performance grants shall vest conditional upon the relevant grantee having fulfilled the performance evaluation conducted under the Company's employee performance evaluation system; and the options to be vested on the relevant vesting date shall be adjusted based on the grantee's annual performance results for the preceding fiscal year prior to the relevant vesting date as follows:

i. 100% of the options can be vested on the relevant vesting date shall vest, if annual performance of the grantee is rated "B+" or above;

ii. 60% of the options can be vested on the relevant vesting date shall vest, if annual performance of the grantee is rated "B";

iii. none of the options shall vest, if the annual performance of the grantee is rated under "B"; and

iv. the Administrator shall determine at its discretion the grantee's level of performance with respect to each fiscal year under the Company's employee performance evaluation system and such determination shall be binding and conclusive upon the grantee.

The options granted under milestone grants shall vest conditional upon fulfillment of milestones with respect to the clinical development status, launching status, business development partnering status and/or manufacturing status of the Company's drug candidates as set out in the relevant granting agreement entered into between the relevant grantee and the Company.

## 5. 2023 RSU Plan

The Board has approved to terminate the 2023 RSU Plan immediately prior to Merger Closing to the effect that no further share options and RSUs may be granted under the 2023 RSU Plan, but all other terms of the 2023 RSU Plan shall remain in full force and effect. The following is a summary of the principal terms of the 2023 RSU Plan which was adopted on 27 October 2023:

*(a) Purpose*

The purposes of the 2023 RSU Plan are (i) to advance the interests of the Company by motivating the Eligible Participants of the 2023 RSU Plan to contribute to the Company's growth and development; (ii) to recruit, incentivise and retain key employees; (iii) to recognise the contributions by the Eligible Participants with an opportunity to acquire a proprietary interest in the Company; and (iv) to motivate the Eligible Participants to maximise the value of the Company for the benefits of both the Eligible Participants and the Company, with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the Eligible Participants directly to the Shareholders through ownership of Shares.

*(b) Participants*

Eligible Participants are persons eligible to participate in the 2023 RSU Plan and shall comprise director(s) (including executive director(s), non-executive director(s) and independent non-executive director(s)) and employee(s) (whether full-time or part-time) of any member of the Group, including any person who is granted awards under the 2023 RSU Plan as an inducement to enter into employment contracts with any member of the Group.

In determining the eligibility of an Eligible Participant, the Administrator may take into account various factors that it in its sole and absolute discretion considers relevant in assessing his contribution to the long-term development and growth of the Group, including (i) individual performance; (ii) time commitment; (iii) responsibilities or employment conditions according to the prevailing market practice and industry standard; (iv) the length of engagement with the Group; and (v) the actual and/or potential contribution to the development and growth of the Group.

*(c) Total Number of Shares Available for Issue*

The total number of Shares which may be issued in respect of all RSUs to be granted under the 2023 RSU Plan shall not exceed 5,964,556 Shares, representing approximately 0.30% of the Shares in issue (i.e. 2,011,213,774 Shares) as at 31 December 2025.

*(d) Maximum Entitlement of Each Participant*

Unless approved by Shareholders in a general meeting with such Eligible Participant and his close associates (or associates if such Eligible Participant is a connected person of the Company) abstaining from voting, the maximum number of Shares underlying the Awards granted to each eligible participant (excluding any options and awards lapsed in accordance with the terms of all effective share plans of the Company which are governed by Chapter 17 of the Listing Rules) in any 12-month period shall not exceed 1% of the Shares in issue for the time being.

*(e)* *Vesting Period of the Awards granted*

The vesting period of the awards shall not be less than twelve (12) months, save and except that awards to be granted to an Eligible Participant may be subject to a vesting period of less than twelve (12) months (or no vesting period) in the following circumstances:

a. grants of "make-whole" awards to a new joiner to replace the Awards he forfeited when leaving his previous employers;

b. grants to an Eligible Participant whose employment is terminated due to death or disability or occurrence of any out of control event;

c. grants with performance-based vesting conditions in lieu of time-based vesting criteria;

d. grants that are made in batches during a year for administrative and compliance reasons. They may include awards that should have been granted earlier but had to wait for a subsequent batch. In such cases, the vesting periods may be shorter to reflect the time from which the awards would have been granted; and

e. grants with a mixed or accelerated vesting schedule such as where the awards may vest evenly over a period of 12 months.

*(f)* *Consideration for Application or Acceptance of the Awards*

The grantee shall not be required to pay any amount for the application or acceptance of the grant of awards.

*(g)* *Purchase Price of RSUs*

No purchase price is to be paid by the grantee upon vesting of the RSUs under the 2023 RSU Plan.

*(h)* *Remaining Life of the 2023 RSU Plan*

The Board has approved to terminate the 2023 RSU Plan immediately prior to Merger Closing to the effect that no further share options and RSUs may be granted under the 2023 RSU Plan, but all other terms of the 2023 RSU Plan shall remain in full force and effect.

*(i) Unvested RSUs granted under the 2023 RSU Plan*

The table below shows the details of the movement of the unvested RSUs granted to all grantees under the 2023 RSU Plan during the Reporting Period.

| Name | Role | Date of Grant | Vesting Period[2] | Unvested as at 1 January 2025 | Granted during the Reporting Period | Vested during the Reporting Period | Cancelled during the Reporting Period | Lapsed during the Reporting Period | Unvested as at 31 December 2025 |
|---|---|---|---|---|---|---|---|---|---|
| Dr. GUO Feng | then Chief Executive Officer[5] | 31 August 2023[3] | 2 September 2024 – 2 September 2027 | 2,052,375 | 0 | 684,125 | 0 | 0 | 1,368,250 |
| | | 31 August 2023[3] | Milestone Achievement | 1,105,125 | 0 | 736,750 | 0 | 0 | 368,375 |
| **Total:** | | | | **3,157,500** | **0** | **1,420,875** | **0** | **0** | **1,736,625** |

*Notes:*

(1) Save as disclosed above, none of the grantees were (i) directors, chief executive or substantial Shareholders of the Company, or their respective associates; (ii) participants with options granted and to be granted in excess of the 1% individual limit; (iii) related entity participant or service provider with options and awards granted and to be granted in any 12-month period exceeding 0.1% of the relevant class of Shares in issue as set out in Rule 17.07 of the Listing Rules.

(2) The RSUs are vested based on the grantees' performance or milestone achievement. For those RSUs vested based on the grantees' performance, the respective vesting period is listed in the above table. For those RSUs vested based on milestone achievement, the RSUs shall vest upon achievement of the relevant milestones with respect to the clinical development status, launching status, business development partnering status and/or manufacturing status of the Company's drug candidates.

(3) The weighted average closing price of the Shares immediately before the dates on which the RSUs were vested during the Reporting Period was HK$3.14 per share.

(4) The grant of RSUs were approved by the Board on 31 August 2023 and approved by the Shareholders at the extraordinary general meeting held on 27 October 2023.

(5) Dr. Guo resigned as the chief executive officer of the Company on 27 March 2026.

(j) *Further Information in relation to the RSUs granted and to be granted under the 2023 RSU Plan*

The grants of RSUs under the 2023 RSU Plan consist of (i) performance grants; and (ii) milestone grants.

The RSUs granted under performance grants shall vest conditional upon the relevant grantee having fulfilled the performance evaluation conducted under the Company's employee performance evaluation system; and the RSUs to be vested on the relevant vesting date shall be adjusted based on the grantee's annual performance results for the preceding fiscal year prior to the relevant vesting date as follows:

i. 100% of the RSUs can be vested on the relevant vesting date shall vest, if annual performance of the grantee is rated "B+" or above;

ii. 60% of the RSUs can be vested on the relevant vesting date shall vest, if annual performance of the grantee is rated "B";

iii. none of the RSUs shall vest, if the annual performance of the grantee is rated under "B"; and

iv. the Administrator shall determine at its discretion the grantee's level of performance with respect to each fiscal year under the Company's employee performance evaluation system and such determination shall be binding and conclusive upon the grantee.

The RSUs granted under milestone grants shall vest conditional upon fulfillment of milestones with respect to the clinical development status, launching status, business development partnering status and/or manufacturing status of the Company's drug candidates as set out in the relevant granting agreement entered into between the relevant grantee and the Company.

The number of shares that may be issued in respect of options and RSUs granted under all schemes of the Company (i.e. the Pre-IPO Share Option Plan, the Post-IPO Share Option Plan, the 2021 RSU Plan, the 2023 Share Option Plan and the 2023 RSU Plan) during the Reporting Period divided by the weighted average number of the Shares in issue for the Reporting Period is not applicable as no options or awards were granted under all schemes of the Company during the Reporting Period.

## 6. Target Share Option Scheme

*Summary of key terms*

The following is a summary of the principal terms of the Target Share Option Scheme as approved and adopted by the resolution of the Target Directors dated Adoption Date and by the resolutions of the Target Shareholders dated 31 July 2020, as amended and restated by the resolutions of the Target Directors and the resolutions of the Target Shareholders on 30 October 2020 and as amended and restated by the resolutions of the Target Directors on 3 September 2024 and the resolutions of the Target Shareholders on 9 September 2024 and 20 August 2025 respectively. The Target Share Option Scheme was replaced in its entirety by the One-off Share Option Plan as stipulated under the Merger Agreement.

***(a) Purpose***

The purpose of the Target Share Option Scheme is to enable the Target to grant options to eligible participants as incentives or rewards for their contribution or potential contribution to the Target Group.

***(b) Who may join***

Eligible participants means any person belonging to any of the Eligible Participants:

(i) any full-time employees of the Target Group or any of the company in which the Target or Invested Entity;

(ii) any non-executive directors of the Target Group or any of the Invested Entities but excluding any independent non-executive directors;

(iii) any executive directors of any controlling shareholders of the Target; and

(iv) any person who in the sole opinion of the board of the Target Directors, will contribute or has contributed to the Target and/or any of the subsidiaries, including but not limited to any consultants, distributors, contractors, suppliers, agents, customers and business partners of the Target Group.

The Target Share Options under the Target Share Option Scheme can be granted to any company wholly owned by one or more Eligible Participants, or any discretionary trust where any eligible participant is a discretionary object.

***(c) Duration and control of the Target Share Option Scheme***

The Target Share Option Scheme shall be valid and effective for a period commencing on the Adoption Date and ending immediately prior to the Merger Closing Date (both dates inclusive). Any Target Share Option granted under this scheme shall become exercisable after the Merger Closing Date after which no further Target Share Options shall be granted under this scheme but the provisions of this scheme shall in all other respects remain in full force and effect to the extent necessary to give effect to the exercise and convention of any Target Share Options granted prior thereto or otherwise as may be required in accordance with the provisions of this scheme and Target Share Options granted prior thereto but not yet exercised shall continue to be valid and exercisable in accordance with this scheme.

In respect of a Target Share Option, the period to be notified by the board of the Target Directors to each Target Share Option Scheme Grantee within which the Target Share Option may be exercisable ("**Target Share Option Period**") shall not exceed a period of 10 years commencing on the date upon which such Target Share Option is deemed to be granted and accepted in accordance with paragraph (d) ("**Commencement Date**").

This scheme shall be subject to the administration of the board of the Target Directors, or Mr. Ni or other officer or director designated by the board of the Target Directors (the "**Administrator**") whose decision as to all matters arising in relation to this scheme or its interpretation or effect (save as otherwise provided herein) shall be final and binding on all parties subject to the prior receipt of a statement in writing from the auditors or the approved independent financial adviser if and as required by paragraph below.

Subject to applicable laws and the provisions of this scheme (including any other powers given to the Administrator hereunder), and except as otherwise provided by the board of the Target Directors, the Administrator shall have the authority, in its discretion:

(i) to construe and interpret the terms of this scheme and Target Share Options granted pursuant to this scheme; and

(ii) to take such other action, not inconsistent with the terms of this scheme, as the Administrator deems appropriate.

***(d) Target Share Options***

The board of the Target Directors shall, subject to and in accordance with the provisions of this scheme and the Listing Rules, be entitled, but shall not be bound, at any time, to offer to grant a Target Share Option to any eligible participant whom the board of the Target Directors may in its absolute discretion select and subject to such conditions (including, without limitation, any minimum period for which an option must be held before it can be exercised and/or any performance targets which must be achieved before an option can be exercised) as it may think fit.

If the board of the Target Directors determines to offer a Target Share Option to an eligible participant, the Target shall deliver a written offer notice (including, for the avoidance of doubt, by way of an e-mail) (the "**Offer Notice**") to the relevant Eligible Participant in such form as the Target may deem appropriate.

A Target Share Option shall be deemed to have been granted to and accepted by the Target Share Option Scheme Grantee and to have taken effect when (a) the Offer Notice has been duly delivered to the Eligible Participant; and (b) the Target Share Option to which the Offer Notice related has been duly accepted by the Eligible Participant in writing (including, for the avoidance of doubt, by way of an e-mail), provided that a remittance or payment in favour of the Target of HK$1.00 (or in an equivalent amount in RMB) by way of consideration for the grant thereof is received by the Target on or before the relevant acceptance date (or such other later time agreed by the Target). Such remittance or payment shall in no circumstances be refundable.

Any offer to grant a Target Share Option may be accepted in respect of less than the number of Shares for which it is offered provided that it must be accepted in respect of one board lot for dealing in shares on the Stock Exchange or an integral multiple thereof or such other number as agreed by the board of the Target Directors and such number is clearly stated in the written response constituting acceptance of the option in the manner as set out in this paragraph. To the extent that the offer to grant an option is not accepted by the acceptance date, it shall be deemed to have been irrevocably declined unless otherwise agreed by the Target.

The Target Share Options shall not be listed or dealt with on the Stock Exchange. A Target Share Option and an offer to grant an option shall be personal to the Target Share Option Scheme Grantee and shall not be transferable or assignable, save and except for any transfer of option pursuant to paragraph (f) of this scheme or any transfer of option which is otherwise approved by the board of Target Directors. Save as otherwise provided in this paragraph, no Target Share Option Scheme Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any option held by him/her or any offer relating to the grant of a Target Share Option made to him/her or attempt to do so (save that the Target Share Option Scheme Grantee may nominate a nominee in whose name the Shares issued pursuant to this scheme may be registered). If the Target Share Option Scheme Grantee is a company or a discretionary trust, such Target Share Option Scheme Grantee shall undertake to the Target that it will not permit any change of the ultimate beneficial ownership of such Target Share Option. Any breach of the foregoing shall entitle the Target to cancel any outstanding Target Share Options or any part thereof granted to such Target Share Option Scheme Grantee.

For the avoidance of doubt, any holder of Target Share Options transferred pursuant to the terms of this scheme shall be subject to the same terms and conditions of the offer to grant a Target Share Option extended to the initial Target Share Option Scheme Grantee including but not limited to the exercise price of the Target Share Option.

***(e) Exercise Price***

The exercise price in relation to each Target Share Option offered to an eligible participant shall, subject to the adjustments referred to in paragraph (i), be a price representing not less than US$0.1 per Target Share or the par value of a Target Share (whichever is higher).

Subject to applicable laws, the Target Share Option Scheme Grantee is entitled to choose the following type of consideration to be paid for the Target Shares to be issued upon exercise of Target Share Options under this scheme:

(i) cash;

(ii) payment through a broker-dealer sale and remittance procedure pursuant to which the Target Share Option Scheme Grantee (a) shall provide written instructions to a Target designated brokerage firm to effect the immediate sale of some or all of the purchased Target Shares and remit to the Target sufficient funds to cover the aggregate exercise price payable for the purchased Target Shares and (b) shall provide written directives to the Target to deliver the certificates for the purchased Target Shares directly to such brokerage firm in order to complete the sale transaction; or

(iii) any combination of the foregoing methods of payment.

***(f) Exercise of Target Share Options***

Subject to the paragraphs below, a Target Share Option shall be personal to the Target Share Option Scheme Grantee and shall not be assignable and no Target Share Option Scheme Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any option or attempt so to do, and shall be exercised in whole or in part and, other than where it is exercised to the full extent outstanding, shall be exercised in one board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof or such other number as agreed by the board of the Target Directors, by the Target Share Option Scheme Grantee by giving notice in writing to the Target stating that the option is thereby exercised and the number of Target Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance or payment and/or such other written instructions and directives as provided under paragraph (e) (where applicable) for the full amount of the exercise price for the Target Shares in respect of which the notice is given. Within 10 business days after receipt of the notice and the remittance or payment and/or such other written instructions and directives as provided under paragraph (e) (where applicable), and, where appropriate, receipt of the certificate by the auditors or the approved independent financial adviser as the case may be pursuant to paragraph (i), the Target shall allot and issue the relevant number of Target Shares to the Target Share Option Scheme Grantee credited as fully paid and issue to the Target Share Option Scheme Grantee certificates in respect of the Target Shares so allotted.

Each of the Target Share Option Scheme Grantees to whom an option has been granted under this scheme shall be entitled to exercise his/her Target Share Options in the following manner:

(i) up to 25% of the Target Shares that are subject to the Target Share Option so granted to him/her (rounded down to the nearest whole number) at any time during the period commencing from the first anniversary of Commencement Date and ending on the second anniversary of the Commencement Date.

(ii) up to 50% of the Target Shares that are subject to the Target Share Option so granted to him/her (rounded down to the nearest whole number) less the number of Target Shares in respect of which the Target Share Option has been exercised at any time during the period commencing from the second anniversary of the Commencement Date and ending on the third anniversary of the Commencement Date;

(iii) up to 75% of the Target Shares that are subject to the Target Share Option so granted to him/her (rounded down to the nearest whole number) less the number of Target Shares in respect of which the Target Share Option has been exercised at any time during the period commencing from the third anniversary of the Commencement Date and ending on the fourth anniversary of the Commencement Date; and

(iv) up to 100% of the Target Shares that are subject to the Target Share Option so granted to him/her less the number of Target Shares in respect of which the Target Share Option has been exercised at any time during the period commencing from the fourth anniversary of the Commencement Date and ending on the expiry of the Target Share Option Period.

The exercise of any Target Share Option shall be subject to the Target Shareholders in general meeting approving any necessary increase in the authorised share capital of the Target (if applicable).

Subject as hereinafter provided, a Target Share Option may be exercised by a Target Share Option Scheme Grantee at any time during the Target Share Option Period provided that:

(i) in the event of the Target Share Option Scheme Grantee ceasing to be an eligible participant by reason of the expiration of his employment contract without renewal, retirement, internal reorganisation of the Target, or in the case of a Target Share Option Scheme Grantee who is a director of the Target, ceasing to hold the office of director other than by reason of the termination of his/her relationship with the Target and/or any of the subsidiaries and/or any of the Invested Entities on one or more of the grounds specified in paragraph (g)(iii), the Target Share Option Scheme Grantee may exercise the Target Share Option up to his/her entitlement at the date of cessation of being an eligible participant (to the extent not already exercised, excluding the Target Share Options which have not become exercisable pursuant to this paragraph (f) hereof) (such Target Share Options, the "**Non-exercisable Target Share Options**") within the period of three months (or such longer period as the board of the Target Directors may determine) following the date of such cessation (which date shall be, in relation to a Target Share Option Scheme Grantee who is an eligible participant by reason of his/her employment with the Target or any of the subsidiaries, the last actual working day with the Target or the relevant subsidiary or the relevant Invested Entity whether salary is paid in lieu of notice or not) and upon expiry of the said three-month period (or such longer period as the board of Target Directors may determine), any outstanding Target Share Options (including any Non-exercisable Target Share Options, if applicable) granted to the Target Share Option Scheme Grantee to the extent not already exercised shall be automatically lapsed, or be transferred, if otherwise decided by the board of Target Directors, to any other Eligible Participant designated by the board of Target Directors from time to time at HK$1.00 (or in an equivalent amount in RMB); and

(ii) in the case of the Target Share Option Scheme Grantee ceasing to be an Eligible Participant by reason of death and none of the events which would be a ground for termination of his/her relationship with the Target and/or any of the subsidiaries and/or any of the Invested Entities under paragraph (g) has occurred, the personal representative(s) of the Target Share Option Scheme Grantee shall be entitled within a period of 12 months (or such longer period as the board of Target Directors may determine) from the date of his/her death or such other period to be determined by the board of Target Directors from time to time to exercise the Target Share Options in full (to the extent not already exercised, excluding any Non-exercisable Target Share Options and upon expiry of the said 12-month period (or such longer period as the board of the Target Directors may determine), all outstanding Target Share Options (including any Non-exercisable Target Share Options, if applicable) granted to the Target Share Option Scheme Grantee to the extent not already exercised shall be automatically lapsed or be transferred, if otherwise decided by the board of Target Directors, to any other eligible participant designated by the board of Target Directors from time to time at HK$1.00 (or in an equivalent amount in RMB).

Notwithstanding the above or paragraph (g)(iii) hereof, the board of Target Directors shall, upon occurrence of any events mentioned in paragraph above or paragraph (g)(iii) hereof, have the sole discretion to determine (a) whether or not to retain (in full or in part) the Non-exercisable Target Share Options of any Target Share Option Scheme Grantee (such retained Target Share Options, the "**Retained Target Share Options**"); and/or (b) the manner in accordance with which the outstanding Target Share Options (including the Retained Target Share Options, if applicable) held by such Target Share Option Scheme Grantee shall be exercised, provided that paragraph (e) of this scheme and the Scheme Limit (as defined below) will continue to be complied with.

No dividends shall be payable in relation to the Target Shares that are the subject of Target Share Options that have not been exercised. The Target Shares to be allotted upon the exercise of a Target Share Option shall not carry voting rights until completion of the registration of the Target Share Option Scheme Grantee (or such other person nominated by the Target Share Option Scheme Grantee) as the holder thereof. Subject as aforesaid, the Target Shares to be allotted upon the exercise of an option shall be subject to all the provisions of the articles of the Target and shall rank *pari passu* in all respects with and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation of the Target as attached to the fully-paid Target Shares in issue on the date of issue, in particular but without prejudice to the generality of the foregoing, in respect of voting, transfer and other rights including those arising on a liquidation of the Target and rights in respect of any dividend or other distributions paid or made on or after the date of issue. Target Shares issued on the exercise of a Target Share Option shall not rank for any rights attaching to Target Shares by reference to a record date preceding the date of allotment.

***(g) Lapse of Target Share Option***

A Target Share Option option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

(i) the expiry date relevant to that Target Share Option;

(ii) the date of commencement of the winding-up of the Target (as determined in accordance with the Cayman Companies Act);

(iii) the date on which the Target Share Option Scheme Grantee ceases to be an eligible employee for any reason or on any ground, including the Target Share Option Scheme Grantee's voluntary resignation, dismissal, or any other circumstances resulting in the Target Share Option Scheme Grantee no longer being an eligible employee; and

(iv) the date on which the Target Share Options are cancelled in accordance with paragraph (d) or paragraph (l).

***(h) Maximum number of Target Shares***

The maximum number of Target Shares in respect of which Target Share Options may be granted is 68,750,000 Target Shares ("**Scheme Limit**"). Target Share Option lapsed and/or cancelled in accordance with the terms of this scheme shall not be counted for the purpose of calculating the Scheme Limit, and the number of Target Shares of which Target Share Options may be granted under this scheme shall be increased by the same number of Target Share Options lapsed and/or cancelled.

Subject to the above, the number of Target Share Option and Target Shares subject to this scheme can be adjusted according to paragraph (i) in case that the auditors or the approved independent financial adviser, which shall act as experts and not arbitrators, shall certify in writing to the board of the Target Directors that any such alterations, in their opinion, are fair and reasonable.

***(i) Capital Restructuring and Corporate Transaction***

In the event of any capitalisation issue, rights issue, open offer (if there is a price dilutive element), sub-division, consolidation of shares, or reduction of capital of the Target in accordance with applicable laws and regulatory requirements, such corresponding alterations (if any) shall be made (except on an issue of securities of the Target as consideration in a transaction which shall not be regarded as a circumstance requiring alteration or adjustment) in:

(i) the number of Target Shares subject to any outstanding Target Share Options so far as unexercised;

(ii) the exercise price; and/or

(iii) the Scheme Limit.

As the auditors or the approved independent financial adviser shall at the request of the Target or any Target Share Option Scheme Grantee, certify in writing either generally or as regards any particular Target Share Option Scheme Grantee, to be in their opinion fair and reasonable, provided that any such alterations shall be made on the basis that a Target Share Option Scheme Grantee shall have the same proportion of the equity capital of the Target (as interpreted in accordance with the guidance letter or similar document issued by Stock Exchange from time to time (the "**Guidance**")) as that to which he/she was entitled to subscribe had he/she exercised all the Target Share Options held by him/her immediately before such adjustments and the aggregate exercise price payable by a Target Share Option Scheme Grantee on the full exercise of any Target Share Option shall remain as nearly as possible the same as (but shall not be greater than) it was before such event and that no such alterations shall be made if the effect of such alterations would be to enable a Target Share to be issued at less than its nominal value. The capacity of the auditors or the approved independent financial adviser, as the case may be, in this paragraph is that of experts and not arbitrators and their certificate shall, in the absence of manifest error, be final and conclusive and binding on the Target and the Target Share Option Scheme Grantees. Any adjustment to be made in accordance with this paragraph shall comply with the Listing Rules, the Guidance and any future guidance/interpretation of the Listing Rules issued by the Stock Exchange from time to time.

In respect of any adjustments required by paragraph above, other than any made on a capitalisation issue, the auditors or the approved independent financial adviser, as the case may be, shall confirm to the board of the Target Directors in writing that the adjustments satisfy the requirements set out in the Listing Rules and the note thereto and the Guidance and/or such other requirement prescribed under the Listing Rules from time to time (as applicable).

Except as provided otherwise in any other written agreement between the Target and a Target Share Option Scheme Grantee, in the event of a corporate transaction as defined in accordance with the Target Share Option Scheme, each Target Share Option can be assumed or replaced immediately prior to the specified effective date of such corporate transaction, as may be determined by the Administrator pursuant to the Target Share Option Scheme.

***(j) Alteration of the Target Share Option Scheme***

The terms and conditions of this scheme and the regulations for the administration and operation of this scheme (provided that the same are not inconsistent with this scheme and the Listing Rules) may be altered in any respect by resolution of the board of the Target Directors except that:

(i) any alteration to the advantage of the Target Share Option Scheme Grantees or the Eligible Participants (as the case may be) in respect of the key terms of this scheme;

(ii) any material alteration to the terms and conditions of this scheme or any change to the terms of Target Share Options granted (except any alterations which take effect automatically under the terms of this scheme); or

(iii) any amendment to the powers of the board of the Target Directors to alter the terms of the Target Share Option Scheme, must be made with the prior approval of the Target Shareholders at general meeting provided that no alteration shall operate to affect adversely the terms of issue of any Target Share Option granted or agreed to be granted prior to such alteration or to reduce the proportion of the equity capital to which any person was entitled pursuant to such Target Share Option prior to such alteration except with: the consent in writing of Target Share Option Scheme Grantees holding in aggregate Target Share Options which if exercised in full on the date immediately preceding that on which such consent is obtained would entitle them to the issue of three-fourths in nominal value of all Target Shares which would fall to be issued upon the exercise of all Target Share Options outstanding on that date.

Written notice of any alterations made in accordance with this paragraph shall be given to all Target Share Option Scheme Grantees.

In respect of any meeting of Target Share Option Scheme Grantees referred to in paragraph above, all the provisions of articles of the Target as to general meetings of the Target shall mutatis mutandis apply as though the Target Share Options were a class of shares forming part of the capital of the Target except that:

(i) not less than seven days' notice of such meeting shall be given;

(ii) a quorum at any such meeting shall be two Target Share Option Scheme Grantees present in person or by proxy and holding Target Share Options entitling them to the issue of one-tenth in nominal value of all Target Shares which would fall to be issued upon the exercise of all Target Share Options then outstanding unless there is only one Target Share Option Scheme Grantee holding all Target Share Option then outstanding, in which case the quorum shall be one Target Share Option Scheme Grantee;

(iii) every Target Share Option Scheme Grantee present in person or by proxy at any such meeting shall be entitled on a show of hands to one vote, and on a poll, to one vote for each Target Share to which he/she would be entitled upon exercise in full of his/her Target Share Options then outstanding;

(iv) any Target Share Option Scheme Grantee present in person or by proxy may demand a poll; and

(v) if any such meeting is adjourned for want of a quorum, such adjournment shall be to such date and time, not being less than seven or more than fourteen days thereafter, and to such place as may be appointed by the chairman of the meeting. At any adjourned meeting those Target Share Option Scheme Grantees who are then present in person or by proxy shall form a quorum and at least seven days' notice of any adjourned meeting shall be given in the same manner as for an original meeting and such notice shall state that those Target Share Option Scheme Grantees who are then present in person or by proxy shall form a quorum.

***(k) Termination of the Target Share Option Scheme***

The Target Shareholders or the board of the Target Directors may at any time resolve to terminate the operation of this scheme and in such event no further Target Share Options shall be offered but the provisions of this scheme shall remain in force to the extent necessary to give effect to the exercise of any Target Share Option granted prior to the termination or otherwise as may be required in accordance with the provisions of this scheme and Target Share Options granted prior to such termination shall continue to be valid and exercisable in accordance with this scheme.

***(l) Cancellation of Target Share Options***

The board of the Target Directors shall be entitled, at any time, to cancel any Target Share Options granted but not yet exercised. For the avoidance of doubt, approval of the board of the Target Directors is not required in the event any Target Share Option is cancelled pursuant to paragraph (d) above.

***(m) Outstanding Target Share Options***

As of 31 December 2025, the outstanding Target Share Options granted but not yet exercised for an aggregate of 64,010,180 Target Shares had been granted to a total of 123 Eligible Participants by the Target. Upon acceptance of the Target Share Options, the Target Share Option Scheme Grantee shall pay HK$1 to the Target as consideration for the grant of Target Share Options.

As of 31 December 2025, all outstanding Target Share Options were automatically cancelled and lapse in accordance with the Merger Agreement. In order to provide a fair treatment to the Target Share Option Scheme Grantees and to continue to Merger Closing, the Company adopted the One-off Share Option Plan. Each Target Share Option was automatically converted into comparable Converted Options under the One-off Share Option Plan entitling the holder thereof to subscribe for Shares.

The table below shows, as of 31 December 2025, the details of the outstanding Target Share Options and comparable outstanding Converted Options granted or to be granted to Directors, members of the senior management and connected persons of the Group upon the Merger Closing that were outstanding.

| Name | Position of the Group | Exercise Price of Target Share Options (US$) | Exercise Price of the Converted Options[1][2] (US$) | Number of Target Shares (after the Target Share Subdivision) underlying the outstanding Target Share Options | Date of grant of the Target Share Options | Number of Shares underlying the outstanding Converted Options under the One-off Share Option Plan[1][2] | Approximate percentage of the issued Share capital in our Company underlying the outstanding Converted Options as at 31 December 2025[2] |
|---|---|---|---|---|---|---|---|
| **Directors and senior management of the Group** | | | | | | | |
| Mr. Ni | Chairman, executive Director and Chief Executive Officer | 0.5 | 0.15 | 30,675,180 | 10 June 2023 | 101,301,201 | 5.04% |
| Zhai Jing | Then executive Director, senior vice president of business development and joint company secretary | 0.5 | 0.15 | 1,000,000 | 10 June 2023 | 3,302,383 | 0.16% |
| Han Shuhua | Executive Director, Chief scientific officer | 0.5 | 0.15 | 1,500,000 | 19 December 2024 | 4,953,574 | 0.25% |
| | | 0.5 | 0.15 | 500,000 | 10 April 2025 | 1,651,192 | 0.08% |
| | | 0.5 | 0.15 | 500,000 | 15 October 2025 | 1,651,192 | 0.08% |
| **Subtotal** | | | | **34,175,180** | | **112,859,542** | **5.61%** |

| Name | Position of the Group | Exercise Price of Target Share Options (US$) | Exercise Price of the Converted Options[1][2] (US$) | Number of Target Shares (after the Target Share Subdivision) underlying the outstanding Target Share Options | Date of grant of the Target Share Options | Number of Shares underlying the outstanding Converted Options under the One-off Share Option Plan[1][2] | Approximate percentage of the issued Share capital in our Company underlying the outstanding Converted Options as at 31 December 2025[2] |
|---|---|---|---|---|---|---|---|
| **Connected persons of the Group** | | | | | | | |
| Ni Yuan (倪苑) | Commercial and operations director | 0.5 | 0.15 | 400,000 | 10 June 2023 | 1,320,953 | 0.07% |
| | | 0.2 | 0.06 | 100,000 | | 330,238 | 0.02% |
| Zhu Ronghai (朱容海) | Finance analysis and control manager | 0.5 | 0.15 | 200,000 | 10 June 2023 | 660,477 | 0.03% |
| Chen Yang (陳陽) | Vice president of production operations | 0.5 | 0.15 | 900,000 | 10 June 2023 | 2,972,145 | 0.15% |
| **Subtotal** | | | | **1,600,000** | | **5,283,813** | **0.26%** |
| Other 117 employees | | 0.2 | 0.06 | 150,000 | 30 October 2020 | 495,357 | 0.02% |
| | | 0.5 | 0.15 | 200,000 | | 660,477 | 0.03% |
| | | 0.5 | 0.15 | 275,000 | 20 April 2021 | 908,155 | 0.05% |
| | | 0.1 | 0.03 | 75,000 | 10 June 2023 | 247,679 | 0.01% |
| | | 0.2 | 0.06 | 300,000 | | 990,715 | 0.05% |
| | | 0.5 | 0.15 | 5,705,000 | | 18,840,096 | 0.94% |
| | | 0.5 | 0.15 | 1,725,000 | 25 June 2021 | 5,696,611 | 0.28% |
| | | 0.5 | 0.15 | 8,855,000 | 19 December 2024 | 29,242,604 | 1.45% |
| | | 0.5 | 0.15 | 1,650,000 | 10 April 2025 | 5,448,932 | 0.27% |
| | | 0.5 | 0.15 | 8,100,000 | 15 October 2025 | 26,749,304 | 1.33% |
| | | 0.5 | 0.15 | 1,200,000 | 30 November 2025 | 3,962,860 | 0.20% |
| **Subtotal** | | | | **28,235,000** | | **93,242,791** | **4.64%** |
| **Total** | | | | **64,010,180** | | **211,386,147** | **10.51%** |

*Notes:*

1. The Converted Options shall entitle the holder to subscribe for such number of Shares equal to the product of (a) the number of Target Shares issuable pursuant to the outstanding Target Share Option held by such holder immediately prior to the Merger Effective Time *multiplied* by (b) the Share Exchange Ratio (such number of Shares shall be rounded up to the nearest whole Share). The exercise price for each Converted Option shall be equal to the quotient obtained by *dividing* (x) the exercise price of each Target Share Option by (y) the Share Exchange Ratio (such exercise price shall be rounded up to the nearest whole cent).

2. Calculated based on the Presumed Maximum Share Exchange Ratio, assuming that there is no Taxable Target Shareholder.

3. The exercise period of each Converted Option granted under the One-off Share Option Plan shall commence from the first anniversary of the Merger Closing Date and end on the expiry of the Option Period, during which the grantees may exercise options subject to the exercise schedule under the One-off Share Option Plan.

## 7. One-off Share Option Plan

The Target Share Option Scheme was replaced in its entirety by the One-off Share Option Plan as stipulated under the Merger Agreement. The following is a summary of the principal terms of One-off Share Option Plan:

*(a) Purpose*

The purposes of the One-off Share Option Plan are to provide a fair treatment to the Target Share Option Scheme Grantees whose outstanding Target Share Option Scheme will be automatically cancelled and lapse upon Merger Effective Time pursuant to the Merger Agreement and to continue to recognise their contribution or potential contribution to the Enlarged Group following the Merger Closing. Pursuant to the rules governing the Target Share Option Scheme, at the Merger Effective Time, each Target Share Option can be assumed by and replaced with a comparable option of the Company which preserves the compensation element of such Target Share Option existing immediately prior to the Merger Effective Time in accordance with the same (or more favourable) exercise schedule to such Target Share Option.

*(b)* *Eligible participants*

Any person belonging to any of the following classes of persons holding outstanding Target Share Options immediately prior to the Merger Effective Time shall be an eligible participant under the One-off Share Option Plan:

(1) any full-time employees of the Enlarged Group or any of the company in which any member of the Enlarged Group has any equity interest (an "**Invested Entity**");

(2) any non-executive directors of the Enlarged Group or any of the Invested Entities but excluding any independent non-executive directors;

(3) any executive directors of any controlling Shareholders; and

(4) any person who in the sole opinion of the Board, will contribute or has contributed to any member of the Enlarged Group, including but not limited to any consultants, distributors, contractors, suppliers, agents, customers and business partners of the Enlarged Group.

The Converted Options under the One-off Share Option Plan can be granted to any company wholly-owned by one or more eligible participants, or any discretionary trust where any eligible participant is a discretionary object.

To the best knowledge and belief of the Target, none of the Target Share Option grantees had notified the Target that he/she held any Shares in the Company as at 31 December 2025.

*(c)* *Duration and control of the One-off Share Option Plan*

The One-off Share Option Plan shall be valid and effective on the adoption date (i.e. 22 December 2025) and at the Merger Effective Time, the Converted Options shall be granted under such plan to assume the relevant comparable Target Share Option. Any Converted Option granted under the One-off Share Option Plan shall become exercisable after the Merger Closing Date after which no further Converted Options shall be granted under the One-off Share Option Plan but the provisions of the One-off Share Option Plan shall in all other respects remain in full force and effect to the extent necessary to give effect to the exercise of any Converted Options granted prior thereto or otherwise as may be required in accordance with the provisions of the One-off Share Option Plan and Converted Options granted prior thereto but not yet exercised shall continue to be valid and exercisable in accordance with the One-off Share Option Plan.

In respect of a Converted Option, the period to be notified by the Board to each grantee within which the Converted Option may be exercisable (the "**Option Period**") shall not exceed a period of ten (10) years commencing on the date upon which such Converted Option is deemed to be granted and accepted in accordance with paragraph (d) below.

The One-off Share Option Plan shall be subject to the administration of the Board, or the administrator (i.e. Mr. Ni) whose decision as to all matters arising in relation to the One-off Share Option Plan or its interpretation or effect (save as otherwise provided therein) shall be final and binding on all parties subject to the prior receipt of a statement in writing from the auditors or the approved independent financial adviser if and as required by paragraph (i) below.

Subject to applicable laws and the provisions of the One-off Share Option Plan (including any other powers given to the administrator), and except as otherwise provided by the Board, the administrator shall have the authority, in its discretion:

(1) to construe and interpret the terms of the One-off Share Option Plan and Converted Options granted pursuant to the One-off Share Option Plan; and

(2) to take such other action, not inconsistent with the terms of the One-off Share Option Plan, as the administrator deems appropriate.

*(d) Converted Options*

For the purpose of the execution and consummation of the transaction as stipulated under the Merger Agreement, the One-off Share Option Plan shall succeed and replace the Target Share Option Scheme in its entirety. All Target Share Options previously granted under the Target Share Option Scheme and outstanding immediately prior to the Merger Effective Time shall be deemed to have been granted to and accepted by the corresponding grantees of such Target Share Options pursuant to the One-off Share Option Plan upon the Merger Effective Time and corresponding Target Share Options shall be cancelled and lapse simultaneously.

Upon the Merger Closing, the terms and conditions applicable to such Target Share Options (including but not limited to the expiry date, vesting conditions and exercise conditions) as deemed to be automatically granted under the One-off Share Option Plan shall remain the same with those applicable to such Target Share Options under the Target Share Option Scheme immediately prior to the Merger Effective Time, except with respect to the number of Converted Options granted and their respective exercise prices which shall be adjusted strictly in accordance with the adjustment mechanism specified in the Merger Agreement.

The Converted Options shall not be listed or dealt with on the Stock Exchange.

A Converted Option and an offer to grant a Converted Option shall be personal to the grantee and shall not be transferable or assignable, save and except for any transfer of Converted Option pursuant to paragraph (f) below or any transfer of Converted Option which is otherwise approved by the Board. Save as otherwise provided in this paragraph, no grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any Converted Option held by him/her or any offer relating to the grant of any Converted Option made to him/her or attempt to do so (save that the grantee may nominate a nominee in whose name the Shares issued pursuant to the One-off Share Option Plan may be registered). If the grantee under the One-off Share Option Plan is a company or a discretionary trust, such grantee shall undertake to the Company that it will not permit any change of the ultimate beneficial ownership of such Converted Option. Any breach of the foregoing shall entitle the Company to cancel any outstanding Converted Options or any part thereof granted to such grantee.

For the avoidance of doubt, any holder of Converted Options transferred pursuant to the terms of the One-off Share Option Plan shall be subject to the same terms and conditions of the offer to grant a Converted Option extended to the initial grantee including but not limited to the exercise price of the Converted Option.

*(e)* *Exercise price*

The exercise price in relation to each Converted Option offered to an eligible participant shall, subject to the adjustments referred to in paragraph (i) below, be a price representing not less than the par value of a Share.

Subject to the applicable laws, the grantee is entitled to choose the following type of consideration to be paid for the Shares to be issued upon exercise of Converted Options under the One-off Share Option Plan:

(1) cash;

(2) payment through a broker-dealer sale and remittance procedure pursuant to which the grantee (A) shall provide written instructions to a Company designated brokerage firm to effect the immediate sale of some or all of the purchased Shares and remit to the Company sufficient funds to cover the aggregate exercise price payable for the purchased Shares and (B) shall provide written directives to the Company to deliver the certificates for the purchased Shares directly to such brokerage firm in order to complete the sale transaction; or

(3) any combination of the foregoing methods of payment.

Notwithstanding the above, the exercise of the Converted Option shall be subject to all applicable requirements under the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules. Specifically, the aforementioned broker-dealer sale shall not be made after inside information (as defined under Part XIVA of the SFO) has come to the knowledge of grantee of the Converted Options, until (and including) the trading day after such inside information has been announced in accordance with the Listing Rules and the SFO. In particular, no such broker-dealer sale shall be made during the following periods:

(1) 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and

(2) 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

*(f)* *Exercise of Converted Options*

Subject to the paragraphs below, a Converted Option shall be personal to the grantee and shall not be assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any Converted Option or attempt so to do, and shall be exercised in whole or in part and, other than where it is exercised to the full extent outstanding, shall be exercised on one board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof or such other number as agreed by the Board, by the grantee by giving notice in writing to the Company stating that the Converted Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance or payment and/or such other written instructions and directives as provided under the paragraph above (where applicable) for the full amount of the exercise price for the Shares in respect of which the notice is given. Within ten (10) Business Days after the receipt of the notice and the remittance or payment and/or such other written instructions and directives, and, where appropriate, receipt of the certificate by the auditors or the approved independent financial adviser as the case may be pursuant to paragraph (i) below, the Company shall allot and issue the relevant number of Shares to the grantee credited as fully paid and issue to the grantee certificates in respect of the Shares so allotted.

Each of the grantees to whom a Converted Option has been granted under the One-off Share Option Plan shall be entitled to exercise his/her Converted Option in the following manner:

(1) up to 25% of the Shares that are subject to the Converted Option so granted to him/her (rounded down to the nearest whole Share) at any time during the period commencing from the first anniversary of the Merger Closing Date and ending on the second anniversary of the Merger Closing Date;

(2) up to 50% of the Shares that are subject to the Converted Option so granted to him/her (rounded down to the nearest whole Share) less the number of Shares in respect of which the Converted Option has been exercised at any time during the period commencing from the second anniversary of the Merger Closing Date and ending on the third anniversary of the Merger Closing Date;

(3) up to 75% of the Shares that are subject to the Converted Option so granted to him/her (rounded down to the nearest whole Share) less the number of Shares in respect of which the Converted Option has been exercised at any time during the period commencing from the third anniversary of the Merger Closing Date and ending on the fourth anniversary of the Merger Closing Date; and

(4) up to 100% of the Shares that are subject to the Converted Option so granted to him/her less the number of Shares in respect of which the Converted Option has been exercised at any time during the period commencing from the fourth anniversary of the Merger Closing Date and ending on the expiry of the Option Period.

Subject as hereinafter provided, a Converted Option may be exercised by a grantee at any time during the Option Period provided that:

(1) in the event of the grantee ceasing to be an eligible participant by reason of the expiration of his employment contract without renewal, retirement, internal reorganisation of the Company, or in the case of a Grantee who is a director of the Company, ceasing to hold the office of director other than by reason of the termination of his/her relationship with the Company and/or any of the subsidiaries and/or any of the Invested Entities on one or more of the grounds specified in the paragraph (g)(iii) below, the grantee may exercise the Converted Option up to his/her entitlement at the date of cessation of being an eligible participant (to the extent not already exercised, excluding the Converted Options which have not become exercisable pursuant to this paragraph (f) hereof) (such Converted Options, the "**Non-exercisable Options**") within the period of three (3) months (or such longer period as the Board may determine) following the date of such cessation (which date shall be, in relation to a grantee who is an eligible participant by reason or his/her employment with the Group, the last actual working day with the Group or the relevant Invested Entity whether salary is paid in lieu of notice or not) and upon expiry of the said three-month period (or such longer period as the Board may determine), any outstanding Converted Options (including any Non-exercisable Options, if applicable) granted to the grantee to the extent not already exercised shall be automatically lapsed, or be transferred, if otherwise decided by the Board, to any other eligible participant designated by the Board from time to time at HK$1.00 (or in an equivalent amount in RMB); and

(2) in the case of the grantee ceasing to be an eligible participant by reason of death and none of the events which would be a ground for termination of his/her relationship with the Group and/or any of the Invested Entities under the paragraph (g) below has occurred, the personal representative(s) of the grantee shall be entitled within a period of twelve (12) months (or such longer period as the Board may determine) from the date of his/her death or such other period to be determined by the Board from time to time to exercise the Converted Options in full (to the extent not already exercised, excluding any Non-exercisable Options and upon expiry of the said 12-month period (or such longer period as the Board may determine), all outstanding Converted Options (including any Non-exercisable Options, if applicable) granted to the grantee to the extent not already exercised shall be automatically lapsed or be transferred, if otherwise decided by the Board, to any other eligible participant designated by the Board from time to time at HK$1.00 (or in an equivalent amount in RMB).

Notwithstanding the above or paragraph (g)(iii) hereof, the Board shall, upon occurrence of any events mentioned in paragraph above or paragraph (g)(iii) hereof, have the sole discretion to determine (a) whether or not to retain (in full or in part) the Non-exercisable Options of any grantee; and/or (b) the manner in accordance with which the outstanding Converted Options (including the retained options as stipulated in (a), if applicable) held by such grantee shall be exercised, provided that paragraph (e) above and the Plan Limit will continue to be complied with.

No dividends shall be payable in relation to the Shares that are the subject of Converted Options that have not been exercised. The Shares to be allotted upon the exercise of a Converted Option shall not carry voting rights until completion of the registration of the grantee (or such other person nominated by the grantee) as the holder thereof. Subject as aforesaid, the Shares to be allotted upon the exercise of a Converted Option shall be subject to all the provisions of the articles of association of the Company and shall rank *pari passu* in all respects with and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation of the Company as attached to the fully-paid Shares in issue on the date of issue, in particular but without prejudice to the generality of the foregoing, in respect of voting, transfer and other rights including those arising on a liquidation of the Company and rights in respect of any dividend or other distributions paid or made on or after the date of issue. Shares issued on the exercise of a Converted Option shall not rank for any rights attaching to Shares by reference to a record date preceding the date of allotment.

*(g) Lapse of Converted Option*

A Converted Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

(1) the expiry date relevant to that Converted Option;

(2) the date of commencement of the winding-up of the Company (as determined in accordance with the Cayman Companies Act);

(3) the date on which the grantee ceases to be an eligible employee for any reason or on any ground, including the grantee's voluntary resignation, dismissal, or any other circumstances resulting in the grantee no longer being an eligible employee; and

(4) the date on which the Converted Options are cancelled in accordance with paragraph (d) or paragraph (l).

*(h) Maximum number of Shares*

The maximum number of Shares in respect of which Converted Options may be granted shall be the maximum number of Shares that will be issued upon exercise of the outstanding Target Share Options pursuant to the adjustment mechanism and relevant terms specified in the Merger Agreement (the "**Plan Limit**").

As at 31 December 2025, 64,010,180 Target Share Options had been granted under the Target Share Option Scheme and remained outstanding. To the best knowledge and belief of the Target, none of the Target Share Option grantees had notified the Target that he/she held any Shares in the Company as at 31 December 2025. Additionally, the Target Share Options (or the Converted Options, following the Merger Closing) may only be exercised by four equal instalments commencing from the first anniversary of the Merger Closing Date subject to the terms and conditions as outlined in the respective grant letters.

Subject to the above, the number of Converted Option and Shares subject to the One-off Share Option Plan can be adjusted according to paragraph (i) below in case that the auditors or the approved independent financial adviser, which shall act as experts and not arbitrators, shall certify in writing to the Board that any such alterations, in their opinion, are fair and reasonable.

*(i) Capital restructuring*

In the event of any capitalisation issue, rights issue, open offer (if there is a price dilutive element), sub-division, consolidation of shares, or reduction of capital of the Company in accordance with applicable laws and regulatory requirements, such corresponding alterations (if any) shall be made (except on an issue of securities of the Company as consideration in a transaction which shall not be regarded as a circumstance requiring alteration or adjustment) in:

(1) the number of Shares subject to any outstanding options so far as unexercised;

(2) the exercise price; and/or

(3) the Plan Limit.

As the auditors or the approved independent financial adviser shall at the request of the Company or any grantee, certify in writing either generally or as regards any particular grantee, to be in their opinion fair and reasonable, provided that any such alterations shall be made on the basis that a grantee shall have the same proportion of the equity capital of the Company (as interpreted in accordance with the guidance letter of similar document issued by Stock Exchange with respect to all issuers relating to share option schemes from time to time) as that to independent financial adviser, as the case may be, in this paragraph is that of experts and not arbitrators and their certificate shall, in the absence of manifest error, be final and conclusive and binding on the Company and the grantees. Any adjustment to be made in accordance with this paragraph shall comply with the Listing Rules, the guidance letters issued by the Stock Exchange and any future guidance or interpretation of the Listing Rules issued by the Stock Exchange from time to time.

In respect of any adjustment required by paragraph above, other than any made on a capitalisation issue, the auditors or the approved independent financial adviser, as the case may be, shall confirm to the Board in writing that the adjustments satisfy the requirements set out in the Listing Rules and the note thereto and the guidance letters issued by the Stock Exchange and/or such other requirement prescribed under the Listing Rules from time to time (as applicable).

*(j) Alteration of the One-off Share Option Plan*

The terms and conditions of the One-off Share Option Plan and the regulations for the administration and operation of the One-off Share Option Plan (provided that the same are not inconsistent with the One-off Share Option Plan and the Listing Rules) may be altered in any respect by resolution of the Board except that:

(1) any alteration to the One-off Share Option Plan to the advantage of the grantees or the eligible participants;

(2) any material alteration to the terms and conditions of the One-off Share Option Plan or any change to the terms of the Converted Options granted (except any alterations which take effect automatically under the terms thereof); or

(3) any amendment to the powers of the Board to alter the terms of the One-off Share Option Plan,

must be made with the prior approval of the Shareholders in general meeting provided that no alteration shall operate to affect adversely the terms of issue of any Converted Option granted or agreed to be granted prior to such alteration or to reduce the proportion of the equity capital to which any person was entitled pursuant to such Converted Option prior to such alteration except with the consent in writing of grantees holding in aggregate Converted Options which if exercised in full on the date immediately preceding that on which such consent is obtained would entitle them to the issue of three-fourths in nominal value of all Shares which would fall to be issued upon the exercise of all Converted Options outstanding on that date.

Written notice of any alterations to the One-off Share Option Plan shall be given to all grantees.

In respect of any meeting of grantees referred to in the paragraph above, all the provisions of articles of association of the Company as to general meeting of the Company shall mutatis mutandis apply as though the Converted Options were a class of shares forming part of the capital of the Company except that:

(1) not less than seven (7) days' notice of such meeting shall be given;

(2) a quorum at any such meeting shall be two grantees present in person or by proxy and holding Converted Options entitling them to the issue of one-tenth in nominal value of all Shares which would fall to be issued upon the exercise of all Converted Options then outstanding unless there is only one grantee holding all Converted Options then outstanding, in which case the quorum shall be one grantee;

(3) every grantee present in person or by proxy at any such meeting shall be entitled on a show of hands to one (1) vote, and on a poll, to one vote for each Share to which he/she would be entitled upon exercise in full of his/her options then outstanding;

(4) any grantee present in person or by proxy may demand a poll; and

(5) if any such meeting is adjourned for want of a quorum, such adjournment shall be to such date and time, not being less than seven (7) or more than fourteen (14) days thereafter, and to such place as may be appointed by the chairman of the meeting. At any adjourned meeting those grantees who are then present in person or by proxy shall form a quorum and at least seven (7) days' notice of any adjourned meeting shall be given in the same manner as for an original meeting and such notice shall state that those grantees who are then present in person or by proxy shall form a quorum.

*(k) Termination of the One-off Share Option Plan*

The Shareholders or the Board may at any time resolve to terminate the operation of the One-off Share Option Plan and in such event no further Converted Options shall be offered but the provisions of the One-off Share Option Plan shall remain in force to the extent necessary to give effect to the exercise of any Converted Option granted prior to the termination or otherwise as may be required in accordance with the provisions of the One-off Share Option Plan and Converted Options granted prior to such termination shall continue to be valid and exercisable in accordance with the One-off Share Option Plan.

*(l) Cancellation of Converted Options*

The Board shall be entitled, at any time, to cancel any Converted Options granted but not yet exercised. For the avoidance of doubt, approval of the Board is not required in the event any Converted Option is cancelled pursuant to paragraph (d) above.

The One-off Share Option Plan forms part of the arrangements under the Merger Agreement and aims to provide a fair treatment to the Target Share Option Scheme Grantees to convert the Target Share Options into Converted Options upon the Merger Closing. As such, the rules of the One-off Share Option Plan do not contain all the provisions as required under Chapter 17 of the Listing Rules. The Company has applied to the Stock Exchange for, and the Stock Exchange has granted a waiver from strict compliance with Chapter 17 of the Listing Rules.

Other than the conversion of Target Share Options into Converted Options upon the Merger Closing, no further options may be offered, converted or granted but in all other respects the terms of the One-off Share Option Plan shall remain in full force and effect after the Merger Closing. The outstanding options granted pursuant to the One-off Share Option Plan, which remain unvested or which have vested but not yet been exercised or in respect of which Shares not yet issued to the grantees at the time of its termination, shall remain in full force and effect.

The conversion of the Target Share Options into Converted Options shall be construed solely as a continuation and succession pursuant to the terms specified in the Merger Agreement, and does not constitute a new grant of options under the One-off Share Option Plan.

For details on the outstanding Converted Options, please refer to "6. Target Share Option Scheme – (m) Outstanding Target Share Options" in this report.

As of 31 December 2025, an aggregate of 211,386,147 Shares underlying the outstanding Converted Options had converted from the 64,010,180 Target Share Options and been granted to a total of 123 grantees under the One-off Share Options Plan at the Merger Effective Time. The grant date of such Converted Options is the date of the Merger Closing (i.e., 30 December 2025) and no more consideration shall be paid for the grant of the Converted Options.

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURE

Save as disclosed in this annual report, at no time during and at the end of the Reporting Period was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate; and none of the Directors, or any of their spouse or children under the age of 18, had any right to subscribe for equity or debt securities of the Company or any other body corporate, or had exercised any such right.

# REPORT OF DIRECTORS

## EMOLUMENT POLICY AND DIRECTORS' REMUNERATION

In compliance with Rule 3.25 of the Listing Rules and the CG Code as set out in Appendix C1 to the Listing Rules, the Company has established the Compensation Committee to formulate remuneration policies. The remuneration is determined and recommended based on each Director's and senior management personnel's qualification, position and seniority. As for the independent non-executive Directors, their remuneration is determined by the Board upon recommendation from the Compensation Committee. The Directors and the senior management personnel are eligible participants of the Equity Plans. Details of the remuneration of the Directors, senior management and the five highest paid individuals are set out in Notes 8 and 9 respectively to the consolidated financial statements.

None of the Directors waived or agreed to waive any remuneration and there were no emoluments paid by the Group to any of the Directors as an inducement to join, or upon joining the Group, or as compensation for loss of office.

## DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the Reporting Period, none of our Directors had any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

## CONNECTED TRANSACTIONS

During the Reporting Period, the Group had continuing connected transactions with Taizhou EOC, an associate of the Controlling Shareholders of the Group. Pursuant to the Listing Rules, the above party is a connected person of the Group.

Eddingpharm Suzhou, a wholly-owned subsidiary of the Group, entered into the sublicense agreement with Taizhou EOC on 9 May 2023 pursuant to which Taizhou EOC agreed to grant an exclusive sublicense to Eddingpharm Suzhou to commercialise Product in the field of treatment of human cancers, accompanying diagnostic tests in Chinese mainland (the "**Territory**"). In addition to the one-off upfront payment and development milestone payment paid by us to Taizhou EOC, the Group is entitled, under the Sublicense Agreement to receive the commission fees (the "**Commission Fees**") from Taizhou EOC for the sales of the Jing Zhu Da in the Territory, the amount of which would be net off by the royalty payment (the "**Royalty Payment**") payable by the Target Group to Taizhou EOC under the Sublicense Agreement. Since the Effective Date and as at 31 December 2025, an upfront payment of RMB40 million and a milestone payment of RMB20 million regarding the NDA approval obtained for the Product had been paid by Eddingpharm Suzhou to Taizhou EOC. The Group did not recognise or incur any Commission Fees or Royalty Payments during the two years ended 31 December 2023. During the year ended 31 December 2024 and for the six months ended 30 June 2025, the Group recognised Commission Fee of RMB1,946,000 and nil and incurred Royalty Payment of RMB1,832,000 and nil, respectively under the Sublicense Agreement. During the year ended 31 December 2025, the Group recognised Commission Fee of nil and incurred Royalty Payment of RMB417,000.

The proposed annual caps for the Commission Fees and Royalty Payment under the Sublicense Agreement for the two years ending 31 December 2026 are set out below:

| | For the year ending 31 December | |
|---|---|---|
| | **2025** | 2026 |
| | **(RMB)** | (RMB) |
| **Commission Fees** | **Nil** | 44,000,000 |
| **Royalty Payment** | **800,000** | 8,200,000 |

***Basis of Annual Caps***

The proposed annual caps for the Commission Fees and Royalty Payment are determined in accordance with the formulas for the calculation of the proposed Commission Fees and the Royalty Payment, the addressable market of the Product and the expected net sales growth:

*The formulas for the calculation of the proposed Commission Fees and the Royalty Payment*

**Commission Fees = Net Sales[(1)] – Taizhou EOC COGS[(2)]**

*Notes:*

1. Net sales shall mean the gross amount invoiced by Eddingpharm Suzhou or its affiliates (or, to the extent the Commission Model is applied, by Taizhou EOC) for sales of the Product in the Territory, less certain usual and customary deductions as agreed in the Sublicense Agreement.

2. Taizhou EOC COGS shall mean all the costs incurred by Taizhou EOC and its affiliates (as applicable), including materials cost, labour cost, factory overhead cost, production, packaging, testing, and relevant tax, duties, insurance, warehouse costs and transportation expenses plus margin.

**Royalty Payment = Net Sales × royalty rate[(1)]**

*Note:*

1. The royalty rate increases with the Net Sales and has a range from 15% to 20% determined based on the actual amount of the Net Sales.

For details of the above continuing connected transaction, please refer to the section headed "Continuing Connected Transaction of the Enlarged Group" in the circular of the Company dated 5 December 2025.

The Company's auditor was engaged to conduct audit work in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the Hong Kong Institute of Certified Public Accountants and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. Pursuant to Rule 14A.56 of the Listing Rules, the auditor has issued a letter to the Board that nothing has come to their attention that causes them to believe that the continuing connected transactions disclosed by the Group (except those de minimis transactions which are fully exempted pursuant to Rule 14A.76(1) of the Listing Rules): (i) have not been approved by the Board; (ii) were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group; (iii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (iv) have exceeded the relevant annual caps set by the Company.

The independent non-executive directors of the Company confirm that the transactions have been entered into by the Group in the ordinary and usual course of its business, on normal commercial terms or better and in accordance with the agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

Save as disclosed in this annual report, there were no connected transactions or continuing connected transactions which are required to be disclosed by the Company during the year ended 31 December 2025 in accordance with the disclosure requirements under Chapter 14A of the Listing Rules.

Details of related party transactions of the Group for the Reporting Period are set out in Note 36 to the consolidated financial statements. Save as disclosed herein, the Board confirms that the related party transactions as disclosed in Note 36 to the consolidated financial statements does not fall under the definition of "connected transaction" or "continuing connected transaction" in Chapter 14A of the Listing Rules.

## CONVERTIBLE SECURITIES, OPTIONS, WARRANTS OR SIMILAR RIGHTS

Save for the share options and share awards granted as disclosed under the section headed "EQUITY PLANS" in this annual report, for the year ended 31 December 2025, no other convertible securities, options, warrants or similar rights were issued or granted by the Company or any of its subsidiaries or were exercised. As at 31 December 2025, save for the outstanding share options and share awards as disclosed under the section headed "EQUITY PLANS" in this annual report, no convertible securities, options, warrants or similar rights remained outstanding.

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries or consolidated affiliated entities purchased, sold or redeemed any of the Company's listing securities (including sale of treasury shares (as defined under the Listing Rules)) during the Reporting Period. As at 31 December 2025, the Company did not hold any treasury shares (as defined under the Listing Rules).

Subsequent to 31 December 2025 and up to the Latest Practicable Date, we repurchased 12,996,500 Shares on the Stock Exchange, all of which are held as treasury Shares (as defined under the Listing Rules). The Company has not yet determined on the intended use of the treasury Shares and will utilise them as permitted under the Listing Rules, subject to, market conditions and its capital management needs.

## LOAN ARRANGEMENTS GRANTED TO ENTITIES

For the year ended 31 December 2025, the Group did not grant any loan to any entity which is subject to disclosure requirements under Rule 13.13 and Rule 13.20 of the Listing Rules.

## PLEDGE OF SHARES BY CONTROLLING SHAREHOLDERS

Mr. Ni, Talent Creation and Chinapharm Group have been our Controlling Shareholders since the Merger Closing. As confirmed by the Company, during the Reporting Period, there were no pledges of shares by the Controlling Shareholders of the Company, nor were there any loan agreements entered into by the Company containing covenants related to specific performance of the Controlling Shareholders.

## BREACH OF LOAN AGREEMENTS

For the year ended 31 December 2025, there was no breach of the loan agreements by the Company in which the loan involved would have a significant impact on the business operations of the Company.

## FINANCIAL ASSISTANCE AND GUARANTEES TO AFFILIATED COMPANIES

For the year ended 31 December 2025, there was no financial assistance or guarantee to affiliated companies by the Company which is subject to disclosure under Rule 13.16 and 13.22 of the Listing Rules.

## GUARANTEE REGARDING THE FINANCIAL PERFORMANCE OF A COMPANY OR BUSINESS ACQUIRED

For the year ended 31 December 2025, there was no guarantee regarding the financial performance of a company or business acquired which is subject to disclosure requirements under Rule 14.36B and/or Rule 14A.63 of the Listing Rules.

## MATERIAL LITIGATION

Save as disclosed in the section headed "Management Discussion and Analysis – Contingent Liabilities", the Company was not involved in any material litigation or arbitration during the Reporting Period. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group during the Reporting Period.

## USE OF NET PROCEEDS FROM GLOBAL OFFERING

The Company's shares were listed on the Stock Exchange on 7 October 2020 with a total of 129,683,500 offer shares (including shares issued as a result of the partial exercise of the overallotment option) issued and the net proceeds raised during the global offering were approximately HKD2,923 million (equivalent to approximately RMB2,536 million) (the "**Net Proceeds**"). As set out in the Company's announcement dated 28 October 2020, the Company shall utilise the additional Net Proceeds raised from the partial exercise of the over-allotment option on a pro-rata basis for the purposes set out in the Prospectus. There has been no issue for cash of equity securities by the Company during the Reporting Period.

As at 31 December 2025, the Company had utilised RMB2,029.7 million of Net Proceeds in accordance with the plan disclosed in the Prospectus, the change in use of net proceeds from the global offering allocated to the different stages of each of our Core Products, other key products and other pipeline products as disclosed in the interim results announcement of the Company for the six months ended 30 June 2022, and the further change in use of Net Proceeds as disclosed in 2023 Interim Results Announcement.

As at 31 December 2025, approximately RMB506.3 million of the Net Proceeds remained unutilised and will be allocated and used in accordance with the purposes and proportions as set out in the 2023 Interim Results Announcement. The Company will gradually utilise the residual amount of the Net Proceeds in accordance with such intended purposes depending on actual business needs. The expected timeline for utilising the Net Proceeds is based on the best estimation of future progress of regulatory approvals and market conditions made by our Company and subject to changes in accordance with relevant clinical development, our actual business operations and markets conditions.

Details of the use of the Net Proceeds are set out as below.

| | Revised Allocation of Net Proceeds *(Note 1)* RMB million | Unutilised Net Proceeds as at 1 January 2025 RMB million | Net Proceeds utilised during the year ended 31 December 2025 RMB million | Utilised Net Proceeds as at 31 December 2025 RMB million | Unutilised Net Proceeds as at 31 December 2025 RMB million | Expected timeline to fully utilise the remaining unutilised Net Proceeds *(Note 2)* |
|---|---|---|---|---|---|---|
| Fund research and development activities of GB491, GB261 and GB263, including ongoing and planned clinical trials, indication expansion and preparation for registration filings, and commercialisation | 1,329.2 | 439.1 | 130.0 | 1,020.1 | 309.1 | On or before 31 December 2026 |
| Fund the expansion of our drug pipeline | 253.6 | 135.4 | 3.0 | 121.2 | 132.4 | On or before 31 December 2026 |
| Fund ongoing and planned clinical trials, preparation for registration filings, and commercialisation of GB226 (including combination trials with GB492), GB242 and the other drug candidates in our pipeline | 699.6 | 48.6 | 30.0 | 681.0 | 18.6 | On or before 31 December 2026 |
| General corporate purposes | 253.6 | 46.8 | 0.6 | 207.4 | 46.2 | On or before 31 December 2026*(Note 3)* |
| **Total** | **2,536.0** | 669.9 | 163.6 | 2,029.7 | 506.3 | |

*Notes:*

1. The Net Proceeds figure has been translated to Renminbi for the allocation and the utilisation calculation, and has been adjusted slightly due to the fluctuation of the foreign exchange rates since the Listing.

2. The expected timeline for fully utilising the remaining unutilised Net Proceeds is based on the best estimation of the future market conditions made by the Group. It may be subject to change based on the current and future development of market conditions.

3. The funds raised were originally scheduled to be fully utilised by the end of 2025. In line with the Group's cost control efforts, the Group adopted a more prudent approach to manage and minimise the general corporate costs. Following careful consideration, the Board has resolved to further extend the timeline for full utilisation of the Net Proceeds allocated for general corporate purposes.

The table below specifies further breakdown for the Net Proceeds to be allocated to different stages of our products and their utilisation during the Reporting Period.

| | Revised Allocation of Net Proceeds to Each Stage *(Note 1)* | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **Pre-clinical** RMB million | **Clinical** RMB million | **Commercialisation (including registration)** RMB million | **Unutilised Net Proceeds as at 1 January 2025 RMB million** | **Net Proceeds utilised during the year ended 31 December 2025 RMB million** | **Utilised Net Proceeds as at 31 December 2025 RMB million** | **Unutilised Net Proceeds as at 31 December 2025 RMB million** | **Expected timeline to fully utilise the remaining unutilised Net Proceeds** *(Note 2)* |
| GB491 | – | 736.4 | 100 | **167.1** | **125.3** | **794.6** | **41.8** | On or before 31 December 2026 |
| GB261 | 55.8 | 277.1 | – | **182.2** | **2.6** | **153.3** | **179.6** | On or before 31 December 2026 |
| GB263 | 45.8 | 114.1 | – | **89.8** | **2.1** | **72.2** | **87.7** | On or before 31 December 2026 |
| GB242, GB226, GB492 and other products *(Note 3)* | 23.9 | 549.7 | 126 | **48.6** | **30.0** | **681.0** | **18.6** | On or before 31 December 2026 |
| **Total** | | | | **487.7** | **160.0** | **1,701.1** | **327.7** | |

*Notes:*

1. The Net Proceeds figure has been translated to Renminbi for the allocation and the utilisation calculation, and has been adjusted slightly due to the fluctuation of the foreign exchange rates since the Listing.

2. The expected timeline for fully utilising the remaining unutilised Net Proceeds is based on the best estimation of the future market conditions made by the Group. It may be subject to change based on the current and future development of market conditions.

3. Other products include GB221, GB223, GB241, GB251, GB262, and GB264. The Company will make investment on those products according to the current and future development conditions and market competition environment.

## PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the Latest Practicable Date, the Company has maintained the prescribed percentage of public float under the Listing Rules.

## AUDITOR

On 19 February 2025, the Company convened an extraordinary general meeting to approve the removal of PricewaterhouseCoopers and the appointment of Ernst & Young as the auditor of the Company. Each of the said proposed removal and proposed appointment was approved by the Shareholders by way of an ordinary resolution. Accordingly, with effect from 19 February 2025, PricewaterhouseCoopers has been removed as the auditor of the Company, and Ernst & Young has been appointed as the new auditor of the Company and to hold office until the conclusion of the AGM. Save as disclosed above, there were no other changes in auditor of the Company during the past three years.

The consolidated financial statements of the Group have been audited by Ernst & Young, who will retire and, being eligible, offer themselves for re-appointment at the AGM.

## IMPORTANT EVENTS AFTER THE REPORTING DATE

Save as disclosed in this annual report, no important events affecting the Company occurred since the Reporting Period and up to the Latest Practicable Date.

## FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this annual report, we do not have other plans for material investments and capital assets.

By the order of the Board
**Mr. Ni Xin**
*Chairman and Executive Director*

Hong Kong
15 April 2026

# DIRECTORS AND SENIOR MANAGEMENT

Below set out the biographical details of the Directors and senior management of the Company as at the date of this annual report (i.e. 15 April 2026):

The Board consists of two executive Director, two non-executive Directors and three independent non-executive Directors.

## DIRECTORS

### Executive Directors

**Mr. Ni Xin (倪昕)**, aged 55, was appointed as the Chairman, an executive Director and the president of the Group on 30 December 2025, and was redesignated from the president to the chief executive officer of the Group on 27 March 2026. He is the Chairperson of the Nomination Committee. Mr. Ni is primarily responsible for overseeing the strategic development, overall operation and management and major decision making of the Group.

Mr. Ni founded Edding in September 2001 and was the chairman of the board of directors, executive director and chief executive officer of Edding before the Merger Closing. He has over 25 years of experience in pharmaceutical industry. He was appointed as a director of Edding on 22 June 2020 and was subsequently re-designated as an executive director of Edding on 27 August 2020. Mr. Ni also held directorship at each subsidiary of Edding Group, Genor Biopharma Co., Ltd. (嘉和生物藥業有限公司), Genor Biopharma (HK) Limited and Genor Biopharma (USA), Inc.

Mr. Ni obtained his bachelor's degree in medicine in July 1994 from Zhenjiang Medical College (鎮江醫學院) (later merged into Jiangsu University (江蘇大學), and a Master of Business Administration in September 2006 from China Europe International Business School (中歐國際工商學院). He was awarded as the technology leader by Suzhou Industrial Park (蘇州工業園區) in November 2017.

Save as disclosed above, Mr. Ni has no other relationship with any other Directors, senior management, substantial and controlling Shareholders (as defined in the Listing Rules) and has not held any position with the Company.

**Dr. Han Shuhua (韓淑華)**, aged 66, was appointed as an executive Director on 27 March 2026 and our chief scientific officer on 30 December 2025, respectively. She is mainly responsible for R&D strategies and execution.

Dr. Han has over 30 years of academic research and drug discovery experience, especially in the fields of oncology, immune-oncology, inflammation, autoimmune diseases and immunology. Dr. Han joined Edding Group in November 2024 and has been serving as the chief scientific officer of Edding since then. Dr. Han is currently serving as the manager of Genor Biopharma Co., Ltd. (嘉和生物藥業有限公司). Prior to joining Edding Group, Dr. Han worked at the Department of Immunology of Baylor College of Medicine, Houston, Texas, the United States. From April 2011 to December 2020, she served in various positions in WuXi AppTec (Shanghai) Co., Ltd. (上海藥明康德新藥開發有限公司), a wholly-owned subsidiary of WuXi AppTec Co., Ltd. (無錫藥明康德新藥開發股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 603259) and the Stock Exchange (stock code: 2359)), including the vice president of its Domestic Discovery Service Unit, the senior director of the Department of Neurology and Immunology, and as executive director. From January 2021 to March 2024, she served as the chief scientist of the Group, primarily responsible for establishing the global first-in-class/differential research and development platform for early identifying bi-specific/multi-specific antibodies in immune-oncology, building new drug discovery teams and conducting molecules research on potential global first-in-class and best-in-class products, which will become clinically beneficial and commercially viable drugs with the best potential.

Dr. Han obtained her bachelor's degree in medicine and master's degree in immunology from Shanghai Medical School, Fudan University in August 1983 and in December 1986, respectively, and obtained a Ph.D. from Imperial College, University of London in September 2000.

Save as disclosed above, Dr. Han has no other relationship with any other Directors, senior management, substantial and controlling Shareholders (as defined in the Listing Rules) and has not held any position with the Company, or any other member of the Group.

### Non-executive Directors

**Dr. David Guowei Wang**, aged 64, was appointed as a non-executive Director on 30 December 2025. He is also a member of the Compensation Committee.

Dr. Wang was appointed as a Director on 31 July 2020 and was subsequently re-designated as a non-executive director of Edding on 27 August 2020.

Dr. Wang has over 18 years of experience in the medical industry. From April 2006 to July 2011, he served as a managing director at WI Harper Group. Dr. Wang is a partner and senior managing director, Asia at OrbiMed, an investment firm, where he has served in various roles of increasing responsibility since August 2011.

Dr. Wang has held directorships at various companies, including (i) a director (re-designated as a non-executive director since April 2016) at AK Medical Holdings Limited (a company listed on the Main Board of the Stock Exchange, stock code: 1789) since February 2016; (ii) a director at Sichuan Biokin Pharmaceutical Co., Ltd. (四川百利天恒藥業股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 688506) since September 2017; (iii) a director at Gaush Meditech Ltd. (a company listed on the Main Board of the Stock Exchange, stock code: 2407) since December 2017; and (iv) a director of Laekna, Inc. (a company listed on the Main Board of the Stock Exchange, stock code: 2105) since July 2019.

Prior to the above, Dr. Wang was also (i) a director at Amoy Diagnostics Co., Ltd. (廈門艾德生物醫藥科技股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 300685) from June 2015 to August 2021; (ii) a non-executive director at Union Medical Healthcare Limited (香港醫思醫療集團有限公司) (currently known as EC Healthcare (醫思健康)) (a company listed on the Main Board of the Stock Exchange, stock code: 2138) from August 2018 to April 2020; (iii) a director at Gracell Biotechnologies Inc. (a company previously listed on Nasdaq and delisted in February 2024, stock code: GRCL) from March 2020 to February 2024; and (iv) a director at Sinovac Biotech Ltd., (a company listed on the NASDAQ Stock Exchange, ticker symbol: SVA) from January 2025 to June 2025.

Dr. Wang received his bachelor's degree in medicine from Beijing Medical University (北京醫科大學) (currently known as Peking University Health Science Centre (北京大學醫學部)) in July 1986. He received his doctorate degree in developmental biology from California Institute of Technology in the U.S. in June 1995..

Save as disclosed above, Dr. Wang has no other relationship with any other Directors, senior management, substantial and controlling Shareholders (as defined in the Listing Rules) and has not held any position with the Company, or any other member of the Group.

**Mr. Yu Tieming (于鐵銘)**, aged 44, was appointed as a non-executive Director of the Company on 2 January 2024. He is also a member of the Audit Committee.

Mr. Yu is currently a partner at Hillhouse Investment. Since February 2016, Mr. Yu has joined Hillhouse Investment and now serves as a partner. From April 2021 to May 2022, Mr. Yu has also served as a director of Zhejiang Hisun Pharmaceutical Co., Ltd. (浙江海正藥業股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 600267).

Mr. Yu holds a bachelor Degree in financial management from Northern Jiaotong University (北方交通大學) (currently known as Beijing Jiaotong University (北京交通大學)).

Save as disclosed above, Mr. Yu has no other relationship with any other Directors, senior management, substantial and controlling Shareholders (as defined in the Listing Rules) and has not held any position with the Company, or any other member of the Group.

### Independent Non-executive Directors

**Dr. Xu Qing (許慶)**, aged 54, was appointed as an independent non-executive Director on 30 December 2025. He is the Chairperson of the Compensation Committee and a member of the Audit Committee and Nomination Committee. Dr. Xu has been working at Shanghai University of Finance and Economics (上海財經大學) since October 2007 and has been serving as a professor since June 2010.

Dr. Xu became a member of Dawn Project (曙光計劃) initiated and implemented by Shanghai Education Development Foundation (上海市教育發展基金會) and Shanghai Municipal Education Commission (上海市教育委員會) in December 2010. He was awarded as Excellent Talents in the New Century (新世紀優秀人才) by the Ministry of Education of the PRC in May 2011. He also won the academic award and advanced individual title from Shanghai University of Finance and Economics in September 2018.

Dr. Xu obtained his bachelor's degree in English for cross-border trading from Jiangsu Institute of Technology (江蘇工學院) (currently known as Jiangsu University (江蘇大學)) in July 1993. He received his master's degree in agricultural economy and management from Nanjing Agricultural University (南京農業大學) in July 1996 and his doctorate degree in philosophy from the University of Adelaide in Australia in March 2005. He was a post-doctoral fellow in Fudan University (復旦大學) from April 2005 to October 2007.

Save as disclosed above, Dr. Xu has no other relationship with any other Directors, senior management, substantial and controlling Shareholders (as defined in the Listing Rules) and has not held any position with the Company, or any other member of the Group.

**Mr. Chen Wen (陳文)**, aged 57, currently an independent non-executive Director and was appointed as re-appointed as an independent non-executive Director on 30 December 2025. He is also a member of the Compensation Committee.

Mr. Chen has over 11 years of experience in clinical research and business development of pharmaceutical companies. Prior to joining the Group, Mr. Chen was the deputy general manager and general manager of the business development department of Hangzhou Tigermed Consulting Co., Ltd. (杭州泰格醫藥科技股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 300347) from September 2010 to February 2020 and from May 2009 to February 2020, respectively. Mr. Chen currently serves as a partner of healthcare investment at Shanghai Yonghua Investment Management Co., Ltd. (上海涌鏵投資管理有限公司).

Mr. Chen graduated from Purdue University, the United States with a bachelor's degree of science in May 1992. He obtained a master's degree in medicine in Washington University in St. Louis, the United States, and a master's degree in business administration in the University of Durham in the UK in May 1997 and December 1999, respectively.

Save as disclosed above, Mr. Chen has no other relationship with any other Directors, senior management, substantial and controlling Shareholders (as defined in the Listing Rules) and has not held any position with the Company, or any other member of the Group.

**Ms. Zheng Jingjing (鄭晶晶)**, aged 49, was appointed as an independent non-executive Director on 30 December 2025. She is the Chairperson of the Audit Committee and a member of the Nomination Committee.

Ms. Zheng is a multifaceted finance executive with decades of experience in financial management, investment and auditing. Ms. Zheng embarked on her career in finance from September 1999 to January 2014 with Ernst & Young Hua Ming LLP Shanghai Branch (安永華明會計師事務所(特殊普通合夥)上海分所), where she was promoted as a partner in July 2011. From April 2014 to March 2015, she served as the financial director of Shanghai Yuhong Classic Equity Investment Fund Management Co., Ltd. (上海御泓經典股權基金管理有限公司). From March 2015 to January 2022, she served as the chief financial officer of Hanxiede Investment Consulting (Shanghai) Co., Ltd. (漢偕德投資諮詢(上海)有限公司). From June 2022 to July 2025, she served as the deputy chief administration officer of Shanghai Jinjing Investment Management Consulting Co., Ltd. (上海金景投資管理諮詢有限公司), focusing on its financial management. Ms. Zheng has been serving as an operations manager (middle and back office) of Shanghai Qingxin Investment Management Co., Ltd. (上海清新投資管理有限公司) since December 2025.

Ms. Zheng has been holding and held directorships in multiple listed companies, including (i) an independent director of Shanghai AEG Enterprise Development Co., Ltd. (上海安奕極企業發展股份有限公司) (a company listed on National Equities Exchange and Quotations System, stock code: 874098) since January 2024, and (ii) an independent director of Zhejiang Tengen Electrics Co., Ltd. (浙江天正電氣股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 605066) from June 2020 to May 2023.

Ms. Zheng obtained her bachelor's degree in international finance from Shanghai Jiao Tong University (上海交通大學) in July 1999. She has also been a PRC certified public accountant.

Save as disclosed above, Ms. Zheng has no other relationship with any other Directors, senior management, substantial and controlling Shareholders (as defined in the Listing Rules) and has not held any position with the Company, or any other member of the Group.

## SENIOR MANAGEMENT

**Mr. Ni Xin (倪昕)**, aged 55, is the Chief Executive Officer of the Group. His biographical details are set out in the above paragraph headed "Directors – Executive Directors" of this section.

**Dr. Han Shuhua (韓淑華)**, aged 66, is the chief scientific officer of the Group. Her biographical details are set out in the above paragraph headed "Directors - Executive Directors" of this section.

**Dr. Chen Zi (陳字)**, aged 54, joined the Group in April 2026 as an executive vice president and is fully responsible for the Group's clinical development and regulatory affairs management.

Dr. Chen has over 20 years of experience in clinical research in hematologic malignancies and innovative drug development, particularly in therapeutic areas such as hematologic malignancies and solid tumors. Prior to joining the Group, Dr. Chen worked in the department of hematology of Huashan Hospital of Fudan University (復旦大學華山醫院) and served as an associate professor and master's supervisor at Shanghai Medical College of Fudan University. During such period, he conducted academic research as a visiting scholar at The University of Texas MD Anderson Cancer Center in the United States. He also served as a medical director of the oncology team at IQVIA, where he was successively responsible for the medical research work of more than 20 projects, ranging from phase I studies to pivotal phase III registration studies, and covering therapeutic areas from solid tumors to hematologic malignancies, including China studies and international multi-center studies. From May 2018 to April 2026, he served at Ascentage Pharma (亞盛醫藥) in positions including vice president and senior vice president of clinical development, during which he led and participated in the global multi-center clinical development of a number of innovative drugs, including national major new drug development projects, across China, the United States, Europe, Australia and other regions. As product development head and project leader, he participated in more than 30 clinical trial projects for multiple innovative drugs, including a number of IND applications, NDA applications, and designations of orphan drug, fast track, breakthrough therapy and/or priority review in China, the United States and the European Union. He led his team to take full responsibility for China's first and the world's second third-generation BCR-ABL inhibitor, and China's first and the world's second Bcl-2 inhibitor, from first-in-human phase I studies and registration clinical studies through to final approval for marketing by the NMPA. He also led the initiation of multiple international registration clinical studies.

Dr. Chen obtained his bachelor's degree in clinical medicine from Tongji Medical University and his doctorate degree in medicine from Shanghai Medical College of Fudan University. He has published more than 100 research papers, including over 40 SCI papers, and was previously responsible for two projects funded by the National Natural Science Foundation of China and a number of municipal-level scientific research projects in Shanghai.

Save as disclosed above, Dr. Chen has no other relationship with any Directors, other senior management, substantial and controlling Shareholders (as defined in the Listing Rules).

**Ms. Xie Hanqing (謝寒清)**, aged 45, has been serving as the senior vice president of the Group since the Merger Closing and is fully responsible for the Group's capital markets, investor relations and investment and financing businesses.

Ms. Xie has 20 years of experience in capital markets, investment banking and investment management. Ms. Xie joined Edding Group in November 2024 as a senior vice president. Prior to joining Edding Group, Ms. Xie worked at China International Capital Corporation Limited (中國國際金融股份有限公司) ("CICC"), a company listed on the Stock Exchange (stock code: 3908) and the Shanghai Stock Exchange (stock code: 601995), from March 2016 to October 2024, where she served as a managing director in the fixed income department. Prior to that, she worked in the investment banking department of CICC and the PE investment management department of Shanghai Gopher Asset Management Co., Ltd. (上海歌斐資產管理有限公司), a subsidiary of Noah Holdings Private Wealth and Asset Management Limited (諾亞控股私人財富資產管理有限公司), a company listed on the New York Stock Exchange (ticker symbol: NOAH) and the Stock Exchange (stock code: 6686).

Ms. Xie obtained her bachelor's degree in science and master's degree in science from Shanghai Jiao Tong University in July 2003 and March 2006, respectively, and obtained a master's degree in engineering (Diplôme d'Ingénieur) from École Centrale de Lille in France in September 2006. Ms. Xie is a chartered financial analyst (CFA).

Save as disclosed above, Ms. Xie has no other relationship with any Directors, other senior management, substantial and controlling Shareholders (as defined in the Listing Rules).

**Dr. Weng Zhibing (翁志兵)**, aged 46, joined Edding Genor in March 2026 as a senior vice president. He is fully responsible for biologics CMC development strategy and commercial manufacturing management.

Dr. Weng has over 23 years of experience in the biopharmaceutical industry. He has experience in the full life-cycle CMC development, commercial manufacturing and development and preparation of critical materials for antibody drugs, including bispecific antibodies, trispecific antibodies, fusion proteins and ADCs. Among the CMC development projects for which he was responsible, more than 40 IND clinical trial applications were approved, 8 antibody drugs were successfully approved for marketing, and he was responsible for the implementation and commencement of production of a number of industrialisation projects for antibody drugs involving process design and engineering construction. Prior to joining Edding Genor, from August 2002 to November 2025, he served in various positions at Sunshine Guojian Pharmaceutical (Shanghai) Co., Ltd. (三生國健藥業(上海)股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688336), and its subsidiaries, including supervisor of cell culture at the pilot plant base, deputy manager of the cell culture workshop under the production department, manager of the process research office of the National Engineering Research Center for Antibody Drugs (抗體藥物國家工程研究中心), director of the pilot cell culture department, production director of the production department, senior director of process development and pilot production department, and general manager of Shanghai SIGO Biologics Co., Ltd (上海晟國醫藥發展有限公司). During his tenure as general manager of Shanghai SIGO Biologics Co., Ltd (上海晟國醫藥發展有限公司) in 2021, he led a CMC team of more than 160 members, including cell line screening, upstream and downstream process development, formulation development, drug substance production, ADQC and QA, and led the team in overcoming a number of technical development challenges in the antibody field.

Dr. Weng obtained his bachelor's degree in bioengineering from Jiangnan University in June 2002, his master's degree in pharmaceutical engineering from East China University of Science and Technology in June 2011, and his doctorate degree in fermentation engineering from Jiangnan University in December 2021.

Save as disclosed above, Dr. Weng has no other relationship with any Directors, other senior management, substantial and controlling Shareholders (as defined in the Listing Rules).

**Dr. Zhou Qiong (周瓊)**, aged 45, has been serving as our vice president of oligonucleotide R&D since the Merger Closing and is responsible for the Group's oligonucleotide drug R&D strategy and execution.

Dr. Zhou has 18 years of experience in the drug R&D industry, and in particular has extensive hands-on R&D experience in oligonucleotide drug discovery and virology. Dr. Zhou joined Edding Group in April 2025 and has since served as the Group's vice president of oligonucleotide R&D, with overall responsibility for the Company's oligonucleotide drug R&D. She led the establishment of a professional oligonucleotide drug R&D team and successfully built three core technology modules including oligonucleotide sequence design, chemical modification and targeted delivery. She also took the lead in initiating and advancing the R&D of multiple oligonucleotide drug pipelines, covering two core technology modalities, namely siRNA (small interfering RNA) and ASO (antisense oligonucleotide). Prior to joining Edding Group, from June 2011 to April 2025, Dr. Zhou served in various positions at WuXi AppTec (Shanghai) Co., Ltd. (上海藥明康德新藥開發有限公司), a wholly-owned subsidiary of WuXi AppTec Co., Ltd. (無錫藥物康德新藥開發股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603259) and the Stock Exchange (stock code: 2359), including executive director, senior director of the biology division, and head of the anti-infectives and oligonucleotide drug discovery team. From August 2008 to June 2011, Dr. Zhou conducted postdoctoral research at China Novartis Institutes for BioMedical Research Co., Ltd. (諾華(中國)生物醫學研究有限公司).

Dr. Zhou obtained her bachelor's degree in bioengineering from Chongqing University in 2003 and her Ph.D. in Biochemistry and Molecular Biology from Shanghai Institutes for Biological Sciences of Chinese Academy of Sciences (SIBS, CAS) in 2008.

Save as disclosed above, Dr. Zhou has no other relationship with any Directors, other senior management, substantial and controlling Shareholders (as defined in the Listing Rules).

**Ms. Zhai Jing (翟婧)**, aged 43, has been serving as the vice president of business development of the Company since the Merger Closing. She is primarily responsible for the Group's business development, management of product licensing and acquisition and strategic cooperation.

Ms. Zhai joined the Group in November 2015 as a senior manager of business development. She was subsequently promoted to director of business development of the Group in January 2020 and senior director of business development of the Group in August 2020. Ms. Zhai has served as the vice president of business development of the Target Company since January 2022. Prior to joining the Group, she served as a clinical pharmacist at United Family Hospital from August 2007 to August 2008. From August 2008 to June 2014, she served as a consultant at IQVIA Inc. (previously known as IMS Health). From June 2014 to November 2015, she served as a business development manager at Fresenius Kabi China.

Ms. Zhai obtained her bachelor's degree and master's degree in science from Peking University (北京大學) in July 2005 and July 2007, respectively.

Save as disclosed above, Ms. Zhai has no other relationship with any Directors, other senior management, substantial and controlling Shareholders (as defined in the Listing Rules).

## CHANGE IN SENIOR MANAGEMENT

Ms. Li Tong (李彤) resigned as the Chief Medical Officer of the Group in August 2025.

Mr. Ni Xin (倪昕) was appointed as the President with effect from 30 December 2025.

Dr. Han Shuhua (韓淑華) was appointed as the chief scientific officer of the Group with effect from 30 December 2025.

Mr. Liang Qibin (梁其斌) resigned as the chief technology officer and the senior vice president in March 2026.

Dr. Chen Zi (陳宇) was appointed as an executive vice president in April 2026.

Ms. Xie Hanqing (謝寒清) was appointed as the senior vice president with effect from 30 December 2025.

Dr. Weng Zhibing (翁志兵) was appointed as a senior vice president in March 2026.

Dr. Zhou Qiong (周瓊) was appointed as the vice president of oligonucleotide R&D with effect from 30 December 2025.

Ms. Zhai Jing (翟婧) was appointed as the vice president of business development and joint company secretary of the Group with effect from 30 December 2025.

On 27 March 2026, Dr. Guo Feng (郭峰) resigned as the Chief Executive Officer of the Group and Mr. Ni Xin was redesignated from the president to the Chief Executive Officer of the Group.

## CHANGES TO DIRECTORS' INFORMATION

Changes in information of the Directors during the financial year ended 31 December 2025 and up to the Latest Practicable Date, which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules, are set out below:

# DIRECTORS AND SENIOR MANAGEMENT

### Positions Held in the Group

Dr. Lyu Dong retired as a non-executive Director with effect from 26 June 2025.

Following the Merger Closing: (i) Mr. Weng Chengyi resigned as an executive Director, Mr. Liu Yi resigned as a non-executive Director, and Mr. Fung Edwin and Ms. Cui Bai resigned as an independent non-executive Director with effect from 30 December 2025; and (ii) Mr. Ni Xin and Ms. Zhai Jing were appointed as an executive Director, Dr. David Guowei Wang was appointed as a non-executive Director, and Dr. Xu Qing and Ms. Zheng Jingjing were appointed as an independent non-executive Director with effect from 30 December 2025.

On 27 March 2026, Ms. Zhai Jing resigned as an executive Director and Dr. Han Shuhua was appointed as an executive Director.

### Emoluments

Movement of the emoluments of the Directors and chief executive are set out in Note 8 to the consolidated financial statements.

Save as disclosed above, there is no change in the information of the Directors as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules as at 31 December 2025 and up to the Latest Practicable Date.

# CORPORATE GOVERNANCE REPORT

The Board is pleased to report to the Shareholders on the corporate governance of the Company for the year ended 31 December 2025.

## CORPORATE GOVERNANCE CULTURE

As a biopharmaceutical company listed in Hong Kong, we know well that strengthening corporate governance and enhancing risk management is an important cornerstone for the Group's sustainable and rapid development in a volatile situation. In order to achieve long-term steady corporate development, the Group insists on quality safety management, innovation and talent development and conducts business according to the ethical standards of anti – bribery, diversity, fairness and inclusion, integrity and transparency, with a view to ensuring the long-term benefits of our shareholders, partners, employees, and patients.

We believe that each and every employee is a driving force in achieving our vision and goals, serving as a pillar for sustainable development. Therefore, the Board has established the following values to guide the conducts, behaviors and business activities of employees, and to ensure that these values spread through the Company's ambition, mission, policies and business strategies:

- Big picture – Make all decisions with the core goals and interests of the Company in mind and keep them in alignment with the strategic objectives of the Company.
- Entrepreneurial spirit – Dare to take actions and work steadfastly towards achievements by pushing yourself and others forward.
- Build trust – Be an expert in the designated area, with clear and unambiguous communication and direct and honest feedback.
- Respect each other – Treat people equally, act fairly, discuss openly; to be realistic, express different views and give constructive feedback openly.
- Dare to take responsibilities – Maximize individual capabilities, take responsibilities, promote and support changes, stimulate interest, and pursue unremittingly.

Meanwhile, we are constantly reviewing the changing market conditions and will adjust our business strategies as and when necessary, for the sake of taking prompt and proactive measures to respond to changes, meet market needs and promote the sustainable development of the Group.

## CORPORATE GOVERNANCE PRACTICES

The Board is committed to achieving high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of shareholders and to enhance corporate value and accountability. The Company has applied the principles of the CG Code to its corporate governance practices as described in this report.

During the Reporting Period, to the best knowledge of the Board, the Company has complied with all the code provisions set out in the CG Code, save for deviation from code provision C.2.1 and C.2.7 as explained in this report.

# CORPORATE GOVERNANCE REPORT

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the CG Code and maintain a high standard of corporate governance practices of the Company.

## MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code to regulate all dealings by Directors and relevant employees in securities of the Company and other matters covered by the Model Code.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Model Code throughout the year ended 31 December 2025.

The Company has also established Employees Written Guidelines no less exacting than the Model Code for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company. No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company.

## BOARD OF DIRECTORS

The Company is headed by an effective Board which oversees the Group's businesses, strategic decisions and performance and takes decisions objectively in the best interests of the Company.

The Board shall regularly review the contribution required from a Director to perform his responsibilities to the Company, and whether the Director is spending sufficient time performing them.

### Board Composition

The composition of the Board during the year ended 31 December 2025 and up to the date of this annual report is set out below:

**Executive Directors**

Mr. Ni Xin *(Chief Executive Officer and Chairman of the Board) (appointed on 30 December 2025)*
Dr. Han Shuhua *(appointed on 27 March 2026)*
Ms. Zhai Jing *(appointed on 30 December 2025 and resigned on 27 March 2026)*
Mr. Weng Chengyi *(resigned on 30 December 2025)*

**Non-executive Directors**

Dr. David Guowei Wang *(appointed on 30 December 2025)*
Mr. Yu Tieming
Dr. Lyu Dong *(retired on 26 June 2025)*
Mr. Liu Yi *(resigned on 30 December 2025)*

**Independent non-executive Directors**

Dr. Xu Qing *(appointed on 30 December 2025)*
Mr. Chen Wen
Ms. Zheng Jingjing *(appointed on 30 December 2025)*
Mr. Fung Edwin *(resigned on 30 December 2025)*
Ms. Cui Bai *(resigned on 30 December 2025)*

Mr. Ni Xin and Ms. Zhai Jing, who have been appointed as executive Directors on 30 December 2025, Dr. David Guowei Wang, who has been appointed as an non-executive Director on 30 December 2025, and Dr. Xu Qing and Ms. Zheng Jingjing, who have been appointed as Independent non-executive Directors on 30 December 2025, have obtained the legal advice referred to in Rules 3.09D of the Listing Rules on 20 November 2024, and they have confirmed that they understood their obligations as a director of a listed issuer.

Dr. Han Shuhua, who has been appointed as an executive Director on 27 March 2026, has obtained the legal advice referred to in Rules 3.09D of the Listing Rules on 27 March 2026, and she has confirmed that she understood her obligations as a director of a listed issuer.

The biographical information of the Directors is set out in the section headed "Directors and Senior Management" on pages 90 to 98 of this annual report for the Reporting Period.

None of the members of the Board is related to one another. There are also no financial, business, family or other material/relevant relationship(s) among the members of the Board.

### Board Meetings

The Directors are continually updated with the regulatory requirements, business activities and development of the Company to facilitate the discharge of their responsibilities. Through regular Board meetings, all Directors are kept abreast of the conduct, business activities and development of the Company.

Annual meeting schedules and draft agenda of each meeting are normally made available to Directors in advance.

Regular Board meetings should be held at least four times a year at approximately quarterly intervals involving active participation, either in person or through electronic means of communication, of the Directors. Notice of regular Board meetings is served to all Directors at least 14 days before the meeting. For other Board and committee meetings, reasonable notice is generally given.

Board papers together with all appropriate, complete and reliable information are sent to all Directors at least three days before each Board meeting or committee meeting to keep Directors appraised of the latest developments and financial position of the Company and to enable them to make informed decisions. The Board and each Director also have separate and independent access to the senior management where necessary.

Minutes of the Board and committee meetings are prepared and kept by the company secretary of the Group and are open for inspection by Directors upon request. All Directors have access to the advice and services of the company secretary and are allowed to seek external professional advice if needed.

Where necessary, the senior management shall attend regular Board meetings and other Board and committee meetings, to advise on business developments, financial and accounting matters, statutory and regulatory compliance, corporate governance, and other major aspects of the Company.

### Directors' Attendance Records

During the Reporting Period, nine Board meetings, three Audit Committee meetings, one Compensation Committee meeting, one Nomination Committee meeting and three general meetings were held. The attendance of each Director during the Reporting Period is set out in the table below:

| | Attendance/Eligible to Attend | | | | |
|---|---|---|---|---|---|
| **Directors** | **Board** | **Audit Committee** | **Compensation Committee** | **Nomination Committee** | **General Meeting** |
| **Executive Directors** | | | | | |
| Mr. Ni Xin[1] | 0/0 | N/A | N/A | 0/0 | N/A |
| Dr. Han Shuhua[2] | N/A | N/A | N/A | N/A | N/A |
| Ms. Zhai Jing[3] | 0/0 | N/A | N/A | N/A | N/A |
| Mr. Weng Chengyi[4] | 9/9 | N/A | N/A | N/A | 3/3 |
| **Non-executive Directors** | | | | | |
| Dr. David Guowei Wang[5] | 0/0 | N/A | 0/0 | N/A | N/A |
| Mr. Yu Tieming[6] | 8/9 | 0/0 | 0/1 | N/A | 1/3 |
| Dr. Lyu Dong[7] | 4/5 | N/A | N/A | 0/1 | 0/2 |
| Mr. Liu Yi[8] | 9/9 | 3/3 | N/A | N/A | 3/3 |
| **Independent Non-executive Directors** | | | | | |
| Dr. Xu Qing[9] | 0/0 | 0/0 | 0/0 | 0/0 | N/A |
| Mr. Chen Wen[10] | 9/9 | N/A | 1/1 | 1/1 | 3/3 |
| Ms. Zheng Jingjing[11] | 0/0 | 0/0 | N/A | 0/0 | N/A |
| Mr. Fung Edwin[12] | 9/9 | 3/3 | 1/1 | 1/1 | 3/3 |
| Ms. Cui Bai[13] | 9/9 | 3/3 | N/A | 0/0 | 3/3 |

*Notes:*

(1) Mr. Ni Xin was appointed as an executive Director and the chairperson of the Nomination Committee with effect from 30 December 2025.

(2) Dr. Han Shuhua was appointed as an executive Director with effect from 27 March 2026.

(3) Ms. Zhai Jing was appointed as an executive Director with effect from 30 December 2025 and resigned as an executive Director with effect from 27 March 2026.

(4) Mr. Weng Chengyi resigned as an executive Director with effect from 30 December 2025.

(5) Dr. David Guowei Wang was appointed as a non-executive Director and a member of the Compensation Committee with effect from 30 December 2025.

(6) Mr. Yu Tieming ceased to be a member of the Compensation Committee, and was appointed as a member of the Audit Committee with effect from 30 December 2025.

(7) Dr. Lyu Dong retired as a non-executive Director and a member of the Nomination Committee with effect from 26 June 2025.

(8) Mr. Liu Yi resigned as a non-executive Director and a member of the Audit Committee with effect from 30 December 2025.

(9) Dr. Xu Qing was appointed as an Independent Non-executive Director, the chairperson of the Compensation Committee, a member of the Audit Committee and a member of the Nomination Committee with effect from 30 December 2025.

(10) Mr. Chen Wen ceased to be the chairperson of the Compensation Committee and the chairperson of the Nomination Committee, and was appointed as a member of the Compensation Committee with effect from 30 December 2025.

(11) Ms. Zheng Jingjing was appointed as an independent non-executive Director, the chairperson of the Audit Committee and a member of the Nomination Committee with effect from 30 December 2025.

(12) Mr. Fung Edwin resigned as an independent non-executive Director, the chairperson of the Audit Committee, a member of the Compensation Committee and a member of the Nomination Committee with effect from 30 December 2025.

(13) Ms. Cui Bai was appointed as a member of the Nomination Committee with effect from 26 June 2025, and resigned as an independent non-executive Director, a member of the Audit Committee and a member of the Nomination Committee with effect from 30 December 2025.

Pursuant to code provision C.2.7 of the CG Code, the chairman should at least annually hold meetings with the independent non-executive directors without the presence of other directors. No chairman was appointed during the period from 1 January 2025 to 29 December 2025, no such meeting could be arranged during the Reporting Period.

### Chairman and Chief Executive Officer

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

Since the Merger Closing, the roles of the Chairman and chief executive have been performed by Mr. Ni Xin. In view of Mr. Ni's substantial contribution to the Group and his extensive experience, we consider that having Mr. Ni acting as both our Chairman and chief executive will provide strong and consistent leadership to the Group and facilitate the efficient execution of our business strategies. We consider it appropriate and beneficial to our business development and prospects that Mr. Ni will act as both our Chairman and chief executive, and therefore will not propose to separate the functions of Chairman and chief executive.

While this would constitute a deviation from code provision C.2.1 of Part 2 of the Corporate Governance Code, the Board believes that this structure will not impair the balance of power and authority between the Board and the management of the Group, given that: (i) there are sufficient checks and balances in the Board, as a decision to be made by our Board requires approval by at least a majority of our Directors, and our Board will comprise three independent non-executive Directors, which is in compliance with the requirement under the Listing Rules; (ii) Mr. Ni and the other Directors are aware of and undertake to fulfil their fiduciary duties as Directors, which require, among other things, that he acts for the benefit and in the best interests of our Company and will make decisions for the Group accordingly; and (iii) the balance of power and authority is ensured by the operations of the Board which will continue to comprise experienced and high calibre individuals who meet regularly to discuss issues affecting the operations of our Company. Moreover, the overall strategic and other key business, financial, and operational policies of the Group are made collectively after thorough discussion at both Board and senior management levels. The Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether separation of the roles of Chairman and chief executive is necessary.

# CORPORATE GOVERNANCE REPORT

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the CG Code, and maintain a high standard of corporate governance practices of the Company.

### Independent Non-executive Directors

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

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

### Board Independence Evaluation

The Company has established a Board Independence Evaluation Mechanism which sets out the processes and procedures to ensure a strong independent element on the Board, which allows the Board effectively exercises independent judgment to better safeguard Shareholders' interests.

The objectives of the evaluation are to improve Board effectiveness, maximise strengths, and identify the areas that need improvement or further development. The evaluation process also clarifies what actions of the Company need to be taken to maintain and improve the Board performance, for instance, addressing individual training and development needs of each Director.

Pursuant to the Board Independence Evaluation Mechanism, the Board will conduct annual review on its independence. The Board Independence Evaluation Report will be presented to the Board which will collectively discuss the results and the action plan for improvement, if appropriate.

During the Reporting Period, all Directors has completed the independence evaluation in the form of a questionnaire individually. The Board Independence Evaluation Report was presented to the Board and the evaluation results were satisfactory.

During the Reporting Period, the Board reviewed the implementation and effectiveness of the Board Independence Evaluation Mechanism and the results were satisfactory.

### Appointment and Re-election of Directors

The non-executive Directors (including independent non-executive Directors) are appointed for a specific term of three years, subject to renewal after the expiry of the then current term.

All the Directors are subject to retirement by rotation and re-election at the annual general meetings. Under the Articles of Association, at every annual general meeting of the Company, one-third of the Directors for the time being, or if their number is not three or a multiple of three, the number nearest to but not less than one-third shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. The Articles of Association also provides that any Directors so appointed to fill a causal vacancy or as an addition to the Board shall hold office only until the next following general meeting of the Company and shall be eligible for re-election.

### Responsibilities, Accountabilities and Contributions of the Board and Management

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

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

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

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances.

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

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

The Company has arranged appropriate insurance coverage on Directors' and officers' liabilities in respect of any legal actions taken against Directors and senior management arising out of corporate activities. The insurance coverage would be reviewed on an annual basis.

### Continuous Professional Development of Directors

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

Every newly appointed Director has received a formal and comprehensive induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements. Such induction shall be supplemented by visits to the Company's key plant sites and meetings with senior management of the Company.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally-facilitated briefings for Directors would be arranged and reading material on relevant topics would be provided to Directors where appropriate.

All Directors are encouraged to attend relevant training courses at the Company's expenses.

The records of continuous professional development that have been received by the Directors during the Reporting Period are summarized as follows:

| Directors | Attending seminar(s)/ conference(s) and/ or reading materials relevant to the director's duties or regulatory and business development |
|---|---|
| **Executive Directors** | |
| Mr. Ni Xin *(Chairman) (appointed on 30 December 2025)*[1] | ✓ |
| Dr. Han Shuhua *(appointed on 27 March 2026)*[2] | N/A |
| Ms. Zhai Jing *(appointed on 30 December 2025 and resigned on 27 March 2026)*[3] | ✓ |
| Mr. Weng Chengyi *(resigned on 30 December 2025)*[4] | ✓ |
| **Non-executive Directors** | |
| Dr. David Guowei Wang *(appointed on 30 December 2025)*[5] | ✓ |
| Mr. Yu Tieming | ✓ |
| Dr. Lyu Dong *(retired on 26 June 2025)*[6] | ✓ |
| Mr. Liu Yi *(resigned on 30 December 2025)*[7] | ✓ |
| **Independent Non-executive Directors** | |
| Dr. Xu Qing *(appointed on 30 December 2025)*[8] | ✓ |
| Mr. Chen Wen | ✓ |
| Ms. Zheng Jingjing *(appointed on 30 December 2025)*[9] | ✓ |
| Mr. Fung Edwin *(resigned on 30 December 2025)*[10] | ✓ |
| Ms. Cui Bai *(resigned on 30 December 2025)*[11] | ✓ |

(1) Mr. Ni Xin was appointed as an executive Director with effect from 30 December 2025.

(2) Dr. Han Shuhua was appointed as an executive Director with effect from 27 March 2026.

(3) Ms. Zhai Jing was appointed as an executive Director with effect from 30 December 2025 resigned as an executive Director with effect from 27 March 2026.

(4) Mr. Weng Chengyi resigned as an executive Director with effect from 30 December 2025.

(5) Dr. David Guowei Wang was appointed as a non-executive Director with effect from 30 December 2025.

(6) Dr. Lyu Dong retired as a non-executive Director with effect from 26 June 2025.

(7) Mr. Liu Yi resigned as a non-executive Director with effect from 30 December 2025.

(8) Dr. Xu Qing was appointed as an independent non-executive Director with effect from 30 December 2025.

(9) Ms. Zheng Jingjing was appointed as an independent non-executive Director with effect from 30 December 2025.

(10) Mr. Fung Edwin resigned as an independent non-executive Director with effect from 30 December 2025.

(11) Ms. Cui Bai resigned as an independent non-executive Director with effect from 30 December 2025.

## BOARD COMMITTEES

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

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

### Audit Committee

The Audit Committee consists of three members, a non-executive Director, namely Mr. Yu Tieming and two independent non-executive Directors, namely Dr. Xu Qing and Ms. Zheng Jingjing. Ms. Zheng Jingjing who holds the appropriate professional qualifications is the chairman of the Audit Committee. Mr. Liu Yi has resigned as a non-executive Director and a member of the Audit Committee since 30 December 2025. Mr. Fung Edwin has resigned as an independent non-executive Director and the chairperson of the Audit Committee since 30 December 2025. Ms. Cui Bai have resigned as an independent non-executive Director and a member of the Audit Committee since 30 December 2025.

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

During the Reporting Period, the Audit Committee held three meetings to (i) review the annual results for the year ended 31 December 2024, interim results for the six months ended 30 June 2025 as well as the audit report prepared by the external auditor relating to accounting issues and major findings in course of audit and review the external auditor's audit work planning for the year ended 31 December 2025; (ii) review the effectiveness of the risk management and internal control systems and internal audit function; (iii) remove PricewaterhouseCoopers as the external auditor and appoint Ernst & Young as the new external auditor; and (iv) make recommendation to the Board on the re-appointment of external auditor and relevant scope of works.

The Audit Committee also met with the external auditor four times without the presence of the executive Directors during the Reporting Period.

For the year ended 31 December 2025, the Board had no disagreement with the Audit Committee' s view on the selection, appointment, resignation or dismissal of the external auditor.

### Compensation Committee

The Compensation Committee consists of three members, a non-executive Director, namely Dr. David Guowei Wang and two independent non-executive Directors, namely Dr. Xu Qing and Mr. Chen Wen. Dr. Xu Qing is the chairperson of the Compensation Committee. Mr. Yu Tieming has resigned as a member of the Compensation Committee since 30 December 2025. Mr. Fung Edwin has resigned as an independent non-executive Director and a member of the Compensation Committee since 30 December 2025.

The terms of reference of the Compensation Committee are of no less exacting terms than those set out in the CG Code. The primary functions of the Compensation Committee include making recommendations to the Board on the policy and structure for the remuneration of Directors and senior management, and establishing a formal and transparent procedure for developing such remuneration policy and structure and to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration.

During the Reporting Period, the Compensation Committee held one meeting to (i) review and determine the Company's policy and structure for the remuneration of all Directors and senior management; and (ii) make recommendations to the Board on the remuneration packages of individual executive Directors and senior management of the Company.

Details of the emolument of the members of the senior management of the Group by band for the Reporting Period are set out below:

| Emolument | Number of persons[2] |
|---|---|
| HK$2,500,000 to HK$3,000,000 | – |
| HK$3,000,000 to HK$3,500,000 | – |
| HK$3,500,000 to HK$4,000,000 | 2 |
| HK$9,000,000 to HK$9,500,000 | 1 |

*Notes:*

1. The emolument mainly comprises of salaries, bonuses and share-based payment expenses, and the share-based payment expenses were recognised based on the fair value at the grant date. Details are set out in Note 9 and Note 31 to the consolidated financial statements.

2. The senior management includes both the persons disclosed in the section headed "Directors and Senior Management" and the senior management who has resigned during the Reporting Period.

The Company's remuneration policy is to ensure that the remuneration offered to employees, including Directors and senior management, is based on skill, knowledge, responsibilities and involvement in the Company's affairs. The remuneration packages of executive Directors are also determined with reference to the Company's performance and profitability, the prevailing market conditions and the performance or contribution of each executive Director. The remuneration for the executive Directors comprises basic salary, allowance benefits, performance bonus and share options. The remuneration policy for non-executive Directors and independent non-executive Directors is to ensure that non-executive Directors and independent non-executive Directors are adequately compensated for their efforts and time dedicated to the Company's affairs, including their participation in Board committees. The remuneration for the non-executive Directors and independent non-executive Directors mainly comprises Director's fee which is determined with reference to their duties and responsibilities by the Board. Non-executive Directors and independent non-executive Directors did not receive options and awards to be granted under the Company's share option scheme and share award scheme. Individual Directors and senior management have not been involved in deciding their own remuneration.

The Compensation Committee also made recommendations to the Board on the terms of the appointment letter of the new executive Director and independent non-executive Director appointed as at the date of this annual report.

### Nomination Committee

The Nomination Committee consists of three members, an executive Director, namely Mr. Ni Xin and two independent non-executive Directors, namely Dr. Xu Qing and Ms. Zheng Jingjing. Mr. Ni Xin is the chairperson of the Nomination Committee. Both Mr. Fung Edwin and Ms. Cui Bai have resigned as independent non-executive Directors and members of the Nomination Committee since 30 December 2025. Dr. Lyu Dong has retired as a non-executive Director and resigned as a member of the Nomination Committee with effect from 26 June 2025.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code. The principal duties of the Nomination Committee include identifying, considering and recommending to the Board appropriate candidates to serve as directors of the Company, overseeing the process for evaluating the performance of the Board, and developing and recommending to the Board the nomination guidelines, which shall be consistent with any applicable laws, regulations and listing standards.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's Board Diversity Policy. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption. In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's relevant criteria as set out in the Board Diversity Policy that are necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

During the Reporting Period, the Nomination Committee held one meeting to (i) review the structure, size and composition of the Board and the independence of the independent non-executive Directors; and (ii) recommended to the Board on re-election of Directors.

# CORPORATE GOVERNANCE REPORT

## Board Diversity Policy

The Company has adopted a Board Diversity Policy on 17 September 2020 which sets out the approach to achieve diversity of the Board. The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining the Company's competitive advantage.

Pursuant to the Board Diversity Policy, the Nomination Committee will review annually the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and to ensure that the Board maintains a balanced diverse profile. In relation to reviewing and assessing the Board composition, the Nomination Committee is committed to diversity at all levels and will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and regional and industry experience.

The Company aims to maintain an appropriate balance of diversity perspectives that are relevant to the Company's business growth and is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered.

The Board comprises seven members, including two executive Directors, two non-executive Directors and three independent non-executive Directors. The Directors age from 44 to 66 and have a balanced mix of experiences, including management and strategic development, finance and investment and accounting experiences in addition to biopharmaceutical industry knowledge.

The Nomination Committee will report annually a summary of the Board Diversity Policy and, where applicable, measurable objectives that the Board has adopted for implementation of the Board Diversity Policy and the progress made towards achieving these objectives in the Company's corporate governance report.

The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its effectiveness.

## Gender Diversity

The Company values gender diversity across all levels of the Group. The following table sets out the gender ratio in the workforce of the Group, including the Board and senior management as at 31 December 2025:

| | Female | Male |
|---|---|---|
| **Board** | 2 | 5 |

| | Female | Male |
|---|---|---|
| **Senior Management** | **40%** | **60%** |
| | **2** | **3** |
| **Other employees** | **53.6%** | **46.4%** |
| | **825** | **715** |
| **Overall workforce** | 53.5% | 46.5% |
| | 827 | 718 |

The Board had appointed two female Directors on 30 December 2025 and considers the current board gender diversity is satisfactory. The Board had achieved at least 40% of female senior management and 53.5% of female employees of the Group and considers that the above current gender diversity is satisfactory. The Board is of the view that it generally meets the diversity requirement under the Listing Rules. The Board will strive to increase the proportion of female directors and senior management members when suitable candidates are identified, but currently has not set additional quantifiable targets for such purpose.

During the Reporting Period, the Board was not aware of any mitigating factors or circumstances which make achieving gender diversity across the workforce (including senior management) more challenging or less relevant.

### Process of Appointment of Directors

In accordance with the strategic needs of the Board, suitable candidates are identified for consideration by the Nomination Committee. The Nomination Committee would consider such candidates based on various factors such as the gender, age, cultural and educational background, professional qualifications, skills, knowledge and regional and industry experience set out in the Board Diversity Policy. Recommendation will be made to the Board based on meritocracy and objective criteria, having due regard for the benefits of diversity on the Board. The Board will ultimately decide on the merits of the candidate and their potential contributions to the Board. New directors so appointed shall be re-elected at the Company's general meeting as required by the Articles of Association.

### Corporate Governance Functions

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

During the Reporting Period, the Audit Committee had determined, developed and reviewed the Company's corporate governance policies and practices and made recommendations to the Board, reviewed and monitored training and continuous professional development of directors and senior management, reviewed and monitored the Company's policies and practices on compliance with legal and regulatory requirements, developed, reviewed and monitored the compliance of the Model Code and Written Employee Guidelines, and reviewed the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

## RISK MANAGEMENT AND INTERNAL CONTROL

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

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems. The Board always regards risk management as an important task and believes that effective corporate risk management is an essential element of good corporate governance.

The Audit Committee assists the Board by providing an independent review of the effectiveness of the financial reporting process, internal control and risk management systems of the Company, overseeing the audit process and performing other duties and responsibilities as assigned by the Board.

# CORPORATE GOVERNANCE REPORT

The Company had adopted the risk management framework formulated by the Committee of Sponsoring Organisations (COSO) of the Treadway Commission in the United States as recommended by the Hong Kong Institute of Certified Public Accountants (HKICPA). The purpose of the Company's risk management process is to identify and manage risks in such a way that the Company is able to meet its strategic and financial targets.

The key elements of the Company's risk management and internal control structure are as follows:

- The Audit Committee assists the Board in overseeing the design, implementation and monitoring of the risk management and internal control systems.

- Well-defined organizational structure with appropriate segregation of duties, limit of authority, reporting lines and responsibilities.

- Clear and written policies and procedures have been established and regularly reviewed for major functions and operations, such as research and development, procurement, human resources, financial reporting and management.

- Important business functions or activities are managed by experienced, qualified and suitably key staff.

- The Company has formulated a number of policies to ensure that the Company complies with the Listing Rules, including but not limited to corporate governance, inside information, conflict of interest and Directors' securities transactions.

- The Internal Audit Department plays a major role in monitoring the internal governance of the Company. The major tasks of the Internal Audit Department are reviewing the risk management and internal control of the Company as well as conducting comprehensive audits of all branches and subsidiaries of the Company on a regular basis. The review covers all material controls including financial, operational, compliance controls and risk management. Review results and recommendations in the form of written reports are submitted to the Audit Committee for discussion and review. Follow up actions will be taken up by the Internal Audit Department to ensure that material weaknesses previously identified have been properly resolved and the business operations continue to meet the Company's system requirements as well as external regulatory requirements.

## RISK MANAGEMENT

The Company seeks to have risk management features embedded in the day-to-day operations. We have adopted a consolidated set of risk management policies which set out a risk management framework to identify, assess, evaluate and monitor key risks associated with our strategic objectives on an ongoing basis as well as to resolve material internal control defects. The assessment includes potential likelihood and impact of the identified risks. For the risks identified, the Company determines the action plans and management targets.

All departments conducted risk management and internal control assessment regularly to identify risks that potentially impact the business of the Company and various aspects including key operational and financial processes, regulatory compliance and information security, and implement measures to mitigate such risks.

The senior management of the Company, in coordination with division/department heads, assessed the likelihood of risk occurrence, provide treatment plans, and monitor the risk management progress. No significant control deficiencies or weaknesses have been identified during the Reporting Period.

Internal Audit Department monitors the implementation of risk management, and continuously reviews and assesses the efficiency and adequacy of action plans in regular basis. Such assessment results will be regularly communicated and reported to Audit Committee and the Board.

## INTERNAL CONTROL

In addition to the arrangements we have put in place pursuant to our risk management framework, we have adopted a series of internal control policies, measures and procedures designed to provide reasonable assurance for achieving objectives, including effective and efficient operations, reliable financial reporting and compliance with applicable laws and regulations. Below is a summary of the internal control policies, measures and procedures we have implemented and/or plan to implement:

– We have adopted various measures and procedures regarding each aspect of our operation, such as protection of trademark, management and protection of intellectual property rights.

– We have developed standard operating procedures governing our activities including production, research and development as well as office security.

– We provided our employees with our employee handbook, as amended from time to time. To strengthen compliance awareness, we established the employee orientation program and also provide periodic internal and external compliance training to our employees as part of our employee training program.

– We have evaluated the design and operating effectiveness of the internal control systems of the Company and did not identify any material weaknesses as a result of the evaluation.

### Effectiveness of Risk Management and Internal Controls

The Board has the overall responsibility for maintaining sound and effective risk management and internal control systems to safeguard the Group's assets and stakeholders' interests, as well as for reviewing the effectiveness of the systems. The management has confirmed to the Board and the Audit Committee on the overall effectiveness and adequacy of the risk management and internal control systems for the Reporting Period. However, the risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

During the Reporting Period, the Board, through the Audit Committee, reviewed the overall effectiveness of the Company's risk management and internal control systems, covering financial, operational and compliance controls and risk management functions, which included the adequacy of resources, qualifications and experience of staff, training programs and budget of the Company's accounting, internal audit, financial reporting functions, as well as those relating to the Company's ESG performance and reporting, reviewing the effectiveness of the risk management and internal control systems and resolving material internal control defects.

At the meetings held in August 2025 and March 2026, the Audit Committee reviewed the effectiveness of the risk management and internal control systems of the Group for the six months ended 30 June 2025 and for the year 2025 respectively, and considered the systems effective and adequate.

The Board believes that there are no material internal control deficiencies that may significantly affect the shareholders of the Company. An effective and adequate risk management and internal control system is in place to safeguard the assets of the Company. The Audit Committee monitors the implementation of risk management policies on an ongoing basis to ensure the policies and implementation are effective and sufficient.

The Company has in place the Whistleblowing Policy for employees of the Company and those who deal with the Company to raise concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in any matters related to the Company.

The Company has also in place the Anti-Corruption Policy to safeguard against corruption and bribery within the Company. The Company has an internal reporting channel that is open and available for employees of the Company to report any suspected corruption and bribery. Employees can also make anonymous reports to the internal compliance department, which is responsible for investigating the reported incidents and taking appropriate measures. The Company continues to carry out anti-corruption and anti-bribery activities to cultivate a culture of integrity, and actively organizes anti-corruption training and inspections to ensure the effectiveness of anti-corruption and anti-bribery.

During the Reporting Period, there were no non-compliance cases in relation to bribery and corruption.

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

## DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the Reporting Period.

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

The statement of the independent auditor of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 177 to 183 of this annual report.

## AUDITORS' REMUNERATION

The Company initially appointed PricewaterhouseCoopers as the external auditor for the Reporting Period. On 19 February 2025, the Company convened an extraordinary general meeting to approve the removal of PricewaterhouseCoopers and the appointment of Ernst & Young as the auditor of the Company. Each of the said proposed removal and proposed appointment was approved by the Shareholders by way of an ordinary resolution. Accordingly, with effect from 19 February 2025, PricewaterhouseCoopers has been removed as the auditor of the Company, and Ernst & Young has been appointed as the new auditor of the Company and to hold office until the conclusion of the annual general meeting of the Company held on Thursday, 26 June 2025. An ordinary resolution was passed on the annual general meeting of the Company held on Thursday, 26 June 2025 to re-appoint Ernst & Young as the auditor of the Company for the year ended 31 December 2025.

Details of the fees paid/payable in respect of the audit and non-audit services provided by Ernst & Young for the Reporting Period are set out in the table below:

| Services rendered | Services rendered to the Company prior to the Merger* RMB'000 | Services rendered to the Target, and the Company after the Merger RMB'000 | Total fees paid and payable RMB'000 |
|---|---|---|---|
| Annual audit services (including reporting accountants service, annual audit and review on interim results) | 1,450 | 10,171 | 11,621 |
| Non-audit services** | 579 | 1,133 | 1,712 |
| Total | 2,029 | 11,304 | 13,333 |

* As disclosed in note 2.1 to the consolidated financial statements, these costs are not included in the consolidated income statement for the year ended 31 December 2025 due to the reverse acquisition accounting.

** Non-audit services are related to internal control consulting, ESG reporting consulting and tax advisory services.

# CORPORATE GOVERNANCE REPORT

## JOINT COMPANY SECRETARIES

Ms. Zhai Jing and Ms. Yip Chui Mei were appointed as the Company's joint company secretaries on 30 December 2025 and Mr. Ip Tak Wai had resigned as the Company's company secretary on 30 December 2025. Ms. Yip is assistant manager of SWCS Corporate Services Group (Hong Kong) Limited. Ms. Zhai and Ms. Yip has/have confirmed that they have taken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules during the Reporting Period.

All Directors have access to the advice and services of the company secretary on corporate governance and board practices and matters. Mr. Yu Tieming, a non-executive Director, has been designated as the primary contact person at the Company which would work and communicate with Ms. Yip on the Company's corporate governance and secretarial and administrative matters.

## SHAREHOLDERS' RIGHTS

The Company engages with Shareholders through various communication channels.

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

### Procedures for Shareholders to Convene an Extraordinary General Meeting and Putting Forward Proposal at General Meeting

Article 12.3 of the Company's Articles of Association provides that the Board may, whenever it thinks fit, convene an extraordinary general meeting. General meetings shall also be convened on the written requisition of any one or more members holding together, as at the date of deposit of the requisition, shares representing not less than one-tenth of the paid up capital of the Company which carry the right of voting at general meetings of the Company. The written requisition shall be deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office of the Company, specifying the objects of the meeting and signed by the requisitionist(s). If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

There are no provisions under the Articles regarding procedures for the Company's shareholders to put forward proposals at general meetings other than a proposal of a person for election as Director. Shareholders of the Company may follow the procedures set out above to convene a general meeting for any business specified in such written requisition.

### Putting Forward Enquiries to the Board

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

### Contact Details

Shareholders may send their enquiries or requests as mentioned above to the Company:

| | |
|---|---|
| Address: | Room 406, Building 1, No. 36 Doukou Road, Hengqin, Zhuhai, China<br>(For the attention of the Board of Directors/Company Secretary) |
| Email: | IR@eddingpharm.com |

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

## COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. For this purpose, the Company has set up a website (https://www.eddingpharm.com), where relevant latest information, the up-to-date status of the Company's business operation and development, the Company's financial information and corporate governance practices and other data are available to the public.

The Company endeavours to maintain an on-going dialogue with Shareholders and, in particular, through annual general meetings and other general meetings. At the annual general meeting, Directors (or their delegates as appropriate) are available to meet shareholders and answer their enquiries.

## POLICIES RELATING TO SHAREHOLDERS

### Shareholders' Communication Policy

The Company has in place a Shareholders' Communication Policy to ensure that Shareholders' views and concerns are appropriately addressed. The policy is regularly reviewed to ensure its effectiveness.

# CORPORATE GOVERNANCE REPORT

The Company has established a number of channels for maintaining an on-going dialogue with its Shareholders as follows:

### (a) Corporate Communication

"Corporate Communication" as defined under the Listing Rules refers to any document issued or to be issued by the Company for the information or action of holders of any of its securities, including but not limited to the following documents of the Company: (a) the Directors' report, annual accounts together with a copy of the auditor's report and, where applicable, its summary annual report; (b) the interim report and, where applicable, its summary interim report; (c) a notice of meeting; (d) a listing document; (e) a circular; and (f) a proxy form. The Corporate Communication of the Company will be published on the Stock Exchange's website (www.hkex.com.hk) in a timely manner as required by the Listing Rules. Corporate Communication will be provided to Shareholders and non-registered holders of the Company's securities in both English and Chinese versions or where permitted, in a single language, in a timely manner as required by the Listing Rules. Shareholders and non-registered holders of the Company's securities shall have the right to choose the language (either English or Chinese) or means of receipt of the Corporate Communication (in printed form or through electronic means).

### (b) Announcements and Other Documents Pursuant to the Listing Rules

The Company shall publish announcements (on inside information, corporate actions and transactions etc.) and other documents (e.g. Memorandum and Articles of Association) on the Stock Exchange's website in a timely manner in accordance with the Listing Rules.

### (c) Corporate Website

Any information or documents of the Company posted on the Stock Exchange's website will also be published on the Company's website (www.eddingpharm.com). Other corporate information about the Company's business developments, goals and strategies, corporate governance and risk management will also be available on the Company's website.

### (d) Shareholders' Meetings

The annual general meeting and other general meetings of the Company are primary forum for communication between the Company and its Shareholders. The Company shall provide Shareholders with relevant information on the resolutions(s) proposed at a general meeting in a timely manner in accordance with the Listing Rules. The information provided shall be reasonably necessary to enable Shareholders to make an informed decision on the proposed resolution(s). Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at the meetings for and on their behalf if they are unable to attend the meetings. Where appropriate or required, the Chairman of the Board and other Board members, the chairmen of board committees or their delegates, and the external auditors should attend general meetings of the Company to answer Shareholders' questions (if any). The chairman of the independent board committee (if any) should also be available to answer questions at any general meeting to approve a connected transaction or any other transaction that is subject to independent Shareholders' approval.

### (e) Shareholders' Enquiries

*Enquiries about Shareholdings*

Shareholders should direct their enquiries about their shareholdings to the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, by online platform at https://www-uk.computershare.com/Investor/#Contact/Enquiry?cc=hk&lang=en, or calling its telephone hotline at +852 2862 8555, or going in person to its investor enquiry counter at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

*Enquiries about Corporate Governance or Other Matters to be put to the Board and the Company*

The Company will not normally deal with verbal or anonymous enquiries. Shareholders may send any enquiries to the Board by email: IR@eddingpharm.com or by post to Room 406, Building 1, No. 36 Doukou Road, Hengqin, Zhuhai, China.

### (f) Other Investor Relations Communication Platforms

Investor/analysts briefings, roadshows (both domestic and international), media interviews, marketing activities for investors and specialist industry forums etc. will be launched on a regular basis.

The Company's communication policy ensured the Shareholders be provided with ready, equal, and timely access to balanced and understandable information about the Company at all times.

The Board reviews the Company's communications policy on an annual basis, and makes any changes it considers necessary to ensure its effectiveness and that the legal interests of Shareholders and investors are substantially protected. The Board has conducted a review of the implementation and effectiveness of the communications policy of the Company. Having considered the diverse channels of communication in place, the Board is satisfied that an effective Shareholders' communications policy has been effectively implemented throughout the year ended 31 December 2025.

## Amendments to Constitutional Documents

There are no changes to the Company's Memorandum and Articles of Association during the Reporting Period.

An up to date version of the Company's Memorandum and Articles of Association is available on the Company's website and the Stock Exchange's website.

## Dividend Policy

The Company has adopted a Dividend Policy on payment of dividends. The Company does not have any predetermined dividend pay-out ratio. Depending on the financial conditions of the Company and the Group and the conditions and factors as set out in the Dividend Policy, dividends may be proposed and/or declared by the Board during a financial year and any final dividend for a financial year will be subject to the Shareholders' approval.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ABOUT THIS REPORT

Edding Genor Group Holdings Limited (hereinafter referred to as "The Company," the "Group," "we," "us," or the "Company") has prepared its 2025 Environmental, Social and Governance Report (hereinafter referred to as "this Report") in accordance with the provisions set out in the *Environmental, Social and Governance Reporting Code* (hereinafter referred to as the "ESG Code") contained in Appendix C2 to the Listing Rules of The Stock Exchange of Hong Kong Limited (hereinafter referred to as "HKEX"). This Report adheres to the ESG Code's reporting principles of materiality, quantifiability, balance, and consistency, and aims to objectively and truthfully present the Company's strategies, policies, measures, and achievements in relation to sustainable development, with a particular focus on disclosing information pertinent to the Company's performance in the areas of Environment, Social, and Governance (collectively, "ESG").

### Reporting Period

From 1 January 2025 to 31 December 2025 (the "Reporting Period" or the "Year"). Certain information may extend beyond the Reporting Period.

### Reporting Boundary

The scope of disclosure in this Report covers Edding Genor Group Holdings Limited (06998.HK), and is consistent with the scope of the Company's 2025 Annual Report.

### Sources of Information and Reliability Assurance

Unless otherwise specified, the data contained in this Report are derived from the Company's internal records, interview and survey records, and relevant documents. The Board of Directors undertakes that this Report contains no false information or misleading statements, and is responsible for the truthfulness, accuracy and completeness of its contents.

### Confirmation and Approval

This Report was confirmed by management and approved by the Board of Directors on March 27, 2026.

### Access to the Report

This Report is incorporated into the Company's 2025 Annual Report. In consideration of environmental protection, we recommend reading the electronic version, which is available on the HKEX website (www.hkexnews.hk) and the Company's website (https://www.eddingpharm.com/).

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

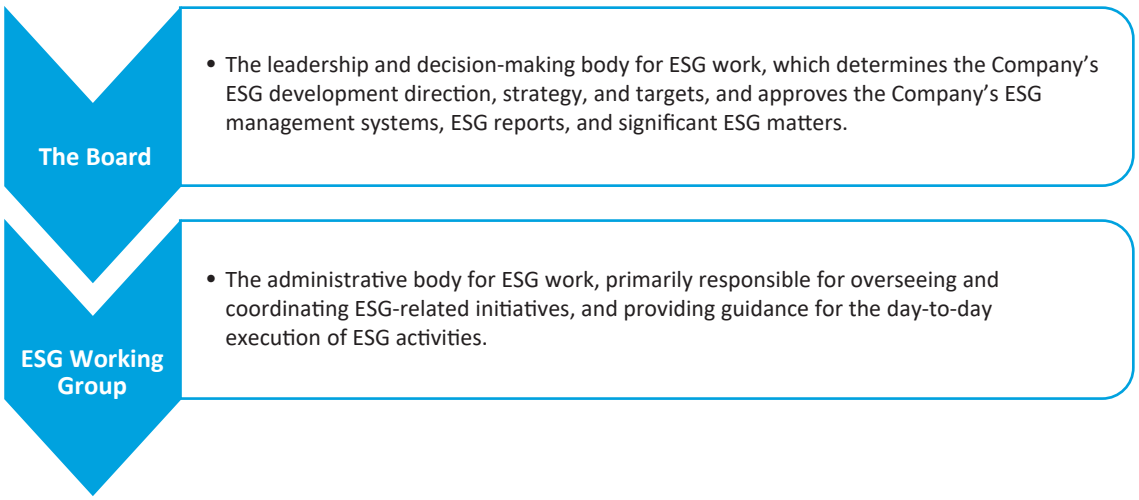
## 1. ESG GOVERNANCE

A sound ESG governance system provides a solid foundation for the Company's sustainable development. The Company actively fulfills its social responsibilities, fully integrates ESG principles into its operations, and continuously enhances its ESG governance practices. At the same time, we proactively communicate with stakeholders, listen to their views and expectations, and provide strong support for achieving sustainable corporate development.

### 1.1 ESG Management System

The Company has established a well-defined and coordinated ESG governance structure to facilitate the orderly and standardized implementation of ESG initiatives and improve ESG performance. The Board of Directors serves as the highest governing and oversight body for ESG matters and is responsible for the overall coordination of the Company's ESG affairs. The Board has authorized the establishment of an ESG working group as the executive body for ESG management, composed of representatives from key functional departments, to advance and implement specific measures and ensure the orderly execution of ESG work.

The Company regularly provides sustainability-related training to members of the Board, covering topics such as the roles and responsibilities of the Board and directors, the Listing Rules and compliance with Hong Kong laws, corporate governance and ESG, risk management and internal controls, as well as the latest developments in the industry and the Company's business, thereby enabling the Board to perform its duties effectively and enhancing the level of ESG governance.




ESG Governance Structure

*Board Statement*

| | |
|---|---|
| the Board Responsibilities | As the decision-making body, the Board reviews ESG governance strategies, policies and implementation plans. The Board authorizes to establish an ESG Management Committee responsible for implementing the ESG policies and management strategies reviewed by the Board and reporting regularly to the Board in light of the Company's ESG performance. |
| ESG Risk Management | To effectively prevent and control potential risks that may hinder the Company's sustainable development, the Board oversees the implementation of ESG management strategies and regularly reviews assessments of ESG risks and opportunities to ensure close integration of ESG risk management with the Company's business and to support sustainable commercial development. |
| Materiality Assessment | The Company regularly identifies, assesses and follows up on stakeholders' major ESG concerns. We have established stable and transparent communication channels and feedback mechanisms with stakeholders and conduct materiality assessments on a regular basis to better understand and respond to their needs and expectations. |

## 1.2 Stakeholder Engagement

The Company attaches great importance to fostering positive interactions with stakeholders. It continuously improves regular communication mechanisms and establishes diversified communication channels to understand the needs and concerns of stakeholders, thereby providing reference and support for the orderly implementation of the Company's ESG initiatives.

During the Reporting Period, the Company's principal stakeholders included shareholders (investors), creditors, employees, partners, customers, suppliers, community organizations and relevant government departments. Their expectations and concerns, together with the Company's responses, are summarized below:

| Stakeholder Identification | Key Sustainability Topics of Concern | Communication Channels |
|---|---|---|
| Shareholders (Investors)/ Creditors | ESG governance<br>Risk management<br>R&D and innovation<br>Product quality and safety<br>Business ethics and anti-corruption | Information Disclosure<br>General Meetings<br>Results Briefings<br>Company Announcements |
| Government and Regulators | Environmental management<br>Community engagement<br>Anti-corruption and anti-bribery<br>Climate change<br>Energy management<br>Resource management<br>Waste management | Regular Communication<br>News Media<br>Exchange and Cooperation |
| Customers | Information security protection<br>Product and service quality<br>Responsible marketing<br>Inclusive healthcare | Customer Service and Complaint Handling<br>Customer Satisfaction Surveys<br>Official Social Media<br>Official Website<br>Company Hotline (Email and Telephone) |
| Employees | Compliant employment<br>Talent development<br>Occupational health and safety<br>Compensation and benefits | Employee Interviews<br>Internal Emails<br>Employee Care Activities<br>Training and Promotion<br>Employee Satisfaction Surveys<br>Corporate Culture Activities |
| Suppliers | Responsible supply chain | Supplier Communication and Training<br>Supplier Evaluation |
| Partners | Community engagement<br>R&D innovation | Industry Exchange and Cooperation |
| Communities and the Public | Volunteer service<br>Community activities<br>Public welfare and charity<br>Environmental management<br>Climate change | Community activities<br>Volunteer service<br>Energy management<br>Resource management<br>Waste management |

## 1.3 Materiality Assessment

To clarify the Company's ESG management priorities and allocate resources in a targeted manner, the Company assessed and identified material ESG issues in light of its actual business operations. Based on the assessment results, we ranked 21 material ESG issues according to their importance to both the Company and stakeholders and developed the 2025 material ESG matrix. For ESG issues of high materiality, we will prioritize management actions and provide focused disclosure in the ESG Report.

Materiality Matrix

| | |
|---|---|
| Governance Dimension | 1. ESG Governance<br>2. Risk Management<br>3. Business Ethics and Anti-corruption |
| Environmental Dimension | 4. Environmental Management and Compliance<br>5. Energy Use<br>6. Water Resource Management<br>7. Emissions Management<br>8. Climate Risk Management |
| Social Dimension | 9. Product Quality and Safety<br>10. Technology and Innovation<br>11. Intellectual Property Protection<br>12. Responsible Marketing<br>13. Supply Chain Management<br>14. Privacy Protection<br>15. Community Contribution<br>16. Occupational Health and Safety<br>17. Employee Rights and Interests<br>18. Employee Development<br>19. Public Welfare and Charity<br>20. Inclusive Healthcare<br>21. Industry Cooperation |

## 2. REFINED GOVERNANCE

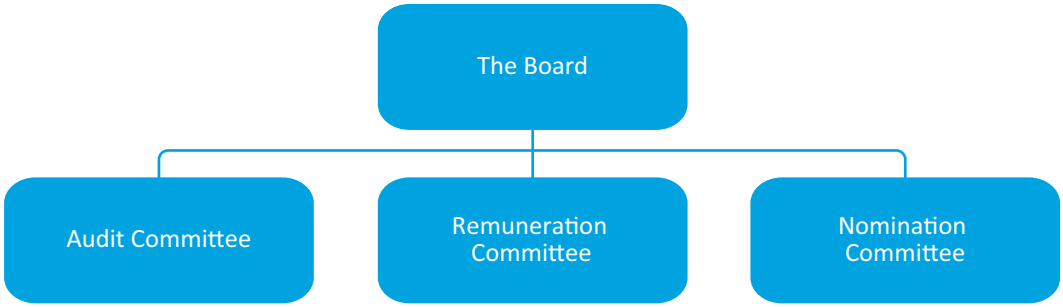
The Company is committed to building a comprehensive corporate governance structure and institutional management system, continuously strengthening internal risk control and integrity management, and maintaining a high standard of corporate governance to support the Company's sustainable, stable and healthy development.

### 2.1 Corporate Governance

Strengthening corporate governance and enhancing risk management capabilities are essential foundations for the Company's steady and sustainable development. The Company complies with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Corporate Governance Code* of HKEX and other applicable laws, regulations and regulatory requirements, ensuring high standards of compliance in all operating activities.

#### *2.1.1 Corporate Governance Structure*

The Company has established a comprehensive and sound governance structure. Under the Board of Directors, it has set up an Audit Committee, a Remuneration Committee and a Nomination Committee, adhering to governance principles featuring clear accountability, efficiency and transparency.




The Company Corporate Governance Structure

#### *2.1.2 Board Diversity*

Through the *Board Diversity Policy*, the Company has established the core approach to enhancing the diversity of its board members. We fully recognize the benefits of board diversity in improving decision-making efficiency and sustaining long-term competitiveness, and regard it as a key component of sound corporate governance. Under the policy, the Nomination Committee reviews the structure, size and composition of the Board annually and makes adjustment recommendations based on the Group's strategic development needs, so as to ensure a balanced mix of skills and backgrounds. In evaluating board composition, the Nomination Committee seeks to maintain diversity at all levels, taking into account a broad range of factors including gender, age, cultural and educational background, professional qualifications, knowledge, and industry and regional experience.

At present, the Board of the Group consists of seven members, including two executive directors, two non-executive directors and three independent non-executive directors. In addition to extensive expertise in the biopharmaceutical industry, Board members also possess deep experience in management strategy, financial investment and accounting. In terms of diversity, the Board includes two female directors.

## 2.2 Compliance Operations

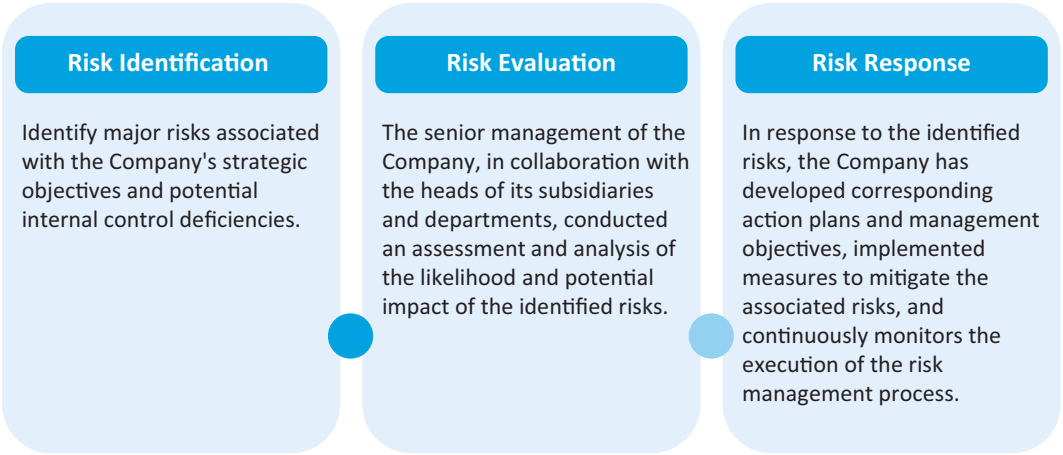
The Company has always regarded compliant operations and risk control as an important foundation for steady corporate development. In daily operations, the Company continuously strengthens the identification and management of various business risks and keeps improving its internal compliance management system. Focusing on key areas such as risk management, business ethics and responsible marketing, the Company has established corresponding management mechanisms and control measures, integrated compliance principles into all aspects of operations, and continuously enhanced its governance standards and operational discipline to support long-term, stable development.

### *2.2.1 Risk Management*

The Company places great emphasis on the development of its risk management and internal control systems. As the highest accountable body for risk management, the Board of Directors is fully responsible for establishing, maintaining and periodically reviewing the effectiveness of the Company's risk management and internal control systems. The Board's oversight covers key areas including finance, operations and compliance, providing institutional support for prudent operations and helping the Company achieve sustainable development in a changing market environment.

With reference to the COSO risk management framework[1], the Company has established a risk management governance system composed of the "Board of Directors – Audit Committee – Management – Compliance and Internal Audit Functions." The Company continuously integrates risk management concepts into daily operations and has established sound processes and mechanisms to identify, assess, respond to and monitor various risks associated with strategic objectives.

[1] The *Enterprise Risk Management – Integrating with Strategy and Performance* framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) is one of the core global standards for enterprise risk management.




The Company Risk Management Process

During the Reporting Period, the Internal Audit Department continuously carried out various routine and special audits covering fund payments, remuneration, R&D, taxation and commercial settlement, further strengthening internal controls and supporting prudent and compliant operations.

### 2.2.2 *Anti-corruption*

The Company has formulated policies including the *Business Ethics and Anti-fraud Policy* and the *Guidelines for Interactions with Government Officials* to prevent corruption within the Company. The Company continues to advance anti-corruption efforts, foster a culture of integrity, and organize regular anti-corruption training and inspections to ensure the effective implementation of anti-corruption and anti-bribery measures.

**Business Ethics and Compliance Training**

In 2025, the Compliance Department organized business ethics and compliance training covering the compliance system and policy framework, policy requirements, anti-corruption and improper business conduct, compliance culture promotion, and penalties for violations. During the Reporting Period, the Compliance Department held 27 training sessions covering 2,700 participants.

The Company has established internal whistleblowing channels through which employees may submit anonymous reports to the compliance function. Reports may be made by email or by direct letter submission. The Compliance Department investigates reported matters and takes appropriate action. At the same time, the Company strictly prohibits retaliation against whistleblowers and does not tolerate harassment or malicious reporting. Appropriate protective measures are taken for employees who report truthfully.

**Whistleblowing Channels**

- E-mail: hegui@eddingpharm.com

During the Reporting Period, the Company did not record any violations involving bribery or corruption.

*2.2.3 Responsible Marketing*

The Company strictly complies with the *Advertising Law of the People's Republic of China* and expressly prohibits any exaggerated, deceptive or misleading content. In 2025, the Company further improved its systematic review process for promotional materials in accordance with relevant policy requirements. The system requires all promotional materials to be reviewed to ensure compliance with the Company's responsible marketing standards, and mandates that all materials obtain approval from all authorized personnel and relevant departments before formal use or external release, thereby ensuring the compliance of marketing activities and the reliability of value communication.

## 3. PRODUCT RESPONSIBILITY

As a biopharmaceutical company guided by the vision of "Rooted in China, Serving the World," we consistently regard product and service quality as the lifeline of our sustainable development. We are committed to providing safe and reliable innovative medicines and solutions in oncology, autoimmune diseases, cardiovascular diseases, respiratory diseases and anti-infectives, thereby creating meaningful value for diagnosis and treatment in these disease areas.

### 3.1 Product Innovation

The Company continues to deepen its presence in five core therapeutic areas: oncology, autoimmune, cardiovascular, respiratory and anti-infective. Leveraging its proprietary core technology platforms, the Company continuously expands and optimizes its R&D pipeline and accelerates the development and translation of innovative medicines. We also continue to strengthen the deployment and protection of intellectual property to build a solid foundation for long-term sustainable development and innovation capability.

*3.1.1 R&D and Innovation System*

The Company firmly believes that high-quality R&D and innovation form the cornerstone of its core competitiveness. We have established a systematic and integrated product R&D system supported by advanced technology platforms, covering the full process from target discovery to clinical research.

The Company has strategically and proactively deployed a small-nucleic-acid drug R&D platform to drive innovation in therapeutic approaches. As a breakthrough modality in precision medicine, small-nucleic-acid therapeutics, represented by Antisense Oligonucleotide (ASO) and Small Interfering RNA (siRNA), offer notable advantages such as abundant targets, durable efficacy and modular design. We have established three core technology modules covering sequence design, chemical modification and targeted delivery. Supported by a screening system that combines AI with high-throughput experimentation, the platform enables rapid iteration and optimization of candidate compounds. Guided by clinical needs and integrating target biology with the characteristics of small-nucleic-acid technologies, the platform is building a pipeline in chronic disease areas with significant burden, including cardiovascular, metabolic, autoimmune and liver diseases, and has also developed a dual-target small-nucleic-acid platform to advance efficient and safe therapies and provide better and more accessible treatment options for patients worldwide.

At the same time, the Company has also established an integrated macromolecular antibody drug R&D platform covering the full process from target research to pharmacology research. Led by an experienced team, the platform leverages the features and advantages of different molecular formats and combines them with a deep understanding of target biology and disease mechanisms to drive differentiated innovation across the full drug development process while emphasizing tangible clinical benefits, thereby ensuring both scientific rigor and execution efficiency. The platform architecture emphasizes R&D-manufacturing collaboration, promotes close integration between early innovation and industrialization, supports efficient translation of outcomes, and enables antibody drugs to progress from source innovation to industrial implementation. The Company's R&D pipeline focuses on five core therapeutic areas: oncology, autoimmune diseases, cardiovascular diseases, respiratory diseases and anti-infectives. In 2025, guided by clinical value and focused on highly unmet medical needs, and empowered by AI and other technologies in molecular design and optimization, the platform advanced several self-developed bispecific/multispecific antibody projects with best-in-class or first-in-class potential into cell line development and IND-enabling stages.

The integrated R&D system is reflected not only in the construction of technology platforms but also in the composition of the professional team. Core R&D members have extensive experience at globally renowned pharmaceutical companies and possess solid scientific capabilities and deep industry expertise. Other team members also bring excellent academic backgrounds professional skills, collectively forming a strong foundation of R&D talent.

To continuously stimulate and enhance the innovative capabilities of this core team, the Company has established an institutionalized and diversified R&D innovation training system. The system emphasizes both internal and external engagement and a forward-looking perspective: internally, it regularly organizes seminars focused on key technology areas such as AI-driven drug discovery, novel delivery systems and CMC; externally, it actively supports key R&D personnel in participating in more than ten high-level academic conferences and professional training programs to stay aligned with global frontiers.

*3.1.2 Intellectual Property Protection*

The Company regards intellectual property as a core strategic asset for achieving sustainable development. We strictly comply with the *Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China* and the *Anti-Unfair Competition Law of* the *People's Republic of China*, and have established a systematic internal management framework including the *Confidentiality and Intellectual Property Management System*, *Measures for Invention Disclosure and Patent Evaluation Management*, *Measures for Conference Reporting and Paper Publication Management*, *Trademark Management Standards and Trademark Use Standards*. This framework regulates the entire process from technology development and commercialization of achievements to trademark use, clarifies responsibilities and dispute handling mechanisms, and ensures effective protection of innovation outcomes, thereby continuously improving the standardization and systematization of IP management.

The Company has consistently treated intellectual property as a critical support for enhancing innovation competitiveness. During the Reporting Period, we pursued a global IP strategy around our core businesses and filed 42 patent applications during the year, including 25 invention patents entering national phases under the PCT, covering five product pipelines and forming six PCT patent families. By closely aligning patent deployment with product development and internationalization strategies, the Company continued to strengthen its technological barriers and enhance its IP protection capability and competitive advantage in overseas markets.

During the Reporting Period, the Company was not involved in any IP disputes or infringement incidents.

| Indicator | Unit | 2025 |
|---|---|---|
| Patent applications filed during the Reporting Period | item(s) | 42 |
| Patents granted during the Reporting Period | item(s) | 18 |
| Cumulative patents granted | item(s) | 76 |
| Cumulative copyrights granted | item(s) | 5 |
| Cumulative trademarks granted | item(s) | 273 |

## 3.2 Quality Management

Pharmaceutical quality is directly related to patients' lives and health and is also the cornerstone of corporate reputation and sustainable development. We always place quality and safety first and continue to improve a quality management system covering the entire product life cycle across R&D, manufacturing and post-marketing stages. By fully integrating systematic quality control and risk prevention requirements into key stages including R&D, technology transfer, production and product discontinuation, we are committed to ensuring stable and reliable quality at every step and safeguarding patient medication safety.

### *3.2.1 Product Quality and Safety*

The Company has established a systematic quality management system covering the entire pharmaceutical life cycle, strictly following the *Medicinal Product Administration Law of the People's Republic of China*, the *Good Manufacturing Practice for Pharmaceutical Products (GMP)*, the *Pharmacopoeia of the People's Republic of China* and other regulations, while integrating the principles of international guidelines such as ICH Q8 (Quality by Design), Q9 (Quality Risk Management) and Q10 (Pharmaceutical Quality System), to ensure quality control throughout the entire process from R&D and production to distribution. We have formulated unified quality policies, a quality manual and global quality standards (QMS), and promote effective system operation through a cross-functional Quality Management Committee. With a closed-loop approach of "monitoring – analysis – review – improvement" and supported by comprehensive computerized systems, the system enables data-driven decision-making and continuous enhancement. Its effectiveness and robustness were validated through four on-site inspections by drug regulatory authorities in 2024 and 2025.

| | |
|---|---|
| Clinical Quality Management | • Strictly adhere to the *Good Clinical Practice* (GCP) and ICH E2 series guidelines, establishing a full lifecycle clinical trial safety management system.<br><br>• Prior to trial initiation, pharmacovigilance personnel are responsible for drafting the drug safety module in the Investigator's Brochure and the Risk Management Plan (RMP), assessing potential risks, and formulating prevention and control measures.<br><br>• During the protocol development stage, organize multidisciplinary experts to comprehensively review safety information, while pharmacovigilance staff concurrently prepare the investigational product safety management plan, clearly defining the end-to-end requirements for monitoring, collection, evaluation, and reporting of safety data (including individual case safety reports and Development Safety Update Reports).<br><br>• Ensure continuous updating of safety information in the *Investigator's Brochure*, and revise the Product Risk Management Plan upon trial completion to support the marketing authorization application. |
| Manufacturing Quality Management | • In accordance with GMP and relevant regulations, and referencing ICH principles, establish a closed-loop quality management mechanism of "monitoring – analysis – review – improvement" to ensure that decisions are data-driven and effectiveness-oriented.<br><br>• Rigorously implement annual product quality reviews and trend analyses, conducting systematic statistical and correlation analyses of the year's production batch records, process parameters, test results, deviations, changes, and stability data; quantitatively assess process stability and consistency, identify potential trends, and drive continuous improvement. |

| | |
|---|---|
| | • Through in-depth statistical analysis of critical quality attributes, scientifically set and apply alert and action limits, enabling early warning in the manufacturing process; where necessary, promptly initiate Corrective and Preventive Actions (CAPA) to maintain ongoing product quality control.<br><br>• Fully utilize computerized management systems to enable efficient, reliable, and traceable management of production, testing, deviations, changes, and audits, ensuring data integrity and compliance, and improving operational efficiency. |
| Product and Material Quality Management | • In line with procedures such as the *Supplier Quality Management*, adopt risk assessment methods to systematically manage the onboarding, ongoing evaluation, and disqualification of material and service suppliers; steps include risk classification, qualification verification, quality auditing, execution of quality agreements, and periodic performance reviews.<br><br>• Sign quality agreements with medium – and high-risk suppliers to define mutual quality responsibilities. For key overseas suppliers and CDMOs, priority is given to industry-leading partners, with enhanced compliance oversight through quality agreements integrating international regulations and company standards, as well as third-party audit report assessments.<br><br>• Establish and dynamically maintain supplier quality files and lists of qualified suppliers and service providers. In 2025, all material quality and supply issues were properly resolved, and related changes were strictly controlled, ensuring supply chain reliability and a closed-loop management system. |

The Company continuously improved its production quality management system and obtained a series of authoritative certifications during the Reporting Period, marking a significant improvement in system maturity. A newly added inhalation formulation production line at the Suzhou manufacturing base successfully passed GMP compliance inspection and completed the renewal of its *Production License* (Type A). Zhuhai Company, as a marketing authorization holder, passed an on-site inspection for the first time and obtained its *Drug Manufacturing License* (Type B). Through internal mechanisms such as strict quarterly self-inspections and audits by external experts, the Company ensured the ongoing effectiveness of its six major quality systems, and in the same year successfully passed pilot and compliance inspections by the drug regulatory authority relating to optimization of warehousing resources and other matters. Meanwhile, the Company fulfilled its responsibilities as a marketing authorization holder by conducting special quality audits of six contract manufacturers and driving closed-loop rectification of all findings, thereby achieving strict quality control across the entire pharmaceutical manufacturing chain.

***Training System Development***

The Company has established a systematic quality training and culture-building system covering all employees, with the aim of turning the concept of "quality first, patient-centered" into conscious action and deep commitment for every employee. Quality training focuses on core areas such as regulations, GMP fundamentals, aseptic operations and safety, using a variety of formats including classroom instruction, on-site practice, video learning and external workshops, supported by rigorous assessment mechanisms. During the Reporting Period, the Company conducted 83 offline centralized training sessions covering more than 1,000 participants and actively organized participation in more than 10 high-level external professional training programs, ensuring that team capabilities remain aligned with industry frontiers and regulatory requirements. The annual training completion rate reached 100%.

Building on this systematic training, the Company further deepened its quality culture through regular and multi-level initiatives such as "Weekly Quality Micro-class," "Bimonthly In-depth Quality Lectures" and the "Annual Quality Culture Month." These activities focused on professional topics including data integrity, microbial control and audit readiness, and significantly enhanced employee engagement and identification through thematic discussions, company-wide interaction and enjoyable quiz-based learning, fostering a strong atmosphere in which everyone values quality and everyone contributes to quality.

**The Company Established a Tiered Pharmacovigilance Training Mechanism**

During the Reporting Period, The Company established a systematic, tiered pharmacovigilance training mechanism to continuously enhance the professional capabilities of dedicated personnel and strengthen medicine safety awareness across the workforce. This mechanism covered four groups – new hires, incumbent employees, key business departments and the dedicated pharmacovigilance team – achieving 100% coverage for onboarding training and incorporating regular refresher and targeted enhancement programmes.

***Quality and Safety Complaints***

The Company has formulated the *Product Complaint Handling Procedure*, which clearly defines the responsibilities and coordination mechanisms of relevant departments in handling product complaints. The procedure systematically optimizes the full complaint-handling process, strengthens timeline management and corrective and preventive actions, and ensures that each complaint is responded to promptly, investigated effectively and resolved in a closed loop, thereby continuously improving product quality and customer satisfaction.

To systematically and standardize the management of feedback and reports from all parties, the Company has established an end-to-end management mechanism covering receipt and recording, graded handling, follow-up review and closed-loop revisit. At the intake stage, all relevant information is recorded promptly and accurately. It is then initially classified and routed according to its nature: medical inquiries are transferred to the Medical Department, commercial inquiries to the Commercial Department, and adverse events or product complaints are escalated to the Pharmacovigilance Department and the Quality Department. Following in-depth investigation and analysis by the responsible professional departments, corresponding solutions are formulated and fed back to relevant parties in a timely manner, and a case is considered closed only after confirmation or acknowledgment is obtained. Where adverse reactions are involved, regular follow-up and ongoing monitoring are conducted to ensure proper tracking through closure. During the Reporting Period, the Company received seven customer complaints relating to Ceclor and did not record any major complaints caused by product quality issues. All complaints were investigated and closed, and corrective and preventive actions were developed for certain cases based on identified causes to prevent recurrence.

**Complaint or Inquiry Intake**

- Receive notifications directly from the market as well as communications from the Pharmacovigilance Department.

**Nature Determination**

- If the issue does not involve defects related to product quality or safety, record it as an inquiry event and do not initiate the formal complaint process.
- If the issue involves defects concerning product uniformity, quality, efficacy, or safety, escalate it into the formal complaint handling process.

**Adverse Drug Reaction (ADR) Screening**

- At the intake stage, immediately assess whether the case should be combined with any adverse drug reactions/events. If there is any doubt, promptly contact the Pharmacovigilance Department to ensure timely reporting.

**Records and Task Assignment**

- Create a formal complaint record in the Vault QMS system to ensure full traceability throughout the process, and assign a primary investigator.

**Investigation and Handling**

- The root cause investigation must be completed within 30 calendar days, and corresponding actions shall be formulated and documented based on the investigation findings
- Decisions shall be made regarding actions for the affected batches (such as quarantine, recall, or corrective measures)

**Timely Closure**

- Once all actions have been completed, close the complaint record in the system. The overall complaint-handling process shall be concluded within 45 calendar days

Quality and Safety Complaint Handling Process

***Product Recall***

To effectively safeguard patient medication safety and rights, The Company has established a comprehensive *Product Recall Process* and continues to verify the timeliness and effectiveness of the process through simulated recall drills conducted every two years. In December 2025, the Company successfully completed a full-process mock recall exercise. Smooth communication, compliant timelines and accurate material traceability throughout the exercise effectively demonstrated that the recall system can be activated at any time and operate efficiently. During the Reporting Period, the Company did not initiate any product recalls due to product quality or safety issues, nor did it receive any related alerts from drug regulatory authorities.

*3.2.2 Data Security and Privacy Protection*

The Company fully complies with the *Personal Information Protection Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China* and other applicable laws and regulations. It has formulated and implemented a series of internal policies, including *the Access Control Management Regulations*, *Network Access Management Regulations*, *Computerized System Management Procedures* and *IT Equipment Management Regulations*, to strictly regulate data access, transmission, storage and processing across the entire data life cycle. These measures provide dual safeguards at both the institutional and technical levels for the confidentiality, integrity and availability of clinical trial data, and effectively protect the privacy and information security of study participants.

In the execution of clinical research, the Company strictly follows the basic principle of collecting information only within the scope of approved trial protocols and ethics review, and relies on standardized notice and consent procedures to ensure that subjects exercise autonomy on the basis of full understanding. At the technical implementation level, the Company has deployed systematic controls, including encrypted storage and secure transmission of collected personal information, role-based access control and permission classification management, and comprehensive audit logging, thereby ensuring the integrity, traceability and tamper-resistance of data throughout all stages of circulation. In biological sample management, a unique coding mechanism is implemented so that sample information is physically or logically separated from directly identifiable personal information. The Company clearly requires that all trial data be stored in controlled environments that meet *the requirements of GCP*, and regulates supplier behavior relating to data retention and destruction through contractual constraints and periodic supervision and review, thereby building a closed-loop security management system across the full data life cycle.

| | |
|---|---|
| **Internal Employees** | Before participating in any clinical project, internal employees must complete specialized training on privacy protection and information security, pass the associated assessment, and sign a legally binding confidentiality agreement |
| **External Partner Organizations** | Prior to project initiation, external partner organizations are required to sign a confidentiality agreement that clearly defines their information security responsibilities and liabilities for any breach |

Information Security Protection Mechanism Covering Internal and External Personnel

In addition, through regular internal communication, case reviews and system security update reminders, the Company continuously strengthens privacy protection awareness and practical risk prevention capabilities among all relevant personnel, ensuring that compliance requirements are translated into everyday conduct. During the Reporting Period, the Company did not experience any privacy leakage or information security incidents.

## 3.3 Responsible Supply Chain

The Company consistently embeds sustainable development into its supply chain system, is committed to building a fair and win-win cooperation platform, and continuously promotes the standardization and professionalization of supply chain management. We conduct procurement in a responsible manner to ensure the continuity, stability and reliability of business operations.

### *3.3.1 Supplier Management*

The Company has established and implemented a risk-based, full lifecycle Supplier Quality Management System. Anchored in the *Supplier Quality Management* and the *Management of GMP Service Suppliers* procedures, the system covers the entire process from supplier onboarding, day-to-day collaboration, to exit management. The system is founded on risk assessment and applies differentiated, precision management to suppliers. Based on the potential impact of the materials or services provided on product quality, suppliers are classified into three risk levels – high, medium, and low – with corresponding allocation of management resources and strategies. High-risk suppliers typically include manufacturers of critical materials and participants in their supply chains, as well as key GMP service providers. These are subject to the strictest controls, including mandatory quality agreements and the highest frequency of audits and assessments. Management requirements for medium-risk suppliers are appropriately adjusted, while simplified processes apply to low-risk suppliers. Through this tiered supplier management approach, the Company optimizes resource allocation and focuses risk prevention and control on material areas.

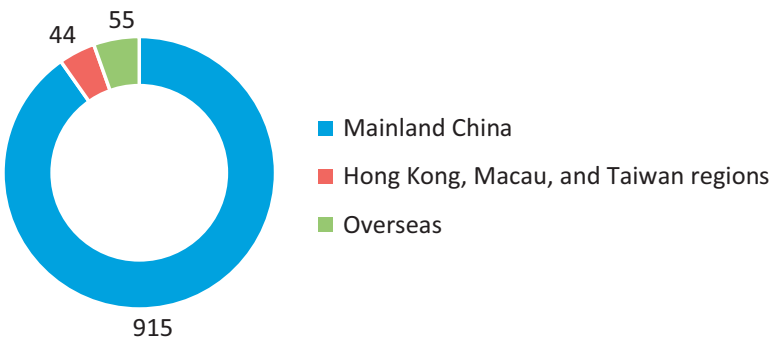
Supplier auditing is a core means of verifying the conformity of suppliers' quality management systems. The Company strictly follows *the Supplier Audit Process* and audits are conducted by qualified auditors. Audit plans are entirely based on supplier risk classification, ensuring that audit frequency and resource input are matched to risk level. During the Reporting Period, the Company completed a total of 55 supplier audits, including 19 qualification confirmation audits and 36 routine audits. No critical findings were identified in any audit, and all observations received timely responses and effective rectification from suppliers. These results indicate that the current audit process is effective and that supply chain quality remains stable and under control.

With regard to key and complex links in the global supply chain, namely overseas suppliers and Contract Development Manufacture Organization (CDMO), we have implemented more targeted and strengthened management measures to address special challenges arising from distance, regulation and culture.

| | |
|---|---|
| Partner Selection | Priority is given to suppliers with experience serving leading global pharmaceutical companies and those possessing advanced technologies or unique capabilities. |
| Management Process | Based on risk classification, we combine on-site and remote audits, sign detailed quality agreements deeply integrating regulatory requirements of various jurisdictions with the Company's own requirements, and regularly evaluate implementation. |
| Evaluation Mechanism | We introduced a systematic review mechanism for authoritative third-party audit reports, such as those issued by SGS and RX-360, as a supplement to our own audits, thereby establishing a multi-level oversight network to ensure that products and services from key overseas sources consistently meet the highest quality standards. |

While reinforcing the foundation of cooperation through systematic management, we have always regarded suppliers as strategic partners for mutual growth and are committed to building long-term, stable and collaborative win-win relationships. Through regular meetings, instant communications and thematic seminars, we maintain routine and two-way communication with suppliers, promptly resolve issues and proactively align needs. During the Reporting Period, we organized multiple exchanges around supply chain collaboration, technology upgrades and quality innovation, and engaged in in-depth discussions with key partners on industry trends and pathways to optimize cooperation. These sustained efforts not only enhanced mutual trust and coordination efficiency, but also jointly promoted the resilience and sustainable development capacity of the industrial chain.

As of the end of the Reporting Period, we had a total of 1,014 suppliers. The number of suppliers by region is as follows:



*3.3.2 Sustainable Procurement*

The Company gradually incorporates ESG requirements into supply chain management to elevate suppliers' sustainability standards. We work only with qualified and trustworthy suppliers that comply with relevant laws, regulations and industry standards, procure raw materials that meet environmental requirements, and regularly monitor and review suppliers' safety and environmental performance. We also strengthen communication with suppliers to ensure that they meet our ESG management expectations.

## 4. HARMONIOUS ECOLOGY

The Company adheres to the green development philosophy, actively responds to climate change challenges, continuously improves its environmental management system, ensures compliant pollutant emissions, and enhances energy and resource efficiency. We fulfill our environmental responsibilities and promote the Company's sustainable development.

### 4.1 Climate Change Response

The Company attaches great importance to the risks and opportunities that climate change may bring to its development. It systematically incorporates climate-related factors into its sustainability management system, continuously enhances its capability to respond to climate risks, and actively captures opportunities arising from green development, so as to safeguard stable operations and strengthen long-term sustainable competitiveness.

*Governance*

The Company fully recognizes the potential risks and impacts of climate change on the Company's stable operations and long-term development. Climate-related decision-making, oversight and execution are coordinated by the Board of Directors. The Company continues to improve climate risk management mechanisms and workflows and systematically implement response measures to ensure the standardized and effective operation of its climate risk management system.

*Strategy*

The Company actively responds to the national dual-carbon strategy, fully recognizes the systemic risks and transition opportunities brought by climate change, and includes climate issues as a core consideration in strategy and operational management. The Company continues to monitor meteorological information and analyze market trends, policy direction and industry developments, proactively assessing the potential impacts that climate change may have on the business and striving to manage related risks scientifically while seizing emerging development opportunities.

With reference to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the Company identifies, assesses and analyzes climate-related risks and opportunities. According to the period of impact, matters within one year are regarded as short-term, within five years as medium-term, and beyond five years as long-term, and corresponding management and response strategies are developed for each horizon.

| Risk | Risk Description | Time Horizon | Response Measures |
|---|---|---|---|
| Physical Risk – Acute Risk | Extreme weather such as typhoons and heavy rain may interrupt production and operations and damage assets. | Short term | The Company improves facility resilience by establishing emergency response plans and disaster protection measures to ensure safe operations and asset protection. |
| Physical Risk – Chronic Risk | Rising average temperatures in operational regions may affect health and work efficiency. | Long term | The Company mitigates the impact of high temperatures on employee health and efficiency by strengthening work environment controls and health management. |
| Transition Risk – Policy and Legal Risk | As carbon compliance and disclosure requirements become more stringent, excess emissions may lead to penalties and require additional decarbonization costs. | Medium to long term | The Company reduces carbon emissions and ensures compliance by optimizing its energy mix, improving production efficiency and conducting GHG verification. |
| Opportunity – Technology | Proactively upgrading green processes and low-carbon manufacturing can optimize production processes and reduce energy and resource consumption per unit of output. | Medium to long term | The Company continuously reduces energy and resource consumption by introducing energy-saving equipment, optimizing process flows and advancing low-carbon production. |
| Opportunity – Reputation | Stakeholders are increasingly concerned about corporate low-carbon development, and stronger climate management and disclosure help enhance recognition. | Medium to long term | The Company enhances transparency and management standards in low-carbon development through stronger climate management and information disclosure. |

*Risk and Opportunity Management*

The Company has initially established a climate risk management process covering identification, assessment, response and monitoring. Taking into account its business footprint and operational characteristics, the Company tracks climate policies and industry trends, identifies and analyzes climate-related risks and opportunities, determines priorities and action measures through cross-functional assessment, and continuously monitors and optimizes response strategies. The Company will gradually integrate climate risk management into routine management to enhance its ability and long-term resilience in responding to climate change.

| | |
|---|---|
| Risks and Opportunities Identification | • From the three dimensions of physical risks, transition risks, and opportunities, identify and compile a list of climate-related risks and opportunities that have a significant impact on the company's business, and categorize the types of risks and opportunities. |
| Risks and Opportunities Evaluation | • Integrating the Company's current operational status, strategic planning, industry characteristics, and stakeholder expectations, conduct an assessment of climate-related risks and opportunities. |
| Risks and Opportunities Response | • Based on the scientific forecasting results of climate change scenario analysis, and comprehensively considering factors such as the company's operations, geographical conditions, and industry development, response measures for risks and opportunities are formulated to improve the climate change management system. |

Climate-related Risk and Opportunity Management Process

*Indicators and Targets*

The Company consistently upholds the philosophy of sustainable development and actively advances green development. It has established a systematic environmental management target system and a mechanism for tracking key performance indicators. Through quantitative management and continuous optimization of production and R&D processes, the Company steadily promotes the green transformation of pharmaceutical R&D and manufacturing and enhances environmental performance and sustainable operational capability.

| **GHG Emissions Reduction Target** |
|---|
| Strengthen GHG emissions management and systematically advance emission reduction measures to achieve a sustained decline in carbon intensity. |

| Indicator | Unit | 2025 |
|---|---|---|
| GHG Emissions | | |
| Total GHG Emission[2] (Scope 1 & Scope 2) | $tCO_2e$ | **6,196.34** |
| Direct GHG Emissions (Scope 1) | $tCO_2e$ | **22.22** |
| Indirect GHG Emissions (Scope 2) | $tCO_2e$ | **6,174.13** |
| GHG Emissions Intensity | $tCO_2e$/RMB million of revenue | **2.49** |
| Energy Consumption | | |
| Electricity | MWh | **7,422.93** |
| Steam | $m^3$ | **7,545.83** |
| Natural Gas | $m^3$ | **9,786.00** |
| Diesel | liters | **400.00** |
| Total Energy Consumption | MWh | **15,410.31** |
| Direct Energy Consumption | MWh | **91.57** |
| Indirect Energy Consumption | MWh | **15,318.73** |
| Energy Consumption Intensity | MWh/RMB million of revenue | **6.20** |

## 4.2 Environmental Management

The Company strictly complies with the *Environmental Protection Law of the People's Republic of China*, the *Environmental Impact Assessment Law of the People's Republic of China* and other applicable laws and regulations, and has established a systematic environmental management framework. In accordance with external policy requirements and internal management systems, the Company formulates environmental management objectives, regularly carries out environmental protection training and awareness initiatives, and has put in place emergency management mechanisms for sudden environmental incidents, thereby continuously improving environmental governance standards and operational compliance.

### *4.2.1 Emissions Management*

The Company actively fulfills its environmental protection responsibilities and is committed to promoting green and sustainable development. It continuously strengthens the management of exhaust gas, wastewater and waste to ensure compliant emissions, while exploring pathways for pollutant reduction and treatment to steadily improve environmental performance.

[2] The Company's Scope 1 greenhouse gas (GHG) emissions arise from diesel and natural gas consumption; Scope 2 GHG emissions result from purchased electricity and purchased steam usage. Greenhouse gas emissions are calculated in accordance with the *Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions for Enterprises in Other Industrial Sectors (Trial)* issued by the National Development and Reform Commission of the People's Republic of China. For 2025, the electricity emission factor was determined with reference to the *Announcement on Publishing the 2023 Grid Average Carbon Dioxide Emission Factors for Electricity* issued by the Ministry of Ecology and Environment of the People's Republic of China, in which the grid emission factor was updated to 0.5306 $tCO_2$/MWh.

***Wastewater Management***

The Company strictly complies with the *Water Pollution Prevention and Control Law of the People's Republic of China* and other relevant laws and regulations and has established a systematic wastewater management system. It continues to improve the operation and maintenance mechanisms of wastewater monitoring and treatment facilities. Through scientific management and regular inspections, it ensures that wastewater pollutant discharges consistently meet standards, while continuously optimizing wastewater treatment processes to reduce the impact of operations on the water environment.

***Air Emissions Management***

The Company strictly complies with the *Air Pollution Prevention and Control Law of the People's Republic of China* and other regulatory requirements, and follows emission limits set out in standards such as the *Integrated Emission Standard of Air Pollutants* and the *Emission Standard of Air Pollutants for Pharmaceutical Industry* to standardize air emissions management and ensure compliant discharge.

For low-concentration exhaust gases generated during manufacturing, mainly involving particulate matter and volatile organic compounds, we have established standardized end-to-end management and monitoring mechanisms. Through continued investment in environmental infrastructure, strengthened day-to-day monitoring of air pollutants and optimization of end-of-pipe treatment technologies, the Group is committed to minimizing the impact of its operations on the surrounding environment, achieving long-term and stable compliant emissions, and actively contributing to ecological improvement and sustainable development.

***Waste Management***

The Company strictly complies with the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, the *Standard for Pollution Control on Hazardous Waste Storage*, the *Technical Specifications for Setting Identification Signs of Hazardous Waste* and other applicable laws and regulations, and has established standardized procedures and ledger systems for the management of solid waste and hazardous waste to achieve standardized and refined waste management.

The Company strictly controls all types of waste generated in production and operation and continuously reduces negative environmental impacts. By promoting waste classification and collection, improving disposal and transfer processes, and ensuring that all waste is handled safely and compliantly by qualified professional contractors, the Company effectively controls environmental pollution risks and advances its waste management objectives.

| Waste Reduction Target |
|---|
| Strengthen compliant waste disposal processes, actively explore waste reduction pathways, and steadily reduce waste intensity. |

| Indicator | Unit | 2025 |
|---|---|---|
| Total Air Emissions | tonnes | **59.26** |
| Air Emissions Intensity | tonnes/RMB million of revenue | **0.02** |
| Total Waste Generated | tonnes | **222.16** |
| Total Hazardous Waste | tonnes | **76.31** |
| Total Non-hazardous Waste | tonnes | **145.85** |
| Hazardous Waste Intensity | tonnes/RMB million of revenue | **0.03** |
| Non-hazardous Waste Intensity | tonnes/RMB million of revenue | **0.06** |
| Waste Intensity | tonnes/RMB million of revenue | **0.09** |

*4.2.2 Resource Protection*

The Company adheres to the green development philosophy and is committed to exploring conservation and circular practices, improving resource utilization efficiency and achieving sustainable development goals.

***Energy Management***

The Company strictly complies with the *Energy Conservation Law of the People's Republic of China* and other applicable laws and regulations. Through regular environmental awareness campaigns and the posting of energy-saving reminders in internal office systems and workplaces, the Company continuously strengthens employees' awareness of energy conservation and promotes the integration of such concepts into day-to-day office management.

| Energy Saving Target |
|---|
| Improve energy efficiency and increase the use of renewable energy by optimizing the energy mix and raising the level of green energy use. |

***Water Resource Use***

The Company strictly complies with the *Water Law of the People's Republic of China* and other relevant laws and regulations, standardizes the management process for water use, and continuously enhances employees' awareness of water conservation through water-saving signage and internal communication, thereby reducing water waste. During the Reporting Period, the Group did not record any violations relating to water use, nor were there any material risks in sourcing water.

| Water Saving Target |
| --- |
| Improve water-use efficiency, reduce waste and promote efficient utilization of water resources. |

***Packaging Materials Management***

The Company is committed to promoting green packaging throughout the entire business chain, treating resource conservation and efficient utilization as important supports for green operations. The Company continuously optimizes packaging design and material use, promotes recycling of packaging materials, implements both forward and reverse packaging management requirements, and continuously improves resource utilization efficiency to support the achievement of its sustainable development objectives.

| Indicator | Unit | 2025 |
| --- | --- | --- |
| Total Water Consumption | tonnes | **79,153.00** |
| Water Consumption Intensity | tonnes/RMB million of revenue | **31.82** |
| Total Packaging Materials | tonnes | **633.91** |
| Packaging Material Intensity | tonnes/RMB million of revenue | **0.25** |

## 5. TALENT DEVELOPMENT

The Company regards talent as the core driving force of corporate development. Guided by an inclusive and caring culture, the Company builds a healthy and safe working environment, improves training, promotion, benefits and development platforms, optimizes career pathways, and fosters an open and inclusive workplace atmosphere. By deepening employee care and growth support, the Company enhances team well-being and sense of belonging, enabling employees and the enterprise to grow and progress together.

### 5.1 Compliant Employment

The Company strictly adheres to legal and compliance requirements, follows national labor laws and the policies of places where it operates, and dynamically responds to regulatory changes to ensure compliant employment. The Company has established open and transparent recruitment and promotion mechanisms, prohibits discrimination based on gender, age and other factors, safeguards equal development opportunities for employees, and provides a platform for talents from different backgrounds. We comprehensively protect employee rights and interests, create a safe working environment, and support the mutual growth of employees and the Company.

#### *5.1.1 Employee Hiring*

The Company strictly complies with the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Regulation on Paid Annual Leave for Employees*, the *Special Rules on the Labor Protection of Female Employees* and other applicable laws and regulations, and continuously improves its human resources management system. The Company firmly prohibits any employment discrimination based on gender, age, race, religious belief or place of origin, and strictly forbids child labor or any form of forced labor, ensuring that employment practices are fair, lawful and transparent. During the Reporting Period, the Group comprehensively updated its *Employee Handbook* to systematically regulate the full process of recruitment and hiring, employment management, attendance and leave, compensation and benefits, performance management and employee development, thereby ensuring the legality, fairness and transparency of HR activities.

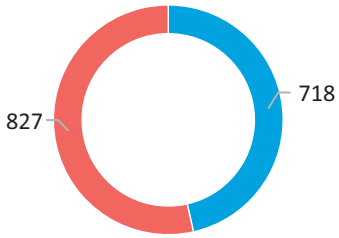
***Diversified Recruitment***

The Company adheres to the principle that talent is a core strategic resource and continues to broaden diversified recruitment channels. It has established solid strategic partnerships with key universities including Guangdong Medical University, Xi'an Medical University and Beijing University of Chinese Medicine. The Company actively participated in the joint recruitment event "Qin-Macao Join Hands, Talent for the Future" in the Hengqin Guangdong-Macao In-Depth Cooperation Zone, effectively opening up channels for regional talent exchange. During the Reporting Period, the Group focused on building a highly qualified and professional team and successfully recruited 718 formal employees during the year, laying a solid talent foundation for sustainable development and innovation breakthroughs.

As of the end of the Reporting Period, the Company employed a total of 1,545 employees, with full-time employees accounting for 100%.

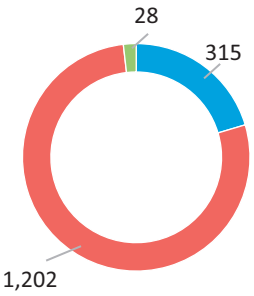
## Employee Profile

### Gender Distribution



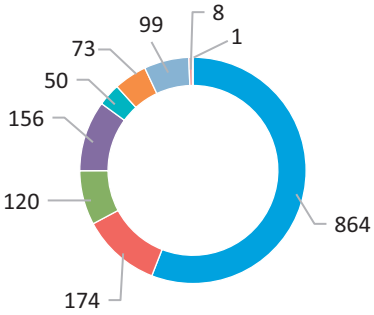

- Male employee
- Female employee

### Age Distribution



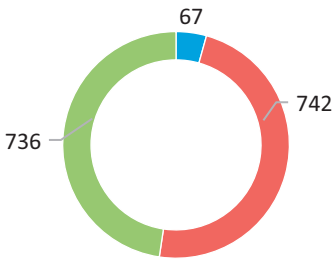

- <30 years old
- 30-50 years old
- >50 years old

### Regional distribution




- East China
- Northwest China
- South China
- Southwest China
- Central China
- Northeast China
- North China
- Hong Kong, Macao and Taiwan
- Overseas

### Job Grades Distribution




- Senior management
- Middle management
- Regular employee

*5.1.2 Compensation and Benefits*

Based on policies such as the *Employee Handbook*, the Company has established a systematic compensation management system and continuously improved the standardization and refinement of compensation and benefits management. The Company's remuneration system closely links pay with job value and individual performance, effectively supporting talent attraction, retention and motivation and providing solid support for sustainable corporate development.

| Building a Scientific Compensation System | Anchor a reasonable compensation level | Strictly enforce payment norms |
|---|---|---|
| • Established a dual-dimensional compensation structure of "based on job value and oriented towards performance"—evaluating job value based on elements such as job responsibilities, skill requirements, and market scarcity to set differentiated compensation benchmarks; at the same time, linking employee performance with dynamic compensation adjustments to strengthen the alignment of contributions and rewards and stimulate team vitality. | Ensure the overall compensation is competitive in the market, dynamically adjust by benchmarking against industry and regional standards for similar positions, while strictly adhering to the bottom line to guarantee that the compensation of all employees is not lower than the statutory minimum wage standard, thereby safeguarding their basic rights and interests. | • Pay labor remuneration in accordance with laws and regulations in full and on time, eliminate arrears or deductions, and maintain employees' trust in compensation. |

Compensation Management Measures

***Performance Incentives***

The Company has established a performance-oriented performance management mechanism. Through scientific indicator design and assessment processes, it aligns employees' goals with organizational strategy and enables the shared development of individuals and the Company. Assessments follow the principles of objectivity, impartiality, openness and fairness, are based on job responsibilities, ensure alignment between individual and organizational goals, and emphasize fact- and data-based evaluation as well as continuous process management and improvement.

The Company has established a systematic performance management system, with assessment cycles conducted quarterly or annually depending on business characteristics. Annual assessments generally involve setting clear objectives at the beginning of the year, followed by continuous tracking, feedback and guidance throughout the year, and a comprehensive evaluation at year-end. The whole process follows a closed-loop mechanism of "goal setting-process tracking-performance interview-result application-improvement enhancement." Through regular two-way communication between management and employees, the system ensures alignment of individual and organizational goals, openness and transparency of the process, and objectivity and fairness of the assessment results.

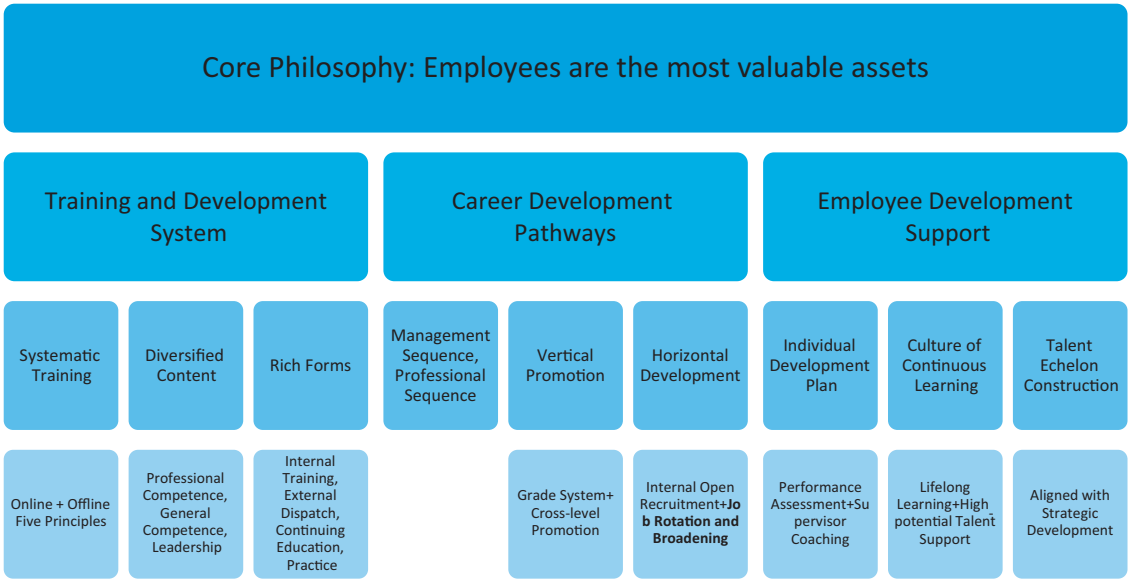
Based on performance assessment results, we have developed diversified incentive policies that are closely linked to salary adjustment, bonus allocation, promotion opportunities and training resources. Employees with outstanding performance are given priority incentives in salary growth, career advancement and honor recognition, thereby driving talent development and organizational effectiveness.

| Type | Target Group | Core Mechanism | Implementation |
|---|---|---|---|
| Performance Bonus | Senior management/ all employees except sales and frontline production staff | Annual Assessment: Based on assessment of KPI, competencies and attitude, and values, tilted towards high performers | Covered 100% of employees |
| | Sales staff | Quarterly assessment: reinforces professional and compliant promotion, with strong linkage to performance target achievement | |
| | Frontline employees | Quarterly assessment: multidimensional review covering output, quality, safety and cost, combining individual and team performance | |
| Project Bonus | Project members | Granted upon milestone achievement, combining cash incentives with career advancement | Project bonuses of RMB4 million were actually distributed |
| Equity Incentives | Core talent | Options linked to long-term performance targets | Stock options granted to 47 employees with Board approval |
| Promotion Incentives | High-performing employees | Dual-track management and professional development supported by training and compensation enhancement | 103 employees promoted, accounting for 6.7% |

To ensure fairness in evaluation and safeguard employee participation rights, the Company has established a performance appeal and improvement support mechanism. Employees who disagree with assessment results may submit appeals to their direct supervisors and the Human Resources Department within the prescribed time limit, and the Company will investigate and provide timely feedback. At the same time, employees whose performance needs improvement are supported through training, coaching or job adjustments to help enhance their capabilities and results.

## 5.2 Talent Cultivation

The Company has established a systematic employee growth system covering promotion, training, performance rewards and development support. Through a clear dual-track career development path, we provide employees with explicit promotion directions, continuously empower capability enhancement through systematic and diversified training resources, and offer full-process support for employee growth through personalized development plans and coaching mechanisms, helping employees achieve synchronized improvement in professional skills and overall competencies and promoting shared success for individuals and the organization.




*Talent Development System*

In terms of promotion, the Company has established a dual-track career development system featuring parallel management and professional sequences. The management sequence covers positions at all levels from entry to senior management, while the professional sequence provides technical and operational employees with a development path from junior roles to domain experts. For vertical advancement, the Company has established a clear grade system and promotion standards, and also provides cross-level promotion channels through which employees can advance based on sustained outstanding performance. For horizontal development, the Company encourages employees to broaden their career boundaries through internal competition and transfers, and gives priority to internal candidates when vacancies arise, thereby promoting talent mobility and the reuse of experience.

In terms of training, the Company has established a systematic training and development framework to support continuous capability enhancement and career growth. Adhering to the principles of systematization, institutionalization and diversification, we implement a "learning reinforced through assessment" mechanism and consolidate learning outcomes through quarterly assessments. Training is delivered through a combination of online and offline formats: online learning covers all employees and offers flexible empowerment, while offline advanced training focuses on key groups to deepen capability breakthroughs. Training content spans professional skills, general tools, comprehensive capabilities and leadership, and is delivered through internal training, external study programs, continuing education support and on-the-job practice, thereby promoting the integration of learning and application.

| The Company's Employee Training Programs | |
|---|---|
| New Employee Onboarding Program | Through dedicated online sections and monthly exchange sessions, new employees are helped to systematically understand Company systems, regulatory requirements and role expectations, enabling them to integrate quickly. |
| Non-commercial Operations (Clinical R&D) Training | A clinical R&D learning zone has been set up in The Company University, providing continuous empowerment around SOPs, GCP, pharmacovigilance, etc. |
| Commercial Operations Training | The "New Manager Programme" for newly promoted regional managers and a company-wide compliance enhancement programme are implemented to strengthen team capability and compliance awareness.<br>The Company also offers online self-paced courses in product knowledge, disease knowledge, professional skills and compliance, enabling employees to arrange their own learning flexibly. |
| Manufacturing and Supply Training | Around GMP standards, pre-job training, annual retraining and special skill enhancement are implemented for key positions such as production, quality, and equipment to ensure full-process compliance and controllability. |
| "Qingsong-Qingmiao" High-potential Development Program | Future management talent is developed proactively through course learning, mentor coaching and project-based practice. |
| Graduate and Intern Program | Through exchange, hands-on practice and mentor guidance, the next generation is supported in growing rapidly and bringing fresh vitality to the Company. |

In 2025, the Group organized 30 centralized training sessions, covering 905 participants and totaling 5,154 training hours. Among these, GMP-specific training covered 266 participants and totaled 64,046 training hours. The Company University online platform remained in operation throughout the year, with 348 courses launched and 5,831 course attendances recorded.

During the Reporting Period, the Company delivered a total of 69,200 training hours. Employee training coverage reached 75.79%, and average training hours per employee were 44.79 hours.

| | | |
|---|---|---|
| **Percentage of Trained Employees by Gender** | | |
| Male | % | 84.96 |
| Female | % | 67.84 |
| **Percentage of Trained Employees by Employee Type** | | |
| Senior Management | % | 34.33 |
| Middle Management | % | 47.57 |
| General Employees | % | 100.00 |
| **Average Training Hours per Employee by Gender** | | |
| Male | hours | 46.33 |
| Female | hours | 43.45 |
| **Average Training Hours per Employee by Employee Type** | | |
| Senior Management | hours | 15.04 |
| Middle Management | hours | 16.92 |
| General Employees | hours | 75.60 |

In terms of employee development support, we implement an individual development plan mechanism under which employees and their supervisors jointly formulate growth pathways and clarify learning objectives and development measures. The Company advocates a culture of continuous learning, encourages employees to actively leverage internal and external resources to improve themselves, and provides continuing education support for high-potential talent, ensuring that talent development remains aligned with business strategy and injecting lasting momentum into the co-evolution of the organization and its people.

## 5.3 Health and Safety

The Company is committed to building a safe, reliable and people-oriented work environment and effectively safeguarding the health and safety of every employee through sound management systems, routine risk prevention and control, and a safety culture with the participation of all employees.

We strictly comply with the *Work Safety Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* and other relevant laws and regulations, and have established and implemented internal management systems to standardize the management of safety issues in production, R&D and other work scenarios.

The Company has established a systematic and routine mechanism for identifying safety hazards and regularly carries out comprehensive inspections and special risk assessments covering production sites, equipment and facilities, operating processes and management links. Through standardized checklists, clearly assigned rectification responsibilities and deadlines, and a tracking and verification closed loop, we ensure that hazards are identified, assessed and addressed in a timely manner, thereby preventing safety accidents at the source.

We have built a layered and classified safety training system covering all employees while focusing on key groups. Training includes both general education such as work safety regulations and post risk awareness, and specialized skill enhancement for special operations and high-risk processes. Through a combination of online and offline approaches, case-based teaching and hands-on drills, we continuously improve employees' safety awareness, risk identification capability and standardized operating skills, laying a solid foundation for safe production.

The Company regularly organizes emergency drills for scenarios including production safety, fire safety and hazardous chemical leakage, simulating real emergency situations to test and optimize the operability of emergency plans. The drills cover the full process of alarm raising, evacuation, initial response and rescue coordination, aiming to strengthen cross-departmental coordination and employees' emergency response skills. Post-drill reviews and evaluations are conducted to continuously improve emergency plans and response procedures and to enhance the Company's overall emergency management capability.

During the Reporting Period, the Company maintained an overall stable work safety situation, with no work-related fatalities and a total of 5 lost working days due to work-related injuries.

## 5.4 Caring for Excellence

The Company upholds a people-oriented philosophy, respects employees' voices, pays attention to their needs, and is committed to creating for employees a development environment where they are respected, supported and able to grow sustainably, thereby enabling the shared development of employees and the enterprise.

### *5.4.1 Employee Communication*

We always regard employee feedback as an important reference for organizational development and are committed to building smooth and diversified communication mechanisms. Through open communication channels, we promptly convey the Company's strategic direction and cultural values, and carefully listen to and collect employees' opinions and suggestions, transforming them into internal drivers for management optimization and innovation.

In day-to-day communication and information sharing, we use multiple platforms such as the internal website, internal publications and business briefings to promptly communicate industry developments, Company strategy and important information. Managers at all levels practice an open-door policy and conduct one-on-one communication at key moments such as onboarding, performance evaluation and job changes, providing targeted guidance. Senior management regularly organizes employee forums to respond directly to employee concerns and continues to collect feedback through anonymous questionnaires to drive management optimization.

In terms of employee appeals and supervision channels, employees may use hotlines, email and physical suggestion boxes to submit personal requests or report misconduct under their real names. The Company carefully investigates and responds to each piece of feedback, forming an effective closed-loop management process. Together, these mechanisms constitute the Company's two-way communication system, supporting employee expression and participation in supervision and providing a basic safeguard for healthy organizational development.

### *5.4.2 Employee Care*

We have built a competitive employee benefits system with sustained market relevance, systematically covering statutory benefits, industry-leading supplementary benefits, forward-looking health care, and humanized holiday care across multiple dimensions. This aims to provide employees with comprehensive, warm support and protection, continuously enhancing the Company's overall competitiveness in talent attraction, retention, and development.

| The Company's Employee Benefits System | |
|---|---|
| Statutory Benefits | The Company strictly complies with national requirements and makes full contributions for all employees to social insurance schemes covering pension, medical care, unemployment, work injury and maternity, as well as the housing provident fund, ensuring that employees enjoy their statutory basic protection rights. |
| Supplementary Protection | The Company provides all regular employees with supplementary commercial insurance covering accidents, medical treatment and hospitalisation allowances. For front-line employees at the factory and similar positions, it also purchases employer liability insurance to further strengthen occupational risk protection. |
| Employee Care | The Company has established a special care fund to provide congratulatory payments, condolence payments or subsidies at important life milestones such as marriage, childbirth, hospitalisation and bereavement, reflecting organisational companionship and support throughout the employee life cycle. |
| Health Management | The Company organizes annual welfare health examinations for all employees and includes special screening items such as tumour markers. Examination coverage has consistently remained at 100%, safeguarding employees' physical and mental well-being in a systematic and preventive manner. |

In addition, we genuinely care about the life circumstances of every employee and have established an employee assistance mechanism to provide systematic support to employees facing serious illness or special hardship. The Company not only initiates internal mutual-aid fundraising, but also organizes on-site visits by management and human resources representatives, provides dedicated consolation funds and gifts, and assists employees in resolving practical difficulties. In 2025, the Company provided emergency assistance to an employee in the production department suffering from a serious illness and mobilized internal donations totaling more than RMB14,000, thereby effectively putting the employee care mechanism into practice.

**The Company's Annual Gala**

In February 2025, the Group successfully held its annual gala at the Zhuhai Convention and Exhibition Center. More than 1,100 employees actively participated. A rich array of off-stage interactive games enhanced team integration, and a solemn award ceremony recognised outstanding performers and clarified development goals. The annual gathering substantially boosted team cohesion and morale, injecting strong momentum into the new journey ahead.

## 6 GIVING BACK TO SOCIETY

The Company consistently integrates its corporate development into the broader trajectory of social progress and vividly interprets the essence of corporate social responsibility through pragmatic actions. Guided by the philosophy of sustainable development, we build a green and efficient operating model while leveraging our core strengths in healthcare, promoting the flow of high-quality medical resources to grassroots areas, and enhancing the accessibility of primary healthcare services, thereby demonstrating the mission and vision of a modern enterprise.

## 6.1 Inclusive Healthcare

We are committed to advancing inclusive healthcare practices through technological empowerment, resource coordination and model innovation, striving to extend higher-quality and more accessible healthcare services to broader populations. We pay close attention to the health needs of grassroots and remote regions, actively explore sustainable pathways to provide effective healthcare support at reasonable cost, and help address the uneven distribution of medical resources through practical action, thereby fulfilling corporate social responsibility under the Healthy China strategy.

### The Company's Protection of Trial Participants

In the Phase I-III drug clinical studies and Investigator-Initiated Trials (IITs) conducted in 2025, The Company has always prioritized the rights and safety of trial participants. We provide all participating subjects with investigational drugs free of charge and cover all trial-related medical examination costs, including laboratory tests, imaging assessments, and genetic testing. Additionally, upon approval by the research center's ethics committee, we issue travel subsidies for visits and nutrition subsidies for blood collection to participants. The Company also purchases clinical trial commercial insurance for all subjects, fully covering diagnosis and treatment costs for trial-related damages, and promptly fulfills corresponding economic compensation or indemnification responsibilities, thereby effectively safeguarding participants' rights and well-being.

### Offline Health Education Sessions

The Company worked with clinical expert teams from partner hospitals to organise offline health education activities for patients with relevant diseases. Professional physicians were invited as speakers, focusing on basic disease knowledge and the latest diagnosis and treatment advances, helping improve patients' understanding of their conditions and their self-management capabilities.

## Products Successfully Included in the National Reimbursement Drug List

In 2025, The Company actively responded to national medical insurance policies, and three innovative medicines were successfully included in the *2025 National Basic Medical Insurance, Work-Related Injury Insurance and Maternity Insurance Drug Catalog*. Their inclusion reflects the Company's sustained investment in R&D and its focus on unmet clinical needs. Through national reimbursement negotiations, these innovative medicines were brought into the reimbursement system at more affordable prices, significantly reducing the financial burden on patients, improving access to high-quality innovative treatments, and enabling more Chinese patients to benefit from advanced drug therapies.

## 6.2 Public Welfare and Charity

We always regard the active fulfillment of social responsibility and giving back to society as an important mission of our own development. While pursuing ongoing business development, we participate in charitable donations, support community projects, and actively mobilize and organize employee volunteer teams to engage deeply in various public service activities, transmitting warmth through practical action, contributing to community development, and striving to be a responsible and caring corporate citizen.

### The Company's Charitable Donations

Each September since 2021, the Company has continued to work with the China Children and Teenagers' Fund "Spring Bud Programme" to carry out public welfare education support activities. Over the past four years, through a model combining Company donations with voluntary employee participation, cumulative donations have approached RMB one million. In 2025, we donated more than RMB37,000. These funds have helped nearly 500 girls in need continue their high school education.

## APPENDIX I KEY PERFORMANCE TABLE

| Environmental Indicators | Unit | 2025 |
|---|---|---|
| Emissions | | |
| Total GHG Emissions (Scope 1 & Scope 2) | $tCO_2e$ | **6,196.34** |
| Direct GHG Emissions (Scope 1) | $tCO_2e$ | **22.22** |
| Indirect GHG Emissions (Scope 2) | $tCO_2e$ | **6,174.13** |
| GHG Emissions Intensity | $tCO_2e$/RMB million of revenue | **2.49** |
| Total Air Emissions | tonnes | **59.26** |
| Air Emissions Intensity | tonnes/RMB million of revenue | **0.02** |
| Total Waste Generated | tonnes | **222.16** |
| Total Hazardous Waste | tonnes | **76.31** |
| Total Non-hazardous Waste | tonnes | **145.85** |
| Hazardous Waste Intensity | $tCO_2e$/RMB million of revenue | **0.03** |
| Non-hazardous Waste Intensity | $tCO_2e$/RMB million of revenue | **0.06** |
| Waste Intensity | $tCO_2e$/RMB million of revenue | **0.09** |
| Resource Use | | |
| Total Water Consumption | tonnes | **79,153.00** |
| Water Consumption Intensity | tonnes/RMB million of revenue | **31.82** |
| Electricity | MWh | **7,422.93** |
| Steam | $m^3$ | **7,545.83** |
| Natural Gas | $m^3$ | **9,786.00** |
| Diesel | liters | **400.00** |
| Total Energy Consumption | MWh | **15,410.31** |
| Direct Energy Consumption | MWh | **91.57** |
| Indirect Energy Consumption | MWh | **15,318.73** |
| Energy Consumption Intensity | MWh/RMB million of revenue | **6.20** |
| Total Packaging Materials | tonnes | **633.91** |
| Packaging Material Intensity | tonnes/RMB million of revenue | **0.25** |

| Social Indicators | Unit | 2025 |
|---|---|---|
| Employment | | |
| Total Number of Employees | person(s) | **1,545** |
| Number of Employees by Gender | | |
| Male | person(s) | **718** |
| Female | person(s) | **827** |
| Number of Employees by Age Group | | |
| Under 30 | person(s) | **315** |
| 30 to 50 | person(s) | **1,202** |
| Over 50 | person(s) | **28** |
| Number of Employees by Employee Type | | |
| Senior Management | person(s) | **67** |
| Middle Management | person(s) | **742** |
| General Employees | person(s) | **736** |
| Number of Employees by Region | | |
| East China | person(s) | **864** |
| South China | person(s) | **174** |
| Central China | person(s) | **120** |
| North China | person(s) | **156** |
| Northwest China | person(s) | **50** |
| Southwest China | person(s) | **73** |
| Northeast China | person(s) | **99** |
| Hong Kong, Macao and Taiwan | person(s) | **8** |
| Overseas | person(s) | **1** |
| Employee Turnover Rate[3] | % | **29.00** |
| Employee Turnover Rate by Gender | | |
| Male | % | **32.87** |
| Female | % | **25.63** |

[3] The employee turnover rate is calculated as the number of employees voluntarily resigned during the Reporting Period divided by the total number of employees at the period end, multiplied by 100%.

| Social Indicators | Unit | 2025 |
|---|---|---|
| Employee Turnover Rate by Age Group | | |
| Under 30 | % | 49.84 |
| 30 to 50 | % | 23.88 |
| Over 50 | % | 14.29 |
| Employee Turnover Rate by Region | | |
| East China | % | 24.65 |
| South China | % | 42.53 |
| Central China | % | 40.83 |
| North China | % | 29.49 |
| Northwest China | % | 36.00 |
| Southwest China | % | 39.73 |
| Northeast China | % | 19.19 |
| Hong Kong, Macao and Taiwan | % | 0.00 |
| Overseas | % | 0.00 |
| Health and Safety | | |
| Number of Work-related Fatalities in the Past Three Years | person(s) | 0 |
| Rate of Work-related Fatalities in the Past Three Years | % | 0 |
| Lost Working Days Due to Work Injury | days | 5 |
| Development and Training | | |
| Percentage of Employees Trained | % | 75.79 |
| Percentage of Trained Employees by Gender | | |
| Male | % | 84.96 |
| Female | % | 67.84 |
| Percentage of Trained Employees by Employee Type | | |
| Senior Management | % | 34.33 |
| Middle Management | % | 47.57 |
| General Employees | % | 100.00 |

| Social Indicators | Unit | 2025 |
|---|---|---|
| Average Training Hours per Employee by Gender | | |
| Male | hours | 46.33 |
| Female | hours | 43.45 |
| Average Training Hours per Employee by Employee Type | | |
| Senior Management | hours | 15.04 |
| Middle Management | hours | 16.92 |
| General Employees | hours | 75.60 |
| Supply Chain Management | | |
| Total Number of Suppliers | | 1,014 |
| Number of Suppliers by Region | | |
| Mainland China | | 915 |
| Hong Kong, Macao and Taiwan Region | | 44 |
| Overseas | | 55 |
| Product Responsibility | | |
| Percentage of Products Sold or Shipped Subject to Recall for Health and Safety Reasons | % | 0 |
| Number of Complaints Relating to Products and Services | cases | 51 |
| Anti-corruption | | |
| Number of Concluded Corruption Cases Brought Against the Company or Its Employees | cases | 0 |
| Number of Employees Trained by Category | | |
| Number of Directors Trained | person(s) | 2 |
| Number of Employees Trained | person(s) | 2,700 |
| Training Hours by Employee Category | | |
| Total Anti-corruption Training Hours Provided to Directors | hours | 1.50 |
| Total Anti-corruption Training Hours Provided to Employees | hours | 2,700 |

## APPENDIX II INDEX OF INDICATORS

Content Index of the *Environmental, Social and Governance Reporting Code*

| Subject Areas, Aspects, General Disclosures and KPIs | | | Chapter |
|---|---|---|---|
| Environment | | | |
| A1: Emissions | General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. | Harmonious Ecology |
| | A1.1 | Types of emissions and respective emissions data. | Key Performance Table |
| | A1.3 | Total hazardous waste produced and intensity. | Key Performance Table |
| | A1.4 | Total non-hazardous waste produced and intensity. | Key Performance Table |
| | A1.5 | Description of emissions targets set and steps taken to achieve them. | Harmonious Ecology |
| | A1.6 | Description of how hazardous and non-hazardous wastes are handled, the waste reduction targets set, and the steps taken to achieve them. | Harmonious Ecology |
| A2: Use of Resources | General Disclosure | Policies on the efficient use of resources, including energy, water and other raw materials. | Harmonious Ecology |
| | A2.1 | Total direct and/or indirect energy consumption by type (e.g. electricity, gas or oil), and intensity. | Key Performance Table |
| | A2.2 | Total water consumption and intensity. | Key Performance Table |
| | A2.3 | Description of energy use efficiency targets set and steps taken to achieve them. | Harmonious Ecology |
| | A2.4 | Description of whether there are any issues in sourcing water fit for purpose, and the water efficiency targets set and steps taken to achieve them. | Harmonious Ecology |
| | A2.5 | Total packaging materials used for finished products and the amount per unit produced. | Key Performance Table |
| A3: The Environment and Natural Resources | General Disclosure | Policies on minimising the issuer's significant impacts on the environment and natural resources. | Harmonious Ecology |
| | A3.1 | Description of the significant impacts of activities on the environment and natural resources and actions taken to manage them. | Harmonious Ecology |

| Subject Areas, Aspects, General Disclosures and KPIs | | | Chapter |
|---|---|---|---|
| Social | | | |
| B1: Employment | General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. | Talent Development |
| | B1.1 | Total workforce by gender, employment type, age group and geographical region. | Key Performance Table |
| | B1.2 | Employee turnover rate by gender, age group and geographical region. | Key Performance Table |
| B2: Health and Safety | General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. | Talent Development |
| | B2.1 | Number and rate of work-related fatalities in each of the past three years including the reporting year. | Key Performance Table |
| | B2.2 | Lost days due to work injury. | Key Performance Table |
| | B2.3 | Description of occupational health and safety measures adopted, and how they are implemented and monitored. | Talent Development |
| B3: Development and Training | General Disclosure | Policies on improving employees' knowledge and skills for discharging duties; description of training activities. | Talent Development |
| | B3.1 | Percentage of employees trained by gender and employee category. | Key Performance Table |
| | B3.2 | Average training hours completed per employee by gender and employee category. | Key Performance Table |

| Subject Areas, Aspects, General Disclosures and KPIs | | | Chapter |
|---|---|---|---|
| Social | | | |
| B4: Labor Standards | General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor. | Talent Development |
| | B4.1 | Description of measures to review employment practices to avoid child and forced labour. | Talent Development |
| | B4.2 | Description of steps taken to eliminate such practices when discovered. | Talent Development |
| B5: Supply Chain Management | General Disclosure | Policies on managing environmental and social risks of the supply chain. | Product Responsibility |
| | B5.1 | Number of suppliers by geographical region. | Key Performance Table |
| | B5.2 | Description of practices relating to engaging suppliers, the number of suppliers where such practices are being implemented, and how they are implemented and monitored. | Product Responsibility |
| | B5.3 | Description of practices used to identify environmental and social risks along each link of the supply chain, and how they are implemented and monitored. | Product Responsibility |
| | B5.4 | Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored. | Product Responsibility |

| Subject Areas, Aspects, General Disclosures and KPIs | | | Chapter |
|---|---|---|---|
| Social | | | |
| B6: Product Responsibility | General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. | Product Responsibility |
| | B6.1 | Percentage of products sold or shipped subject to recall for health and safety reasons. | Key Performance Table |
| | B6.2 | Number of complaints received regarding products and services and how they are addressed. | Product Responsibility |
| | B6.3 | Description of practices relating to the protection and safeguarding of intellectual property rights. | Product Responsibility |
| | B6.4 | Description of quality assurance process and product recall procedures. | Product Responsibility |
| | B6.5 | Description of consumer data protection and privacy policies, and how they are implemented and monitored. | Product Responsibility |

| Subject Areas, Aspects, General Disclosures and KPIs | | | Chapter |
|---|---|---|---|
| Social | | | |
| B7: Anti-corruption | General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. | Refined Governance |
| | B7.1 | Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases. | Key Performance Table |
| | B7.2 | Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored. | Refined Governance |
| | B7.3 | Description of anti-corruption training provided to directors and employees. | Refined Governance |
| B8: Community Investment | General Disclosure | Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take communities' interests into consideration. | Giving Back to Society |
| | B8.1 | Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport). | Giving Back to Society |
| | B8.2 | Resources contributed (e.g. money or time) to the focus area. | Giving Back to Society |

| Subject Areas, Aspects, General Disclosures and KPIs | | Chapter |
|---|---|---|
| Climate-related Disclosures | | |
| Governance | 19(a) The governance body(s) or individual(s) responsible for oversight of climate related risks and opportunities. | Climate Change Response |
| | 19(b) Management's role in the governance processes, controls and procedures used to monitor and oversee climate-related risks and opportunities. | |

| Subject Areas, Aspects, General Disclosures and KPIs | | Chapter |
|---|---|---|
| Climate-related Disclosures | | |
| Strategy | 20 Climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. | After prudent assessment, the expected financial impacts of climate-related risks and opportunities are currently difficult to quantify reliably. The Company plans to progressively enhance the relevant assessment capabilities in the future and disclose such information in due course |
| | 21 The current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. | Climate Change Response |
| | 22 The effects of climate-related risks and opportunities on the issuer's strategy and decision-making. | Climate Change Response |
| | 23 The progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a). | Climate Change Response |
| | 24 Qualitative and quantitative disclosures about the current financial effects of climate-related risks and opportunities. | Climate Change Response |
| | 25 Qualitative and quantitative disclosures about the anticipated financial effects of climate-related risks and opportunities. | Climate Change Response |
| | 26 The resilience of the issuer's strategy and business model to climate-related changes, developments or uncertainties, and how and when climate-related scenario analysis is used to assess its climate resilience. | Climate Change Response |
| Risk Management | 27(a)(b) The processes and related policies the issuer uses to identify, assess, prioritise and monitor climate-related risks and opportunities. | Climate Change Response |
| | 27(c) The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process. | |

| Subject Areas, Aspects, General Disclosures and KPIs | | Chapter |
|---|---|---|
| Climate-related Disclosures | | |
| Metrics and Targets | 28 The issuer's absolute gross greenhouse gas emissions generated during the reporting period, classified as: Scope 1、Scope 2、Scope 3 | Climate Change Response |
| | 29 The standards, measurement approach and other reasonable and supportable information used to measure greenhouse gas emissions. | Climate Change Response |
| | 30 The amount and percentage of assets or business activities vulnerable to climate-related transition risks. | After prudent assessment, the expected financial impacts of climate-related risks and opportunities are currently difficult to quantify reliably. The Company plans to progressively enhance the relevant assessment capabilities in the future and disclose such information in due course |
| | 31 The amount and percentage of assets or business activities vulnerable to climate-related physical risks. | |
| | 32 The amount and percentage of assets or business activities aligned with climate-related opportunities. | |
| | 33 The amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities. | |
| | 34 Whether and how the issuer is applying carbon pricing in decision-making, and the price of each metric ton of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions. | The internal carbon pricing mechanism has not yet been adopted |
| | 35 Whether and how climate-related considerations are factored into remuneration policy. | Climate performance pay is currently not applicable |
| | 36 Industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. | Industry-based metrics were not referenced for this matter, and therefore this item is not applicable |

| Subject Areas, Aspects, General Disclosures and KPIs | | Chapter |
|---|---|---|
| Climate-related Disclosures | | |
| | 37 The qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals, and any targets the issuer is required to meet by law or regulation. | Climate Change Response |
| | 38 The approach to setting and reviewing each target, and how it monitors progress against each target. | Climate Change Response |
| | 39 Information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance. | Climate Change Response |
| | 40 For each greenhouse gas emissions target disclosed, the type of target, the scope of the target, the approach used to set the target, and the use of carbon credits. | Currently not applicable |
| | 41 Applicability of cross-industry metrics and industry-based metrics. | Industry-based metrics were not referenced for this matter, and therefore this item is not applicable |

# INDEPENDENT AUDITOR'S REPORT

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**To the directors of Edding Genor Group Holdings Limited**
(Incorporated in the Cayman Islands with limited liability)

## OPINION

We have audited the consolidated financial statements of Genor Biopharma Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 184 to 300, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

## BASIS FOR OPINION

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

## KEY AUDIT MATTERS

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

# INDEPENDENT AUDITOR'S REPORT

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

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| ***Recognition of revenue from the sale of pharmaceutical products*** | |
| Revenue from sale of pharmaceutical products amounted to RMB2,487 million for the year ended 31 December 2025.<br><br>Revenue from contracts with customers is recognised when controls of goods has been transferred to the customers according to the contract terms. We focus on this area due to the large transaction volume and sales amounts from sales of goods. Therefore, we identified the recognition of revenue from the sale of pharmaceutical products as a key audit matter.<br><br>The disclosures about revenue recognition are included in note 2.3, note 4 and note 5 to the financial statements. | We performed the following procedures in our audit for the recognition of revenue:<br><br>– We obtained an understanding of, evaluated the design and tested the operating effectiveness of controls over the revenue recognition.<br><br>– We obtained the sales contracts with customers on a sample basis, and reviewed the key terms to assess management's identification of performance obligations and to evaluate the timing of the revenue recognition.<br><br>– We tested the recognition of revenue transactions close to the period end to assess whether they were recorded in the correct period.<br><br>– We tested the accuracy and completeness of the revenue recognition on a sample basis.<br><br>– We performed analytical review procedures and inquired of management about the reasons for periodical fluctuations in revenue and gross margin to identify whether there were any unusual items.<br><br>– We reviewed the disclosures of revenue in financial statements. |

**Key audit matter (continued)**

***Accounting for reverse takeover***

On 30 December 2025, the Company completed a very substantial acquisition and reverse takeover with Edding Group Company Limited ("Edding"), which involved a new listing application (the "Merger"). The Company acquired the entire issued share capital of Edding from all Edding's shareholders, with consideration of 1,667,755,320 new ordinary shares of the Company, among which 1,482,921,982 were issued up to 31 December 2025 and represented 73.73% of the Company's issued share capital. Upon completion of the Merger, Edding, in substance, acquired the business of the Company. This transaction constitutes a business combination under HKFRS 3 *Business Combinations*. For accounting purposes, the Company is deemed to have been acquired by Edding which is considered as the accounting acquirer.

Goodwill arising from this Merger amounted to approximately RMB287,169,000, which represented the excess of the consideration over the fair value of the identifiable net assets of the Company and its original subsidiaries. The Company engaged an external valuation firm to assist in the determination of the fair values of the identifiable assets and liabilities.

**How our audit addressed the key audit matter**

We performed the following procedures in our audit for the accounting for reverse takeover:

- We inspected the agreement and evaluated management's accounting for the Merger with reference to the terms set out in the agreement and the requirements of the prevailing accounting standards.
- We evaluated the competence, capabilities, and objectivity of the external valuation firm engaged by management.
- We involved our internal valuation specialist to assist in the assessment of key assumptions adopted in the estimation of the fair value of identifiable assets and liabilities acquired and the purchase price allocation.

# INDEPENDENT AUDITOR'S REPORT

**Key audit matter (continued)**

***Accounting for reverse takeover***

We identified the accounting for the reverse takeover as a key audit matter because of the significant impact that the Merger has on the consolidated financial statements and because the valuation of the identifiable assets and liabilities acquired can be inherently subjective, requiring significant judgement and estimation, particularly in relation to the inputs applied such as discount rate, forecast gross profit margin, and sales growth rate.

The disclosures about the Merger are included in note 2.1 and note 40 to the financial statements.

**How our audit addressed the key audit matter**

- We checked the mathematical accuracy of management's allocation of the consideration to the identifiable assets and liabilities acquired and goodwill arising from the business combination.
- We evaluated the adequacy and completeness of the relevant disclosures in the notes to financial statements.

## OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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

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

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

## RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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 HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Ho Siu Fung, Terence (practising certificate number: P04202).

**Ernst & Young**
*Certified Public Accountants*

Hong Kong
27 March 2026

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2025

| | Notes | 2025 RMB'000 | 2024 RMB'000 (Restated) |
|---|---|---|---|
| Revenue | 5 | **2,487,461** | 2,546,044 |
| Cost of sales | | **(792,234)** | (829,759) |
| **Gross profit** | | **1,695,227** | 1,716,285 |
| Other income and gains | 5 | **29,508** | 105,292 |
| Selling and distribution expenses | | **(598,614)** | (659,572) |
| Administrative expenses | | **(223,761)** | (205,995) |
| Research and development expenses | | **(162,564)** | (121,866) |
| Amortisation of distribution rights, medicine licences and trademark | | **(73,873)** | (71,343) |
| Impairment losses on financial assets, net | | **(689)** | 671 |
| Other expenses | | **(30,435)** | (26,358) |
| Finance costs, net | 7 | **(138,533)** | (254,632) |
| **PROFIT BEFORE TAX** | 6 | **496,266** | 482,482 |
| Income tax expense | 10 | **(97,003)** | (94,596) |
| **PROFIT FOR THE YEAR** | | **399,263** | 387,886 |
| Attributable to: | | | |
| Owners of the parent | | **399,263** | 387,886 |
| **EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT** | | | |
| Basic | | | |
| – For profit for the year | 12 | **RMB23.8 cents** | RMB23.3 cents |
| Diluted | | | |
| – For profit for the year | 12 | **RMB23.5 cents** | RMB23.3 cents |

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

| | 2025<br>RMB'000 | 2024<br>RMB'000<br>(Restated) |
|---|---|---|
| **PROFIT FOR THE YEAR** | **399,263** | 387,886 |
| **OTHER COMPREHENSIVE INCOME** | | |
| Other comprehensive income that may be reclassified to profit or loss in subsequent periods: | | |
| Exchange differences: | | |
| Exchange differences on translation of foreign operations | **(1,386)** | 6,404 |
| Net other comprehensive income that may be reclassified to profit or loss in subsequent periods | **(1,386)** | 6,404 |
| *Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:* | | |
| Exchange differences on translation of functional currency to presentation currency | **–** | 17,103 |
| Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods | **–** | 17,103 |
| **OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX** | **(1,386)** | 23,507 |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | **397,877** | 411,393 |
| Attributable to: | | |
| Owners of the parent | **397,877** | 411,393 |

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

| | Notes | 2025 RMB'000 | 2024 RMB'000 (Restated) |
|---|---|---|---|
| **NON-CURRENT ASSETS** | | | |
| Property, plant and equipment | *13* | **283,673** | 270,153 |
| Prepayments, other receivables and other assets | *21* | **191,245** | 166,544 |
| Equity investment designated at fair value through other comprehensive income | *33* | **102,316** | – |
| Deferred tax assets | *17* | **81,824** | 37,357 |
| Right-of-use assets | *14(a)* | **54,929** | 50,636 |
| Goodwill | *15* | **399,224** | 112,055 |
| Other intangible assets | *16* | **3,238,760** | 3,053,266 |
| Equity investment designated at fair value through profit or loss | *18* | **50,000** | 50,000 |
| **Total non-current assets** | | **4,401,971** | 3,740,011 |
| **CURRENT ASSETS** | | | |
| Inventories | *19* | **432,272** | 552,776 |
| Trade receivables | *20* | **631,441** | 319,524 |
| Prepayments, other receivables and other assets | *21* | **79,455** | 82,575 |
| Amounts due from a related party | *36(b)* | **2,075** | 120 |
| Due from the Controlling Shareholder | *22* | **–** | 237,582 |
| Pledged deposits | *23* | **393** | 395,740 |
| Cash and cash equivalents | *23* | **1,054,935** | 111,703 |
| **Total current assets** | | **2,200,571** | 1,700,020 |
| **CURRENT LIABILITIES** | | | |
| Trade payables | *24* | **322,771** | 332,164 |
| Other payables and accruals | *25* | **707,700** | 451,232 |
| Refund liabilities | *26* | **21,876** | 50,141 |
| Interest-bearing bank and other borrowings | *27* | **1,065,708** | 1,993,140 |
| Dividends payable | *11* | **2,695** | 50,264 |
| Tax payables | | **71,124** | 60,899 |
| Lease liabilities | *14(b)* | **19,090** | 13,951 |
| **Total current liabilities** | | **2,210,964** | 2,951,791 |
| **NET CURRENT LIABILITIES** | | **(10,393)** | (1,251,771) |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | **4,391,578** | 2,488,240 |

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

| | Notes | 2025 RMB'000 | 2024 RMB'000 (Restated) |
|---|---|---|---|
| **NON-CURRENT LIABILITIES** | | | |
| Interest-bearing bank borrowings | *27* | **374,517** | – |
| Deferred tax liabilities | *17* | **100,636** | 11,563 |
| Lease liabilities | *14(b)* | **27,186** | 27,038 |
| Amounts due to related parties | *36(b)* | **588** | – |
| Other liabilities | *28* | **37,676** | 40,077 |
| **Total non-current liabilities** | | **540,603** | 78,678 |
| **Net assets** | | **3,850,975** | 2,409,562 |
| **EQUITY** | | | |
| **Equity attributable to owners of the parent** | | | |
| Share capital | *29* | **280** | 72 |
| Reserves | *30* | **3,853,549** | 2,409,490 |
| | | **3,853,829** | 2,409,562 |
| **Non-controlling interests** | | **(2,854)** | – |
| **Total equity** | | **3,850,975** | 2,409,562 |

**Ni Xin**
*Director*

**Han Shuhua**
*Director*

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

| | Attributable to owners of the parent | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Share capital RMB'000 *(note 29)* | Capital reserve* RMB'000 *(note 30)* | Merger reserve* RMB'000 | Share-based payment reserve* RMB'000 *(note 31)* | Other reserve* RMB'000 | Statutory surplus reserve* RMB'000 *(note 30)* | Exchange fluctuation reserve* RMB'000 | Retained earnings* RMB'000 | Total RMB'000 |
| **At 1 January 2024 (restated)** | 72 | 1,482,024 | 9,657 | 72,790 | 4,234 | 379 | (39,524) | 435,243 | 1,964,875 |
| **Profit for the year** | – | – | – | – | – | – | – | 387,886 | 387,886 |
| **Other comprehensive income for the year** | | | | | | | | | |
| Exchange differences related to foreign operations and translation of functional currency to presentation currency | – | – | – | – | – | – | 23,507 | – | 23,507 |
| **Total comprehensive income for the year** | – | – | – | – | – | – | 23,507 | 387,886 | 411,393 |
| Equity-settled share-based payment arrangements | – | – | – | 33,294 | – | – | – | – | 33,294 |
| **At 31 December 2024 (restated)** | 72 | 1,482,024 | 9,657 | 106,084 | 4,234 | 379 | (16,017) | 823,129 | 2,409,562 |

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

| | Attributable to owners of the parent | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Share capital RMB'000 *(note 29)* | Capital reserve* RMB'000 *(note 30)* | Merger reserve* RMB'000 | Share-based payment reserve* RMB'000 *(note 31)* | Treasury Shares* RMB'000 | Other reserve* RMB'000 | Statutory surplus reserve* RMB'000 *(note 30)* | Exchange fluctuation reserve* RMB'000 | Retained earnings* RMB'000 | Total RMB'000 | Non-controlling interests RMB'000 | Total RMB'000 |
| **At 1 January 2025 (restated)** | 72 | 1,482,024 | 9,657 | 106,084 | – | 4,234 | 379 | (16,017) | 823,129 | 2,409,562 | – | 2,409,562 |
| **Profit for the year** | – | – | – | – | – | – | – | – | 399,263 | 399,263 | – | 399,263 |
| **Other comprehensive loss for the year:** | | | | | | | | | | | | |
| Exchange differences related to foreign operations and translation of functional currency to presentation currency | – | – | – | – | – | – | – | (1,386) | – | (1,386) | – | (1,386) |
| **Total comprehensive income for the year** | – | – | – | – | – | – | – | (1,386) | 399,263 | 397,877 | – | 397,877 |
| Equity-settled share option arrangements | – | – | – | 51,847 | – | – | – | – | – | 51,847 | – | 51,847 |
| Deemed consideration for the Merger *(note 40)* | 209 | 1,454,868 | – | 26,293 | – | – | – | – | – | 1,481,370 | (2,854) | 1,478,516 |
| Reservation and deduction of certain Consideration Shares *(note 40)* | – | (486,827) | – | – | – | – | – | – | – | (486,827) | – | (486,827) |
| Adjustment of issued equity to reflect the equity structure of the Company | (1) | 1 | – | – | -** | – | – | – | – | – | – | – |
| **At 31 December 2025** | 280 | 2,450,066 | 9,657 | 184,224 | -** | 4,234 | 379 | (17,403) | 1,222,392 | 3,853,829 | (2,854) | 3,850,975 |

* These reserve accounts comprise the reserves of RMB3,853,549,000 (2024: RMB2,409,490,000) in the consolidated statement of financial position.

** The amounts stated above were less than RMB1,000.

# CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

| | Notes | 2025 RMB'000 | 2024 RMB'000 (Restated) |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Profit before tax | | **496,266** | 482,482 |
| Adjustments for: | | | |
| Finance costs, net | *7* | **138,533** | 254,632 |
| Interest income | *5, 6* | **(14,953)** | (13,747) |
| Depreciation of property, plant and equipment | *6* | **36,774** | 19,064 |
| Depreciation of right-of-use assets | *6* | **22,591** | 17,598 |
| Amortisation of other intangible assets | *6* | **184,822** | 157,513 |
| Amortisation of deferred government grants | | **(256)** | (117) |
| Write-down of inventories to net realisable value | *6* | **21,851** | 1,589 |
| Loss on disposal of items of property, plant and equipment | *6* | **13** | 266 |
| Loss on disposal of an intangible asset | *6* | **–** | 1,488 |
| Impairment of non-current assets | *6* | **–** | 2,263 |
| Impairment losses on financial assets, net | *6* | **689** | (671) |
| Equity-settled share-based payment expenses | *6, 31* | **51,847** | 33,294 |
| Exchange (gain)/loss | *6* | **(9,283)** | 19,898 |
| | | **928,894** | 975,552 |
| Decrease/(increase) in inventories | | **94,656** | (222,219) |
| (Increase)/decrease in trade and bills receivables | | **(334,355)** | 48,986 |
| Decrease/(increase) in prepayments, other receivables and other assets | | **18,454** | (34,692) |
| Increase in amounts due from a related party | | **(1,955)** | (120) |
| (Decrease)/increase in trade and bills payables | | **(84,475)** | 154,644 |
| (Decrease)/increase in other payables and accruals | | **(35,185)** | 26,367 |
| (Decrease)/increase in refund liabilities | | **(28,265)** | 18,318 |
| Cash generated from operations | | **557,769** | 966,836 |
| Tax paid | | **(106,036)** | (51,109) |
| **Net cash flows from operating activities** | | **451,733** | 915,727 |

# CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

| | Notes | 2025 RMB'000 | 2024 RMB'000 (Restated) |
|---|---|---|---|
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Interest received | | **5,552** | 2,230 |
| Purchases of items of property, plant and equipment | | **(46,692)** | (26,165) |
| Proceeds from disposal of items of property, plant and equipment | | **110** | 80 |
| Purchase of other intangible assets | | **(994)** | (161,182) |
| Receipt of government grants for property, plant and equipment | | **1,739** | 1,675 |
| Increase in other long-term assets | | **–** | (14,039) |
| Withdraw/(placement) of pledged deposits | | **395,347** | (395,336) |
| Reverse takeover of the Company | *40* | **885,736** | – |
| **Net cash flows from/(used in) investing activities** | | **1,240,798** | (592,737) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| New bank loans and other borrowings | | **1,645,374** | 1,245,123 |
| Dividends paid | *11* | **(46,485)** | – |
| Interest paid | | **(192,954)** | (256,828) |
| Repayment of bank loans and other borrowings | | **(2,127,337)** | (1,653,360) |
| Payments for lease liabilities | *14(b)* | **(23,382)** | (18,113) |
| **Net cash flows (used in) financing activities** | | **(744,784)** | (683,178) |
| **NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS** | | **947,747** | (360,188) |
| Cash and cash equivalents at beginning of year | | **111,703** | 467,127 |
| Effect of foreign exchange rate changes, net | | **(4,515)** | 4,764 |
| **CASH AND CASH EQUIVALENTS AT END OF YEAR** | | **1,054,935** | 111,703 |
| **ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS** | | | |
| Cash and cash equivalents as stated in the statement of financial position | *23* | **1,054,935** | 111,703 |
| Cash and cash equivalents as stated in the statement of cash flows | *23* | **1,054,935** | 111,703 |

## 1. CORPORATE AND GROUP INFORMATION

Edding Genor Group Holdings Limited (formerly known as Genor Biopharma Holdings Limited) (the "Company", together with its subsidiaries, collectively referred to as the "Group") is incorporated in the Cayman Islands as a limited liability company and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of its registered office is Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

During the year, the Group was involved in the following principal activities:

- sale of pharmaceutical products
- provision of marketing and promotion services
- manufacture of pharmaceutical products
- pharmaceutical research and development

Subsequent to a special resolution passed on 22 December 2025 and the completion of the Merger (as defined in note 2.1), the certificate of incorporation on change of name was issued by the Registry of Companies in the Cayman Islands, certifying that the name of the Company has been changed from "Genor Biopharma Holdings Limited" to "Edding Genor Group Holdings Limited", and the dual foreign name of the Company in Chinese has been changed from "嘉和生物藥業(開曼)控股有限公司" to "亿腾嘉和醫藥集團有限公司", each with effect from 30 December 2025. The Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company was issued by the Registrar of Companies in Hong Kong on 27 January 2026 confirming the registration of the Company's new English and Chinese names in Hong Kong under Part 16 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong).

## 1. CORPORATE AND GROUP INFORMATION (CONTINUED)

### Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

| Name | Place of incorporation/ registration and business/ establishment and kind of legal entity | Date of incorporation/ registration | Issued ordinary/ registered share capital | Percentage of equity attributable to the Company | | Principal activities |
|---|---|---|---|---|---|---|
| | | | | Direct | Indirect | |
| Edding Group Company Limited | Cayman Islands | 8 June 2020 | US$50,000 | 100 | – | Investment holding |
| Eddingpharm (Asia) Macao Commercial Offshore Limited | Macau | 1 February 2002 | MOP100,000 | – | 100 | Marketing and commercialization of pharmaceutical products |
| Maxi Vantage Limited | Hong Kong | 12 February 2015 | US$150,740,458 | – | 100 | Provision of marketing and consultancy services |
| 蘇州亿腾藥品銷售有限公司 (Eddingpharm Suzhou Co., Ltd.*) | PRC/Chinese mainland/ limited liability company | 13 December 2017 | US$50,000,000 | – | 100 | Trading of pharmaceutical products and provision of marketing and promotion services |
| 亿腾醫藥(蘇州)有限公司 (Eddingpharm (Suzhou) Co., Ltd.*) (Formerly known as 蘇州西克羅製藥有限公司 Suzhou Ceclor Pharmaceutical Co., Ltd.) | PRC/Chinese mainland/ limited liability company | 26 February 2019 | RMB820,235,827 | – | 100 | Research and development of pharmaceutical products; manufacture, marketing and commercialisation of pharmaceutical products |
| Eddingpharm (Hong Kong) Company Limited | Hong Kong | 17 December 2005 | HK$100 | – | 100 | Provision of consultancy and marketing services and trading of pharmaceutical products |
| 上海愛汀康橋生物科技有限公司 (Shanghai Edding Kangqiao Biotechnology Co., Ltd.*) | PRC/Chinese mainland/ limited liability company | 16 June 2023 | RMB30,000,000 | – | 100 | Research and development of pharmaceutical products |
| 亿腾醫藥(珠海)有限公司 (Eddingpharm (zhuhai) Co., Ltd.*) | PRC/Chinese mainland/ limited liability company | 15 October 2024 | RMB50,000,000 | – | 100 | Research and development of pharmaceutical products |
| 嘉和生物藥業有限公司 (Genor Biopharma Co., Ltd.*) | PRC/Chinese mainland/ limited liability company | 4 December 2007 | RMB831,338,351 | – | 100 | Research and development of pharmaceutical products |

* The English translations of these names are for identification purposes only.

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company (the "Directors"), principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

## 2. ACCOUNTING POLICIES

### 2.1 Basis of preparation

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for equity investments which have been measured at fair value. These financial statements are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

On 30 December 2025 (the "Merger Date"), the Company completed a very substantial acquisition and reverse takeover with Edding Group Company Limited ("Edding"), a company incorporated in the Cayman Islands with limited liability, which involved a new listing application (the "Merger"). The Company acquired the entire issued share capital of Edding from all its shareholders (the "Vendors") with a consideration of 1,667,755,320 new ordinary shares of the Company (the "Consideration Shares") to the Vendors. Edding and its subsidiaries (the "Edding Group") are principally engaged in the research and development, manufacture and sale of pharmaceutical products, and the provision of marketing and promotion services in the PRC. The details of the Merger were set out in the Company's circular dated 5 December 2025.

Prior to the completion of the Merger, the Company and its original subsidiaries were engaged in developing and commercialising oncology and autoimmune drugs in the PRC. As disclosed in note 40, upon completion of the Merger, the Company allotted and issued 1,482,921,982 Consideration Shares to the Vendors, representing 73.73% of the issued share capital of the Company and Edding became a wholly owned subsidiary of the Company. Edding, in substance, acquired the development and commercialisation of oncology and autoimmune drugs business of the Company through the Merger, which constitute a business under HKFRS 3 *Business Combinations*. For accounting purpose, the Company is deemed to have been acquired by Edding, i.e., Edding (the legal subsidiary) is considered as the accounting acquirer while the Company (the legal parent) is considered as the accounting acquiree. The consolidated financial statements of the Company after the Merger have been prepared as a continuation of the consolidated financial statements of Edding Group and accordingly:

(i) The assets and liabilities of the Edding Group are recognised in the consolidated financial statements of the Company and measured at their carrying amounts;

(ii) The identified assets and liabilities of the Company and its original subsidiaries are recognised and measured at fair value at the Merger Date;

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.1 Basis of preparation (Continued)

(iii) The consideration effectively transferred by the Edding was consisted of: 1) the fair value of the equity shares deemed to have been issued by Edding to give the owners of the legal parent the same percentage equity interest in the combined entity that results from the reverse takeover ("Deemed Issued Shares"), and 2) the fair value of share-based payment arrangement of the Company that related to the service period prior to the Merger. The difference between the identified assets and liabilities of the Company and its original subsidiaries and consideration effectively transferred by Edding was recognised as goodwill;

(iv) The number and type of the issued equity was presented to reflect that of the Company; and

(v) The comparative information presented in these consolidated financial statements is restated to be that of the Edding Group.

The Company has applied the reverse acquisition accounting under HKFRS 3 to account for the Merger. The results of the Company and its original subsidiaries have been consolidated into the Edding Group's consolidated financial statements since the Merger Date. Further details of the Merger and the goodwill arising from the Merger are set out in note 40.

As at 31 December 2025, the Group had net current liabilities of RMB10,393,000, of which the Group's cash and cash equivalents and trade receivables amounted to RMB1,054,935,000 and RMB631,441,000, respectively, while its interest-bearing loans and other borrowings and other payables and accruals classified as current liabilities amounted to RMB1,065,708,000 and RMB707,700,000, respectively. The Directors have reviewed the Group's cash flow forecast prepared by management, covering a period of 12 months from 31 December 2025. The Group is expected to generate sufficient operating cash inflows in the coming 12 months. The Group will repay, roll over or re-finance its current bank and other borrowings in the normal course of business. Accordingly, the Directors, after taking into account the operation performance, financing plans and measures, are of the opinion that, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due and that it is appropriate to prepare the consolidated financial statements on a going concern basis.

*Basis of consolidation*

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

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.1 Basis of preparation (Continued)

*Basis of consolidation (Continued)*

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

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

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

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

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.2 Issued but not yet effective HKFRS Accounting Standards

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

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

1 Effective for annual periods beginning on or after 1 January 2026
2 Effective for annual/reporting periods beginning on or after 1 January 2027
3 No mandatory effective date yet determined but available for adoption

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

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

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.2 Issued but not yet effective HKFRS Accounting Standards (Continued)

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

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

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

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.2 Issued but not yet effective HKFRS Accounting Standards (Continued)

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

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

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

- HKFRS 7 *Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing HKFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing HKFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKFRS 9 *Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in HKFRS 16 and an extinguishment of a lease liability in accordance with HKFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.2 Issued but not yet effective HKFRS Accounting Standards (Continued)

- HKFRS 10 *Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKAS 7 *Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of HKAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

### 2.3 Material accounting policies

*Business combinations and goodwill*

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Merger-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contributes to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss.

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.3 Material accounting policies (Continued)

*Business combinations and goodwill (Continued)*

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at December 31. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating unit, or Groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or Groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (Group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (Group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or Group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

*Fair value measurement*

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

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

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.3 Material accounting policies (Continued)

*Fair value measurement (Continued)*

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

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

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

*Impairment of non-financial assets*

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets, financial assets and non-current assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest Group of cash-generating unit.

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

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.3 Material accounting policies (Continued)

*Impairment of non-financial assets (Continued)*

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

*Related parties*

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

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same Group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.3 Material accounting policies (Continued)

*Related parties (Continued)*

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a Group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

*Property, plant and equipment and depreciation*

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

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

Depreciation is calculated on a straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives of property, plant and equipment are as follows:

| | |
|---|---|
| Buildings | 5 to 50 years |
| Leasehold improvements | 2 to 10 years |
| Plant and machinery | 3 to 24 years |
| Office and other equipment | 3 to 24 years |
| Motor vehicles | 1 to 15 years |

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

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

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.3 Material accounting policies (Continued)

*Property, plant and equipment and depreciation (Continued)*

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

*Intangible assets (other than goodwill)*

The intangible assets mainly consist of trademark, know-how licence and medical rights, distribution rights and medicine licences and software. The intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

For the year ended 31 December 2025, all intangible assets (other than goodwill) of the Group were considered to have finite useful lives, which are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives.

The estimated useful lives of other intangible assets are as follows:

| | |
|---|---|
| Trademark, know-how license and medical rights | 10 to 30 years |
| Distribution rights and medicine licences | 2 to 19 years |
| Software | 1 to 10 years |

Trademark, know-how licence and medical rights, distribution rights and medicine licences of the Group are associated with different products arising from various business combinations and acquisitions from third parties. The useful lives of trademark, know-how license and medical rights, distribution rights and medicine licences are estimated based on the remaining period of economic benefits to be derived from the respective products to be produced relying on the acquired trademark, know-how license and medical rights, distribution rights and medicine licences. The Group estimates the period of economic benefits to be derived from the respective products based on the expected time period required for a pharmaceutical drug development from its discovery to commercialization and other factors, including the patent protection period, the historical life of similar products, the characteristics of such technologies, their update frequency and market requirement and competition. Based on such assessment, the Group considers that the maximum economic useful life of trademark, know-how license and medical rights, distribution rights and medicine licences held by the Group is 30 years. As different products have different commercialization commencement dates, acquisition dates by the Group and the expected lifespan of economic benefits, the remaining useful lives of the Group's trademark, know-how licence and medical rights, distribution rights and medicine licences vary at a range of 10 to 30 years and 2 to 19 years. Both the period and method of amortisation are reviewed annually.

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.3 Material accounting policies (Continued)

*Research and development costs*

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

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

*Leases*

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

***The Group as a lessee***

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

(a) Right-of-use assets

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

| | |
|---|---|
| Leasehold land | 26 years |
| Offices | 1 to 9 years |

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

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.3 Material accounting policies (Continued)

*Leases (Continued)*

***The Group as a lessee (Continued)***

(b) Lease liabilities

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

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

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

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.3 Material accounting policies (Continued)

*Investments and other financial assets*

***Initial recognition and measurement***

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

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

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

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

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

***Subsequent measurement***

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

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.3 Material accounting policies (Continued)

*Investments and other financial assets (Continued)*

***Financial assets at amortised cost (debt instruments)***

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

***Financial assets at fair value through other comprehensive income (debt instruments)***

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

***Financial assets designated at fair value through other comprehensive income (equity investments)***

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under HKAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

***Financial assets at fair value through profit or loss***

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the profit or loss.

This category includes equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in profit or loss when the right of payment has been established.

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.3 Material accounting policies (Continued)

*Derecognition of financial assets*

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

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

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

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

*Impairment of financial assets*

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

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.3 Material accounting policies (Continued)

*Impairment of financial assets (Continued)*

***General approach***

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

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

The Group considers a financial asset in default when contractual payments are 180 days past due. The Group has rebutted the 90 days past due presumption of default based on reasonable and supportable information, including the Group's credit risk control practices and the historical recovery rate of financial assets over 90 days past due. However, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For debt investments at fair value through other comprehensive income, the Group applies the low credit risk simplification. At each reporting date, the Group evaluates whether the debt investments are considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the external credit ratings of the debt investments.

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.3 Material accounting policies (Continued)

*Impairment of financial assets (Continued)*

***General approach (Continued)***

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below:

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs.

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs.

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs.

***Simplified approach***

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

*Financial liabilities*

***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, interest-bearing bank and other borrowings, a liability component of puttable ordinary shares, or payables, as appropriate.

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

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

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.3 Material accounting policies (Continued)

*Financial liabilities (Continued)*

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

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

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

*Derecognition of financial liabilities*

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

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

*Offsetting of financial instruments*

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

*Inventories*

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

*Cash and cash equivalents*

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

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

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.3 Material accounting policies (Continued)

*Income tax*

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

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

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

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

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.3 Material accounting policies (Continued)

*Income tax (Continued)*

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

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

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

*Government grants*

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

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

*Revenue recognition*

***Revenue from contracts with customers***

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

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

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.3 Material accounting policies (Continued)

*Revenue recognition (Continued)*

***Revenue from contracts with customers (Continued)***

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

(a) Sale of pharmaceutical products

Revenue from the sale of pharmaceutical products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the pharmaceutical products.

Some contracts for the sale of industrial products provide customers with sales rebates, giving rise to variable consideration.

(b) Sales rebates

Sales rebates may be provided to certain customers according to terms specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the most likely amount method is used for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The requirements on constraining estimates of variable consideration are applied and a refund liability for the expected future rebates is recognised.

(c) Service income

Service income is recognised at the point in time after the services have been provided by the Group.

*Other income*

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

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.3 Material accounting policies (Continued)

*Refund liabilities*

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

*Contract liabilities*

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

*Share-based payments*

A parent of the Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including the Directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments of the parent ("equity-settled transactions"). Where the parent grants an award directly to the employees of a subsidiary and settles it in its own equity, the subsidiary accounts for the award as equity-settled, with a corresponding increase in equity as a contribution from the parent.

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

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

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

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.3 Material accounting policies (Continued)

*Share-based payments (Continued)*

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

*Other employee benefits*

*Pension scheme*

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in the Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute 13% to 16% of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

The subsidiaries operating in Malaysia are required to contribute to the Social Security Organization ("SOCSO"), which was established to provide social security protections to all employees in Malaysia, and the Employee Provident Fund ("EPF"). Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the SOCSO and EPF.

The subsidiaries operating in Macau contribute to the Central Provident Fund for all its employees. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the Central Provident Fund.

The Group did not have any forfeited contribution for the year ended 31 December 2025 (2024: nil) in connection with the defined contribution plan operated by local governments.

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.3 Material accounting policies (Continued)

*Borrowing costs*

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalized as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

*Dividends*

Final Dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the note 11 to the financial statements.

*Foreign currencies*

These financial statements are presented in Renminbi ("RMB"). Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.3 Material accounting policies (Continued)

*Foreign currencies (Continued)*

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries and the Company are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries and the Company which arise throughout the period are translated into RMB at the average exchange rates for the year.

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

### Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

*Provision for expected credit losses on trade receivables*

The Group uses a provision matrix to calculate ECLs for trade receivables.

The provision matrix is initially based on the customers' credit rating and the Group's historical observed default rates. The Group will calibrate the matrix to adjust customers' credit rating and the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the pharmaceutical sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates and the customers' credit rating, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical observed default rates and forecast of economic conditions may also be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 20 to the financial statements.

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

### Estimation uncertainty (Continued)

*Deferred tax assets*

Deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are contained in note 17 to the financial statements. The Group's operations are subject to different tax jurisdictions and management is required to make assessment and evaluation on the corresponding tax impacts.

*Share-based payments*

The Company engaged an independent appraiser to assist in determining the fair value of share-based payments. The determination of fair value was made after considering a number of parameters including but not limited to: the dividend yield, expected volatility, risk-free interest rate, expected life of options and the weighted average share price. This conclusion of value was based on generally accepted valuation procedures and practices that rely extensively on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained.

*Variable consideration for sales rebates*

The Group estimates variable consideration to be included in the transaction price for the sale of pharmaceutical products with variable rebates.

The Group assesses the expected rebates based on factors primarily consisting of the customer's accumulated purchases to date, expected profit variance to date, etc. Any significant changes in experience as compared to historical patterns of customers will impact the expected rebate estimated by us.

The Group updates its assessment of expected sales rebates annually and the refund liabilities are adjusted accordingly. Estimates of expected sales rebates are sensitive to changes in circumstances and the Group's past experience regarding rebate entitlements may not be representative of customers' actual returns and rebate entitlements in the future. As at 31 December 2025, the amount recognised as refund liabilities was RMB21,876,000 (2024: RMB50,141,000) for the expected sales rebates.

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

### Estimation uncertainty (Continued)

*Leases – Estimating the incremental borrowing rate*

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

*Impairment of goodwill*

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill was RMB399,224,000 as at 31 December 2025 (2024: RMB112,055,000). Further details are given in note 15.

*Impairment of non-financial assets (other than goodwill)*

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Indefinite life intangible assets and intangible assets not yet available for use are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

### Estimation uncertainty (Continued)

*Useful lives of intangible assets*

The Group determines the estimated useful lives for its intangible assets. This estimate is based on the historical experience of the actual useful lives of intangible assets of similar nature and functions. It could change significantly as a result of technical innovations, or competitor actions in response to severe industry cycles. Management will increase the amortization charge where useful lives are less than previously estimated lives, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

## 4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

(i) The manufacturing and distribution segment engages in the manufacture and distribution of pharmaceutical products; and

(ii) The research and development segment engages in the research and development of new drugs.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss before tax. The adjusted profit or loss before tax is measured consistently with the Group's profit or loss before tax except that head office and corporate expenses are excluded from such measurement.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at then prevailing market prices.

There were no intersegment sales during the year ended 31 December 2025.

## 4. OPERATING SEGMENT INFORMATION (CONTINUED)

**Year ended 31 December 2025**

| | Manufacturing and distribution RMB'000 | Research and development RMB'000 | Total RMB'000 |
|---|---|---|---|
| **Segment revenue** | | | |
| Sales to external customers | 2,487,461 | – | 2,487,461 |
| Total segment revenue | | | 2,487,461 |
| **Segment results** | 853,861 | (357,595) | 496,266 |
| Profit before tax | | | 496,266 |
| **Segment assets** | 4,781,935 | 1,849,581 | 6,631,516 |
| Reconciliation: | | | |
| Elimination of intersegment receivables | | | (28,974) |
| Total assets | | | 6,602,542 |
| **Segment liabilities** | 2,129,415 | 651,126 | 2,780,541 |
| Reconciliation: | | | |
| Elimination of intersegment payables | | | (28,974) |
| Total liabilities | | | 2,751,567 |
| **Other segment information** | | | |
| Depreciation of items of property, plant and equipment | 29,603 | 7,171 | 36,774 |
| Depreciation of right-of-use assets | 20,657 | 1,934 | 22,591 |
| Amortisation of other intangible assets | 183,146 | 1,676 | 184,822 |
| Write-down of inventories to net realisable value | 21,851 | – | 21,851 |
| Reversal of impairment losses on financial assets, net | 689 | – | 689 |
| Capital expenditure* | 23,356 | 22,742 | 46,098 |

## 4. OPERATING SEGMENT INFORMATION (CONTINUED)

**Year ended 31 December 2024 (Restated)**

| | Manufacturing and distribution RMB'000 | Research and development RMB'000 | Total RMB'000 |
|---|---|---|---|
| **Segment revenue** | | | |
| Sales to external customers (restated) | 2,546,044 | – | 2,546,044 |
| Total segment revenue (restated) | | | 2,546,044 |
| **Segment results (restated)** | 605,207 | (122,725) | 482,482 |
| Profit before tax (restated) | | | 482,482 |
| **Segment assets (restated)** | 5,273,267 | 185,122 | 5,458,389 |
| Reconciliation: | | | |
| Elimination of intersegment receivables (restated) | | | (18,358) |
| Total assets (restated) | | | 5,440,031 |
| **Segment liabilities (restated)** | 2,988,263 | 60,564 | 3,048,827 |
| Reconciliation: | | | |
| Elimination of intersegment payables (restated) | | | (18,358) |
| Total liabilities (restated) | | | 3,030,469 |
| **Other segment information** | | | |
| Depreciation of items of property, plant and equipment (restated) | 12,779 | 6,285 | 19,064 |
| Depreciation of right-of-use assets (restated) | 14,127 | 3,471 | 17,598 |
| Amortisation of other intangible assets (restated) | 156,956 | 557 | 157,513 |
| Write-down of inventories to net realisable value (restated) | 1,589 | – | 1,589 |
| Reversal of impairment losses on financial assets, net (restated) | (671) | – | (671) |
| Impairment of non-current assets (restated) | 2,263 | – | 2,263 |
| Capital expenditure* (restated) | 148,944 | 50,767 | 199,711 |

* Capital expenditure consists of additions to property, plant and equipment, other intangible assets and capitalised research and development costs included in other long-term assets.

## 4. OPERATING SEGMENT INFORMATION (CONTINUED)

### Geographical information

*(a) Revenue from external customers:*

| | 2025 RMB'000 | 2024 RMB'000 (Restated) |
|---|---|---|
| Chinese mainland | **2,482,648** | 2,535,552 |
| United States of America | **4,039** | 9,970 |
| Other regions/countries | **774** | 522 |
| Total revenue | **2,487,461** | 2,546,044 |

The revenue information above is based on the location of the customers.

*(b) Non-current assets:*

| | 2025 RMB'000 | 2024 RMB'000 (Restated) |
|---|---|---|
| Macau and Hong Kong | **2,970,760** | 3,163,760 |
| Cayman Islands | **654,901** | – |
| Chinese mainland | **542,170** | 484,436 |
| Other regions/countries | **–** | 4,458 |
| Total non-current assets | **4,167,831** | 3,652,654 |

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

### Information about major customers

There was revenue of approximately RMB1,419,817,000 from transactions with a single external customer amounting to 50% or more of total revenue for the year (2024: RMB1,393,238,000).

## 5 REVENUE, OTHER INCOME AND GAINS

An analysis of the revenue is as follows:

| | 2025 RMB'000 | 2024 RMB'000 (Restated) |
|---|---|---|
| Revenue from contracts with customers | **2,487,461** | 2,546,044 |

### Revenue from contracts with customers

*(a) Disaggregated revenue information:*

| | 2025 RMB'000 | 2024 RMB'000 (Restated) |
|---|---|---|
| Sale of pharmaceutical products | **2,464,748** | 2,544,098 |
| Service income | **22,713** | 1,946 |
| Total | **2,487,461** | 2,546,044 |

The revenue from contracts with customers is primarily derived from the Chinese mainland and the United States of America, and is recognised at a point in time.

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

| | 2025 RMB'000 | 2024 RMB'000 (Restated) |
|---|---|---|
| Revenue recognised that was included in contract liabilities at the beginning of the reporting period: | | |
| Sale of pharmaceutical products | **8,992** | 1,920 |

## 5 REVENUE, OTHER INCOME AND GAINS (CONTINUED)

### Revenue from contracts with customers (Continued)

*(b) Performance obligations:*

Information about the Group's performance obligations is summarized below:

***Sale of pharmaceutical products***

The performance obligation is satisfied upon delivery of the pharmaceutical products and payment is generally due within one to six months from delivery. Some contracts provide customers with volume rebates which give rise to variable consideration subject to constraint.

***Services***

The performance obligation is satisfied at the point in time when relevant services has been provided.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

| | 2025<br>RMB'000 | 2024<br>RMB'000<br>(Restated) |
|---|---|---|
| Amounts expected to be recognised as revenue: | | |
| Within one year | **8,275** | 8,992 |

## 5 REVENUE, OTHER INCOME AND GAINS (CONTINUED)

### Revenue from contracts with customers (Continued)

*(b) Performance obligations: (Continued)*

***Services (Continued)***

All the other amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The amounts disclosed above do not include variable consideration which is constrained.

| | 2025<br>RMB'000 | 2024<br>RMB'000<br>(Restated) |
|---|---|---|
| Other income | | |
| Interest income | **14,953** | 13,747 |
| Government grants* | **5,200** | 6,857 |
| Others | **72** | – |
| Total other income | **20,225** | 20,604 |
| Gains | | |
| Compensation gain | **–** | 84,688 |
| Foreign exchange differences, net | **9,283** | – |
| Total gains | **9,283** | 84,688 |
| Total other income and gains | **29,508** | 105,292 |

* Various government grants have been received from local government authorities as subsidies to the Group. There were no unfulfilled conditions or contingencies relating to these grants.

## 6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

| | Notes | 2025 RMB'000 | 2024 RMB'000 (Restated) |
|---|---|---|---|
| Cost of inventories sold | | **632,272** | 688,079 |
| Cost of services provided | | **31,507** | 7,015 |
| Depreciation of right-of-use assets | *4* | **22,591** | 17,598 |
| Depreciation of property, plant and equipment | *4* | **36,774** | 19,064 |
| Amortisation of other intangible assets | | **184,822** | 157,513 |
| Auditor's remuneration | | **10,171** | 6,064 |
| Employee benefit expense: | | | |
| Wages and salaries | | **457,745** | 475,968 |
| Equity-settled share-based payment expense | | **51,847** | 33,294 |
| Total | | **509,592** | 509,262 |
| Foreign exchange differences, net | | **(9,283)** | 19,898 |
| Interest income | *5* | **(14,953)** | (13,747) |
| Loss on disposal of items of intangible assets | | **–** | 1,488 |
| Loss on disposal of items of property, plant and equipment | | **13** | 266 |
| Impairment losses on financial assets, net | | **689** | (671) |
| Write-down of inventories to net realizable values | | **21,851** | 1,589 |
| Impairment of non-current assets* | | **–** | 2,263 |
| Compensation gain | *5* | **–** | (84,688) |

* The impairment of non-current assets are included in "other expenses" in profit or loss.

## 7. FINANCE COSTS, NET

An analysis of finance costs is as follows:

| | 2025 RMB'000 | 2024 RMB'000 (Restated) |
|---|---|---|
| Interest on bank loans, overdrafts and other loans | **143,907** | 231,197 |
| Interest on discounted bills | **18,270** | 25,968 |
| Interest on lease liabilities | **1,871** | 1,654 |
| Interest on other long-term payables | **783** | 747 |
| Modification gain on interest-bearing bank loans and other borrowings | **(26,298)** | (4,934) |
| Total | **138,533** | 254,632 |

## 8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

The emoluments paid or payable to the Directors and chief executive's of the Company prior to the completion of the Merger are not included in the consolidated statement of profit or loss and consolidated statement of comprehensive income. The performance related bonus is based on the individual performance of the Directors.

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

| | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|
| Fees | **1,365** | 1,260 |
| Other emoluments: | | |
| Salaries, allowances and benefits in kind | **12,325** | 4,776 |
| Performance related bonuses | **1,213** | 1,246 |
| Equity-settled share-based payment expense | **20,194** | 12,809 |
| Pension scheme contributions | **140** | 1,966 |
| Subtotal | **33,872** | 20,797 |
| Total | **35,237** | 22,057 |

## 8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

During the year, certain Directors and chief executive were granted share options, in respect of their services to the Group, under the share option scheme of the Company, further details of which are set out in note 31 to the financial statements. The fair value of such options, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above Directors' remuneration disclosures.

### (a) Independent non-executive Directors

The fees paid to independent non-executive Directors during the year were as follows:

| | *Note* | **2025** **RMB'000** | 2024 RMB'000 |
|---|---|---|---|
| Mr. Xu Qing | *(i)* | **–** | – |
| Ms. Zheng Jingjing | *(i)* | **–** | – |
| Mr. Chen Wen | | **420** | 420 |
| Mr. Zhou Honghao | *(ii)* | **–** | 315 |
| Mr. Fung Edwin | *(iii)* | **525** | 420 |
| Ms. Cui Bai | *(iii)* | **420** | 105 |
| Total | | **1,365** | 1,260 |

There were no other emoluments payable to the independent non-executive Directors during the year (2024: nil).

(i) The Directors were appointed on 30 December 2025.

(ii) The Director resigned on 18 September 2024.

(iii) The Directors resigned on 30 December 2025.

## 8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

### (b) Executive Directors, non-executive Directors and the chief executive

| | | Fees | Salaries, allowances and benefits in kind | Performance related bonuses | Equity-settled share-based payment expense | Pension scheme contributions | Total remuneration |
|---|---|---|---|---|---|---|---|
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| 2025 | | | | | | | |
| Executive Directors: | | | | | | | |
| Mr. Ni Xin | *(i)* | – | **4,950** | – | **27,533** | **16** | **32,499** |
| Ms. Zhai Jing | *(i)* | – | **2,183** | **680** | **(5,855)** | **53** | **(2,939)** |
| Mr. Weng Chengyi | *(iii)* | – | **1,332** | **83** | **(272)** | – | **1,143** |
| Non-executive Directors: | | | | | | | |
| Mr. Yu Tieming | | – | – | – | – | – | – |
| Dr. David Guowei Wang | *(i)* | – | – | – | – | – | – |
| Dr. Lyu Dong | *(ii)* | – | – | – | – | – | – |
| Mr. Liu Yi | *(iii)* | – | – | – | – | – | – |
| Chief executive: | | | | | | | |
| Dr. Guo Feng | *(iv)* | – | **3,860** | **450** | **(1,212)** | **71** | **3,169** |
| Total | | – | **12,325** | **1,213** | **20,194** | **140** | **33,872** |
| 2024 | | | | | | | |
| Executive Director: | | | | | | | |
| Mr. Weng Chengyi | *(iii)* | – | 276 | 71 | 446 | 40 | 833 |
| Non-executive directors: | | | | | | | |
| Mr. Yu Tieming | | – | – | – | – | – | – |
| Dr. Lyu Dong | *(ii)* | – | – | – | – | – | – |
| Mr. Liu Yi | *(iii)* | – | – | – | – | – | – |
| Chief executive: | | | | | | | |
| Dr. Guo Feng | *(iv)* | – | 4,500 | 1,175 | 12,363 | 1,926 | 19,964 |
| Total | | – | 4,776 | 1,246 | 12,809 | 1,966 | 20,797 |

## 8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

### (b) Executive Directors, non-executive Directors and the chief executive (Continued)

There was no arrangement under which a Director or the chief executive waived or agreed to waive any remuneration during the year.

(i) The Directors were appointed on 30 December 2025.

(ii) The Director was retired on 26 June 2025.

(iii) The Directors resigned on 30 December 2025.

(iv) The Director resigned on 12 September 2024 and remains as the chief executive.

## 9. FIVE HIGHEST PAID EMPLOYEES

The emoluments paid or payable to the five highest paid employees of the Company prior to the completion of the Merger are not included in the consolidated statement of profit or loss and consolidated statement of comprehensive income.

The five highest paid employees during the year included two Directors (2024: two Directors), details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining three (2024: three) highest paid employees who are neither a Director nor the chief executive are as follows:

| | 2025<br>RMB'000 | 2024<br>RMB'000<br>(Restated) |
|---|---|---|
| Salaries, allowances and benefits in kind | **11,333** | 7,579 |
| Equity-settled share-based payment expense | **5,304** | 193 |
| Pension scheme contributions | **106** | 182 |
| Total | **16,743** | 7,954 |

The number of non-Director highest paid employees whose remuneration fell within the following bands is as follows:

| | Number of employees | |
|---|---|---|
| | **2025** | 2024<br>(Restated) |
| HK$2,500,000 to HK$3,000,000 | **–** | 2 |
| HK$3,000,000 to HK$3,500,000 | **–** | 1 |
| HK$3,500,000 to HK$4,000,000 | **2** | – |
| HK$9,000,000 to HK$9,500,000 | **1** | – |
| Total | **3** | 3 |

## 10. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate. The provision for the Chinese mainland current income tax is based on a statutory rate of 25% of the assessable profits for the reporting period as determined in accordance with the PRC Corporate Income Tax Law which was approved and became effective on 1 January 2008, except for two subsidiaries in the Chinese mainland, which were taxed at a preferential rate of 15%.

Taxes on profits assessable elsewhere have been calculated at the tax rates prevailing or applicable tax laws in the jurisdictions in which the Group operates.

Eddingpharm (Asia) Macao Commercial Offshore Limited is a subsidiary of the Group registered in Macau under the Macau Complementary Income Tax Law. Since 2021, the complementary income tax is imposed on a fixed rate of 12% for assessable profits. Assessable profits below MOP32,000 are exempted from tax. With effect from 2014, the exemption allowance for profit tax assessment has been increased to MOP600,000.

| | **2025** | 2024 |
|---|---|---|
| | **RMB'000** | RMB'000 |
| | | (Restated) |
| Current | | |
| Charge for the year | **105,364** | 84,054 |
| Overprovision/(underprovision) in prior years | **2,014** | (1,450) |
| Deferred *(note 17)* | **(10,375)** | 11,992 |
| Total | **97,003** | 94,596 |

## 10. INCOME TAX (CONTINUED)

A reconciliation of the tax expense applicable to profit or loss before tax at the statutory tax rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax expense at the effective tax rates is as follows:

| | 2025<br>RMB'000 | 2024<br>RMB'000<br>(Restated) |
|---|---|---|
| Profit before tax | **496,266** | 482,482 |
| Effect of different tax rates of subsidiaries | **97,895** | 109,941 |
| Lower tax rate for specific subsidiaries enacted by respective jurisdictions | **(17,904)** | (24,587) |
| Expenses not deductible for tax and additional deduction of tax | **30,057** | 6,984 |
| Income not subject to tax | **(5,026)** | (1,576) |
| Tax losses not recognised | **608** | 6,220 |
| Tax losses utilised from previous periods | **(10,641)** | (936) |
| Adjustments in respect of current tax of previous years | **2,014** | (1,450) |
| Tax expense at the Group's effective rate | **97,003** | 94,596 |

## 11. DIVIDENDS

Special dividends of US$10,000,000 (equivalent to RMB67,405,000) and US$10,000,000 (equivalent to RMB67,737,000) were declared by the Company to the shareholders on a pro-rata basis according to the shares held by them on 5 August 2022 and 6 February 2023, respectively, of which US$6,607,000 (equivalent to RMB46,485,000) was paid during 2025, and US$385,000 (equivalent to RMB2,695,000) remained unpaid as at 31 December 2025.

## 12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic and diluted earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent.

The weighted average number of ordinary shares used for the purpose of calculating basic earnings per share for the year ended 31 December 2025 is determined by the number of ordinary shares outstanding of Edding before the Merger multiplied by the exchange ratio established in the merger agreement and the number of ordinary shares outstanding of the Company after completion of the Merger.

The weighted average number of ordinary shares used in the calculation of diluted earnings per share is the number of ordinary shares outstanding during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued on the deemed vesting of all dilutive potential ordinary shares into ordinary shares.

The calculation of basic and diluted earnings per share is based on:

| | **2025** | 2024 |
|---|---|---|
| | **RMB'000** | RMB'000 (Restated) |
| Earnings | | |
| Profit attributable to ordinary equity holders of the parent used in the basic and diluted earnings per share calculation | **399,263** | 387,886 |

| | **Number of shares** | |
|---|---|---|
| | **2025** | 2024 (Restated) |
| Shares | | |
| Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation | **1,674,206,478** | 1,667,755,320 |
| Effect of dilution – weighted average number of ordinary shares: | | |
| The Consideration Shares reserved | **492,095** | – |
| Share-based payment arrangements | **23,988,242** | – |
| Total | **1,698,686,815** | 1,667,755,320 |

## 13. PROPERTY, PLANT AND EQUIPMENT

| | Buildings RMB'000 | Leasehold improvements RMB'000 | Plant and machinery RMB'000 | Office and other equipment RMB'000 | Motor vehicles RMB'000 | Construction in progress RMB'000 | Total RMB'000 |
|---|---|---|---|---|---|---|---|
| **31 December 2025** | | | | | | | |
| **At 1 January 2025:** | | | | | | | |
| Cost | 61,315 | 92,482 | 162,590 | 16,111 | 3,887 | 92,904 | 429,289 |
| Accumulated depreciation and impairment | (19,306) | (40,360) | (84,813) | (11,014) | (2,525) | (1,118) | (159,136) |
| Net carrying amount | 42,009 | 52,122 | 77,777 | 5,097 | 1,362 | 91,786 | 270,153 |
| At 1 January 2025, net of accumulated depreciation and impairment | 42,009 | 52,122 | 77,777 | 5,097 | 1,362 | 91,786 | 270,153 |
| Additions | – | 8,555 | 9,093 | 1,606 | 7,348 | 15,346 | 41,948 |
| Reverse takeover of the Company *(note 40)* | – | – | 1,221 | – | – | – | 1,221 |
| Disposals | – | (8) | – | (115) | – | – | (123) |
| Depreciation provided during the year | (2,901) | (11,278) | (12,798) | (1,867) | (682) | – | (29,526) |
| Transfers | 957 | 12,614 | 87,447 | 276 | 355 | (101,649) | – |
| At 31 December 2025, net of accumulated depreciation and impairment | 40,065 | 62,005 | 162,740 | 4,997 | 8,383 | 5,483 | 283,673 |
| **At 31 December 2025:** | | | | | | | |
| Cost | 62,272 | 113,606 | 259,340 | 17,403 | 11,555 | 5,483 | 469,659 |
| Accumulated depreciation and impairment | (22,207) | (51,601) | (96,600) | (12,406) | (3,172) | – | (185,986) |
| Net carrying amount | 40,065 | 62,005 | 162,740 | 4,997 | 8,383 | 5,483 | 283,673 |

## 13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

| | Buildings RMB'000 | Leasehold improvements RMB'000 | Plant and machinery RMB'000 | Office and other equipment RMB'000 | Motor vehicles RMB'000 | Construction in progress RMB'000 | Total RMB'000 |
|---|---|---|---|---|---|---|---|
| **31 December 2024 (restated)** | | | | | | | |
| **At 1 January 2024: (restated)** | | | | | | | |
| Cost | 60,552 | 77,010 | 130,757 | 13,344 | 3,361 | 114,802 | 399,826 |
| Accumulated depreciation and impairment | (15,476) | (30,646) | (70,681) | (9,552) | (2,300) | – | (128,655) |
| Net carrying amount | 45,076 | 46,364 | 60,076 | 3,792 | 1,061 | 114,802 | 271,171 |
| At 1 January 2024, net of accumulated depreciation and impairment (restated) | 45,076 | 46,364 | 60,076 | 3,792 | 1,061 | 114,802 | 271,171 |
| Additions | – | 337 | 47 | 834 | 452 | 28,405 | 30,075 |
| Disposals | (95) | – | (248) | (3) | – | – | (346) |
| Depreciation provided during the year | (3,076) | (9,714) | (14,001) | (1,517) | (212) | – | (28,520) |
| Impairment | (846) | – | (265) | – | – | (1,118) | (2,229) |
| Transfers | 950 | 15,135 | 32,168 | 1,989 | 61 | (50,303) | – |
| Exchange realignment | – | – | – | 2 | – | – | 2 |
| At 31 December 2024, net of accumulated depreciation and impairment (restated) | 42,009 | 52,122 | 77,777 | 5,097 | 1,362 | 91,786 | 270,153 |
| **At 31 December 2024: (restated)** | | | | | | | |
| Cost | 61,315 | 92,482 | 162,590 | 16,111 | 3,887 | 92,904 | 429,289 |
| Accumulated depreciation and impairment | (19,306) | (40,360) | (84,813) | (11,014) | (2,525) | (1,118) | (159,136) |
| Net carrying amount | 42,009 | 52,122 | 77,777 | 5,097 | 1,362 | 91,786 | 270,153 |

## 14. LEASES

### The Group as a lessee

The Group has lease contracts for offices. Leases of offices generally have lease terms between 1 and 9 years. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 26 years, and no ongoing payments will be made under the terms of these land leases. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows.

| | **Prepaid land lease payments** RMB'000 | **Offices** RMB'000 | **Total** RMB'000 |
|---|---|---|---|
| At 1 January 2024 (restated) | 12,517 | 36,917 | 49,434 |
| Additions | – | 18,872 | 18,872 |
| Depreciation charge | (565) | (17,033) | (17,598) |
| Exchange realignment | – | (72) | (72) |
| At 31 December 2024 (restated) | 11,952 | 38,684 | 50,636 |
| Additions | – | 26,339 | 26,339 |
| Reverse takeover of the Company *(note 40)* | – | 502 | 502 |
| Depreciation charge | (565) | (22,026) | (22,591) |
| Exchange realignment | – | 43 | 43 |
| At 31 December 2025 | **11,387** | **43,542** | **54,929** |

## 14. LEASES (CONTINUED)

### The Group as a lessee (Continued)

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

| | 2025 RMB'000 | 2024 RMB'000 (Restated) |
|---|---|---|
| Carrying amount at 1 January | **40,989** | 38,658 |
| New leases | **26,339** | 18,872 |
| Reverse takeover of the Company *(note 40)* | **502** | – |
| Accretion of interest recognised during the year | **1,871** | 1,654 |
| Payments | **(23,382)** | (18,113) |
| Exchange realignment | **(43)** | (82) |
| Carrying amount at 31 December | **46,276** | 40,989 |
| Analysed into: | | |
| Current portion | **19,090** | 13,951 |
| Non-current portion | **27,186** | 27,038 |

The maturity analysis of lease liabilities is disclosed in note 39 to the financial statements.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

| | 2025 RMB'000 | 2024 RMB'000 (Restated) |
|---|---|---|
| Interest on lease liabilities | **1,871** | 1,654 |
| Depreciation charge of right-of-use assets | **22,591** | 17,598 |
| Expense relating to short-term leases | **935** | 816 |
| Total amount recognised in profit or loss | **25,397** | 20,068 |

(d) The total cash outflow for leases and future cash outflows relating to leases that have not yet commenced is disclosed in notes 32(c) to the financial statements.

## 15. GOODWILL

| | RMB'000 |
|---|---|
| At 31 December 2024: (restated) | |
| Cost and net carrying amount | 112,055 |
| Cost at 1 January 2025, net of accumulated impairment (restated) | 112,055 |
| Reverse takeover of the Company (note 40) | 287,169 |
| Cost and net carrying amount at 31 December 2025 | **399,224** |
| At 31 December 2025: | |
| Cost and net carrying amount | **399,224** |

### Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the following cash-generating units for impairment testing:

- Ceclor manufacturing and sales cash-generating unit; and
- Genor cash-generating unit.

The carrying amount of goodwill allocated to each of the cash-generating units is as follows:

| | **Ceclor manufacturing and sales cash-generating unit** RMB'000 | **Genor cash-generating unit** RMB'000 | **Total** RMB'000 |
|---|---|---|---|
| Carrying amount of goodwill | 112,055 | 287,169 | 399,224 |

## 15. GOODWILL (CONTINUED)

### Impairment testing of goodwill (Continued)

*Ceclor manufacturing and sales cash-generating unit*

The recoverable amount of the Ceclor manufacturing and sales cash-generating unit has been determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections was 19.39% for 31 December 2025 (2024: 19.24%), and the growth rate applied to cash flows beyond the five-year period was 2.0% for 31 December 2025 (2024: 2.0%), which is the same as the long-term average growth rate of the pharmaceutical products industry.

*Genor cash-generating unit*

The recoverable amount of Genor cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a thirteen-year period approved by senior management. The period of the financial budgets were based on the estimated remaining useful life of the intangible assets, which better reflects the pattern of revenue fluctuations of innovative drugs throughout their useful life. The discount rate applied to the cash flow projections is 20.50%. The growth rate used to extrapolate the cash flows of the Genor products unit beyond the financial budgets period is 0%.

Assumptions were used in the value in use calculation of the Ceclor manufacturing and sales cash-generating unit and Genor cash-generating unit for 31 December 2025. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted gross margins – The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budget year.

Discount rates – The discount rates used are before tax and reflect specific risks relating to the relevant units.

The values assigned to the key assumptions on market development of Ceclor's products and Genor products and discount rates are consistent with external information sources.

In the opinion of the Directors of the Company, for Ceclor manufacturing and sales cash-generating unit and Genor cash-generating unit, no reasonably possible change in the key assumptions of the cash flow projections would cause its carrying amount exceed its recoverable amount.

## 16. OTHER INTANGIBLE ASSETS

| | Distribution rights and medicine licences RMB'000 | Software RMB'000 | Trademark RMB'000 | Know-how licence and medical rights RMB'000 | Total RMB'000 |
|---|---|---|---|---|---|
| **31 December 2025** | | | | | |
| At 1 January 2025: | | | | | |
| Cost | 486,413 | 53,469 | 519,225 | 2,629,858 | 3,688,965 |
| Accumulated amortisation and impairment | (84,599) | (26,021) | (107,397) | (417,682) | (635,699) |
| Net carrying amount | 401,814 | 27,448 | 411,828 | 2,212,176 | 3,053,266 |
| Cost at 1 January 2025, net of accumulated amortisation and impairment | 401,814 | 27,448 | 411,828 | 2,212,176 | 3,053,266 |
| Additions | – | 994 | – | – | 994 |
| Disposal | (1,001) | – | – | – | (1,001) |
| Amortisation provided during the year | (53,097) | (4,843) | (20,741) | (109,516) | (188,197) |
| Reverse takeover of the Company *(note 40)* | 367,676 | – | – | – | 367,676 |
| Exchange realignment | 768 | (2) | 857 | 4,399 | 6,022 |
| At 31 December 2025 | 716,160 | 23,597 | 391,944 | 2,107,059 | 3,238,760 |
| At 31 December 2025: | | | | | |
| Cost | 846,184 | 54,461 | 520,424 | 2,635,140 | 4,056,209 |
| Accumulated amortisation and impairment | (130,024) | (30,864) | (128,480) | (528,081) | (817,449) |
| Net carrying amount | 716,160 | 23,597 | 391,944 | 2,107,059 | 3,238,760 |

## 16. OTHER INTANGIBLE ASSETS (CONTINUED)

| | Distribution rights and medicine licences RMB'000 | Software RMB'000 | Trademark RMB'000 | Know-how licence and medical rights RMB'000 | Total RMB'000 |
|---|---|---|---|---|---|
| **31 December 2024 (restated)** | | | | | |
| At 1 January 2024: (restated) | | | | | |
| Cost | 392,741 | 50,999 | 511,590 | 2,487,479 | 3,442,809 |
| Accumulated amortisation and impairment | (43,686) | (20,844) | (85,337) | (313,023) | (462,890) |
| Net carrying amount | 349,055 | 30,155 | 426,253 | 2,174,456 | 2,979,919 |
| Cost at 1 January 2024, net of accumulated amortisation and impairment (restated) | 349,055 | 30,155 | 426,253 | 2,174,456 | 2,979,919 |
| Additions | 191,218 | 2,468 | – | 103,430 | 297,116 |
| Disposal | (94,257) | – | – | – | (94,257) |
| Amortisation provided during the year | (49,360) | (5,142) | (20,579) | (98,972) | (174,053) |
| Impairment during the year | – | (34) | – | – | (34) |
| Exchange realignment | 5,158 | 1 | 6,154 | 33,262 | 44,575 |
| At 31 December 2024 (restated) | 401,814 | 27,448 | 411,828 | 2,212,176 | 3,053,266 |
| At 31 December 2024: (restated) | | | | | |
| Cost | 486,413 | 53,469 | 519,225 | 2,629,858 | 3,688,965 |
| Accumulated amortisation and impairment | (84,599) | (26,021) | (107,397) | (417,682) | (635,699) |
| Net carrying amount | 401,814 | 27,448 | 411,828 | 2,212,176 | 3,053,266 |

## 17. DEFERRED TAX

The movements in deferred tax assets and liabilities during the year are as follows:

### Deferred tax assets

| | Unrealised profit in inventories RMB'000 | Accrued expenses RMB'000 | Impairment of financial assets and long-term assets and Provision for inventories RMB'000 | Tax losses RMB'000 | Fair value difference of assets RMB'000 | Lease liabilities RMB'000 | Deductible withholding tax RMB'000 | Deferred government grants RMB'000 | Total RMB'000 |
|---|---|---|---|---|---|---|---|---|---|
| Gross deferred tax assets at 1 January 2024 (restated) | 16,160 | 27,043 | 2,353 | 114 | 3,415 | 8,037 | 9,782 | 612 | 67,516 |
| Deferred tax credited/(charged) to profit or loss during the year *(note 10)* | (2,100) | 7,683 | (957) | (64) | 875 | 876 | (2,928) | 234 | 3,619 |
| Exchange realignment | – | 36 | – | – | – | – | – | – | 36 |
| Gross deferred tax assets at 31 December 2024 (restated) | **14,060** | **34,762** | **1,396** | **50** | **4,290** | **8,913** | **6,854** | **846** | **71,171** |
| Deferred tax credited/(charged) to profit or loss during the year *(note 10)* | **13,472** | **(3,370)** | **2,043** | **17,969** | **(1,809)** | **84** | **3,764** | **222** | **32,375** |
| Reverse takeover of the Company *(note 40)* | **–** | **–** | **–** | **9,614** | **6,657** | **–** | **–** | **–** | **16,271** |
| Gross deferred tax assets at 31 December 2025 | **27,532** | **31,392** | **3,439** | **27,633** | **9,138** | **8,997** | **10,618** | **1,068** | **119,817** |

## 17. DEFERRED TAX (CONTINUED)

The movements in deferred tax assets and liabilities during the year are as follows: (Continued)

### Deferred tax liabilities

| | Depreciation and amortisation RMB'000 | Withholding tax RMB'000 | Royalty income RMB'000 | Right-of-use assets RMB'000 | Fair value difference of assets RMB'000 | Total RMB'000 |
|---|---|---|---|---|---|---|
| Gross deferred tax liabilities at 1 January 2024 (restated) | 3,074 | 7,816 | 11,040 | 7,709 | – | 29,639 |
| Deferred tax charged/(credited) to the statement of profit or loss during the year *(note 10)* | (583) | 2,701 | 12,741 | 752 | – | 15,611 |
| Exchange realignment | – | – | 127 | – | – | 127 |
| Gross deferred tax liabilities at 31 December 2024 (restated) | **2,491** | **10,517** | **23,908** | **8,461** | **–** | **45,377** |
| Deferred tax charged to the statement of profit or loss during the year *(note 10)* | **5,479** | **4,652** | **11,848** | **21** | **–** | **22,000** |
| Reverse takeover of the Company *(note 40)* | **–** | **–** | **–** | **7** | **71,245** | **71,252** |
| Gross deferred tax liabilities at 31 December 2025 | **7,970** | **15,169** | **35,756** | **8,489** | **71,245** | **138,629** |

## 17. DEFERRED TAX (CONTINUED)

### Deferred tax liabilities (Continued)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

| | 2025<br>RMB'000 | 2024<br>RMB'000<br>(Restated) |
|---|---|---|
| Net deferred tax assets recognised in the consolidated statement of financial position | **81,824** | 37,357 |
| Net deferred tax liabilities recognised in the consolidated statement of financial position | **100,636** | 11,563 |
| Net deferred tax (liabilities)/assets | **(18,812)** | 25,794 |

The Group has tax losses arising from Chinese mainland of RMB3,216,335,000 as at 31 December 2025 (2024: RMB76,955,000), that will expire in one to five years for offsetting future taxable profit.

The Group also has tax losses arising from regions outside the Chinese mainland of RMB47,552,000 as at 31 December 2025 (2024: RMB17,781,000). Deferred tax assets have not been recognised in respect of these losses and have not been recognised for deductible temporary differences as at 31 December 2025 (2024: nil), as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

As at 31 December 2025, the aggregate amount of temporary differences associated with investments in subsidiaries which deferred tax liabilities have not been recognised, was RMB1,507,200,000 (2024: RMB568,849,000), in relation to the undistributed retained earnings generated by the subsidiaries operating in the Chinese mainland which may be subject to withholding tax. No deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in the Chinese mainland. In the opinion of the Directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

## 18. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

| | 2025 RMB'000 | 2024 RMB'000 (Restated) |
|---|---|---|
| Unlisted equity investment, at fair value | **50,000** | 50,000 |

Unlisted equity investment amounting to RMB50,000,000 (2024: RMB50,000,000) was investment in Taizhou EOC Pharma Co., Ltd. ("Taizhou EOC"), which is a related party of the Group. The above equity investment was classified as financial asset at fair value through profit or loss as the Group has not elected to recognise the fair value gain or loss through other comprehensive income.

## 19. INVENTORIES

| | 2025 RMB'000 | 2024 RMB'000 (Restated) |
|---|---|---|
| Raw materials | **187,502** | 177,572 |
| Spare parts | **8,304** | 8,657 |
| Work in progress | **47,061** | 58,651 |
| Finished goods | **209,356** | 309,068 |
| Impairment | **(19,951)** | (1,172) |
| Total | **432,272** | 552,776 |

At 31 December 2025, the Group did not have any inventories (2024: nil) that have been pledged.

## 20. TRADE RECEIVABLES

| | 2025 RMB'000 | 2024 RMB'000 (Restated) |
|---|---|---|
| Trade receivables | **633,341** | 320,457 |
| Impairment | **(1,900)** | (933) |
| Net carrying amount | **631,441** | 319,524 |

The Group's trading terms with its customers are mainly on credit. The credit periods are generally between one to nine months. For financial management purposes, management normally discounts the letters of credit to banks without the right of recourse within three months after revenue recognition. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group mainly trades with a limited number of creditworthy distributors, there is certain concentration of credit risk, details of which are included in note 39 to the financial statements. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of trade receivables as at the end of each of the reporting period, based on the invoice date and net of loss allowance, is as follows:

| | 2025 RMB'000 | 2024 RMB'000 (Restated) |
|---|---|---|
| Within 90 days | **559,255** | 319,524 |
| 91-180 days | **68,476** | – |
| 181-360 days | **3,710** | – |
| Total | **631,441** | 319,524 |

## 20. TRADE RECEIVABLES (CONTINUED)

The movements in the loss allowance for impairment of trade receivables are as follows:

| | 2025 RMB'000 | 2024 RMB'000 (Restated) |
|---|---|---|
| At beginning of year | 933 | 1,633 |
| Impairment losses, net *(note 6)* | 972 | (702) |
| Exchange realignment | (5) | 2 |
| At end of year | 1,900 | 933 |

An impairment analysis for trade receivables is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates of trade receivables are based on customers' credit rating and the Group's historical observed default rates. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity. The expected credit loss of bills receivable is assessed based on the bills issuing bank's credit rating and loss rate. The expected credit loss on bills receivable as at 31 December 2025 is assessed to be minimal.

## 20. TRADE RECEIVABLES (CONTINUED)

Set out below is the information about the credit risk exposure on the Group's trade receivables:

| Class of credit rating | Expected credit loss rate | Gross carrying amount | Expected credit losses |
|---|---|---|---|
| | % | RMB'000 | RMB'000 |
| At 31 December 2025 | | | |
| Class 1 | **0.03-0.44** | **552,495** | **1,058** |
| Class 2 | **0.61-1.27** | **80,846** | **842** |
| Class 3 | **1** | **–** | **–** |
| Total | | **633,341** | **1,900** |
| At 31 December 2024 (restated) | | | |
| Class 1 (restated) | 0.08-0.19 | 246,940 | 326 |
| Class 2 (restated) | 0.22-1.17 | 73,517 | 607 |
| Class 3 (restated) | 1 | – | – |
| Total (restated) | | 320,457 | 933 |

*Notes:*

Class 1: Customers demonstrate a high level of creditworthiness, typically supported by strong external credit assessments.

Class 2: Customers exhibit a satisfactory or unrated credit profile, where available external assessments or the entity's own credit history indicate an acceptable level of credit risk.

Class 3: Customers have past due receivables and the Group has substantial evidence of irrecoverability for the receivables.

## 21. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

| | 2025 RMB'000 | 2024 RMB'000 (Restated) |
|---|---|---|
| Non-current portion | | |
| Prepayments for exclusive rights on new drugs | **163,741** | 163,697 |
| Prepayments for long-term assets | **23,313** | – |
| Deposits | **4,227** | 3,029 |
| Impairment allowance | **(36)** | (182) |
| Total | **191,245** | 166,544 |
| Current portion | | |
| Prepayments | **37,421** | 33,057 |
| Deposits | **1,561** | 2,814 |
| Other receivables | **25,667** | 40,225 |
| Deductible input tax | **14,838** | 6,648 |
| Impairment allowance | **(32)** | (169) |
| | **79,455** | 82,575 |
| Total | **270,700** | 249,119 |

Movements in the loss allowance for prepayments, other receivables and other assets are as follows:

| | 2025 RMB'000 | 2024 RMB'000 (Restated) |
|---|---|---|
| At beginning of year | **351** | 12,200 |
| Impairment losses on financial assets, net *(note 6)* | **(283)** | 31 |
| Amounts written off | **–** | (11,937) |
| Exchange realignment | **–** | 57 |
| At end of year | **68** | 351 |

## 21. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (CONTINUED)

Where applicable, an impairment analysis is performed at the end of each of the reporting period on other receivables by considering the probability of default of comparable companies with published credit ratings. As at 31 December 2025, the impairment of the financial assets included in prepayments, other receivables and other assets was measured based on the 12-month expected credit loss if they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, they were measured based on the lifetime expected credit loss.

## 22. DUE FROM THE CONTROLLING SHAREHOLDER

The amount due from Mr. Ni Xin, who is the controlling shareholder (the "Controlling Shareholder") and a Director, disclosed pursuant to section 383(1)(d) of the Hong Kong Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

| Name | At 31 December 2025 RMB'000 | Maximum amount outstanding during the year RMB'000 | At 1 January 2025 RMB'000 | Security held |
|---|---|---|---|---|
| Mr. Ni Xin | – | 239,553 | 237,582 | None |

| Name | At 31 December 2024 (restated) RMB'000 | Maximum amount outstanding during the year (restated) RMB'000 | At 1 January 2024 (restated) RMB'000 | Security held (restated) |
|---|---|---|---|---|
| Mr. Ni Xin | 237,582 | 237,582 | 223,304 | None |

The amount due from the Controlling Shareholder was non-trade in nature, bore interest at rate of 4.66% (2024: 4.66%), and was repayable on demand and unsecured. The amount due from the Controlling Shareholder in the amount of RMB239,553,000 was settled by 95,025,913 Consideration Shares that shall be issued by the Company to the Controlling Shareholder in connection with the Merger. Details of the Merger are disclosed in note 40 to the financial statements.

## 23. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

| | 2025 RMB'000 | 2024 RMB'000 (Restated) |
|---|---|---|
| Cash and bank balances | **1,055,328** | 507,443 |
| Less: Pledged deposits for bank loans *(note 34)* | **393** | 395,740 |
| Cash and cash equivalents | **1,054,935** | 111,703 |

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounting to RMB135,517,000 (2024: RMB73,724,000) were not freely convertible into other currencies. However, under the Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

## 24. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of each of the reporting period, based on the invoice date, is as follows:

| | 2025 RMB'000 | 2024 RMB'000 (Restated) |
|---|---|---|
| Within 1 year | **260,407** | 329,167 |
| Over 1 year | **62,364** | 2,997 |
| Total | **322,771** | 332,164 |

The trade payables are non-interest-bearing and are normally settled on terms of 1 to 2 months.

## 25. OTHER PAYABLES AND ACCRUALS

| | Notes | 2025 RMB'000 | 2024 RMB'000 (Restated) |
|---|---|---|---|
| Contract liabilities | *(a)* | **8,275** | 8,992 |
| Reserved consideration shares | *(b)* | **247,274** | – |
| Other payables | *(c)* | **144,719** | 110,690 |
| Accruals | | **137,169** | 161,372 |
| Payroll payables | | **123,254** | 141,818 |
| Other taxes payables | | **47,009** | 28,360 |
| Total | | **707,700** | 451,232 |

*Notes:*

(a) Contract liabilities represent short-term advances received for the sale of products.

(b) As disclosed in note 40, the Company reserved 10% of the shares that shall be issued to certain Vendors upon the completion of the Merger, and these shares will be issued after deducting the income tax of these Vendors that the Company will pay on behalf of them.

(c) Other payables are non-interest-bearing and repayable on demand.

## 26. REFUND LIABILITIES

| | 2025 RMB'000 | 2024 RMB'000 (Restated) |
|---|---|---|
| At beginning of year | **50,141** | 31,823 |
| Additional provision | **93,413** | 257,126 |
| Amounts utilised during the year | **(121,678)** | (238,808) |
| At end of the year | **21,876** | 50,141 |

## 27. INTEREST-BEARING BANK AND OTHER BORROWINGS

| | | As at 31 December 2025 | | |
|---|---|---|---|---|
| | *Notes* | Effective interest rate (%) | Maturity | RMB'000 |
| **Current** | | | | |
| Bank loans – unsecured | | 2-5 | 2026 | 515,000 |
| Bank loans – secured | | 4-5 | 2026 | 27,194 |
| Current portion of long-term bank loans – unsecured | | 3-4 | 2026 | 1,000 |
| Current portion of long-term bank loans – secured | *(a)* | 7-8 | 2026 | 522,514 |
| Total – current | | | | 1,065,708 |
| **Non-current** | | | | |
| Bank loans – unsecured | | 3-4 | 2027 | 49,000 |
| Other secured bank loans | *(c)/(d)* | 18-19 | 2027 | 325,517 |
| Total – non-current | | | | 374,517 |
| Total | | | | 1,440,225 |

| | | As at 31 December 2024 (restated) | | |
|---|---|---|---|---|
| | *Notes* | Effective interest rate (%) | Maturity | RMB'000 |
| **Current (restated)** | | | | |
| Bank loans – unsecured (restated) | | 1-5 | 2025 | 404,809 |
| Bank loans – secured (restated) | *(b)* | 4-5 | 2025 | 420,406 |
| Current portion of long-term bank loans – unsecured (restated) | | 4-5 | 2025 | 89,990 |
| Current portion of long-term bank loans – secured (restated) | *(b)/(c)* | 9-19 | 2025 | 1,077,935 |
| Total (restated) | | | | 1,993,140 |

## 27. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

| | 2025 RMB'000 | 2024 RMB'000 (Restated) |
|---|---|---|
| Within one year | **1,065,708** | 1,993,140 |
| In the second year | **374,517** | – |
| Total | **1,440,225** | 1,993,140 |

*Notes:*

(a) In June 2025, Maxi Vantage Limited refinanced the loan borrowed in February and March 2023 with a new senior term loan led by Shanghai Pudong Development Bank with a total credit facility of RMB762,846,000. The facility has a term of 21 months, with option to extend the term to 36 months upon satisfactory test results on certain financial terms. A loan with an amount of RMB543,846,000 was drawn down by the Group in June 2025, which bore interest at 5.8%. The loans were guaranteed by Mr. Ni Xin, Edding Group Company Limited, Eddingpharm (Asia) Macau, Eddingpharm Group Company Limited, Maxi Vantage (Suzhou) Co., Ltd., Eddingpharm (Suzhou) Co., Ltd. (formerly known as Suzhou Ceclor Pharmaceutical Co., Ltd.), Eddingpharm Suzhou Co., Ltd., Shanghai Eddingpharm Co., Ltd., Vancocin Italia S.r.L., and Excellent Apex Group Limited, secured by the mortgage on the manufacturing facilities in Suzhou, and the pledge of certain equipment, trademarks and the Company's equity interests in some of the subsidiaries. As at 31 December 2025, the outstanding balance was RMB522,514,000.

(b) In July 2025, the Group repaid the senior term loans of US$110,000,000 and HK$120,000,000 lent by Bank of China Limited Macau Branch and Bank of China Limited Suzhou Industrial Park Branch, and the loan of US$55,000,000 lent by Bank of China Limited Macau Branch in advance and all pledged cash were released.

(c) In October 2025, the Group extended the borrowing of US$50,000,000 from SPDB International (Hong Kong) Limited (SPDBI) which will be due in October 2025 to October 2027. As at 31 December 2025, the outstanding balances from SPDBI was RMB325,517,000 (2024: RMB410,005,000).

The loan was guaranteed by (a) first ranking fixed security over the entire issued share capital of Excellent Apex Group Limited; (b) first ranking fixed and floating security over all assets (other than assets subject to security under the senior term loan facility) of Excellent Apex Group Limited; (c) first ranking assignment of intercompany loan made to Excellent Apex Group Limited by any Group member; (d) negative pledge: any equity interests of Maxi Vantage, any security asset, or any other asset of Edding Group Company Limited which is not or does not comprise any security asset, except for those expressly permitted in the facility agreement (including without limitation any security provided under the senior term loan facility); and (e) a guarantee provided by Mr. Ni Xin.

(d) Except for the 18.20% secured long-term bank loan of US$50,000,000 with SPDBI which is denominated in United States dollars, all borrowings are denominated in RMB.

## 28. OTHER LIABILITIES

| | Notes | 2025 RMB'000 | 2024 RMB'000 (Restated) |
|---|---|---|---|
| Commercialisation payments relating to the licence-in contract | *(a)* | **30,555** | 34,439 |
| Government grants related to property, plant and equipment | *(b)* | **7,121** | 5,638 |
| Total | | **37,676** | 40,077 |

(a) According to a drug licence-in agreement, the Group shall make milestone payments to the licensor upon the 3rd, 5th and 8th anniversaries since the first commercial sale of the drug in the agreed territory. A liability of RMB35,289,000 has been recognised according to the present value of the future payments in November 2023 when the first commercial sale took place.

(b) Government grants were received by the Group as financial subsidies for capital expenditure incurred for the machinery in December 2023 and January 2024. The amounts are deferred and amortised over the estimated useful lives of the respective assets. There are no unfulfilled conditions or contingencies relating to these grants.

## 29. SHARE CAPITAL

### Shares

| | 2025 | 2024 |
|---|---|---|
| Number of authorised shares | **1,000,000,000** | 1,000,000,000 |
| Par value of each share | **USD0.00002** | USD0.00002 |

| | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|
| Issued and fully paid: | | |
| 2,011,213,774 (2024: 520,358,899) ordinary shares | **280** | 70 |

## 29. SHARE CAPITAL (CONTINUED)

### Shares (Continued)

A summary of movements in the Company's share capital is as follows:

| | Number of shares in issue | Share capital RMB'000 |
|---|---|---|
| At 1 January 2024 | 507,520,025 | 69 |
| Shares exercised under employee option plan and RSU plan | 9,327,511 | 1 |
| Shares issued and held for employee share scheme | 3,000,000 | -* |
| Issuance of shares as consideration for the acquisition of business | 511,363 | -* |
| At 31 December 2024 | 520,358,899 | 70 |
| Shares exercised under employee option plan and RSU plan | **7,932,893** | **1** |
| Shares issued for the Merger *(note 40)* | **1,482,921,982** | **209** |
| At 31 December 2025 | **2,011,213,774** | **280** |

* The amounts stated above were less than RMB1,000.

*Notes:*

On 30 December 2025, the Company allotted and issued 1,482,921,982 Consideration Shares to the Vendors for acquiring the entire equity interest of Edding in accordance with the terms of the merger agreement (as detailed in the Company's circular dated 5 December 2025).

### Share options

Details of the Company's share option scheme and the share options issued under the scheme are included in note 31 to the financial statements.

## 30. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the financial statements.

### (a) Share-based payment reserve

Details of the share-based payment arrangements are disclosed in note 31 to the financial statements.

### (b) Capital reserve

The capital reserve represented the capital contributions from the shareholders of the Group.

As disclosed in note 2.1, the Company allotted and issued 1,482,921,982 Consideration Shares to the Vendors for acquiring the entire equity interest of Edding on the Merger Date. The total number of Consideration Shares ought to be issued to the Venders was 1,667,755,320 with fair value amounting to RMB1,455,077,000. On the same day, the Company reserved 89,807,425 Consideration Shares amounting to RMB247,274,000 that shall be issued to certain Vendors for withholding tax obligations on behalf of them in connection with the Merger. The amount due from the Controlling Shareholder in the amount of RMB239,553,000 was settled by 95,025,913 Consideration Shares that shall be issued to the Controlling Shareholder by the Company.

### (c) Statutory surplus reserve (the "SSR")

In accordance with the Company Law of the PRC and the respective articles of association of the subsidiaries established in the Chinese mainland (the "PRC Subsidiaries"), each PRC Subsidiary is required to allocate 10% of its profits after tax, as determined in accordance with the applicable PRC accounting standards and regulations, to the SSR until such reserve reaches 50% of its registered capital. Subject to certain restrictions set out in the Company Law of the PRC, part of the SSR can be reorganized as paid-up capital, provided that the remaining balance after the reorganisation is not less than 25% of the registered capital.

## 31. SHARE-BASED PAYMENT ARRANGEMENT

### (a) 2020 Employee Option Plan

The Company adopted a share option scheme on 19 August 2019 and amended and restated it on 16 April 2020 and 31 July 2020 for the purpose of advancing the interests of the Company and motivating the selected participants to contribute to the Company's growth and development. The 2020 Employee Option Plan, which is in the form of options, will enable the Company to recruit, incentive and retain key employees. The total number of shares available for issue under the 2020 Employee Option Plan at any time shall not exceed 58,573,872 shares. The 2020 Employee Option Plan will expire on 19 August 2029.

## 31. SHARE-BASED PAYMENT ARRANGEMENT (CONTINUED)

### (a) 2020 Employee Option Plan (Continued)

The tables below show the movements of the outstanding options granted to all grantees during the year:

| Category I | Weighted average exercise price US$ per share | Number of options |
|---|---|---|
| At 1 January 2024 | 0.0002 | 9,098,238 |
| Exercised during the year | 0.0002 | (8,090,374) |
| Forfeited during the year | 0.0002 | (103,257) |
| At 31 December 2024 | 0.0002 | 904,607 |
| Vested and exercisable at 31 December 2024 | 0.0002 | 426,928 |
| At 31 December 2024 | **0.0002** | **904,607** |
| Exercised during the year | **0.0002** | **(136,000)** |
| At 31 December 2025 | **0.0002** | **768,607** |
| Vested and exercisable at 31 December 2025 | **0.0002** | **290,928** |

| Category II | Weighted average exercise price US$ per share | Number of options |
|---|---|---|
| At 1 January 2024 | 2.0000 | 4,127,279 |
| Forfeited during the year | 2.0000 | (1,051,500) |
| At 31 December 2024 | 2.0000 | 3,075,779 |
| Vested and exercisable at 31 December 2024 | 2.0000 | 2,916,279 |
| At 31 December 2024 | **2.0000** | **3,075,779** |
| Forfeited during the year | **2.0000** | **(430,000)** |
| At 31 December 2025 | **2.0000** | **2,645,779** |
| Vested and exercisable at 31 December 2025 | **2.0000** | **2,511,529** |

## 31. SHARE-BASED PAYMENT ARRANGEMENT (CONTINUED)

### (a) 2020 Employee Option Plan (Continued)

| Category III(A) | Weighted average exercise price US$ per share | Number of options |
|---|---|---|
| At 1 January 2024 | 0.0002 | 27,337 |
| Exercised during the year | 0.0002 | (27,212) |
| At 31 December 2024 and 31 December 2025 | **0.0002** | **125** |
| Vested and exercisable at 31 December 2024 and 31 December 2025 | **0.0002** | **125** |

| Category III(B) | Weighted average exercise price US$ per share | Number of options |
|---|---|---|
| At 1 January 2024 | 2.0000 | 50,000 |
| Forfeited during the year | 2.0000 | (50,000) |
| At 31 December 2024 and 31 December 2025 | **2.0000** | **–** |
| Vested and exercisable at 31 December 2024 and 31 December 2025 | **2.0000** | **–** |

## 31. SHARE-BASED PAYMENT ARRANGEMENT (CONTINUED)

### (a) 2020 Employee Option Plan (Continued)

Share options outstanding as at 31 December 2025 had the following exercise prices:

At 31 December 2025

| | Number of options | Exercise price US$ per share | Exercise period |
|---|---|---|---|
| Category I | **768,607** | **0.0002** | **Up to 19 August 2029** |
| Category II | **2,645,779** | **2.0000** | **Up to 19 August 2029** |
| Category III (A) | **125** | **0.0002** | **Up to 19 August 2029** |
| | **3,414,511** | | |

At 31 December 2024

| | Number of options | Exercise price US$ per share | Exercise period |
|---|---|---|---|
| Category I | 904,607 | 0.0002 | Up to 19 August 2029 |
| Category II | 3,075,779 | 2.0000 | Up to 19 August 2029 |
| Category III (A) | 125 | 0.0002 | Up to 19 August 2029 |
| | 3,980,511 | | |

### (b) Post-IPO Share Option Plan

On 18 September 2020, the board of Directors of the Company approved the Post-IPO Share Option Plan. Under the plan, the Company granted options to executive Directors and key employees to award their previous contributions and to acquire their long-term service in future.

The share-based payments under the Post-IPO Share Option Plan are equity-settled share-based payments with exercise price of HK$17.08, HK$10.85, HK$1.73, HK$1.81 or HK$1.50. The Company entered into agreements with certain employees on 3 June 2021 ("Batch I"), 27 August 2021 ("Batch II"), 5 October 2022 ("Batch III"), 25 May 2023 ("Batch IV") and 31 August 2023 ("Batch V"). Under these agreements, the options are vested based on service conditions or performance conditions. The service conditions are designed to acquire service from certain employees for a specified period. In addition, the performance conditions also include specified performance targets, such as the achievement of certain research and development programs and the achievement of financing activities.

## 31. SHARE-BASED PAYMENT ARRANGEMENT (CONTINUED)

### (b) Post-IPO Share Option Plan (Continued)

The tables below show the movements of the outstanding options granted to all grantees during the year:

| Batch I | Weighted average exercise price HK$ per share | Number of options |
|---|---|---|
| At 1 January 2024 | 17.08 | 1,233,700 |
| Forfeited during the year | 17.08 | (1,055,175) |
| At 31 December 2024 | 17.08 | 178,525 |
| Vested and exercisable at 31 December 2024 | 17.08 | 178,525 |
| At 31 December 2024 | **17.08** | **178,525** |
| Forfeited during the year | **17.08** | **(178,525)** |
| At 31 December 2025 | **17.08** | **–** |
| Vested and exercisable at 31 December 2025 | **17.08** | **–** |

| Batch II | Weighted average exercise price HK$ per share | Number of options |
|---|---|---|
| At 1 January 2024 | 10.85 | 815,000 |
| Forfeited during the year | 10.85 | (779,000) |
| At 31 December 2024 | 10.85 | 36,000 |
| Vested and exercisable at 31 December 2024 | 10.85 | 27,000 |
| At 31 December 2024 | **10.85** | **36,000** |
| Forfeited during the year | **10.85** | **(36,000)** |
| At 31 December 2025 | **10.85** | **–** |
| Vested and exercisable at 31 December 2025 | **10.85** | **–** |

## 31. SHARE-BASED PAYMENT ARRANGEMENT (CONTINUED)

### (b) Post-IPO Share Option Plan (Continued)

| Batch III | Weighted average exercise price HK$ per share | Number of options |
|---|---|---|
| At 1 January 2024 | 1.73 | 2,086,500 |
| Forfeited during the year | 1.73 | (538,500) |
| At 31 December 2024 | 1.73 | 1,548,000 |
| Vested and exercisable at 31 December 2024 | 1.73 | 1,038,500 |
| At 31 December 2024 and 31 December 2025 | **1.73** | **1,548,000** |
| Vested and exercisable at 31 December 2025 | **1.73** | **1,161,000** |

| Batch IV | Weighted average exercise price HK$ per share | Number of options |
|---|---|---|
| At 1 January 2024 | 1.81 | 11,600,000 |
| Forfeited during the year | 1.81 | (2,500,000) |
| At 31 December 2024 | 1.81 | 9,100,000 |
| Vested and exercisable at 31 December 2024 | 1.81 | 3,271,875 |
| At 31 December 2024 | **1.81** | **9,100,000** |
| Exercised during the year | **1.81** | **(2,346,875)** |
| Forfeited during the year | **1.81** | **(136,500)** |
| At 31 December 2025 | **1.81** | **6,616,625** |
| Vested and exercisable at 31 December 2025 | **1.81** | **2,505,750** |

## 31. SHARE-BASED PAYMENT ARRANGEMENT (CONTINUED)

### (b) Post-IPO Share Option Plan (Continued)

| Batch V | Weighted average exercise price HK$ per share | Number of options |
|---|---|---|
| At 1 January 2024 | 1.50 | 9,578,867 |
| Exercised during the year | 1.50 | (188,000) |
| Forfeited during the year | 1.50 | (6,932,307) |
| At 31 December 2024 | 1.50 | 2,458,560 |
| Vested and exercisable at 31 December 2024 | 1.50 | 614,640 |
| At 31 December 2024 | **1.50** | **2,458,560** |
| Exercised during the year | **1.50** | **(232,800)** |
| Forfeited during the year | **1.50** | **(698,400)** |
| At 31 December 2025 | **1.50** | **1,527,360** |
| Vested and exercisable at 31 December 2025 | **1.50** | **381,840** |

## 31. SHARE-BASED PAYMENT ARRANGEMENT (CONTINUED)

### (b) Post-IPO Share Option Plan (Continued)

Share options outstanding as at 31 December 2025 had the following exercise prices:

At 31 December 2025

| | Number of options | Exercise price HK$ per share | Exercise period |
|---|---|---|---|
| Batch III | **1,548,000** | **1.73** | **Up to 5 October 2032** |
| Batch IV | **6,616,625** | **1.81** | **Up to 25 May 2033** |
| Batch V | **1,527,360** | **1.50** | **Up to 31 August 2033** |
| | **9,691,985** | | |

At 31 December 2024

| | Number of options | Exercise price HK$ per share | Exercise period |
|---|---|---|---|
| Batch I | 178,525 | 17.08 | Up to 3 June 2031 |
| Batch II | 36,000 | 10.85 | Up to 27 August 2031 |
| Batch III | 1,548,000 | 1.73 | Up to 5 October 2032 |
| Batch IV | 9,100,000 | 1.81 | Up to 25 May 2033 |
| Batch V | 2,458,560 | 1.50 | Up to 31 August 2033 |
| | 13,321,085 | | |

### (c) 2023 Share Option Plan

On 27 October 2023, the shareholders of the Company approved the 2023 Share Option Plan. Under the plan, the Company granted options to executive Directors and key employees to award their previous contributions and to acquire their long-term service in future.

The share-based payments under the 2023 Share Option Plan are equity-settled share-based payments with exercise price of HK$1.50. The Company entered into agreements with certain employees on 27 October 2023 ("Batch I"). Under these agreements, the options are vested based on service conditions or performance conditions. The service conditions are designed to acquire service from certain employees for a specified period. In addition, the performance conditions also include specified performance targets, such as the achievement of certain research and development programs and the achievement of financing activities.

## 31. SHARE-BASED PAYMENT ARRANGEMENT (CONTINUED)

### (c) 2023 Share Option Plan (Continued)

The tables below show the movements of the outstanding options granted to all grantees during the year:

| | Weighted average exercise price HK$ per share | Number of options |
|---|---|---|
| At 1 January 2024 and 31 December 2024 | 1.50 | 5,579,054 |
| Vested and exercisable at 31 December 2024 | 1.50 | 2,175,830 |
| At 31 December 2024 | **1.50** | **5,579,054** |
| Exercised during the year | **1.50** | **(3,570,593)** |
| At 31 December 2025 | **1.50** | **2,008,461** |
| Vested and exercisable at 31 December 2025 | **1.50** | **–** |

Share options outstanding as at 31 December 2025 had the following exercise prices:

At 31 December 2025

| Number of options | Exercise price HK$ per share | Exercise period |
|---|---|---|
| **2,008,461** | **1.50** | **Up to 27 October 2033** |

At 31 December 2024

| Number of options | Exercise price HK$ per share | Exercise period |
|---|---|---|
| 5,579,054 | 1.50 | Up to 27 October 2033 |

## 31. SHARE-BASED PAYMENT ARRANGEMENT (CONTINUED)

### (d) 2021 RSU Plan

On 3 June 2021, the board of Directors approved 2021 restricted share unit plan (the "2021 RSU Plan"). Under the plan, the Company granted RSUs to employees to recruit, incentivize and retain key employees.

The share-based payments under the 2021 RSU Plan are equity-settled share-based payments with exercise price of nil. The Company entered into agreements with certain employees on 3 June 2021, 27 August 2021, 5 October 2023, 25 May 2023 and 31 August 2023. Under these agreements, the shares are vested based on service conditions or performance conditions. The service conditions are designed to acquire service from certain employees for a specified period. In addition, the performance conditions also include specified performance targets, such as the achievement of certain research and development programs and the achievement of financing activities.

The tables below show the movements of the outstanding options granted to all grantees with no exercise price during the year:

| | Number of options |
|---|---|
| At 1 January 2024 | 10,508,093 |
| Exercised during the year | (3,209,845) |
| Forfeited during the year | (5,273,893) |
| At 31 December 2024 | 2,024,355 |
| Vested and exercisable at 31 December 2024 | – |
| At 31 December 2024 | **2,024,355** |
| Exercised during the year | **(225,750)** |
| Forfeited during the year | **(490,200)** |
| At 31 December 2025 | **1,308,385** |
| Vested and exercisable at 31 December 2025 | **–** |

## 31. SHARE-BASED PAYMENT ARRANGEMENT (CONTINUED)

### (e) 2023 RSU Plan

On 27 October 2023, the shareholders of the Company approved the 2023 restricted share unit plan (the "2023 RSU Plan"). Under the plan, the Company granted RSUs to employees to recruit, incentivize and retain key employees.

The share-based payments under the 2023 RSU Plan are equity-settled share-based payments with exercise price of nil. The Company entered into agreements with certain employees on 27 October 2023. Under these agreements, the shares are vested based on service conditions or performance conditions. The service conditions are designed to acquire service from certain employees for a specified period. In addition, the performance conditions also include specified performance targets, such as the achievement of certain research and development programs and the achievement of financing activities.

The tables below show the movements of the outstanding options granted to all grantees with no exercise price during the year:

| | **Number of options** |
|---|---|
| At 1 January 2024 | 4,210,000 |
| Exercised during the year | (1,052,500) |
| At 31 December 2024 | 3,157,500 |
| Vested and exercisable at 31 December 2024 | – |
| At 31 December 2024 | **3,157,500** |
| Exercised during the year | **(1,420,875)** |
| At 31 December 2025 | **1,736,625** |
| Vested and exercisable at 31 December 2025 | **–** |

The expenses on equity-settled share-based payments of the Company prior to the completion of the Merger are not included in the consolidated statement of profit or loss and consolidated statement of other comprehensive income.

## 31. SHARE-BASED PAYMENT ARRANGEMENT (CONTINUED)

### (f) One-off Share Option Plan

Edding operated a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Edding Group's operations. Unless otherwise agreed by the board of Directors in writing, the grantee can exercise up to 25% of the share options at any time during the period commencing from the first anniversary after the completion of the Merger and thereafter, commencing from the second anniversary after the completion of the Merger, an additional up to 25% of the share options granted to such grantee each year (subject to the expiry of the Option Period which should be no more than ten years from the date on which the share options are duly granted and accepted and the total number of share options granted to such grantee), as long as the grantee continues to be an eligible participant. Edding accounted for these stock options as share-based payments, and evaluated their fair value on the grant date, and accrues expenses in the subsequent vesting period.

Pursuant to the merger agreement, subject to the passing of the resolution(s) relating to the Merger and the adoption of One-off Share Option Plan, each One-off Share Option issued and outstanding immediately prior to the merger effective time shall, at the merger effective time, be assumed by the Company and be automatically converted into converted option(s) that entitle the holder thereof to subscribe for such number of shares equal to the product of (a) the number of Edding shares issuable pursuant to the outstanding One-off Share Options held by such holder immediately prior to the merger effective time multiplied by (b) the share exchange ratio (such number of shares shall be rounded up to the nearest whole share) upon exercise in accordance with One-off Share Option Plan.

As of 31 December 2024, Edding has cumulatively granted 480,480,845 share options to certain eligible participants. The exercise price of the share options range from US$0.03 to US$0.15 per share. Edding accounted for these share options as share-based payments, and evaluated their fair value on the grant date, and accrues expenses in the subsequent vesting period.

In April, October and November 2025, Edding granted 7,925,720, 31,207,522 and 3,962,860 share options, respectively, to certain eligible participants. The exercise price of the share options is US$0.15 per share. Edding accounted for these share options as share-based payments, and evaluated their fair value on the grant date, and accrues expenses in the subsequent vesting period.

The maximum number of shares in respect of which options are permitted to be granted by the Edding Group under the scheme is 227,038,849 ordinary shares of Edding (the "Scheme Limit"). Options which lapse and/or are cancelled in accordance with the terms of the scheme shall not be counted for the purpose of calculating the Scheme Limit, and, subject to the scheme period, the number of shares of which options may be granted under the scheme shall be increased by the same number of options which lapse and/or are cancelled.

## 31. SHARE-BASED PAYMENT ARRANGEMENT (CONTINUED)

### (f) One-off Share Option Plan (Continued)

The offer of a grant of share options may be accepted within 7 days from the date of offer, upon payment of a nominal consideration of HK$1 (or in an equivalent amount in RMB) in total by the grantee. The exercise period of the share options granted is subject to the listing on the Main Board of the Stock Exchange and shall not exceed a period of 10 years from the date of grant of the share options (the "Option Period"). The options are exercisable in instalments during the exercise period in the manner as follows:

Each 25% of shares to be vested above are accounted for as a separate tranche of share options, and the accumulated expenses related to each tranche are reversed when such tranche expires.

The exercise price of share options is determinable by the Directors but may not be less than US$0.03 per share.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The immediate termination of employment should be accounted for as the forfeiture of share options while the legal expiry is three months after the date of resignation.

The following share options were outstanding during the year:

| | **Weighted average exercise price** US$ per share | **Number of options** |
|---|---|---|
| At 1 January 2024 | 0.15 | 177,883 |
| Granted during the year | 0.15 | 48,644 |
| Cancelled during the year | 0.15 | (10,518) |
| Forfeited during the year | 0.15 | (4,623) |
| At 31 December 2024 and 1 January 2025 | **0.15** | **211,386** |
| Granted during the year | **0.15** | **43,096** |
| Cancelled during the year | **0.15** | **(4,168)** |
| Forfeited during the year | **0.15** | **(38,928)** |
| At 31 December 2025 | **0.15** | **211,386** |

## 31. SHARE-BASED PAYMENT ARRANGEMENT (CONTINUED)

### (f) One-off Share Option Plan (Continued)

The exercise prices and exercise periods of the share option scheme outstanding as at end of the reporting period are as follows:

At 31 December 2025

| Number of options | Exercise price US$ per share | Exercise period |
|---|---|---|
| 2,411 | 0.06 | Up to 29 October 2030 |
| 5,697 | 0.15 | Up to 29 October 2030 |
| 6,605 | 0.15 | Up to 20 April 2031 |
| 4,128 | 0.15 | Up to 24 June 2031 |
| 117,895 | 0.15 | Up to 9 June 2033 |
| 34,196 | 0.15 | Up to 18 December 2034 |
| 7,100 | 0.15 | Up to 9 April 2035 |
| 29,391 | 0.15 | Up to 14 October 2035 |
| 3,963 | 0.15 | Up to 30 November 2035 |
| 211,386 | | |

At 31 December 2024

| Number of options | Exercise price US$ per share | Exercise period |
|---|---|---|
| 3,071 | 0.06 | Up to 29 October 2030 |
| 14,861 | 0.15 | Up to 29 October 2030 |
| 7,595 | 0.15 | Up to 20 April 2031 |
| 8,916 | 0.15 | Up to 24 June 2031 |
| 128,793 | 0.15 | Up to 9 June 2033 |
| 48,149 | 0.15 | Up to 18 December 2034 |
| 211,386 | | |

During the year covered by the above tables in note 31(f), Edding recognised expenses of equity-settled share-based payments of RMB51,847,000 during the year ended 31 December 2025 (2024: RMB33,294,000).

The weighted average fair value of each of the outstanding share options as at 31 December 2025 was US$0.7 (2024: US$0.7).

## 31. SHARE-BASED PAYMENT ARRANGEMENT (CONTINUED)

### (f) One-off Share Option Plan (Continued)

The fair value of the share options granted during the year ended 31 December 2025 was RMB94,327,000 (2024: RMB81,073,000).

The fair value of equity-settled share options granted during the year was estimated as at the date of grant, using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

| | As at 31 December 2025 | As at 31 December 2024 |
|---|---|---|
| Expected volatility (%) | **45-45.5** | 45 |
| Risk-free interest rate (%) | **3.0-4.4** | 3.8 |
| Expected life of options (year) | **10** | 10 |
| Weighted average share price (US$ per share) | **0.8-0.9** | 0.8 |

The expected life of the options is based on the estimation of when the shares commence listing on the Main Board of the Stock Exchange and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other feature of the options granted was incorporated into the measurement of fair value.

### (g) Share subscription and purchase agreement

On 26 September 2019, the Company entered into a subscription agreement with Ab Studio Inc. ("ABS"), Dr. Liu Yue and AB Therapeutics Inc. ("ABT"). Pursuant to the subscription agreement, the Company shall allot and issue 8,181,819 new ordinary shares to ABS and 909,091 new ordinary shares to Dr. Liu Yue. After the shares consolidated on 3 September 2020, the number of the above new ordinary shares changed to 4,090,910 and 454,546 for ABS and Dr. Liu Yue, respectively.

Out of 4,090,910 ordinary shares to be issued to ABS, 2,045,455 shares would be evenly issued on each anniversary of the closing of subscription agreement ("Closing") through the fourth anniversary of the Closing, and 2,045,455 shares would be issued based on the level of achievement of ABT's completion of milestones with respect to certain research and development programs.

Out of 454,546 ordinary shares to be issued to Dr. Liu Yue, 227,273 shares would be evenly issued on each anniversary of the Closing through the fourth anniversary of the Closing ("ABT Batch I"), and 227,273 shares would be issued based on the level of achievement of ABT's completion of milestones with respect to certain research and development program ("ABT Batch II").

During the year of 2025, no shares were issued to ABS and Dr. Liu Yue.

## 32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

### (a) Major non-cash transactions

On 30 December 2025, the Company allotted and issued 1,482,921,982 Consideration Shares to the Vendors as the consideration for acquiring the entire equity interest of Edding in relation to the Merger as detailed in note 40.

The amount of RMB239,553,000 due from the Controlling Shareholder was settled through the issuance of 95,025,913 shares held by the Controlling Shareholder. Further details about due from the Controlling Shareholder are set out in Note 22.

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB26,339,000 (2024: RMB18,872,000), in respect of lease arrangements for offices.

### (b) Changes in liabilities arising from financing activities

Year ended 31 December 2025

| | Bank and other loans RMB'000 | Lease liabilities RMB'000 | Dividends payable RMB'000 |
|---|---|---|---|
| At 1 January 2025 | **1,993,140** | **40,989** | **50,264** |
| Changes from financing cash flows | **(674,917)** | **(23,382)** | **(46,485)** |
| Interest accrued | **135,879** | **1,871** | **–** |
| New leases | **–** | **26,339** | **–** |
| Additions as a result of reverse takeover of the Company *(note 40)* | **–** | **502** | **–** |
| Foreign exchange movement | **(13,877)** | **(43)** | **(1,084)** |
| At 31 December 2025 | **1,440,225** | **46,276** | **2,695** |

## 32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

### (b) Changes in liabilities arising from financing activities (Continued)

Year ended 31 December 2024 (restated)

| | Bank and other loans RMB'000 | Lease liabilities RMB'000 | Dividends payable RMB'000 |
|---|---|---|---|
| At 1 January 2024 (restated) | 2,382,929 | 38,658 | 49,525 |
| Changes from financing cash flows (restated) | (665,065) | (18,113) | – |
| Interest accrued (restated) | 257,165 | 1,654 | – |
| New leases (restated) | – | 18,872 | – |
| Foreign exchange movement (restated) | 18,111 | (82) | 739 |
| At 31 December 2024 (restated) | 1,993,140 | 40,989 | 50,264 |

### (c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

| | 2025 RMB'000 | 2024 RMB'000 (Restated) |
|---|---|---|
| Within operating activities | 935 | 816 |
| Within financing activities | 23,382 | 18,113 |
| Total | 24,317 | 18,929 |

## 33. EQUITY INVESTMENT DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

| | 2025 RMB'000 | 2024 RMB'000 (Restated) |
|---|---|---|
| Unlisted equity investment, at fair value | **102,316** | – |

The above equity investment was irrevocably designated at fair value through other comprehensive income as the Group considers the investment to be strategic in nature.

The equity investment was part of the identifiable assets recognised through the reverse takeover transaction, which was acquired by the accounting acquiree in a licence-out transaction in 2024.

## 34. PLEDGE OF ASSETS

Details of the Group's bank loans and bank accepted drafts which are secured by the assets of the Group, are included in notes 23 and 27, respectively, to the financial statements.

## 35. COMMITMENTS AND CONTINGENT LIABILITIES

**(a)** The Group had the following contractual commitments as at 31 December 2025:

| | 2025 RMB'000 | 2024 RMB'000 (Restated) |
|---|---|---|
| Intangible assets | **51,455** | 33,146 |
| Plant and machinery | **1,172** | 7,632 |
| Total | **52,627** | 40,778 |

**(b) Other business commitments**

The Group enters into collaboration agreements with companies for intellectual property licensing transactions. The Group 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 in the financial statements because the achievement and timing of these milestones are not fixed and determinable. When the achievement of these milestones or sales has been reached, the corresponding amounts are recognised in the financial statements.

## 35. COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

### (c) Contingent liabilities

In April 2024, Genor Biopharma, an indirectly wholly-owned subsidiary of the Company, was notified that it has been named as a defendant in the lawsuit brought by an independent third party for an alleged breach of cooperation agreement once entered into among the two parties and its relevant supplemental agreements. The claim amounted to RMB15,000,000.

The directors, based on the advice from the Group's legal counsel, believed that it could not make reliable estimation of the outcome of the claim. Therefore, the Group did not provide for any claim arising from the litigation, other than the related legal and other costs.

In the opinion of the Company's Directors, the Group had no significant contingent liabilities as at 31 December 2025 (2024: nil).

## 36. RELATED PARTY TRANSACTIONS

**(a)** In addition to the transactions related to the amount due from the Controlling Shareholder as detailed in note 22 to the financial statements, the Group had the following transactions with related parties during the year:

During the year, the Group recognised nil revenue and royalty fee expenses of RMB417,000 (2024: RMB1,946,000 and RMB1,832,000) from the rendering of promotion services to Taizhou EOC.

Borrowings guaranteed by related parties are included in note 27 to the financial statements.

**(b)** Outstanding balances with related parties:

| | 2025<br>RMB'000 | 2024<br>RMB'000<br>(Restated) |
|---|---|---|
| Due from the Controlling Shareholder (i): | | |
| Mr. Ni Xin | – | 237,582 |
| Amounts due from a related party (ii): | | |
| Taizhou EOC Pharma Co., Ltd. | 2,075 | 120 |
| Amounts due to a related party (iii): | | |
| ABS | 588 | 350 |
| Less: non-current portion | (588) | (350) |
| Current portion | – | – |

## 36. RELATED PARTY TRANSACTIONS (CONTINUED)

**(b)** Outstanding balance with related parties: (Continued)

i. The amount due from the Controlling Shareholder was non-trade in nature, bore interest at rate 4.66% (2024: 4.66%), and was repayable on demand and unsecured. All outstanding balance were settled with the 95,025,913 Consideration Shares to be issued to the Controlling Shareholder by the Company upon the completion of the Merger. Further details about the amount due from the Controlling Shareholder are set out in Note 22.

ii. The amounts due from Taizhou EOC generated from the rendering of promotion services were trade in nature.

iii. ABS is a non-controlling shareholder of ABT, a subsidiary of the Company. The amounts due to ABS are attributable to the contingent consideration for the acquisition of ABT. As at 31 December 2025, the fair value of contingent consideration was approximately RMB588,000. The amount will be payable to ABS upon reaching certain milestone achievements in relation to development progress, regulatory approval and licence-out arrangements.

**(c)** Compensation of key management personnel of the Group:

| | **2025** | 2024 |
|---|---|---|
| | **RMB'000** | RMB'000 (Restated) |
| Short-term employee benefits | **13,146** | 18,905 |
| Equity-settled share-based payment expense | **23,408** | 17,720 |
| Total compensation paid to key management personnel | **36,554** | 36,625 |

**(d) Guarantee provided by the related party**

During the year of 2025, Mr. Ni Xin, the Controlling Shareholder, provided guarantees for Maxi Vantage and Edding Group Company Limited, to obtain loans from Shanghai Pudong Development Bank. Further details about the guarantees provided by the related party are set out in Note 27.

## 37. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

As at 31 December 2025

Financial assets

| | Financial assets at fair value through profit or loss | Financial assets at fair value through other comprehensive income | | | |
|---|---|---|---|---|---|
| | Designated as such upon initial recognition RMB'000 | Debt investments RMB'000 | Equity investments | Financial assets at amortized cost RMB'000 | Total RMB'000 |
| Trade and bills receivables | – | 222,325 | – | 409,116 | 631,441 |
| Equity investment at fair value through other comprehensive income | – | – | 102,316 | – | 102,316 |
| Financial assets included in prepayments, other receivables and other assets | – | – | – | 31,387 | 31,387 |
| Amounts due from a related party | – | – | – | 2,075 | 2,075 |
| Financial assets at fair value through profit or loss | 50,000 | – | – | – | 50,000 |
| Pledged deposits | – | – | – | 393 | 393 |
| Cash and cash equivalents | – | – | – | 1,054,935 | 1,054,935 |
| Total | 50,000 | 222,325 | 102,316 | 1,497,906 | 1,872,547 |

## 37. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (Continued)

Financial liabilities

| | Financial liabilities at fair value through profit or loss | | |
|---|---|---|---|
| | Designated as such upon initial recognition RMB'000 | Financial liabilities at amortised cost RMB'000 | Total RMB'000 |
| Interest-bearing bank and other borrowings | – | 1,440,225 | 1,440,225 |
| Financial liabilities included in other payables, accruals and other liabilities | – | 144,719 | 144,719 |
| Trade payables | – | 322,771 | 322,771 |
| Lease liabilities | – | 46,276 | 46,276 |
| Amounts due to related parties | 588 | – | 588 |
| Total | 588 | 1,953,991 | 1,954,579 |

## 37. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (Continued)

As at 31 December 2024 (restated)

Financial assets (restated)

| | Financial assets at fair value through profit or loss | Financial assets at fair value through other comprehensive income | | |
|---|---|---|---|---|
| | Designated as such upon initial recognition RMB'000 | Debt investments RMB'000 | Financial assets at amortised cost RMB'000 | Total RMB'000 |
| Trade and bills receivables (restated) | – | 56,704 | 262,820 | 319,524 |
| Financial assets included in prepayments, other receivables and other assets (restated) | – | – | 45,717 | 45,717 |
| Amounts due from a related party (restated) | – | – | 120 | 120 |
| Financial assets at fair value through profit or loss (restated) | 50,000 | – | – | 50,000 |
| Due from the Controlling Shareholder (restated) | – | – | 237,582 | 237,582 |
| Pledged deposits (restated) | – | – | 395,740 | 395,740 |
| Cash and cash equivalents (restated) | – | – | 111,703 | 111,703 |
| Total (restated) | 50,000 | 56,704 | 1,053,682 | 1,160,386 |

Financial liabilities (restated)

| | Financial liabilities at amortised cost RMB'000 |
|---|---|
| Trade payables (restated) | 332,164 |
| Financial liabilities included in other payables, accruals and other liabilities (restated) | 306,501 |
| Interest-bearing bank and other borrowings (restated) | 1,993,140 |
| Lease liabilities (restated) | 40,989 |
| Total (restated) | 2,672,794 |

## 38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

| | Carrying amounts | |
|---|---|---|
| | **2025** | 2024 |
| | **RMB'000** | RMB'000 |
| | | (Restated) |
| Financial assets | | |
| Equity investments designated at fair value through other comprehensive income | **102,316** | – |
| Debt investments at fair value through other comprehensive income | **222,325** | 56,704 |
| Financial assets at fair value through profit or loss | **50,000** | 50,000 |
| Total | **374,641** | 106,704 |
| Financial liabilities | | |
| Interest-bearing bank and other borrowings | **374,517** | – |
| Amounts due to related parties | **588** | – |
| Total | **375,105** | – |

| | Fair values | |
|---|---|---|
| | **2025** | 2024 |
| | **RMB'000** | RMB'000 |
| | | (Restated) |
| Financial assets | | |
| Equity investments designated at fair value through other comprehensive income | **102,316** | – |
| Debt investments at fair value through other comprehensive income | **222,325** | 56,704 |
| Financial assets at fair value through profit or loss | **50,000** | 50,000 |
| Total | **374,641** | 106,704 |
| Financial liabilities | | |
| Interest-bearing bank and other borrowings | **374,517** | – |
| Amounts due to related parties | **588** | – |
| Total | **375,105** | – |

## 38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, trade and bills receivables, trade payables, financial assets included in prepayments, other receivables and other assets, financial liabilities included in other payables and accruals, amounts due from/to related parties, and current interest-bearing bank borrowings approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance team headed by the chief finance controller/his or her designator is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance team reports directly to the finance head. At each reporting date, the finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the finance head.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

The fair values of non-current interest-bearing other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for long-term liabilities was assessed to be insignificant.

The Group's contingent consideration in amounts due to a related party was measured at fair value at the end of the reporting period. The valuation techniques used to determine the fair value are based on quoted market prices and the probability of the contingencies at the year end.

For debt investments at fair value through other comprehensive income, the management estimate their fair values using discounted cash flow method, based on the market discounted rates and the residual due terms of the bills and letter of credit.

For the fair value of the unlisted equity investments at fair value through other comprehensive income, management applied the back-solve method to determine the fair value of the equity investments. The fair value measurement of these equity investments may involve unobservable inputs such as volatility and risk-free rate.

## 38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Below is a summary of significant unobservable inputs to the valuation of unlisted equity investments together with a quantitative sensitivity analysis as at 31 December 2025 and 2024:

| | Valuation technique | Significant unobservable inputs | Range | Sensitivity of fair value to the input |
|---|---|---|---|---|
| Unlisted equity investments designated at fair value through profit or loss | Market Approach | Discount for lack of marketability | 6.5%-23.2% (2024: 5%-30%) | 1% (2024: 1%) increase/ decrease in discount for lack of marketability would result in a decrease/increase in fair value by RMB547,000 (2024: RMB562,000). |
| | | Risk free interest rate | 1.34% (2024: 2.24%) | 1% (2024: 1%) increase/decrease in risk free interest rate would result decrease/increase in fair value by RMB343,000 (2024: 727,000) and RMB346,000 (2024: 986,000), respectively. |
| Unlisted equity investments designated at fair value through other comprehensive income | Back-solve method | Volatility | 51.85% (2024: 52.12%) | 1% (2024: 1%) increase/decrease in volatility would result in increase/decrease in fair value by RMB237,000 (2024: RMB333,000) and RMB238,000 (2024: RMB338,000), respectively. |
| | | Risk free interest rate | 3.72% (2024: 4.56%) | 1% (2024: 1%) increase/decrease in risk free interest rate would result in decrease/increase in fair value by RMB85,000 (2024: RMB621,000) and RMB88,000 (2024: RMB643,000), respectively. |

## 38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

### Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

*Assets measured at fair value*

As at 31 December 2025

| | Fair value measurement using | | | |
|---|---|---|---|---|
| | Quoted prices in active markets (Level 1) RMB'000 | Significant observable inputs (Level 2) RMB'000 | Significant unobservable inputs (Level 3) RMB'000 | Total RMB'000 |
| Equity investments designated at fair value through other comprehensive income | – | – | 102,316 | 102,316 |
| Debt investments at fair value through other comprehensive income | | 222,325 | – | 222,325 |
| Financial assets at fair value through profit or loss | – | – | 50,000 | 50,000 |
| Total | – | 222,325 | 152,316 | 374,641 |

As at 31 December 2024 (restated)

| | Fair value measurement using | | | |
|---|---|---|---|---|
| | Quoted prices in active markets (Level 1) RMB'000 | Significant observable inputs (Level 2) RMB'000 | Significant unobservable inputs (Level 3) RMB'000 | Total RMB'000 |
| Debt investments at fair value through other comprehensive income (restated) | – | 56,704 | – | 56,704 |
| Financial assets at fair value through profit or loss (restated) | – | – | 50,000 | 50,000 |
| Total (restated) | – | 56,704 | 50,000 | 106,704 |

## 38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

### Fair value hierarchy (Continued)

*Liabilities for which fair values are disclosed*

As at 31 December 2025

| | Fair value measurement using | | | |
|---|---|---|---|---|
| | Quoted prices in active markets (Level 1) RMB'000 | Significant observable inputs (Level 2) RMB'000 | Significant unobservable inputs (Level 3) RMB'000 | Total RMB'000 |
| Long-term interest-bearing other borrowings | – | 374,517 | – | 374,517 |
| Contingent consideration in amounts due to a related party | – | 588 | – | 588 |
| Total | – | 375,105 | – | 375,105 |

The Group did not have any financial liabilities measured at fair value as at 31 December 2024.

During the reporting period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial liabilities or financial assets (2024: nil).

## 39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank and other borrowings and cash and pledged deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables and trade payables, which arise directly from its operations.

It is and has been throughout the reporting period under review, the Group's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The board of Directors reviews and agrees policies for managing each of these risks and they are summarised below.

### (a) Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units and investing and financing activities by investment holding units in currencies other than the units' functional currencies.

The following table demonstrates the sensitivity at the end of each of the reporting period to a reasonably possible change in the foreign exchange rates, with all other variables held constant, of the Group's profit before tax.

As at 31 December 2025

| | Increase/ (decrease) In foreign currency rate % | Increase/ (decrease) In profit before tax RMB'000 |
|---|---|---|
| If RMB weakens against USD | 5 | 44,432 |
| If RMB strengthens against USD | (5) | (44,432) |
| If RMB weakens against EUR | 5 | (171) |
| If RMB strengthens against EUR | (5) | 171 |

## 39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (a) Foreign currency risk (Continued)

As at 31 December 2024 (restated)

| | Increase/ (decrease) In foreign currency rate % | Increase/ (decrease) In profit before tax RMB'000 |
|---|---|---|
| If RMB weakens against USD (restated) | 5 | (2,265) |
| If RMB strengthens against USD (restated) | (5) | 2,265 |
| If RMB weakens against EUR (restated) | 5 | 2,360 |
| If RMB strengthens against EUR (restated) | (5) | (2,360) |

### (b) Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, trade and bills receivables, amounts due from related parties, deposits, and other receivables and other assets, arises from the default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer. There are concentrations of credit risk within the Group as the customer bases of the Group's trade receivables are narrowly among several large distributors.

At the end of each the reporting period, the Group had certain concentrations of credit risk as 44% of the Group's trade receivables were due from the Group's largest customer as at 31 December 2025 (2024: 24%).

## 39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (b) Credit risk (Continued)

*Maximum exposure and year-end staging*

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December. The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2025

| | 12-month ECLs | Lifetime ECLs | | | |
|---|---|---|---|---|---|
| | Stage 1 RMB'000 | Stage 2 RMB'000 | Stage 3 RMB'000 | Simplified approach RMB'000 | Total RMB'000 |
| Trade receivables* | – | – | – | 633,341 | 633,341 |
| Financial assets included in prepayments, other receivables and other assets – Normal** | 31,455 | – | – | – | 31,455 |
| Amounts due from a related party – Normal** | – | – | – | 2,075 | 2,075 |
| Pledged deposits – Not yet past due | 393 | – | – | – | 393 |
| Cash and cash equivalents – Not yet past due | 1,054,935 | – | – | – | 1,054,935 |
| Total | 1,086,783 | – | – | 635,416 | 1,722,199 |

## 39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (b) Credit risk (Continued)

*Maximum exposure and year-end staging (Continued)*

As at 31 December 2024 (restated)

| | 12-month ECLs | Lifetime ECLs | | | |
|---|---|---|---|---|---|
| | Stage 1 RMB'000 | Stage 2 RMB'000 | Stage 3 RMB'000 | Simplified approach RMB'000 | Total RMB'000 |
| Trade receivables* (restated) | – | – | – | 320,457 | 320,457 |
| Financial assets included in prepayments, other receivables and other assets | | | | | |
| – Normal** (restated) | 46,068 | – | – | – | 46,068 |
| Amounts due from a related party | | | | | |
| – Normal** (restated) | – | – | – | 120 | 120 |
| Due from the Controlling Shareholder | | | | | |
| – Normal** (restated) | 237,582 | – | – | – | 237,582 |
| Pledged deposits – Not yet past due (restated) | 395,740 | – | – | – | 395,740 |
| Cash and cash equivalents – Not yet past due (restated) | 111,703 | – | – | – | 111,703 |
| Total (restated) | 791,093 | – | – | 320,577 | 1,111,670 |

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the credit risk exposure is disclosed in note 20 to the financial statements.

** The credit quality of the financial assets included in bills receivable, prepayments, other receivables and other assets and amounts due from a related party is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 20 to the financial statements.

## 39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (c) Liquidity risk

The Group monitors its risk to a shortage of funds by considering the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The Group closely monitors interest-bearing bank and other borrowings which will mature in twelve months and makes a reliable plan to extend or refinance the debts.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

At 31 December 2025

| | On demand RMB'000 | Less than 1 year RMB'000 | 1 to 5 years RMB'000 | Above 5 years RMB'000 | Total RMB'000 |
|---|---|---|---|---|---|
| Interest-bearing bank and other borrowings | – | 1,182,858 | 453,028 | – | 1,635,886 |
| Lease liabilities | – | 20,496 | 28,657 | – | 49,153 |
| Trade and bills payables | 322,771 | – | – | – | 322,771 |
| Financial liabilities included in other payables, accruals and other liabilities | 281,886 | – | 10,080 | 18,924 | 310,890 |
| Total contractual undiscounted payments | 604,657 | 1,203,354 | 491,765 | 18,924 | 2,318,700 |

## 39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (c) Liquidity risk (Continued)

At 31 December 2024 (restated)

| | On demand RMB'000 | Less than 1 year RMB'000 | 1 to 5 years RMB'000 | Above 5 years RMB'000 | Total RMB'000 |
|---|---|---|---|---|---|
| Interest-bearing bank and other borrowings (restated) | – | 2,173,660 | – | – | 2,173,660 |
| Lease liabilities (restated) | – | 16,432 | 29,032 | – | 45,464 |
| Trade and bills payables (restated) | 332,164 | – | – | – | 332,164 |
| Financial liabilities included in other payables, accruals and other liabilities (restated) | 272,062 | – | 15,658 | 22,369 | 310,089 |
| Total (restated) | 604,226 | 2,190,092 | 44,690 | 22,369 | 2,861,377 |

Note: Interest-bearing bank and other borrowings subject to a repayment on demand clause with a carrying amount of nil as at 31 December 2025 (2024: nil) are included in the time band of "On demand" in the above maturity profile for contractual undiscounted payments. However, management considers it is not probable that the banks will exercise their discretion to demand immediate repayment of these borrowings. Instead, management expects these borrowings to be repaid in accordance with the repayment schedules set out in the loan agreements. Therefore, an adjustment has been made to reflect the expected undiscounted payments.

## 39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (d) Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustment to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 31 December 2024.

The Group monitors capital using a total debt to total capitalisation ratio, which is total debt divided by total equity plus total debt. Total debt includes interest-bearing bank and other borrowings and the liability component of puttable ordinary shares. Total equity includes equity attributable to equity holders of the Company and non-controlling interests. The total debt to total capitalisation ratios as at the end of the reporting periods were as follows:

| | **2025** | 2024 |
|---|---|---|
| | **RMB'000** | RMB'000 (Restated) |
| Interest-bearing bank and other borrowings | **1,440,225** | 1,993,140 |
| Total debt | **1,440,225** | 1,993,140 |
| Equity | **3,850,975** | 2,409,562 |
| Total equity plus total debt | **5,291,200** | 4,402,702 |
| Total debt to total capitalisation ratio | **27%** | 45% |

## 40. REVERSE TAKEOVER OF THE COMPANY

As disclosed in note 2.1, the Company allotted and issued 1,482,921,982 Consideration Shares to the Vendors for acquiring the entire equity interest of Edding on the Merger Date. The total number of Consideration Shares ought to be issued to the Venders was 1,667,755,320 based on the calculation method stipulated in the merger agreement. The Consideration Shares actually issued on the Merger Date represented the total Consideration Shares after deduction of: 1) 89,807,425 Consideration Shares that the Company reserved and to be issued to certain Vendors, in connection with the settlement of their tax obligations arising from the Merger as disclosed in note 30 to the consolidated financial statements, and 2) 95,025,913 Consideration Shares that ought to be issued to the Controlling Shareholder had been deducted for the settlement of amount due from the Controlling Shareholder amounting to RMB239,553,000 as at the Merger Date as disclosed in note 22 to the consolidated financial statements. Immediately after the completion of the Merger, the Vendors obtained 73.73% shares of the Company. The Merger, from accounting perspective, was in substance an acquisition of the Company by Edding, and the Merger was accounted for as a reverse acquisition according to HKFRS 3 *Business Combinations*.

The total consideration effectively transferred by Edding for the Merger was RMB1,481,370,000, which was determined for the purpose of calculation of goodwill arising from the Merger and consisted of 1) the fair value of the Deemed Issued Shares, and 2) the fair value of share-based payment arrangement of the Company that was related to the service period prior to the Merger. Such consideration shall not be interpreted as having been determined for any tax calculation purposes.

Since the Company's shares had a quoted market price and the fair value can be reliably measured, the acquisition-date fair value of the Deemed Issued Shares was determined as the total market capitalisation of the Company immediately prior to the Merger of approximately HK$1,616,573,000 (equivalent to RMB1,455,077,000), calculated based on the number of the Company's shares outstanding immediately prior to the Merger of 528,291,792 shares, multiplied by the closing share price of the Company at the day immediately before the Merger of HK$3.06 per share. The fair value hierarchy of the input (i.e. share price of the Company) to determine fair value of the Deemed Issued Shares is categorised within Level 1 by reference to the quoted bid price of the Company in an active market.

As for the share-based payment arrangement of the Company existing at the Merger Date, although the legal form of awards made by the Company did not change, from an accounting perspective, it was as if these awards had been exchanged for a share-based payment award of the accounting acquirer, i.e., Edding. As a result, without any legal modification to the share-based payment awards in the Company, the acquisition-date fair value of the Company's share-based payments awards had been included as part of the consideration transferred by the accounting acquirer, based on the principles that the portion of the fair value attributed to the service period prior to the Merger is recognised as part of the consideration paid for the business combination and the portion that vests after the reverse acquisition is treated as post-combination expense. The fair value of the former part was determined at RMB26,293,000.

## 40. REVERSE TAKEOVER OF THE COMPANY (CONTINUED)

The fair value of the identifiable assets and liabilities of the Company and its original subsidiaries upon the Merger and goodwill arising from the Merger are set out as follows:

| | RMB'000 |
|---|---|
| Property, plant and equipment | 1,221 |
| Prepayments, other receivables and other assets | 35,333 |
| Equity investment designated at fair value through other comprehensive income | 102,316 |
| Deferred tax assets | 16,271 |
| Right-of-use assets | 502 |
| Other intangible assets | 367,676 |
| Trade receivables | 4,954 |
| Cash and cash equivalents | 885,736 |
| Trade payables | (105,036) |
| Other payables and accruals | (38,091) |
| Tax payables | (7,193) |
| Lease liabilities | (502) |
| Amounts due to related parties | (588) |
| Deferred tax liabilities | (71,252) |
| Total identifiable net assets at fair value | 1,191,347 |
| Non-controlling interests | 2,854 |
| Total identifiable net assets at fair value attributable to owners of the parent | 1,194,201 |
| Fair value of Deemed Issued Shares | 1,455,077 |
| Fair value of the share-based payment awards of the Company that form part of the cost of the business combination | 26,293 |
| Total consideration | 1,481,370 |
| Less: Fair value of identifiable net assets of the Company | (1,194,201) |
| Goodwill arising from acquisition | 287,169 |
| Net cash inflow in respect of the reverse acquisition | |
| Cash and bank balances | 885,736 |

The development and commercialisation of oncology and autoimmune drugs business of the Company and its original subsidiaries acquired at the Merger Date had insignificant contribution to the profit or loss for the year. No revenue was generated from such business during the period ended 31 December 2025 after the Merger.

## 41. COMPARATIVE AMOUNTS

As a result of the Merger, the comparative amounts of the consolidated financial statements have been restated to be those of the Edding Group (note 2.1).

## 42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the year is as follows:

| | Notes | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|---|
| NON-CURRENT ASSETS | | | |
| Intangible assets | | **131,612** | 67,653 |
| Financial assets at fair value through profit or loss | | **21,260** | 19,327 |
| Equity investments designated at fair value through other comprehensive income | | **102,316** | 83,732 |
| Investments in subsidiaries | | **5,100,381** | 1,019,860 |
| Total non-current assets | | **5,355,569** | 1,190,572 |
| CURRENT ASSETS | | | |
| Prepayments, other receivables and other assets | | **13,375** | 3,100 |
| Cash and cash equivalents | | **844,335** | 957,628 |
| Total current assets | | **857,710** | 960,728 |

## 42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Information about the statement of financial position of the Company at the end of the year is as follows: (continued)

| | Notes | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|---|
| CURRENT LIABILITIES | | | |
| Other payables and accruals | | **29,617** | 16,623 |
| Amounts due to a subsidiary | | **65,688** | 51,969 |
| Tax Payable | | **992** | – |
| Total current liabilities | | **96,297** | 68,592 |
| NET CURRENT ASSETS | | **761,413** | 892,136 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | **6,116,982** | 2,082,708 |
| NON-CURRENT LIABILITIES | | | |
| Amounts due to related parties | *36(b)* | **588** | 350 |
| Total non-current liabilities | | **588** | 350 |
| Net assets | | **6,116,394** | 2,082,358 |
| EQUITY | | | |
| Share capital | *29* | **280** | 70 |
| Reserves *(note)* | | **6,116,114** | 2,082,288 |
| Total equity | | **6,116,394** | 2,082,358 |

## 42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

A summary of the Company's reserves is as follows:

| | Treasury shares RMB'000 | Share premium RMB'000 | Other reserves RMB'000 | Accumulated losses RMB'000 | Total RMB'000 |
|---|---|---|---|---|---|
| At 1 January 2024 | -* | 9,472,253 | (1,166,152) | (6,939,988) | 1,366,113 |
| Loss for the year | – | – | – | 769,385 | 769,385 |
| Other comprehensive income | – | – | 13,176 | – | 13,176 |
| Share based payment | – | – | 11,645 | – | 11,645 |
| Shares exercised under employee option plan and RSU plan | – | 5,580 | (83,611) | – | (78,031) |
| At 31 December 2024 and 1 January 2025 | –* | 9,477,833 | (1,224,942) | (6,170,603) | 2,082,288 |
| Loss for the year | **–** | **–** | **–** | **(74,010)** | **(74,010)** |
| Other comprehensive income | **–** | **–** | **18,587** | **–** | **18,587** |
| Share-based payment | **–** | **–** | **(3,901)** | **–** | **(3,901)** |
| Shares exercised under employee option plan and RSU plan | **–** | **13,153** | **(4,215)** | **–** | **8,938** |
| Deemed consideration for the Merger *(note 40)* | **–** | **4,084,212** | **–** | **–** | **4,084,212** |
| At 31 December 2025 | **–*** | **13,575,198** | **(1,214,471)** | **(6,244,613)** | **6,116,114** |

* The amounts stated above were less than RMB1,000.

## 43. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of Directors on 27 March 2026.

# FIVE YEARS FINANCIAL SUMMARY

As a result of the Merger. which constituted reverse acquisition, according to the HKFRS accounting standards, the comparative amount of the consolidated financial statements has been re-presented to be that of the Edding Group. Please refer to note 2.1 of the consolidated financial statements for details.

| | Year ended 31 December | | | | |
|---|---|---|---|---|---|
| | **2025** | 2024 | 2023 | 2022 | 2021 |
| | **RMB'000** | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| Revenue | **2,487,461** | 2,546,044 | 2,303,788 | 2,073,754 | 2,073,396 |
| Profit before text | **496,266** | 482,482 | 331,019 | 325,278 | 173,433 |
| Income tax expenses | **(97,003)** | (94,596) | (23,000) | (18,933) | (16,441) |
| **Profit for the year** | **399,263** | 387,886 | 308,019 | 306,345 | 156,992 |
| **Profit for the year is attributable to:** | | | | | |
| Owners of the Company | **399,263** | 387,886 | 308,019 | 306,345 | 156,992 |

| | As at 31 December | | | | |
|---|---|---|---|---|---|
| | **2025** | 2024 | 2023 | 2022 | 2021 |
| | **RMB'000** | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| **Total assets** | **6,602,542** | 5,440,031 | 5,145,108 | 5,061,480 | 4,944,088 |
| **Total liabilities** | **2,751,567** | 3,030,469 | 3,180,233 | 3,148,973 | 3,333,868 |
| **Total equity** | **3,850,975** | 2,409,562 | 1,964,875 | 1,912,507 | 1,610,220 |
| **Equity attributable to:** | | | | | |
| Owners of the Company | **3,853,829** | 2,409,562 | 1,964,875 | 1,912,507 | 1,610,220 |
| Non-controlling interests | **(2,854)** | – | – | – | – |

# DEFINITIONS

| | |
|---|---|
| ***"2021 RSU Plan"*** | the RSU plan adopted by the Company on 3 June 2021 |
| ***"2023 Interim Results Announcement"*** | the interim results announcement of the Company for the six months ended 30 June 2023 dated 30 August 2023 |
| ***"2023 Share Option Plan"*** | the 2023 Share Option Plan adopted by the Company on 27 October 2023 |
| ***"2023 RSU Plan"*** | the 2023 RSU Plan adopted by the Company on 27 October 2023 |
| ***"AACR"*** | American Association of Cancer Research |
| ***"Administrator"*** | the Compensation Committee or its delegates which administer the operation of the Pre-IPO Share Option Plan, the Post-IPO Share Option Plan and the 2021 RSU Plan |
| ***"Adoption Date"*** | 31 July 2020 |
| ***"AGM"*** | the annual general meeting for the year ended 31 December 2025 to be held by the Company |
| ***"ANGPTL3"*** | an siRNA therapeutic targeting hepatic angiopoietin-like protein 3 |
| ***"Articles of Association"*** | the seventh amended and restated articles of association of the Company adopted on 29 June 2023 with effect from Listing, as amended from time to time |
| ***"associate(s)"*** | has the meaning ascribed thereto under the Listing Rules |
| ***"Audit Committee"*** | the audit committee of the Company |
| ***"Award(s)"*** | award(s) of RSU(s) granted to a grantee pursuant to the terms of the 2021 RSU Plan or the 2023 RSU Plan |
| ***"Board" or "Board of Directors"*** | the board of directors of our Company |
| ***"Business Day(s)"*** | any day on which the Stock Exchange is open for the business of dealing in securities |

| | |
|---|---|
| ***"Candid"*** | Candid Therapeutics, Inc. |
| ***"CG Code"*** | the Corporate Governance Code set out in Appendix C1 of the Listing Rules |
| ***"China" or the "PRC"*** | the People's Republic of China, and for the purpose of this report only, except where the context requires otherwise, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan |
| ***"Chinapharm Group"*** | Chinapharm Group Company Limited, a company incorporated in the BVI with limited liability on 18 July 2005 and one of the Controlling Shareholders of the Group |
| ***"Commencement Date"*** | the commencement date of the listing of the Target Shares on the Main Board |
| ***"Compensation Committee"*** | the compensation committee of the Company |
| ***"Company", "our Company" or "the Company"*** | Edding Genor Group Holdings Limited (formerly known as Genor Biopharma Holdings Limited), an exempted company with limited liability incorporated under the laws of the Cayman Islands on 10 April 2017 |
| ***"Companies Ordinance"*** | the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time |
| ***"connected person(s)"*** | has the meaning ascribed to it under the Listing Rules |
| ***"connected transactions"*** | has the meaning ascribed to it under the Listing Rules |
| ***"Consideration Shares"*** | the Shares to be allotted and issued by the Company to the shareholders of pursuant to the Merger Agreement |
| ***"Controlling Shareholder(s)"*** | has the meaning ascribed thereto under the Listing Rules |
| ***"Director(s)"*** | the director(s) of our Company |
| ***"Edding" or "Target"*** | Edding Group Company Limited, a company established under the laws of the Cayman Islands with limited liability on 8 June 2020 |
| ***"Eddingpharm Suzhou"*** | Eddingpharm (Suzhou) Co., Ltd. (蘇州亿腾藥品銷售有限公司) |
| ***"Eligible Participant(s)"*** | person(s) eligible to participate in the 2023 Share Option Plan or the 2023 RSU Plan (as the case may be) |

# DEFINITIONS

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| ***"Eligible Person(s)"*** | each participant(s) selected or approved by the Administrator to participate in the Pre-IPO Share Option Plan, the Post-IPO Share Option Plan, or the 2021 RSU Plan |
| ***"Employees Written Guidelines"*** | has the meaning ascribed thereto under the Corporate Governance Report |
| ***"Enlarged Group"*** | the Group as enlarged by Edding and its subsidiaries upon the closing of the Merger |
| ***"Equity Plans"*** | all share plans of the Company including the Pre-IPO Share Option Plan, the Post-IPO Share Option Plan, the 2021 RSU Plan, the 2023 Share Option Plan, the 2023 RSU Plan, the Target Share Option Scheme and the One-off Share Option Plan |
| ***"ESMO"*** | European Society for Medical Oncology |
| ***"GB261"*** | GB261 (CD20/CD3, BsAb) |
| ***"Genor Biopharma"*** | Genor Biopharma Co., Ltd. (嘉和生物藥業有限公司), a company established under the laws of the PRC on 4 December 2007 and one of the Company's |
| ***"Global Offering"*** | the offer of Shares for subscription by the public in Hong Kong and the conditional placing of the Shares, as further described in the section headed "Structure of the Global Offering" in the Prospectus |
| ***"Group", "our Group", "the Group", "we", "us" or "our"*** | the Company and its subsidiaries from time to time |
| ***"HR+/HER2-"*** | hormone receptor- positive, human epidermal growth factor receptor 2-negative |
| ***"HKFRS"*** | Hong Kong Financial Reporting Standards |
| ***"Hong Kong" or "HK"*** | the Hong Kong Special Administrative Region of the PRC |
| ***"Hong Kong dollars" or "HK dollars" or "HK$"*** | Hong Kong dollars, the lawful currency of Hong Kong |

# DEFINITIONS

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| ***"HSG Management I"*** | HongShan Capital Management I, L.P. |
| ***"HoFH"*** | homozygous familial hypercholesterolaemia |
| ***"HSGGF Management"*** | HongShan Capital Growth Fund Management I, L.P. |
| ***"HSGG V Management"*** | HSG Growth V Management, L.P. |
| ***"HH BIO"*** | HH BIO Investment Fund, L.P. |
| ***"ICS"*** | the latest-generation inhaled corticosteroid |
| ***"IFRS"*** | International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board |
| ***"Incident(s)"*** | has the meaning ascribed thereto under the Corporate Governance Report |
| ***"IND"*** | investigational new drug or investigational new drug application, also known as clinical trial application in China |
| ***"Invested Entity"*** | any subsidiary has any equity interest |
| ***"IP"*** | intellectual property |
| ***"IPO"*** | initial public offering |
| ***"LDL-C"*** | low-density lipoprotein cholesterol |
| ***"LDLR"*** | the low-density lipoprotein receptor |
| ***"Latest Practicable Date"*** | April 10, 2026, being the latest practicable date prior to the publication of this annual report |
| ***"Listing"*** | the listing of the Shares on the Main Board of the Stock Exchange |
| ***"Listing Rules"*** | the Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time |
| ***"Main Board"*** | the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the Growth Enterprise Market of the Stock Exchange |

# DEFINITIONS

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| ***"Merger"*** | the acquisition of Edding by the Company by way of merger, with Edding surviving such merger and becoming a wholly-owned subsidiary of the Company, pursuant to the Merger Agreement |
| ***"Merger Agreement"*** | the agreement and plan of merger dated 13 September 2024 entered into among the Group and Edding in respect of the Merger |
| ***"Merger Closing"*** | the closing of the Merger in accordance with the Merger Agreement |
| ***"Merger Closing Date"*** | the date on which the Merger Closing takes place |
| ***"Model Code"*** | the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules |
| ***"Mr. Ni"*** | Mr. Ni Xin (倪昕) |
| ***"Mr. Weng"*** | Mr. Weng Chengyi (翁承毅) |
| ***"NDA"*** | new drug application |
| ***"New Listing Application"*** | the deemed new listing application of the Company in relation to the Merger |
| ***"NMPA"*** | China National Medical Products Administration (國家藥品監督管理局), successor to the China Food and Drug Administration (國家食品藥品監督管理總局) |
| ***"Nomination Committee"*** | the nomination committee of the Company |
| ***"NRDL"*** | the National Reimbursement Drug List |
| ***"OAP"*** | OrbiMed Asia Partners, L.P. |
| ***"OAP III"*** | OrbiMed Asia Partners III, L.P. |
| ***"One-off Share Option Plan"*** | a one-off share option plan adopted by the Company |
| ***"Option(s)"*** | Option(s) granted to a grantee to subscribe for Shares pursuant to the terms of the Pre-IPO Share Option Plan, Post-IPO Share Option Plan, the 2023 Share Option Plan, the Target Share Option Scheme or the One-off Share Option Plan |
| ***"OrbiMed Advisors"*** | OrbiMed Advisors LLC |

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| ***"Post-IPO Share Option Plan"*** | The Post-IPO Share Option Plan adopted by the Company on 18 September 2020 and effective from the Listing Date (i.e. 7 October 2020) |
| ***"Pre-IPO Share Option Plan"*** | the Pre-IPO Share Option Plan adopted by the Company on 19 August 2019 and amended and restated on 16 April 2020 and 31 July 2020 |
| ***"Product"*** | Jing Zhu Da |
| ***"Prospectus"*** | the prospectus of the Company dated 23 September 2020 |
| ***"RA"*** | rheumatoid arthritis |
| ***"R&D"*** | research and development |
| ***"RMB" or "Renminbi"*** | Renminbi, the lawful currency of PRC |
| ***"Reporting Period"*** | the year ended 31 December 2025 |
| ***"RSU(s)"*** | restricted share unit(s) granted under the 2021 RSU Plan or the 2023 RSU Plan |
| ***"SFO"*** | Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time |
| ***"Share(s)"*** | ordinary share(s) in the share capital of our Company, currently with a par value of US$0.00002 each |
| ***"Shareholder(s)"*** | holder(s) of the Share(s) |
| ***"SLE"*** | systemic lupus erythematosus |
| ***"Stock Exchange"*** | The Stock Exchange of Hong Kong Limited |
| ***"Stock Purchase Agreement"*** | the stock purchase agreement entered into among the Group and TRC 2004, Inc. on 2 August 2024 |
| ***"subsidiary" or "subsidiaries"*** | has the meaning ascribed to it in section 15 of the Companies Ordinance |
| ***"substantial shareholder"*** | has the meaning ascribed to it in the Listing Rules |
| ***"Taizhou EOC"*** | Taizhou EOC Pharma Co., Ltd. (泰州亿腾景昂藥業股份有限公司) |

# DEFINITIONS

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| ***"Talent Creation"*** | Talent Creation Holdings Limited (顯智控股有限公司), a company incorporated in the BVI with limited liability on 15 January 2008 and one of the Controlling Shareholders of the Group |
| ***"Target Director(s)"*** | the director(s) of the Target |
| ***"Target Group"*** | Target and all of its subsidiaries or, where the context so requires, in respect of the period before the Target became the holding company of its present subsidiaries, the businesses operated by such subsidiaries or their predecessors (as the case may be) |
| ***"Target Share Option Scheme"*** | the share option scheme adopted by the Target on 31 July 2020, as amended from time to time |
| ***"TCE"*** | T-cell engager |
| ***"TG"*** | triglycerides |
| ***"TPO-RA"*** | a new-generation, small-molecule, oral thrombopoietin receptor agonist |
| ***"United States" or "U.S."*** | the United States of America, its territories, its possessions and all areas subject to its jurisdiction |
| ***"US dollars", "U.S. dollars", "US$" or "USD"*** | United States dollars, the lawful currency of the United States |
| ***"%"*** | per cent |