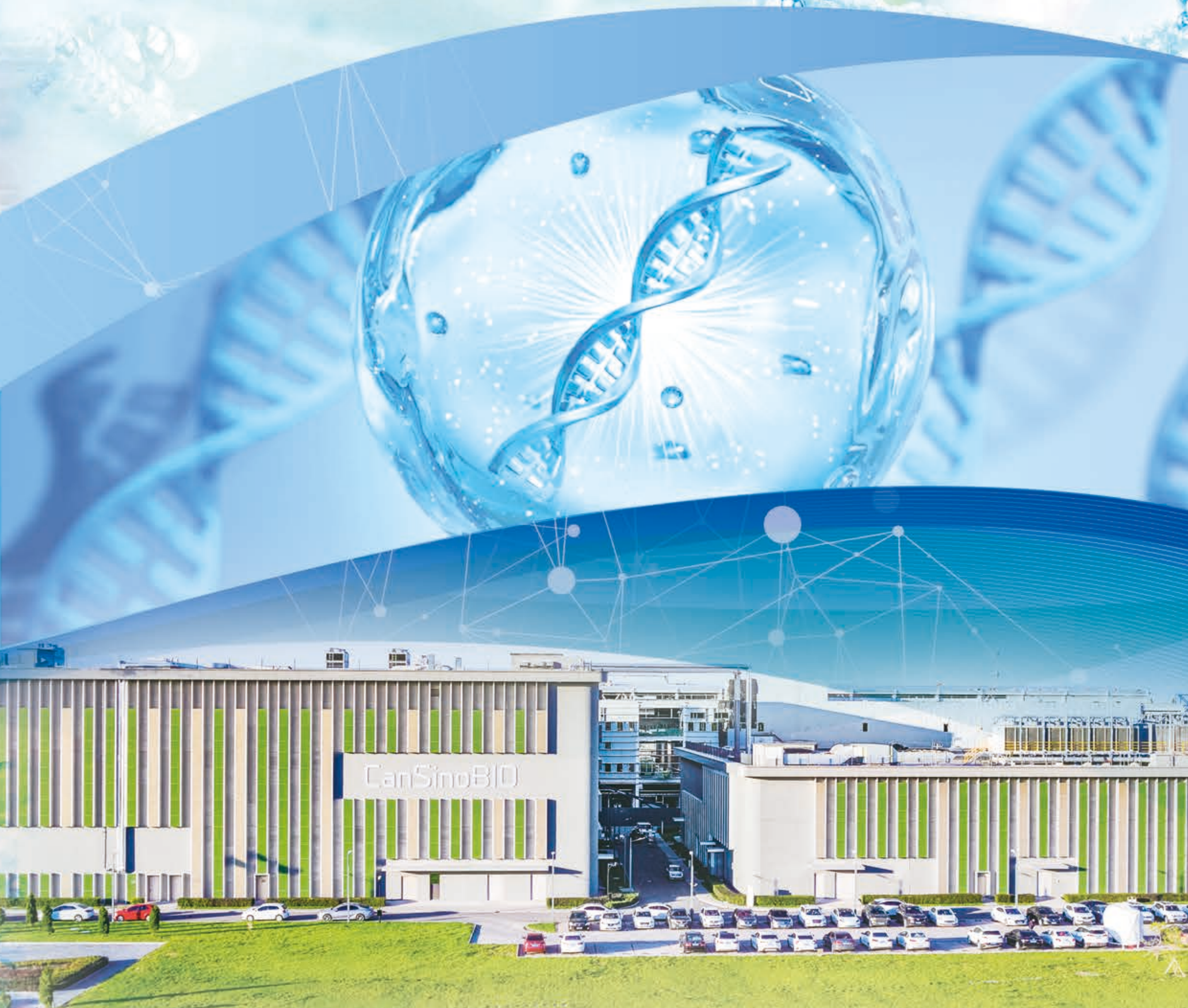
CanSino Biologics Inc.

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

Stock Code: 6185

ANNUAL REPORT 2025



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Dr. Xuefeng YU
(Chairman, chief executive officer and general manager)
Dr. Shou Bai CHAO
(Chief operating officer and deputy general manager)
Ms. Jing WANG
(Chief commercial officer and deputy general manager)

Non-executive Directors

Mr. Chi Shing LI

Independent Non-executive Directors

Mr. Yiu Leung Andy CHEUNG
Mr. Man CHO
Ms. Xuefeng JI

AUDIT COMMITTEE

Mr. Yiu Leung Andy CHEUNG *(Chairman)*
Mr. Chi Shing LI
Ms. Xuefeng JI

REMUNERATION AND ASSESSMENT COMMITTEE

Mr. Man CHO *(Chairman)*
Dr. Xuefeng YU
Mr. Chi Shing LI
Mr. Yiu Leung Andy CHEUNG
Ms. Xuefeng JI

NOMINATION COMMITTEE

Ms. Xuefeng JI *(Chairwoman)*
Dr. Xuefeng YU
Mr. Man CHO

AUTHORISED REPRESENTATIVES

Dr. Xuefeng YU
Mr. Ming King CHIU

JOINT COMPANY SECRETARIES

Mr. Jin CUI
Mr. Ming King CHIU *(FCG HKFCG (PE))*

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STOCK CODE

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Shanghai Stock Exchange: 688185

COMPANY WEBSITE

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Financial Summary

In this report, “we”, “us” and “our” refer to the Company and where the context otherwise requires, the Group. Certain amounts and percentage figures included in this report have been subject to rounding adjustments, or have been rounded to one or two decimal places. Any discrepancies in any table, chart or elsewhere between totals and sums of amounts listed therein are due to rounding.

A summary of the operating results and the assets and liabilities of the Group for the last five financial years is set out below:

	For the Year ended December 31,				
	2025 (Audited) RMB’000	2024 (Audited) RMB’000	2023 (Audited) RMB’000	2022 (Audited) RMB’000	2021 (Audited) RMB’000
Operating Results					
Revenue	**1,059,393**	824,884	345,182	1,031,041	4,299,702
Operating profit (loss)	**44,263**	(403,390)	(2,035,182)	(1,368,742)	1,911,612
Profit (loss) before income tax	**21,738**	(381,204)	(1,978,884)	(1,184,001)	1,936,787
Profit (loss) for the year	**27,873**	(383,671)	(1,967,433)	(964,757)	1,907,086
Total comprehensive income (expense)	**27,834**	(383,271)	(1,967,730)	(964,636)	1,907,086
Earnings (loss) per Share					
Basic and diluted earnings (loss) per share (in RMB)	**0.11**	(1.53)	(6.01)	(3.68)	7.74

	As of December 31,				
	2025 (Audited) RMB’000	2024 (Audited) RMB’000	2023 (Audited) RMB’000	2022 (Audited) RMB’000	2021 (Audited) RMB’000
Financial Position					
Non-current assets	**3,338,746**	3,675,641	4,137,941	3,738,775	2,584,343
Current assets	**3,838,830**	4,282,491	5,180,828	7,730,185	9,289,844
Total assets	**7,177,576**	7,958,132	9,318,769	11,468,960	11,874,187
Total equity	**4,953,620**	4,909,872	5,287,415	7,245,602	8,547,884
Non-current liabilities	**1,141,486**	1,276,218	1,439,510	1,281,293	451,361
Current liabilities	**1,082,470**	1,772,042	2,591,844	2,942,065	2,874,942
Total liabilities	**2,223,956**	3,048,260	4,031,354	4,223,358	3,326,303
Total equity and liabilities	**7,177,576**	7,958,132	9,318,769	11,468,960	11,874,187

Chairman's Statement

Dear Shareholders and stakeholders,

We sincerely thank you for your continued support and companionship with CanSinoBIO.

Over the past year, as a leading biopharmaceutical company in China, we have remained steadfast in our vision of "Innovation Never Stops, World Without Disease", continuously focusing on and fulfilling our mission to provide innovative, high-quality, and accessible vaccines to the world. The year of 2025 marks a pivotal moment for the pharmaceutical industry, presenting a new wave of opportunities and challenges. Breakthroughs in innovation continued to emerge, capturing the attention of the global pharmaceutical sector and capital markets. Amidst the industry's fluctuations, CanSinoBIO achieved strategic breakthroughs in 2025. During the reporting period, CanSinoBIO achieved a turnaround from loss to profit and recorded positive profits, demonstrating the strategic foresight and exceptional execution capabilities underpinning its sustainable operations. CanSinoBIO expanded its commercial product portfolio while achieving R&D milestones, unlocking near-term growth potential. Breakthroughs in early-stage pipelines have also been accelerated, positioning CanSinoBIO at the forefront of China's innovative vaccine development landscape.

This year, we have consolidated our foundations and pursued innovation, sought progress while maintaining stability.

In 2025, CanSinoBIO maintained robust revenue growth, achieving total revenue of RMB1,059.4 million, representing a year-on-year increase of 28.4%. Benefiting from revenue growth, optimized production costs, and enhanced operational efficiency, we recorded a positive net profit of RMB27.9 million during the reporting period.

Since the launch of Menhycia®, a quadra-valent meningococcal conjugate vaccine, and Menphecia®, a bivalent meningococcal conjugate vaccine, in 2022, these two vaccine products have provided a more efficient and high-quality vaccine option for the prevention of meningococcal infection diseases in infants and young children. In 2025, with the promotion of the meningococcal vaccines and introduction to the market, the sales revenues from the two meningococcal conjugate vaccines amounted to approximately RMB967.7 million, representing a year-on-year increase of 21.9%. Furthermore, as of the date of this report, the supplemental application of Menhycia® has been approved by NMPA, and the age range of the applicable population has been expanded to "3 months to 6 years old (83 months old) children", which will provide comprehensive protection for a wider group of children in the future. CanSinoBIO will also advance the age expansion application for Menhycia® for individuals aged 7 to 59, thereby maximizing the core product's value.

During the year, we launched one new blockbuster vaccine product, iPneucia®, a 13-valent pneumococcal polysaccharide conjugate vaccine (CRM197/TT). With its differentiated dual vector structure and clinically validated immunogenicity advantages, iPneucia® will reshape the landscape of pneumonia prevention in infants and young children, benefiting a broader population from newborns to preschoolers. As of the date of this report, iPneucia® has been approved for use in over 20 provinces, municipalities, and autonomous regions nationwide, with vaccination efforts rapidly expanding across these regions. We will continue to consolidate our leading brand position in the field of disease prevention for preschool children, vigorously promote the adoption of new products, fully leverage the clinical value of our existing product portfolio, and enhance synergies among our core products.

At the same time, we upheld integrity while embracing innovation to stimulate vitality.

During the year, CanSinoBIO leveraged the leading advantages of its multiple technology platforms to accelerate the development of various vaccine candidates in its pipeline, advancing in tandem with its commercial operations.

By advancing technological upgrades, we have developed a portfolio of component vaccine for diphtheria, tetanus and acellular pertussis to fill the gap in the domestic market. This technology ensures consistent product quality and batch-to-batch uniformity, providing the public with better vaccine product options. CanSinoBIO's infant component vaccine for diphtheria, tetanus and acellular pertussis has been included in the priority review and approval process due to its scarce and significant clinical value. The component vaccine for diphtheria, tetanus and acellular pertussis for adolescents and adults aged 6 years and older has completed clinical trials and will soon commence the new drug registration process. An innovative combination vaccine based on the component for diphtheria, tetanus and acellular pertussis has also entered relevant clinical trials.

Chairman's Statement

Our recombinant poliomyelitis vaccine, developed through protein structure-based design and VLP assembly technology, holds promise for contributing to global polio eradication due to its innovative feature of not relying on live viruses. The project has garnered significant attention from international organizations. To date, it has secured over USD19 million in funding from international foundations for its ongoing research and development, underscoring CanSinoBIO's pivotal role and unwavering commitment to advancing global public health. The candidate vaccine is currently undergoing Phase II clinical trials in Indonesia and has obtained clinical trial approval in China.

Rooted locally, we remain committed to extending access to CanSinoBIO's high-quality vaccines to regions where medical needs exist. Leveraging comprehensive inhalation pharmacology and antigen component iteration technology, we have developed an inhaled TB booster that is expected to stimulate pulmonary immune responses, thereby achieving more effective preventive outcomes. We have initiated Phase I clinical trials for this candidate vaccine in Indonesia, contributing our part toward achieving the global goal of ending tuberculosis.

In the evolution and advancement of R&D pipeline, we remain at the forefront of the industry. In January 2026, CanSinoBIO received clinical trial approval for its independently developed 24-valent pneumococcal polysaccharide conjugate vaccine. This milestone signifies the further expansion and refinement of CanSinoBIO's pipeline in the pneumococcal vaccine field, while also demonstrating that China's vaccine companies have achieved R&D capabilities on par with international standards and are expected to produce vaccine candidates with global innovation potential.

We also tirelessly advance the forefront of internationalization.

Building on innovation, establishing international competitiveness is also our long-term strategic goal. Following the issuance of a drug registration certificate for Menhycia® in Indonesia, CanSinoBIO's manufacturing facility for its quadra-valent meningococcal conjugate vaccine and 13-valent pneumococcal polysaccharide conjugate vaccine recently passed the PIC/S GMP compliance inspection conducted by the Malaysian National Pharmaceutical Regulatory Agency (NAPRA), and has been awarded a GMP certificate by NAPRA. This achievement facilitates the registration and market launch of the two products in Malaysia, while also providing crucial support for their market access in other PIC/S member countries and regions.

In the future, we will also integrate our overseas expansion goals with diversified models to accelerate our global footprint. At the same time, based on product positioning and R&D progress, we will actively advance preliminary preparations and planning for World Health Organization Prequalification (PQ), exploring the feasibility of procuring products through international organizations. For globally innovative products, we will actively explore the feasibility of market access in developed countries, empowering CanSinoBIO to advance further in its international commercialization efforts.

In 2025, we earnestly fulfilled our ESG commitments and upheld our corporate social responsibility. Within the year, CanSinoBIO was once again honored with the "2025 China Best ESG Employer" award presented by Aon, continuing the people-centric behavioral value system of CanSinoBIO. We have been selected for inclusion in the S&P Global Sustainability Yearbook (China Edition) 2025, marking a milestone in the establishment of the sustainability framework of CanSinoBIO.

Steady progress leads to long-term success, and steadfast action brings innovation.

Once again, we extend our heartfelt gratitude for your trust and support of CanSinoBIO. We will remain steadfast in our mission to "provide innovative, high-quality, and accessible vaccines to the world." Through steady operational progress, we will advance technological innovation and expand our global footprint. In hand with all stakeholders, we are committed to contributing more to global public health, creating sustainable long-term value for the general public, our employees, and CanSinoBIO shareholders.

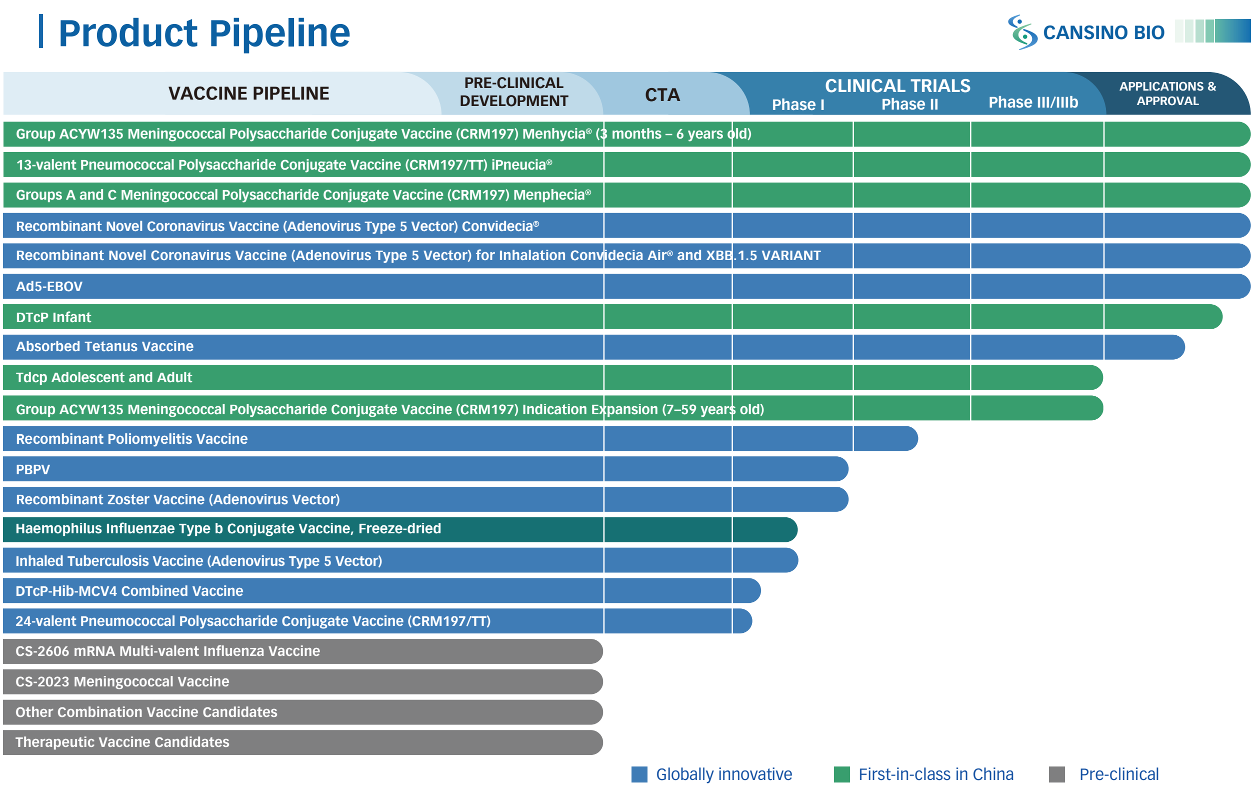
Dr. Xuefeng YU
Chairman and Chief Executive Officer

OVERVIEW

CanSinoBIO's mission is to develop, manufacture and commercialize high quality, innovative and affordable vaccines. Our mission is being fulfilled by an accomplished team of founders and senior management – world-class scientists with a record of leading the development of innovative international vaccines at global pharmaceutical companies. Other management members are also vaccine industry veterans from leading multi-national and domestic biologics companies.

Our vaccine pipeline, which is strategically designed to address the vast and underserved market worldwide, can be summarized into three categories: (i) globally innovative vaccines to serve the unmet medical needs worldwide (such as our Convidecia®, Convidecia Air®, Ad5-EBOV, Absorbed Tetanus Vaccine candidate, Recombinant Poliomyelitis Vaccine candidate, PBPV candidate, Recombinant Zoster Vaccine candidate, inhaled TB Booster candidate, DTcP-Hib-MCV4 Combined Vaccine candidate and PCV24 candidate); (ii) first-in-class domestic vaccines with higher quality developed to replace the current primary vaccines in China (such as our Menhycia® and Menphecia®, iPneucia®, DTcP Infant candidate and Tdcp Adolescent and Adult candidate); and (iii) pre-clinical vaccine candidates (such as our CS-2606 mRNA Multi-valent Influenza Vaccine and CS-2023 Meningococcal Vaccine).

We have a broad portfolio of vaccines and vaccine candidates for more than 10 disease areas, headlined by six commercialized products. Our product pipeline as of the date of this report is set out below:



BUSINESS REVIEW

Research & Development

Our Products

- **Our Commercial Stage Products**

Menphecia® and Menhycia®

Product Overview

Menhycia® is a first-in-class and the first NDA approved MCV4 in China. The commercialization of Menhycia® not only narrows the gap between China and developed countries in this field but also meets the demand for high-end vaccines in this field in China, providing a better solution for the prevention of infant meningococcal meningitis.

Menphecia® is a best-in-class bi-valent meningococcal polysaccharide conjugate vaccine in China. Compared with other MCV2 products currently approved in China, the phase III clinical trial showed that Menphecia® demonstrated a superior safety profile in the age group of 3 months and superior immunogenicity in the age groups of 6 to 23 months.

Regulatory Status

The Company obtained the NDA approvals for Menhycia® and Menphecia® from the NMPA in December 2021 and in June 2021, respectively, and subsequently obtained the Notification of Approval of Supplemental Drug Application (《藥品補充申請批准通知書》) for Menhycia® issued by the NMPA in February 2026. Menhycia® is the first MCV4 approved in China. Save for Menhycia®, the current quadra-valent meningococcal vaccines in China are all MPSV4 products with a limited age indication. In contrast, our Menhycia® is applicable to children aged from 3 months to 6 years old (83 months), with good safety and immunogenicity profiles demonstrated in clinical trials.

Commercialization

The Company has established the Commercial Operation Center (COC) with a comprehensive system to enable the Company's commercialization team to develop and implement domestic and overseas promotion strategies and marketing operations for Menhycia®.

During the Reporting Period, the Company continued to advance the commercialization of meningococcal conjugate vaccines. Menhycia® has been successfully commercialized in China's mid-to-high-end vaccine market, and its penetration rate continues to increase. The Company generated revenue of approximately RMB967.7 million from the sales of meningococcal conjugate vaccines during the Reporting Period, representing an increase of 21.9% compared with the same period last year, contributing to the steady revenue growth of the Company.

Development and Expansion

In December 2024, the Company received the drug registration certificate for MCV4 granted by the Badan Pengawas Obat dan Makanan, Republik Indonesia. The Company has completed a clinical trial in Indonesia, evaluating the safety and immunogenicity of MCV4 in individuals aged 18 to 55 years after vaccination, and is proceeding with follow-up procedures in order to expand the applicable population. The drug registration certificate granted to the Company's MCV4 in Indonesia represents a significant achievement in its global strategy, and contributes to the Company's overseas branding recognition and international influence.

In February 2025, MCV4 received the Halal Decree from the Assessment Institute for Foods, Drugs and Cosmetics of Majelis Ulama Indonesia (LPPOM MUI), signifying that MCV4 has gained access to the globally recognized Muslim market.

In February 2026, the Company has obtained the Notification of Approval of Supplemental Drug Application (《藥品補充申請批准通知書》) issued by the NMPA, pursuant to which, the age range of indicated population of MCV4 expanded from "children aged from 3 months to 3 years old (47 months)" to "children aged from 3 months to 6 years old (83 months)".

As of the date of this report, the clinical summary report for the Menhycia® age-expansion clinical trial for patients aged 7 to 59 has been completed, and preparations for the supplemental application are currently underway.

iPneucia®

Product Overview

The Company's iPneucia® adopts a covalent combination of polysaccharide antigens and carrier proteins. After the polysaccharide antigens are linked to the carrier proteins, the polysaccharide antigens can be converted into T-cell-dependent antigens, which not only induces a high level of specific antibodies in infants and young children under 2 years old, but also generate memory B cells to produce immune memory.

Meanwhile, the Company adopts dual vector technology which can reduce the immunosuppression to immunogenicity when co-injecting with other vaccines. In terms of production technology, the Company has adopted a safer production process, with animal-free culture medium as the fermentation medium, reducing risks from animal-derived biological factors and avoiding toxic residues from the traditional phenol purification process.

Regulatory Status

The Company obtained the NDA approval for iPneucia® from the NMPA in June 2025. iPneucia® is the first product in the Company's pneumococcal vaccine portfolio that has obtained NDA approval, laying the foundation for the development of higher-valent pneumococcal conjugate vaccines.

Commercialization

iPneucia® is positioned by the Company as a high-end self-paid vaccine, similar to its current major commercialized product, Menhycia®. The target consumer groups for both products overlap. The launch of iPneucia® will enrich the Company's commercialized product portfolio and enable the Company to leverage existing sales channels and marketing resources, thereby enhancing its marketing efficiency.

As of the date of this report, marketing efforts for iPneucia® are progressing smoothly. It has obtained market access in over 20 provinces, municipalities, and autonomous regions nationwide, and vaccination has been initiated in several regions. Additionally, relevant clinical trials are being conducted overseas to support the Company's various regulatory filing strategies.

Convidecia® and Convidecia Air® and XBB.1.5 Variant

Product Overview

Convidecia® is a genetically engineered vaccine with the replication-defective adenovirus type 5 as the vector to express the SARS-CoV-2 spike protein, which is used to prevent COVID-19 disease.

Convidecia Air® is the first global aerosolized recombinant viral vector COVID-19 vaccine for inhalation, which can not only stimulate humoral and cellular immunity, but also induce mucosal immunity to achieve triple comprehensive protection efficiently without intramuscular injection. Notably, Convidecia Air® offers unique advantages, including safety, effectiveness, painlessness, convenience and availability. By leveraging the same adenovirus vector technological platform as the intramuscular Convidecia®, Convidecia Air® provides a noninvasive option that employs a nebulizer to convert liquid into an aerosol for inhalation through the mouth. Convidecia Air® is needle-free and can effectively trigger comprehensive immune protection in response to SARS-CoV-2.

Regulatory Status and Deployment

Since February 2021, Convidecia® has been granted conditional NDA approval by the NMPA and emergency use authorizations or conditional NDA approval in various countries overseas.

Since September 2022, Convidecia Air® has been included for emergency use as a booster vaccine in China and has been widely vaccinated.

Since December 2023, XBB.1.5 Variant has been included for emergency use in China. The XBB.1.5 Variant will contribute to the renewal of immunization strategies and provide better protection to the population.

Ad5-EBOV

Product Overview

Ad5-EBOV uses adenovirus vector technology to induce an immune response against Ebola virus disease, a severe illness caused by Ebola viruses with an average mortality rate of about 50%.

Regulatory Status

In October 2017, the Company received the NDA approval for Ad5-EBOV in China for emergency use and national stockpile, making it the first approved Ebola virus vaccine in China. The Company has also obtained a GMP certificate for Ad5-EBOV.

Strategic Significance

Compared with the existing Ebola virus vaccines and vaccine candidates worldwide, Ad5-EBOV has several key advantages: (i) it has a better stability profile attributable to its freeze-dried dosage form and is approved to be stored between 2˚C to 8˚C for 12 months; (ii) it is an inactive non-replicating viral vector vaccine with fewer safety concerns; and (iii) it holds potential as a broad spectrum protection vaccine against the Zaire Ebola virus.

While the Company currently does not anticipate significant commercial contributions from Ad5-EBOV in the future, the development of Ad5-EBOV marks a significant milestone as the first successful application of the Company's viral vector-based technology. It also serves as a testament to the Company's commitment to shoulder social responsibility and showcases its performance in the field.

• Candidates at clinical trial stage

DTcP Infant

Product Overview

The Company is developing a potential best-in-class DTcP vaccine for infants in China. The manufacturing process of the co-purified diphtheria, tetanus and acellular pertussis vaccine (DTaP) currently available in China uses a process of co-purification for pertussis antigens. As a diphtheria, tetanus and acellular pertussis (components) vaccine, each pertussis antigen of the DTcP Infant can be purified separately and formulated in a defined ratio, thus ensuring batch-to-batch consistency of product quality and making the product more stable.

As of the date of this report, no domestically manufactured component vaccine for diphtheria, tetanus and acellular pertussis has been approved for commercialization in China. Our DTcP Infant is positioned as a potential domestic alternative to imported vaccines. Furthermore, the development of DTcP Infant establishes a solid foundation for the further development of our Tdcp Adolescent and Adult, as well as combined vaccine based on the DTcP. The product portfolio of diphtheria, tetanus and acellular pertussis (components) vaccines will further enrich the Company's product strategy and enhance its core competitiveness.

Clinical and Regulatory Progress

In December 2024, the Company's NDA for DTcP Infant was accepted by the NMPA.

In February 2025, the Center for Drug Evaluation of the NMPA granted priority review status to the Company's NDA for DTcP Infant. According to the requirements of national priority review and approval, the Center for Drug Evaluation of the NMPA will prioritize resource allocation for the review of NDAs included in the scope of priority review and approval. As of the date of this report, the Company has submitted supplementary data on the booster dose in connection with the NDA for DTcP Infant and has been actively communicating with the NMPA to advance the review process, with the goal of obtaining the NDA approval in the first half of 2026.

Tetanus Vaccine

Product Overview

The Company has developed a Tetanus Vaccine which is fermented with an animal-free culture medium and thus exhibits a better safety profile. Furthermore, stable industrial scale processes have been identified for its development and production. This vaccine primarily targets for non-neonatal tetanus prevention, which will expand the Company's product pipeline and enhance its core competitiveness.

Clinical and Regulatory Progress

In February 2025, the Company's NDA for Tetanus Vaccine was accepted by the NMPA. The Company keeps communicating with the NMPA and will submit supplementary data pursuant to the requirements. The Company expects to obtain the NDA approval for Tetanus Vaccine in the second half of 2026.

Commercialization Arrangement

In March 2025, the Company and Grand Life Sciences Group (遠大生命科學集團有限公司) ("**Grand Life Sciences**") jointly announced that they had entered into an exclusive commercialization agreement for Tetanus Vaccine. Under the agreement, the Company will grant Grand Life Sciences exclusive rights to promote the Company's Tetanus Vaccine in Greater China after the product is approved, further expanding vaccine accessibility.

Tdcp Adolescent and Adult

Product Overview

The Tdcp Adolescent and Adult is a booster vaccine for diphtheria, tetanus and acellular pertussis for adolescents and adults aged 6 years and above. While major developed countries have already incorporated the vaccine into their routine vaccination programs, there is currently no approved booster vaccine for diphtheria, tetanus and pertussis for adolescents and adults in China. Therefore, the successful commercialization of this product will address the existing gap in the domestic market.

The Tdcp Adolescent and Adult candidate is a potential global best-in-class vaccine developed to compete with world-class vaccines such as Boostrix and Adacel. Its development aims to provide a high-quality vaccine option aligned with world-class standards.

Clinical and Regulatory Progress

In December 2024, the Phase II/III clinical trial for the Tdcp Adolescent and Adult was officially initiated. As of the date of this report, the Company has completed the Phase III clinical trial for the Tdcp Adolescent and Adult and has commenced relevant preparation for the NDA.

Recombinant Poliomyelitis Vaccine

Product Overview

Based on the protein structure design and VLP assembly technology of the Company, the Recombinant Poliomyelitis Vaccine developed by the Company is expected to contribute substantially to global polio control including eradication. The Recombinant Poliomyelitis Vaccine is a non-infectious polio VLP vaccine with good safety and immunogenicity profiles as it contains no viral genetic material, and does not rely on live virus in the manufacturing and testing processes. Unlike existing attenuated and inactivated polio vaccines, non-infectious polio VLP vaccines are recommended by the WHO as one of the preferred vaccines for future polio vaccination.

Clinical and Regulatory Progress

The Group and Bill & Melinda Gates Foundation (the "**Foundation**") have entered into a grant agreement, pursuant to which the Foundation agreed to provide the corresponding fund to support the development of the Recombinant Poliomyelitis Vaccine.

In January 2024, the Phase I clinical trial for the Recombinant Poliomyelitis Vaccine was officially initiated in Australia.

In December 2024, the Phase I/II clinical trial for the Recombinant Poliomyelitis Vaccine was officially initiated and the first trial patient case has been formally enrolled in Indonesia. As of the date of this report, the Recombinant Poliomyelitis Vaccine is currently in Phase II clinical trial. The Company will evaluate the future development plans for Recombinant Poliomyelitis Vaccine based on Phase I/II clinical trial results.

In July 2025, the Company obtained the clinical trial approval for Recombinant Poliomyelitis Vaccine from the NMPA.

PBPV

Product Overview

PBPV is a globally innovative pneumococcal vaccine candidate. Currently, the 23-valent pneumococcal polysaccharide vaccine (PPV23) products and the 13-valent pneumococcal conjugate vaccine (PCV13) products are all serotype-based, which are effective against only up to 23 pneumococcal serotypes but are not able to protect against all of the 90 plus pneumococcal serotypes. The Company's PBPV candidate is not serotype-dependent. It adopts antigens derived from the pneumococcal surface protein A, or PspA, a highly conserved protein expressed by virtually all pneumococci. PBPV contains four types of protein, offering the potential for broader protection coverage in the elderly compared to existing PPV23 and PCV13 products.

Clinical and Regulatory Progress

In April 2024, the Company received positive preliminary results from Phase I clinical trials (including Phase Ia and Phase Ib) of PBPV. The results of Phase Ia and Phase Ib clinical trials demonstrated that PBPV has a good safety profile in adults and the elderly. Meanwhile, a single dose of vaccination is able to induce significant binding antibody and functional bactericidal antibody responses against cross-family/clade of Streptococcus pneumoniae, which further demonstrated the broad spectrum and potential public health value of this vaccine candidate. Based on the preliminary results obtained from the Phase I clinical trials, the Company will proceed with the evaluation and planning of the next phase of development for PBPV.

Recombinant Zoster Vaccine

Product Overview

The Recombinant Zoster Vaccine adopts ChAdOx1 Vector technology. The adenovirus vector vaccine is capable of triggering cellular immunity and humoral immunity simultaneously. The Recombinant Zoster Vaccine candidate incorporates internationally leading process technology and adheres to a quality management and control system that meets international standards. To improve the safety of the final product, the entire production process of the Recombinant Zoster Vaccine candidate does not use animal-derived ingredients throughout its development and production stages.

Clinical and Regulatory Progress

In July 2023, the Recombinant Zoster Vaccine developed by the Group in cooperation with Barinthus Biotherapeutics (UK) Limited (formerly known as Vaccitech (UK) Limited) has received a no-objection letter for clinical trials from Health Canada. As shown in pre-clinical research data, the Recombinant Zoster Vaccine was able to stimulate both humoral and cellular immunity, with no significant difference in humoral immunity compared to Shingrix, a recombinant subunit adjuvanted vaccine developed by a multi-national pharmaceutical company, and can elicit significantly higher systemic cellular response than Shingrix. It is expected that the Recombinant Zoster Vaccine candidate has the potential to be a product with a high efficacy profile.

In November 2023, the Phase I clinical trial for the Recombinant Zoster Vaccine was officially initiated in Canada and the first trial patient case has been formally enrolled. The Phase I clinical trial for Recombinant Zoster Vaccine (including intramuscular injection and aerosol inhalation version) was designed to evaluate its safety and preliminary immunogenicity.

As of the date of this report, the Recombinant Zoster Vaccine has completed Phase I clinical trial, and the evaluation and planning for the next phase of development are currently underway.

Inhaled TB Booster

Product Overview

The Company is working on the development of a globally innovative TB Booster candidate for the Bacillus Calmette Guerin-vaccinated population. The Phase Ia clinical trial showed that the Ad5Ag85A TB candidate is safe, well tolerated, and capable of enhancing immunity in the Bacillus Calmette-Guerin-vaccinated population. To facilitate the development and commercialization of products in the TB field, the Company obtained a worldwide exclusive license from McMaster University in Canada based on technology information rights owned by McMaster University related to TB Booster and its Phase I clinical trial, and was licensed by McMaster University with a non-exclusive sub-license of relevant adenovirus patent rights.

Clinical and Regulatory Progress

The Phase Ib clinical trial for the TB Booster candidate was completed in Canada, aiming to evaluate the safety and immune responses stimulated by the TB Booster candidate in blood and lungs.

In May 2025, the Company obtained the Phase I clinical trial approval from the Badan Pengawas Obat dan Makanan, Republik Indonesia to initiate the relevant clinical trial for the inhaled TB Booster, an improved version of TB Booster developed by the Company. Based on the accumulation of technology in the development of COVID-19 vaccine for inhalation, the Company has upgraded the first generation of the product, and has also increased the antigen components to develop the inhaled TB Booster, which is delivered through aerosol inhalation, and it is expected to be able to stimulate the immune response in lungs, so as to clear tuberculosis bacilli and control latent infection, and to achieve the effect of preventing infections. The purpose of the Phase I clinical trial of the inhaled TB Booster is to investigate the safety and immunogenicity of a single dose of inhaled TB Booster in adults aged 18 to 49 years.

In November 2025, the Phase I clinical trial for the inhaled TB Booster was officially initiated in Indonesia and the first trial patient case has been formally enrolled.

DTcP-Hib-MCV4 Combined Vaccine

Product Overview

As a component of the DTcP-Hib-MCV4 Combined Vaccine, the Company's Menhycia®, as the first MCV4 product in China, has obtained the new drug approval and achieved commercialization, the DTcP Infant is under the Phase III clinical trial, and the Hib Vaccine is under the Phase I clinical trial. Based on the relevant data accumulated during the development of these vaccines, the Company intends to develop the DTcP-Hib-MCV4 Combined Vaccine in order to meet the market demand for combined vaccines, establishing a differentiated competitive advantage for the Company.

Clinical and Regulatory Progress

In February 2025, the Company has obtained clinical trial approval granted by the NMPA to initiate the relevant clinical trial for the Company's DTcP-Hib-MCV4 Combined Vaccine.

In December 2025, the Phase I clinical trial for the DTcP-Hib-MCV4 Combined Vaccine in China was officially initiated and the first trial patient case has been formally enrolled.

PCV24

Product Overview

The Company has developed the PCV24 which covers the major prevalent pneumococcal serotypes currently in circulation. The PCV24 adopts a covalent conjugation method of polysaccharide antigens to protein carriers and a dual-carrier technology. The vaccine is intended for vaccination in individuals aged 2 months (minimum 6 weeks) and above to prevent infectious diseases caused by 24 pneumococcal serotypes. This product has completed the production processes for the purified polysaccharides of the 24 serotypes and for the polysaccharide-protein conjugate drug substance, as well as the development and validation of the final product formulation. As of the date of this report, no 24-valent pneumococcal polysaccharide conjugate vaccine is currently available on the global market.

Clinical and Regulatory Progress

Having obtained clinical trial approval from the NMPA in January 2026, the Company expects to initiate the Phase I clinical trial for PCV24 in the first half of 2026.

- Pre-Clinical Programs with Proof of Concept

  The Company has various vaccine candidates in pre-clinical programs, including but not limited to multiple preventive vaccine candidates targeting diseases such as influenza, meningitis and pneumonia and other combination vaccine candidates. The Company will provide updates in due course regarding any material progress made in these preclinical programs.

mRNA Platform

The mRNA technology platform developed by the Group is equipped with self-designed and developed sequence optimization software, which is capable of obtaining the optimal sequences that affect the stability of key areas and effectively increasing antigen expression. The process of CMC (Chemistry, Manufacturing and Controls) associated with this platform is streamlined, allowing for a shortened product development timeline and rapid realization of the research achievements into industrialized products. To support the R&D and commercialization of mRNA-platform-based products, the Group has completed the Phase I construction of the mRNA vaccine production base.

In July 2024, the Group signed a cooperation agreement with the National Institutes of Biotechnology Malaysia (NIBM). The strategic collaboration focuses on the development of mRNA multi-valent influenza vaccine and other innovative products, manufacturing, technology transfer and personnel exchanges. The entering into of such agreement demonstrates the Group's competitive advantage and R&D capability in the mRNA technology platform.

In June 2025, in collaboration with JenKem Technology Inc. (北京鍵凱科技股份有限公司), our Group successfully developed a novel three component lipid nanoparticle (ISL-3C-LNP) delivery system based on ionizable sterol lipid (ISL) compounds. Through rational design and systematic screening, the researchers identified a series of ISL compounds with excellent performance. The results demonstrated that ISL-3C-LNP, as a simplified formulation with a strong intellectual property position, significantly enhances both safety and cellular immune responses.

In November 2025, the Company's subsidiary, CanSino (Shanghai) Biological Research Co., Ltd. (康希諾(上海)生物研發有限公司) has officially signed a licensing agreement with PanRu Biotechnology (Tianjin) Co., Ltd. (磐如生物科技(天津)有限公司) ("**PanRu Biotech**"). Under the agreement, the Company grants PanRu Biotech the license to use its independently developed innovative three-component lipid nanoparticle delivery system (ISL-3C-LNP), aiming to expand the broader application prospects of this novel delivery platform. This licensing agreement marks another important milestone for the Company in the field of mRNA delivery technology. Under the agreement, PanRu Biotech is authorized to use the ISL-3C-LNP as the core lipid formulation for its therapeutic mRNA vaccine program (PRBT001 injection) targeting prostate cancer, covering global research and development, manufacturing, and commercialization. In parallel, the Company will leverage its mRNA technology platform to provide customized development and production support for the project.

The Group's Facilities

To date, the Group focuses its manufacturing activities on commercialization and product registration. The Group's manufacturing facility is well-equipped with advanced equipment and machinery capable of performing multiple functions, including fermentation, purification, conjugation, ultrafiltration, auto-packaging and filling.

The Group owns and operates a commercial-scale manufacturing facility in Tianjin, which is utilized for the manufacture of, among other things, Menphecia®, Menhycia® and iPneucia®. Furthermore, the Group has established an mRNA technology platform in Shanghai, enabling it to undertake key technological research and large-scale production of mRNA vaccines independently.

In order to improve our capabilities of R&D, manufacturing, testing and storage, the Group has initiated the construction of the CanSino Innovative Vaccine Industrial Campus Project, funded in part by the proceeds from its A Share Offering, aiming to enhance the manufacturing capacity to support its long-term development strategies.

Commercialization

Our commercialization mission is to provide the right vaccines to the right population. To achieve that, we have rapidly built up a well-oiled commercialization engine with both the systematic management approach of a multi-national company and the decision-making agility and execution efficiency of a biotech company.

We systematically identify the most influential clinical decision-makers and POVs and are dedicated to implementing the most effective marketing measures. Where beneficial, we will leverage the networks of local promoters to extend our reach. We have pinpointed key vaccination sites and KOLs across China, including county CDCs, and conduct extensive education on the benefits of Menhycia®, our first-in-class MCV4 in China, over existing MCVs on the market. Currently, Menhycia® holds the only competitive position in the market, with its market share steadily increasing. The Company's iPneucia® is positioned as a high-end self-funded vaccine, similar to the currently available commercial product Menhycia®. The target consumer groups overlap, and there is a certain degree of synergy in market promotion. The launch of iPneucia® will help the Company enrich its commercial product portfolio and improve marketing efficiency. The Company will advance the commercialization process of iPneucia® in a targeted manner based on product characteristics and the admission standards of each province. We have also accelerated the pace of our internationalization by investing in local companies whose business will create synergies with ours.

Throughout the Reporting Period, as we advanced the commercialization of our vaccine products, we further developed and optimized a sales and marketing network to introduce the features of our products and the latest academic trends in relevant fields through various academic and marketing activities, and assisted doctors in local CDCs in the proper use of our products, contributing to the establishment of a positive brand image for the Company. Moreover, we focus on professional academics and customer demands in our sales and marketing plans. When formulating sales and marketing plans, we thoroughly investigate and understand the specific requirements of doctors and the genuine needs of vaccine recipients. We strictly adhere to relevant laws and regulations in creating brand promotion messages and producing promotional materials through a strict medical compliance review mechanism.

Future and Outlook

CanSinoBIO's mission is to develop, manufacture and commercialize high-quality, innovative and affordable vaccines. We have established the Commercial Operation Center (COC) with a comprehensive system in place, dedicated to the commercialization of our Menhycia®, Menphecia® and iPneucia®. Our proactive marketing efforts will focus on strengthening professional academic promotions and increasing public awareness of vaccines, emphasizing the necessity and usefulness of vaccination. We will continue to build up our commercialization team with a goal to achieve rapid penetration of our sales network with effective cost management. Meanwhile, in combination with our marketing strategy, we will take the cultural philosophy, professional and academic competence of the promoters into consideration, and conduct stringent screening, management and assessment of the promoters so as to speed up the construction of the sales network and enhance the reputation and market share of our products.

We remain committed to improving R&D platform management, ensuring comprehensive quality control of products, and maximizing the technological value of our platform. By leveraging our in-house R&D and medical/clinical teams, we will continue to develop our clinical trial and pre-clinical stage assets, thereby enhancing our long-term competitiveness in the market.

Furthermore, we will continue to advance the discovery and development of new vaccine candidates through a combination of in-house R&D and strategic collaborations with external partners. We will actively explore potential global collaborations and consider acquisitions of high-potential assets related to vaccines and biological products, expand our industrialization and commercialization efforts in countries and regions such as Southeast Asia, the Middle East and Latin America to accelerate our competitiveness in the international market and lay a solid foundation for building an industrial system that meets international standards.

FINANCIAL REVIEW

Revenue

For the year ended December 31, 2025, we realized revenue of approximately RMB1,059.4 million (2024: approximately RMB824.9 million). The increase was mainly because we achieved significant growth in sales by leveraging our advantages in Menhycia®, the first MCV4 vaccine product in China, which holds leadership market position and has driven sustained sales volume growth through the precise marketing, continuously increasing product penetration rate. Meanwhile, to expand overseas markets, the Group entered into technology transfer agreements with partners in various countries and regions and supplied semi-finished products to support international registration and local production of vaccine products, generating corresponding revenue of approximately RMB16.8 million from technology transfer and semi-finished product sales. Such preliminary arrangements, including technology transfers, have laid a solid foundation for the Group's future full-scale international market expansion. However, variable consideration from technology transfers and semi-finished products sales was not recognized as revenue in the Reporting Period as the relevant constraints have not been satisfied.

During the Reporting Period, a breakdown of our revenue by vaccine products and nature is as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Meningococcal vaccines	**967,748**	793,794
COVID-19 vaccines	**22,665**	6,547
Pneumococcal vaccines	**20,735**	–
Technology transfer and semi-finished products	**16,808**	–
CDMO	**31,437**	24,543
Total	**1,059,393**	824,884

During the Reporting Period, a breakdown of our revenue by geographical segment is as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Geographical markets		
The PRC	**1,011,642**	795,162
Overseas	**47,751**	29,722
Total	**1,059,393**	824,884

Cost of Sales

The Group's cost of sales amounted to approximately RMB260.1 million for the year ended December 31, 2025, representing an increase of approximately RMB15.7 million (approximately 6.4%) as compared with approximately RMB244.4 million for the year ended December 31, 2024, primarily due to: (i) the increase in cost of vaccine products sold as a result of the growth in sales of meningococcal vaccines during the Reporting Period; and (ii) the significant decrease in the excess capacity cost and the impairment losses of inventory and property, plant and equipment through optimizing the resource allocation and improving the operational efficiency.

The following table sets forth a breakdown of our cost of sales for the years indicated:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Cost of vaccine products sold	**173,924**	143,919
Cost of CDMO	**27,294**	15,163
Cost of technology transfer and semi-finished products sold	**35,393**	–
Impairment loss of inventory and rights to return goods	**23,520**	52,815
Impairment loss of Property, Plant and Equipment	**–**	585
Impairment loss of prepayment	**–**	(3,245)
Cost generated by low-capacity utilization	**–**	35,195
Total	**260,131**	244,432

Gross Profit

For the year ended December 31, 2025, the Group's gross profit amounted to approximately RMB799.3 million, representing an increase of approximately RMB218.8 million as compared with approximately RMB580.5 million for the year ended December 31, 2024, primarily due to the increase in sales volume proportion for high-gross-profit-margin meningococcal vaccine products during the Reporting Period. Although the early-stage strategic arrangements, including technology transfer and the supply of intermediates, laid a solid foundation for the Group's full-scale international market expansion, variable consideration from these activities was not recognized during the Reporting Period due to unmet constraints, resulting in a negative gross margin.

The details of which are set as follows:

	Year ended December 31,			
	2025		2024	
	Gross Profit	**Gross Profit Margin**	Gross Profit	Gross Profit Margin
	RMB'000	**%**	RMB'000	%
Vaccine products	**813,704**	**80.5**	571,072	71.4
CDMO	**4,143**	**13.2**	9,380	38.2
Technology transfer and semi-finished products	**(18,585)**	**(110.6)**	–	–
Total	**799,262**	**75.4**	580,452	70.4

Other Income

Our other income increased by 52.0% from approximately RMB109.5 million for the year ended December 31, 2024 to approximately RMB166.4 million for the year ended December 31, 2025, the increase was primarily due to the Group's progressed R&D efforts and enhanced international collaboration, which enabled the Group to obtain government grants and international funding support for its R&D pipelines.

Selling Expenses

We recognised selling expenses of RMB416.7 million for the year ended December 31, 2025, representing an increase of 12.9, lower than the 28.4% growth rate of revenue, which was primarily due to the increasing efficiency advantage of the Group's marketing and promotion model, driven by promoting the commercialization of meningococcal and pneumococcal vaccines during the Reporting Period.

The following table sets forth a breakdown of our selling expenses for the years indicated:

	Year ended December 31,			
	2025		2024	
	RMB'000	%	RMB'000	%
Promotion and marketing expenses	250,650	60.1	199,069	53.9
Employee benefits expenses	144,718	34.7	140,074	38.0
Travel and transportation expenses	6,890	1.7	8,791	2.4
Others	14,468	3.5	21,118	5.7
Total	416,726	100.0	369,052	100.0

Administrative Expenses

Our administrative expenses decreased by 10.9% from approximately RMB194.4 million for the year ended December 31, 2024 to approximately RMB173.1 million for the year ended December 31, 2025, primarily due to our continuous efforts in costs control and efficiency improvement.

The following table sets forth a breakdown of our administrative expenses for the years indicated:

	Year ended December 31,			
	2025		2024	
	RMB'000	%	RMB'000	%
Employee benefits expenses	79,395	45.9	86,442	44.5
Depreciation and amortization	22,595	13.1	34,326	17.7
Professional service fee	21,580	12.5	23,513	12.1
Office and energy expenses	17,848	10.3	19,280	9.9
Taxes and surcharges	14,753	8.5	10,210	5.3
Others	16,937	9.7	20,586	10.5
Total	173,108	100.0	194,357	100.0

R&D Expenses

Our R&D expenses decreased by 24.8% from approximately RMB416.1 million for the year ended December 31, 2024 to approximately RMB313.0 million for the year ended December 31, 2025, which was mainly attributable to the Group's integration of R&D resources, which enhanced potential synergies among various pipelines and further improved the efficiency of R&D fund utilization while ensuring R&D progress.

The following table sets forth a breakdown of our R&D expenses for the years indicated:

	Year ended December 31,			
	2025		2024	
	RMB'000	**%**	RMB'000	%
Employee benefits expenses	**126,806**	**40.5**	171,644	41.2
Depreciation and amortization	**76,450**	**24.4**	80,537	19.4
Raw materials and consumable materials	**40,691**	**13.0**	63,575	15.3
Clinical trial and testing fee	**32,361**	**10.3**	60,888	14.6
Others	**36,730**	**11.8**	39,476	9.5
Total	**313,038**	**100.0**	416,120	100.0

Other Losses, Net

The Group's net other losses decreased from RMB81.9 million for the year ended December 31, 2024 to RMB4.6 million for the year ended December 31, 2025, which was primarily due to: (1) the Group incurred a net loss of RMB70.5 million during the corresponding period of the previous year, resulting from the loss of control over CanSino SPH with no such impact during the Reporting Period; (2) equity investments in unlisted companies turned around from a loss of RMB4.5 million to a gain of RMB0.5 million; and (3) the recognition of an impairment loss of RMB6.3 million on interests in associates during the Reporting Period.

Finance (Costs) Income or Gains – Net

For the year ended December 31, 2025, the Group's net finance costs amounted to approximately RMB22.5 million, representing a decrease of approximately RMB44.7 million from the net finance income or gains amounted to approximately RMB22.2 million for the year ended December 31, 2024. The change was mainly due to: (1) the exchange gains and losses turned from gains of RMB18.5 million to losses of RMB17.4 million due to significant fluctuations in foreign currency exchange rates; (2) interest income decreased by approximately RMB29.1 million as the Group proactive adjusted its investment scale to mitigate interest rate volatility risks; and (3) a RMB21.4 million decrease in interest expenses, as sufficient working capital from meningococcal vaccine sales and collections enabled the Group to reduce bank borrowings.

Income Tax Credit (Expense)

Our income tax credit for the year ended December 31, 2025 was approximately RMB6.1 million (2024: income tax expense approximately RMB2.5 million) due to the recognition of deferred tax assets during the Reporting Period.

Intangible Assets

Our intangible assets increased from approximately RMB180.1 million as of December 31, 2024 to approximately RMB224.5 million as of December 31, 2025, primarily because we capitalized development costs for several vaccine candidates in Phase III clinical trials or later clinical development stages when the capitalization conditions were met.

Inventories

The Group's inventories comprised finished goods, work in progress, goods shipped in transit and raw materials and consumable materials. Our inventories increased from approximately RMB280.5 million as of December 31, 2024 to approximately RMB338.3 million as of December 31, 2025, which was mainly due to the increase in work in progress to ensure timely delivery for increasing sales growth forecast of meningococcal vaccines and pneumococcal vaccines by optimized production planning and improved sales and operation alignment. Meanwhile, inventory written-down balance decreased from RMB439.7 million as of December 31, 2024 to RMB361.5 million as of December 31, 2025 due to optimized inventory planning. As a result, the Group achieved optimized inventories structures and a decrease in inventory impairment losses.

	As of December 31, 2025			As of December 31, 2024		
	Gross Amount RMB'000	**Written down RMB'000**	**Carrying Amount RMB'000**	Gross Amount RMB'000	Written down RMB'000	Carrying Amount RMB'000
Raw materials and consumable materials	**386,297**	**323,808**	**62,489**	432,483	375,814	56,669
Work in progress	**160,123**	**20,928**	**139,195**	126,505	16,650	109,855
Finished goods	**151,710**	**16,752**	**134,958**	161,154	47,196	113,958
Goods shipped in transit	**1,667**	**–**	**1,667**	40	–	40
Total	**699,797**	**361,488**	**338,309**	720,182	439,660	280,522

Trade Receivables

Our trade receivables increased from approximately RMB737.6 million as of December 31, 2024 to approximately RMB782.9 million as of December 31, 2025, primarily due to the increase in receivables from sales of meningococcal vaccines and pneumococcal vaccines.

The following table sets forth the aging analysis of our trade receivables presented based on the date of revenue recognition:

	As of December 31, 2025 RMB'000	As of December 31, 2024 RMB'000
Within 180 days	**528,774**	473,585
Between 180 days and 365 days	**132,951**	91,874
Between 1 year and 2 years	**100,978**	116,687
Over 2 years	**62,004**	87,347
	824,707	769,493
Less: expected credit losses	**(41,822)**	(31,871)
Total	**782,885**	737,622

Other Receivables and Prepayments

The following table sets forth a breakdown of our other receivables and prepayments as of the dates indicated:

	As of December 31, 2025 RMB'000	As of December 31, 2024 RMB'000
Amounts due from CanSino SPH[(1)]	**71,984**	71,984
Prepayments to suppliers of raw materials and services	**32,761**	43,999
Value added tax recoverable	**42,557**	30,212
Prepayments to suppliers of intangible assets and property, plant and equipment	**9,112**	28,560
Others	**12,066**	13,917
	168,480	188,672
Less: expected credit losses	**(77,572)**	(75,007)
	90,908	113,665
Less: non-current portion	**(27,274)**	(57,986)
Current portion	**63,634**	55,679

Note:

(1) As disclosed in Note 1, the Group has no control over CanSino SPH since February 2024. As a result of the deconsolidation, the gross amount due from CanSino SPH RMB72.0 million, of which the expected credit loss has been fully provided by the Group in 2024.

Our other receivables and prepayments decreased from approximately RMB113.7 million as of December 31, 2024 to approximately RMB90.9 million as of December 31, 2025, which was primarily due to the decrease of approximately RMB19.4 million in prepayments to suppliers of intangible assets and property, plant and equipment and approximately RMB11.2 million in prepayments to suppliers of raw materials and services.

Trade Payables

Our trade payables mainly included payments to be paid to raw material suppliers. The following table sets forth the aging analysis of our trade payables presented based on the date of receipt of goods or services:

	As of December 31, 2025 RMB'000	As of December 31, 2024 RMB'000
Within 1 year	**33,353**	25,530
Between 1 year and 2 years	**2,293**	3,456
More than 2 years	**14,791**	33,488
	50,437	62,474

Our trade payables decreased from approximately RMB62.5 million as of December 31, 2024 to approximately RMB50.4 million as of December 31, 2025, which was generally in line with the decrease in purchases. We had no material payment defaults on trade payables for the year ended December 31, 2025.

Other Payables and Accruals

The following table sets forth a breakdown of our other payables and accruals as of the dates indicated:

	As of December 31, 2025 RMB'000	As of December 31, 2024 RMB'000
Marketing service fee	**205,381**	155,896
Payroll and welfare payable	**132,808**	119,110
Other payables to suppliers of property, plant and equipment	**79,137**	159,994
Clinical trial and testing fee	**73,472**	76,176
Other service fees	**18,541**	14,255
Accrued taxes other than enterprise income tax	**15,824**	19,411
Deposits from suppliers	**13,304**	13,934
Consulting fees	**10,828**	11,763
Operation and maintenance fees	**5,019**	3,307
Considerations received from employees for subscribing restricted A shares of the Company under the 2023 Employee Share Plan	**–**	6,503
Others	**45,054**	51,933
	599,368	632,282
Less: non-current portion	**–**	–
	599,368	632,282

Our other payables and accruals decreased by 5.2% from approximately RMB632.3 million as of December 31, 2024 to approximately RMB599.4 million as of December 31, 2025, primarily due to (i) payout for property, plant and equipment payables and decreased purchase of new property, plant and equipment due to optimized capital expenditure management and control; and (ii) the promotion of meningococcal vaccines and the new launch of pneumococcal vaccines, leading to the balance of marketing service fee payable increased.

Refund Liabilities

Our refund liabilities decreased from approximately RMB75.1 million as of December 31, 2024 to approximately RMB53.0 million as of December 31, 2025. The decrease was mainly due to the write-off of estimated returns against actual returns.

Financial Resources, Liquidity and Capital Structure

The Group's bank balances and cash decreased by 21.6% from approximately RMB1,556.5 million as of December 31, 2024 to approximately RMB1,219.7 million as of December 31, 2025, mainly attributable to higher vaccine sales receipts that adequately funded our operating activities, coupled with the proactive reduction of loan facilities to optimize the financing scale and structure. We are of the view that our financial resources are sufficient for daily operations.

As of December 31, 2025, the current assets of the Group were approximately RMB3,838.8 million (as of December 31, 2024: RMB4,282.5 million), which include bank balances and cash of approximately RMB1,219.7 million, financial assets at fair value through profit or loss of approximately RMB988.4 million and other current assets of approximately RMB1,630.7 million.

As of December 31, 2025, the current liabilities of the Group were approximately RMB1,082.5 million (as of December 31, 2024: RMB1,772.0 million), which include bank borrowings of approximately RMB318.5 million, other payables and accruals of approximately RMB599.4 million and other current liabilities of approximately RMB164.6 million.

As of December 31, 2025, the Group had short term bank borrowings of approximately RMB318.5 million (as of December 31, 2024: RMB892.2 million) and long term bank borrowings of approximately RMB956.9 million (as of December 31, 2024: RMB1,098.5 million). The Group has proactively optimized its debt financing structure, reducing total borrowings, driven by enhanced operational efficiency and sales volume increase in its core product MCV4.

We have always adopted a prudent treasury management and investment policy and maintained a healthy financial position.

Investment in Financial Assets

With regard to capital management, based on the principle of prudence and soundness, we generally choose principal protected structured deposits and wealth management products with interest rates and performance benchmark higher than those of comparable bank deposits to maximize our capital gains. As of December 31, 2025, we held structured deposits of approximately RMB988.0 million issued by certain reputable financial institutions in China.

Significant Investments, Material Acquisitions and Disposals

During the Reporting Period, we did not make any significant investments, material acquisitions or disposal of subsidiaries, associates and joint ventures.

Future Plans for Material Investments or Capital Assets

We planned to invest approximately RMB2,244.7 million into the CanSino Innovative Vaccine Industrial Campus Project to enhance the manufacturing capacity in support of our long-term development strategies, and we have invested approximately RMB898.7 million as of December 31, 2025. The schedule of investment will be in line with the progress of construction.

Save as disclosed above, we did not have any concrete future plans for material capital expenditure, investments or capital assets as of the date of this report. We will make further announcements in accordance with the Hong Kong Listing Rules, where applicable, if any investment and acquisition opportunities materialize.

Contingent Liabilities

We received a lawsuit notice in March 2024 from the 3ª Vara Civel de Maringa/PR ("**Brazilian Court**") filed by Belcher Farmaceutica Ltda. ("**Belcher**"), claiming Brazilian Real 167 million (equivalent to RMB213 million) in compensation for related losses, fees, and spiritual damage against the Company following the termination of its authorization to it to negotiate with the Brazilian government about the registration and commercialization of our COVID-19 vaccines in Brazil in 2021.

The Company has engaged a professional legal counsel to handle this lawsuit. Based on the current legal advice, the Company is in a strong position and it is unlikely that Belcher's claim will be upheld by the Brazilian Court. Therefore, the management of the Company is of the view that it is not probable an outflow of economic benefits will be required to settle Belcher's claim. As a result, no provision with respect to this lawsuit was made as at December 31, 2025. As of the date of the approval of these condensed consolidated financial statements, the Brazilian Court has yet to commence hearings on this lawsuit.

Saved as disclosed above, the Group did not have any other significant contingent liabilities as of December 31, 2025.

Capital Commitments

Our capital commitments as of December 31, 2025 were approximately RMB18.8 million, representing a decrease of 85.5% from approximately RMB129.2 million as of December 31, 2024, primarily attributable to the Group's consistent reinforcement of fixed asset management through optimized asset allocation in coordination with production planning and enhanced reuse efficiency of existing assets, effectively reducing prospective capital expenditures related to fixed asset investments.

Charge on Assets

As of December 31, 2025, certain of our property, plant and equipment have been pledged as collateral under our borrowing arrangements with banks. The carrying amount of property, plant and equipment pledged as collateral was approximately RMB149.0 million as of December 31, 2025 (as of December 31, 2024: approximately RMB158.9 million).

As of December 31, 2025, none of our land use rights have been pledged as collateral under our borrowing arrangements with banks.

Save as disclosed above, there were no other charges on our assets as of December 31, 2025.

Exchange Rate Risk

Our Group mainly operates in the PRC with most of the transactions settled in RMB and USD. Our Group is exposed to foreign exchange fluctuations to a certain degree as there are financial assets or liabilities of the Group denominated in the currencies other than the functional currency, including (i) cash and term deposits in USD and HKD, which were primarily received from the investors as capital contributions, and (ii) trade payables and other payables to overseas suppliers. During the Reporting Period, we entered into several agreements with commercial banks in China to hedge against the foreign exchange risk. As of December 31, 2025, the nominal amount of outstanding contracts amounted to US$15.0 million (equivalent to RMB104.8 million) with terms of 12 months or less. In addition, as of the date of this report, we have established a foreign exchange exposure monitoring policy, and will consider additional hedging against significant foreign exchange exposure should the need arise.

Gearing Ratio

Gearing ratio is calculated using interest-bearing borrowings less cash and cash equivalents and term deposits with initial term of over 3 months, divided by total equity and multiplied by 100%. As of December 31, 2025, the Group's gearing ratio is 1.12% (as of December 31, 2024: 8.14%).

EXECUTIVE DIRECTORS

Xuefeng YU, born in June 1963, is a co-founder of our Company. Dr. Yu was appointed as an executive Director in 2009. He has also served as the chief executive officer since 2009. He is also currently a member of Nomination Committee and Remuneration and Assessment Committee. He is primarily responsible for overseeing strategic development, overall operation and management and major decision-making of our Group. Dr. Yu obtained a bachelor's degree in Biology and a master's degree in Microbiology from Nankai University in July 1985 and June 1988, respectively. He obtained a Ph.D in Microbiology from McGill University in June 1998. He has more than 30 years' experience in biotech R&D. Prior to founding our Company, Dr. Yu worked for Sanofi Pasteur Limited, one of the world's leading vaccine companies since 1998 as a product development scientist, director of the Canadian division of bacterial vaccine development and global director of bacterial vaccine development. Before joining Sanofi Pasteur Limited, Dr. Yu worked for IBEX Technologies Inc. (a company listed on Toronto Stock Exchange Venture Exchange and delisted in April 2024, ticker symbol: IBT) as a scientist responsible for development of therapeutic enzymes from 1996 to 1998. Dr. Yu has extensive experience in the development of biological products, enterprise operation and management. He led the introduction of a new recombinant TB vaccine candidate from McMaster University in Canada, which has been supported by Aeras Global TB Vaccine Foundation and the Ministry of Science and Technology of China. He also led the introduction of adenovirus vector cell lines and related production technologies from the National Research Council of Canada, which laid the foundation for the development of vaccines such as Ad5-EBOV and Ad5-nCoV. For more than 10 years, Dr. Yu has attracted senior talents from the vaccine industry in China and abroad to assemble a team of cutting-edge experts for the Company. Under his leadership, the Company has developed a rich pipeline for various vaccines covering more than 10 infectious diseases. As the Chairman and CEO of the Company, Dr. Yu has strategically positioned the Company to become a China and Hong Kong dually listed company from the perspective of corporate development, raising significant amount of proceeds to support Company's development. Dr. Yu also serves as an independent non-executive director of Suzhou Ribo Life Science Co., Ltd. (a company listed on the Hong Kong Stock Exchange, stock code: 2552) since July 2020.

Shou Bai CHAO, born in August 1962, was appointed as an executive Director in 2018 and the chief operating officer in the same year. He is primarily responsible for management of daily operations and strategic development of our Group, including production management, quality control, supply chain management and information system construction. In July 1982, Dr. Chao received a bachelor's degree in inorganic chemical engineering from Jiangxi Institute of Technology (currently known as Nanchang University), a master's degree in chemical metallurgy from the Chinese Academy of Sciences in July 1985, and a Ph.D in biochemical engineering from the University of Waterloo, Canada in October 1992. With over 30 years' experience in the biotechnology industry, prior to joining the Company, he worked for Sanofi Pasteur, Pfizer, AstraZeneca and other world-renowned multinational pharmaceutical companies, serving as technical and senior management positions. He has extensive experience in R&D, production, supply chain, quality assurance and commercialization in the field of vaccines and biopharmaceuticals, especially in large-scale industrial production management and global commercial operations. Dr. Chao has a deep understanding of global GMP regulations. He established a global biopharmaceutical large-scale commercial production system and facilities for AstraZeneca during the time when he served as senior vice president of global biopharmaceuticals of AstraZeneca, which successfully obtained approval from the U.S. Food and Drug Administration and the European Medicines Agency. The system and facilities were named the best production facilities by International Society for Pharmaceutical Engineering (ISPE) in 2011. With Dr. Chao's leadership, our Company has built a strong operation team. Since joining the Company, Dr. Chao has made outstanding contributions to the Company's IPO and financing, development and production of the COVID-19 vaccine, meningococcal combined vaccines and Pneumococcal conjugate vaccine, and the establishment of a talent system. In the COVID-19 vaccine project, Dr. Chao led the commercial scale manufacturing, quality system management, talent system establishment and team expansion, to ensure that the Company launched a safe and effective, high quality COVID-19 vaccine efficiently. In addition, Dr. Chao also led in the large-scale production of COVID-19 vaccines to ensure its supply.

Jing WANG (王靖), born in December 1980, was appointed as an executive Director in 2021. She has served as chief commercial officer and deputy general manager of the Group since 2021, responsible for the management of overall commercial operation of the Group. Ms. Wang has served as the chief financial officer of the Company from 2020 to 2021, and as secretary of the Board from 2017 to 2021. Ms. Wang holds a bachelor's degree in economics, a master's degree in engineering of Peking University and Global EMBA of China Europe International Business School (中歐國際工商學院). Ms. Wang has over 20 years of experience in the pharmaceutical industry. She is good at capital market operation, strategic financing, financial management, domestic and foreign marketing, corporate management, etc. After joining the Company in 2012, Ms. Wang has led the establishment of our financing, financial operations, human resource and administration systems as well as completing the pre-initial public offering fundraising of approximately RMB743 million. Ms. Wang successfully led the Company's initial public offering on the Main Board of the Hong Kong Stock Exchange in 2019 and on the Sci-tech Innovation Board of the Shanghai Stock Exchange in 2020, making the Company the first "A+H" dual listing vaccine company. In order to further promote the commercialization and internationalization of the Company's products, Ms. Wang is leading the development and expansion of the Company's commercial operation center.

NON-EXECUTIVE DIRECTORS

Chi Shing LI (李志成), born in May 1957, was appointed as a non-executive Director in 2024. Mr. Li served as a venture partner from January 2024 to December 2024 at Qiming Venture Partners. He previously worked for CSL Behring Asia Pacific Limited, where he served as a senior vice president and general manager from 2022 to 2024, and vice president and general manager from 2015 to 2022. He was the chief executive officer of Quality Healthcare Medical Services Limited from 2012 to 2015. Prior to that, he was the vice president of International region at Cephalon Inc. from 2006 to 2011. He spent 8 years, from 1997 to 2005, with Merck, where he served as the regional director of Asia North, with responsibility for leading operations in China, Hong Kong, Korea and Taiwan, vice president for Asia as well as president for China and Hong Kong. He served as the commercial director of Abbott Laboratories Taiwan Limited in 1996. From 1980 to 1995, he held various positions at Eli Lilly and Company including Human Resources and training manager of the South East Asia region and director of pharmaceutical marketing in Taiwan and China.

Mr. Li has been a venture partner of Aulis Capital since November 2025, a partner of Stratation Consultants Limited since January 2025, an advisor of Cognitact Limited since June 2024 and a senior advisor in TE Healthcare Advisory Pte Ltd since 2022 and was a director of Hong Kong Integrated Oncology Centre from 2022 to 2024. He was an independent non-executive director of JW (Cayman) Therapeutics Co. Ltd (a company listed on the Hong Kong Stock Exchange, stock code: 2126) from 2020 to 2022, chairman of the board of CSL Behring Asia Pacific Limited from 2015 to 2023. He was a member of the Steering Committee on Electronic Health Record Sharing established by the Secretary for Food and Health of Hong Kong and facilitated the commencement of the operation of the record sharing system from 2013 to 2015.

He was member of professional services advisory committee of Hong Kong Trade Development Council from 2012 to 2015. Mr. Li obtained his diploma in chemistry from Hong Kong Baptist University in November 1980 in Hong Kong. He achieved a master of business administration degree from the University of East Asia in Macau in September 1986. He achieved his graduate diploma in management consulting from the University of Hong Kong in October 2006 in Hong Kong.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Yiu Leung Andy CHEUNG (張耀樑), born in October 1959, was appointed as an independent non-executive Director in February 2024. He is also currently the chairman of Audit Committee, a member of Remuneration and Assessment Committee. Mr. Cheung is primarily responsible for supervising and providing independent judgement to the Board. Mr. Cheung has over 30 years of professional accounting and auditing experience. He has been a member of Hong Kong Institute of Certified Public Accountants since October 1986 and was a member of its disciplinary panel from January 2015 to December 2020.

Mr. Cheung is currently serving as a director in various public companies in Hong Kong and the United States. Mr. Cheung has been an independent non-executive director and chairman of the audit committee of Hua Medicine (a company listed on the Hong Kong Stock Exchange, stock code: 2552) since 2023. In addition, Mr. Cheung has been an independent non-executive director of Genscript Biotech Corporation (a company listed on the Hong Kong Stock Exchange, stock code: 1548) since 2024, and has been the chairman of the audit committee since May 2025. He is also an independent director and chairman of the audit committee of Adagene Inc. (天演藥業) (a company listed on the Nasdaq Stock Market, ticker symbol: ADAG) since 2021.

From 2020 to 2024, Mr. Cheung was an independent non-executive director and chairman of the audit committee of JW (Cayman) Therapeutics Co. Ltd (a company listed on the Hong Kong Stock Exchange, stock code: 2126). From 2018 to 2020, Mr. Cheung was the deputy area managing partner of Ernst & Young ("**EY**") in Asia Pacific, overseeing its business operations, finance, information technology and risk management functions. During the same period, Mr. Cheung was a member of each of the EY Asia Pacific's Area Operating Executives, EY's Global Accounts Committee and EY's Global Markets and Investment Committee. From 2013 to 2018, Mr. Cheung was EY's assurance managing partner in Greater China, managing its audit, financial accounting advisory, forensic and climate changes and sustainability services. During that period, he was also a member of EY Greater China's leadership team. Mr. Cheung's other prior responsibilities with EY include his service as the chief operating officer of EY Hua Ming LLP from 2011 to 2013, an assurance partner of EY China from 2010 to 2011 and the area chief financial officer of EY Asia Pacific from 2009 to 2010. Prior to joining EY in 2006, Mr. Cheung was an assurance partner with PricewaterhouseCoopers Zhong Tian LLP and an assurance partner with Arthur Andersen in China and Hong Kong successively.

Mr. Cheung obtained a bachelor's degree in accounting and finance from the University of Lancaster in the United Kingdom in June 1982, and a master's degree in accounting and finance from London School of Economics and Political Science in the United Kingdom in August 1983.

Man CHO (左敏), born in May 1961, was appointed as an independent non-executive Director in November 2025. He is also currently the chairman of Remuneration and Assessment Committee, a member of Nomination Committee. Mr. Cho is primarily responsible for supervising and providing independent judgement to the Board. Mr. Cho has extensive experience in the pharmaceutical and biotechnology industries, with over 30 years of management and operational experience.

He has been serving as a non-executive director of Alphamab Oncology (康寧傑瑞生物製藥) (a company listed on the Hong Kong Stock Exchange, stock code: 9966) since October 2024. In addition, Mr. Cho has been an independent director of Luoxin Pharmaceutical Group Stock Co., Ltd. (羅欣藥業集團股份有限公司) (a company listed on the Hong Kong Stock Exchange, stock code: 002793) since July 2025. He has also been the chairman of Chengdu Haifeng Biotechnology Co., Ltd. (成都海楓生物科技有限公司) since July 2025.

From June 2013 to June 2023, Mr. Cho served as an executive director and the president of Shanghai Pharmaceuticals Holding Co., Ltd. (上海醫藥集團股份有限公司) (a company listed on the Hong Kong Stock Exchange, stock code: 2607, and the Shanghai Stock Exchange, stock code: 601607). During the same period, he also held various directorships within its group subsidiaries, including serving as a director of Shanghai Pharmaceuticals (HK) Investment Limited from August 2017 to August 2023, the chairman of Shanghai SPH Ruier Drugs Co., Ltd. (上海上藥睿爾藥品有限公司) from August 2020 to August 2023, and the chairman and president of Shanghai Biomedical Frontier Industry Innovation Center Co., Ltd. (上海生物醫藥前沿產業創新中心有限公司) from September 2021 to August 2024. In addition, from September 2020 to September 2024, he served as the chairman of Shanghai Biomedical Industrial Equity Investment Fund Partnership (Limited Partnership) (上海生物醫藥產業股權投資基金合夥企業(有限合夥)). Earlier in his career, Mr. CHO served as vice chairman and chief executive officer of the Wing Fat Printing Co., Ltd., vice president of China Resources Pharmaceutical Group Limited, deputy general manager of Sanjiu Enterprise Group, chairman and general manager of Sanjiu Economic Trading Co., Ltd. and Nine Stars Printing and Packaging Co., Ltd., vice director and head of sales department of Shenzhen South Pharmaceutical Factory, and head of transfusion medicine department, head of the drug injection department and pharmacist of Nanfang Hospital, First Military Medical University, Guangzhou, etc.

Mr. CHO obtained a bachelor's degree in pharmacy from Sichuan University (formerly known as West China University of Medical Science) and a master's degree in management from the School of Management of Fudan University.

JI Xuefeng (紀雪峰), born in May 1978, was appointed as an independent non-executive Director in November 2025. She is also currently the chairwoman of Nomination Committee, a member of Audit Committee and Remuneration and Assessment Committee. Ms. Ji has over 10 years of experience in the legal field. She is primarily responsible for supervising and providing independent judgment to the Board.

Since November 2024, she has been a director of Tianjin Jincheng State-owned Capital Investment Operation Co., Ltd. (天津津誠國有資本投資運營有限公司). Since June 2024, she has been a director of Tianjin Binhai Culture Tourism Development Co., Ltd. (天津濱海文化旅遊發展有限公司). In addition, since June 2024, Ms. JI has been an independent non-executive director of Tianjin Jinran Public Utilities Company Limited (天津津燃公用事業股份有限公司) (a company listed on the Hong Kong Stock Exchange, stock code: 1265). Since October 2023, she has been a director of Tianjin Bincheng Marine Culture Tourism Development Co., Ltd. (天津市濱城海洋文化旅遊發展有限公司). Since March 2023, she has been an independent director of Northern International Trust Co., Ltd. (北方國際信託股份有限公司).

Her primary practice areas include corporate and commercial law, international and domestic investment/finance, restructuring, merger and acquisitions, real estate and construction, finance, and government legal counsel. Since January 2019, she has been a senior partner and director at Beijing Anli (Tianjin) Partners (北京安理(天津)律師事務所). Ms. JI was awarded the title of "The Belt and Road Initiative and Compliance Road Top Ten Lawyers" in December 2019. From 2016 to 2018, Ms. JI served as a senior partner at Dacheng (Tianjin) Law Firm (北京大成(天津)律師事務所). Ms. JI is currently a vice-director of Tianjin Lawyers Association (天津市律師協會); a chief legal consultant expert of Tianjin Law Society (天津市法學會); a representative of Tianjin People's Congress (天津市人民代表大會); a representative of Heping District of Tianjin People's Congress (天津市和平區人民代表大會); an expert from the First Major Administrative Decision-Making Consultation and Argumentation of Tianjin Municipal People's Government (天津市人民政府); a coordinator of Spain Working Group by the Belt and Road International Lawyers Association (一帶一路律師聯盟西班牙工作組); one of the authors of the Legal Environment Report of the "Belt and Road" Countries of All China Lawyers Association (中華全國律師協會); a single supervisor of China Chamber of International of Commerce (Tianjin) (中國國際商會天津商會獨任監事); an expert in the Public-Private Partnership (PPP) Expert Database of Tianjin Municipal Finance Bureau (天津市財政局政府和社會資本合作(PPP)專家庫); an arbitrator of the Tianjin Arbitration Commission (天津仲裁委員會); an arbitrator of the Xi'an Arbitration Commission (西安仲裁委員會); a supervisor and member of the selection committee for the prosecutor of the Tianjin People's Procuratorate (天津市人民檢察院).

Ms. JI graduated from Nankai University in China with a bachelor of arts, specializing in English in June 2001, and was conferred a law master degree by Nankai University in June 2004. She holds a Chinese lawyer's license.

SENIOR MANAGEMENT (OTHER THAN DIRECTORS)

Tao ZHU (朱濤), born in February 1973, is a co-founder of our Company. Dr. Zhu was appointed as an executive Director in January 2009 and retired from the Board of Directors in February 2024. Dr. Zhu has served as the chief scientific officer since January 2009. He is primarily responsible for leading vaccine R&D of our Group. In addition, Dr. Zhu is also responsible for domestic registration and clinical affairs. Dr. Zhu received a bachelor's degree in biological sciences and technology from Tsinghua University in July 1995, a master's degree in chemical engineering from Tsinghua University in June 1998, a Ph.D. in chemical engineering from University of Pittsburgh in April 2003, and then he conducted a postdoctoral study at Carnegie Mellon University in the United States before October 2004. Dr. Zhu has more than 20 years of experience in vaccine R&D and production. Prior to founding the Company, Dr. Zhu worked as a scientist at Integrated Genomics Inc. from 2004 to 2005, and joined Sanofi Pasteur in 2006, where he served as a senior scientist when he left the company in 2008. After the Company was founded, Dr. Zhu led the establishment of the world-class level major R&D technology platforms. He established a pipeline composed of more than ten new vaccines relying on the technology platforms, covering pneumonia, TB, Ebola virus disease, meningitis, DPT and a series of diseases. Together with external experts, Dr. Zhu led the team in developing the Ebola virus disease vaccine Ad5-EBOV, which has obtained the registration certificate of class I new biological products and is an innovative recombinant vaccine product independently developed in China with fully independent intellectual property rights. After the outbreak of COVID-19, Dr. Zhu once again worked with external experts to develop the COVID-19 vaccines, and make the vaccine globally leading in development speed and clinical trial results. In addition, Dr. Zhu led the development of two new meningococcal binding vaccine, which has been commercialized to fill the vacancy in the domestic market. Another pneumococcal conjugate vaccine using dual-carrier technology has also been approved for commercialization. Dr. Zhu has various patents of inventions in China and abroad.

Directors and Senior Management

Dongxu QIU, born in January 1960, is a co-founder of our Company. He was appointed as an executive Director in January 2009 and retired from the Board of Directors in February 2024. Dr. Qiu served as senior vice president since January 2009. He has been the executive vice president of the Company since January 2021. He is primarily responsible for advising on the business and strategic development of our Group. Dr. Qiu graduated from Shenyang Institute of Medicine (now known as Shenyang Pharmaceutical University) in July 1982, obtained a bachelor's degree in pharmacy, and obtained a Ph.D. in pharmacy from Beijing Medical University (now known as Peking University Health Science Center) in December 1987. From November 1989 to April 1991, he continued his postdoctoral study in chemical engineering in the University of Konstanz in Germany and continued the study at the University of Montreal in Canada from May 1992 to January 1993. Dr. Qiu also received the MBA degree from the University of Western Ontario in Canada in October 2000. Dr. Qiu has nearly 30 years' experience in the biotechnology industry. Prior to founding our Company, from 1993 to 1998, he was a research scientist at Biomira, Inc. From 1999 to 2000, he served as associate director of product operations at Altarex Inc., responsible for analytical development and product formulation. Dr. Qiu became head of scientific operations at ARIUS Research Inc. from 2000 to 2002, president of Asia at MDS Capital from 2003 to 2005, advisor at Shanghai Jima Pharmaceutical Technology Co., Ltd. from 2006 to 2009, and general manager at ChinaBio LLC from 2007 to 2011. After the founding of the Company, Dr. Qiu has led several rounds of corporate financing as well as the technology transfers of PCV13 and PPV23. He also promoted the successful completion of the listing of the A Shares and H Shares of the Company. At the same time, Dr. Qiu comprehensively promoted the overseas clinical work of the COVID-19 vaccine, and personally went to countries such as Pakistan and Mexico to carry out international multicenter Phase III clinical trials, ensuring the smooth progress of overseas clinical trials.

Jin CUI (崔進), born in March 1987, was appointed as the secretary of the Board in September 2021. Mr. Cui has been serving as the head of securities affairs department of the Company since 2018 and the joint company secretary of the Company since 2019. He joined the Company in 2016 as the executive manager of corporate strategy department, primarily responsible for strategic research, business development and financial management. He was the assistant to the chief executive officer of the Company and was responsible for assisting the chief executive officer of the Company in the daily operation of business strategy from 2017 to 2018. Mr. Cui served as representative on securities matters from 2018 to 2021, where he was responsible for capital operations, information disclosure and assisting the secretary of the Board in investor relations. Mr. Cui served as an executive director of investment banking at Tianjin Branch of Huayuan Securities CO., LTD. (華源證券股份有限公司), formerly known as JZ Securities CO., LTD. (九州證券股份有限公司), from 2015 to 2016. From 2012 to 2015, Mr. Cui worked at Tianjin Equity Exchange (天津股權交易所), where he was responsible for trading management and project management. Mr. Cui graduated from Tianjin University of Finance and Economics (天津財經大學) with a bachelor's degree in actuarial and risk management in June 2009. He obtained his master's degree in international financial analysis from University of Glasgow in December 2011.

JOINT COMPANY SECRETARIES

Jin CUI (崔進), born in March 1987, was appointed as the joint company secretary of the Company in March 2019. Please refer to section entitled "Senior Management (Other Than Directors)" in this section for biographical details of Mr. Cui.

Ming King CHIU (趙明璟), born in February 1977, was appointed as the joint company secretary of the Company in March 2019. Mr. Chiu currently serves as Head of Corporate and Fund Services of Vistra Corporate Services (HK) Limited. He has over 20 years of experience in the company secretarial field. He is currently the company secretary and joint company secretary of several companies which listed on the Stock Exchange. Mr. Chiu has been an associate member of the Chartered Governance Institute in United Kingdom and the Hong Kong Chartered Governance Institute ("**HKCGI**") since 2003 and has become a fellow member of both the HKCGI and the Chartered Governance Institute since September 2015. He is also a holder of the Practitioner's Endorsement Certificate issued by HKCGI. From 2020 to 2025, he has been a council member of HKCGI. He is currently the chairman of Professional Services Panel of HKCGI and the chairman of Technical Consultation Panel-Wealth Management Interest of HKCGI. Mr. Chiu obtained a bachelor of arts degree from University of Toronto in Canada in June 1999 and received a master of arts degree in professional accounting and information systems from City University of Hong Kong in November 2003.

CHANGES IN DIRECTORS

During the Reporting Period, Mr. Shuifa GUI ("**Mr. GUI**") and Mr. Jianzhong LIU ("**Mr. LIU**") have tendered their resignations as independent non-executive Directors, with effect from November 27, 2025. Their resignations were due to the approaching expiry of their six-year terms of office as independent non-executive Directors. Both Mr. GUI and Mr. LIU have confirmed that they have no disagreement with the Company and the Board, and there are no other matters relating to their resignations that need to be brought to the attention of the Stock Exchange and the Shareholders.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and enhance its corporate value. The Company has adopted all the applicable provisions of the CG Code as set out in Appendix C1 to the Hong Kong Listing Rules.

The Board is of the view that throughout the Reporting Period and up to the date of this report, the Company has complied with all the applicable principles and code provisions as set out in the CG Code, except for code provision C.2.1 in part 2 of the CG code which provides that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual, details of which are set out in the section headed "Chairman and Chief Executive" on page 35 under "Corporate Governance Report" of this report. The Company will further illustrate the compliance with the CG Code in Corporate Governance Report for Shareholders' evaluation.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Hong Kong Listing Rules. The Company has confirmed that, having made specific enquiry of all the Directors, all Directors have complied with the Model Code during the Reporting Period.

The Company has also established written guidelines (the "**Employees Written Guidelines**") on terms no less stringent than the Model Code for securities transactions by relevant employees who are likely to possess inside information of the Company in respect of their dealings in the Company's securities. No incident of non-compliance of the Employees Written Guidelines by the relevant employees was noted by the Company during the Reporting Period.

BOARD OF DIRECTORS

Board Composition

As of the date of this report, the Board comprises three executive Directors, one non-executive Director and three independent non-executive Directors, namely:

Executive Directors
Dr. Xuefeng YU *(Chairman, chief executive officer and general manager)*
Dr. Shou Bai CHAO *(Chief operating officer and deputy general manager)*
Ms. Jing WANG *(Chief commercial officer and deputy general manager)*

Non-executive Director
Mr. Chi Shing LI

Independent Non-executive Directors
Mr. Yiu Leung Andy CHEUNG
Mr. Man CHO (effective from November 27, 2025)
Ms. Xuefeng JI (effective from November 27, 2025)

As of the date of this report, there was no any relationship (including financial, business, family or other material/relevant relationship(s)) among the Board members.

The biographical information of the Directors is disclosed under the section headed "Directors and Senior Management" on pages 27 to 33 of this report.

On November 27, 2025, at the 2025 second extraordinary general meeting of the Company, Mr. Shuifa GUI resigned as independent non-executive Director and ceased to be (i) the chairman of the Remuneration and Assessment Committee; (ii) a member of the Audit Committee; and (iii) a member of the Nomination Committee. Mr. Jianzhong LIU resigned as independent non-executive Director and ceased to be (i) the chairman of the Nomination Committee; and (ii) a member of the Audit Committee. Their resignations are due to the approaching expiry of their six-year terms of office as independent non-executive Directors. Mr. Man CHO was elected as independent non-executive Director of the third session of the Board of Directors and was appointed as (i) the chairman of the Remuneration and Assessment Committee; and (ii) a member of the Nomination Committee. Ms. Xuefeng JI was elected as independent non-executive Director of the third session of the Board of Directors and was appointed as (i) the chairwoman of the Nomination Committee; (ii) a member of the Audit Committee; and (iii) a member of the Remuneration and Assessment Committee.

Chairman and Chief Executive

Under code provision C.2.1 in part 2 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Dr. Yu acts as the chairman of the Board and continues to act as the chief executive officer and general manager of the Company since the Listing of H Shares on the Hong Kong Stock Exchange. As Dr. Yu has assumed the role of chief executive officer and general manager of the Company since our commencement of business, the Board considers it beneficial to the business prospect and operational efficiency of the Company.

The Board believes that this structure will not impair the balance of power and authority between the Board and the management of the Company, given that: (i) decision to be made by the Board requires approval by at least a majority of the Directors; (ii) Dr. Yu 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 the Company and will make decisions for the Company accordingly; and (iii) the balance of power and authority is ensured by the operations of the Board which comprises experienced and high caliber individuals who meet regularly to discuss issues affecting the operations of the Company. Moreover, the overall strategic and other key business, financial, and operational policies of the Company 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 Company in order to assess whether separation of the roles of chairman of the Board and chief executive officer is necessary.

Therefore, the Board considers that the deviation from code provision C.2.1 in part 2 of the CG Code is appropriate in such circumstances and the existing arrangements are beneficial and in the interests of the Company and its Shareholders as a whole.

Independent Non-executive Directors

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

The Company is of the view that all independent non-executive Directors are independent during the Reporting Period and up to the date of this report.

Appointment, Re-election and Removal of Directors

Each of the executive Directors, non-executive Director and independent non-executive Directors of the Company has entered into a service contract with the Company for a specific term. The non-executive Director and independent non-executive Directors have been appointed till the expiration of the term of the current Board (3 years) and unless it is terminated by either the Company or such Director. The term of appointment of each Director is subject to retirement by rotation and re-election at general meeting in accordance with the Articles of Association and the Hong Kong Listing Rules.

The Company may, in accordance with the Articles of Association, by ordinary resolution remove any Director before the expiration of his/her term of office notwithstanding anything to the contrary in the Articles of Association or in any agreement between the Company and such Director.

Where vacancies on the Board exist, the Nomination Committee evaluates skills, knowledge and experience required by the Board, and identifies if there are any special requirements for the vacancy. The Nomination Committee identifies appropriate candidates and convenes Nomination Committee meeting to discuss and vote in respect of the nominated Directors and recommends candidates for Directors to the Board.

The Nomination Committee considers candidates with individual skills, experience and professional knowledge that can best assist and facilitate the effectiveness of the Board.

The Nomination Committee takes the policy on Board diversity of the Company into consideration when it considers the balance of composition of the Board as a whole.

The Company has a director nomination policy. As evaluating and determining the candidates of Directors, the Nomination Committee and the Board of Directors shall consider the following factors: personal characters and integrity; professional qualifications, skills, knowledge, and experience related to the Group's business and strategy; willingness and ability to devote sufficient time to fulfill the duties of the Directors and members of the special committees of the Board of Directors; whether their appointment is in compliance with the requirements of the Hong Kong Listing Rules (including the independence requirements of independent non-executive Directors); whether their appointment is in compliance with the Company's Board diversity policy and any measurable targets adopted by the Nomination Committee to diversify the members of the Board.

Responsibilities of the Directors

The Board should assume responsibility for leadership and control of the Company. The Board 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 Director 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 for discharging their duties to the Company.

The Board reserves for its decision on 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.

Directors' Liabilities Insurance

The Company has arranged appropriate insurance cover for Directors' liabilities in respect of legal actions against Directors of the Company arising out of corporate activities.

Continuous Professional Development of Directors

All Directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure their contribution to the Board remains informed and relevant.

Every newly appointed Director should receive formal, comprehensive and tailored 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 Hong Kong Listing Rules and relevant statutory requirements.

During the Reporting Period, the Directors were regularly briefed on the amendments to or updates on the relevant laws, rules and regulations. 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.

As of the date of this report, all Directors of the third session of the Board of Directors, namely Dr. Xuefeng YU, Dr. Shou Bai CHAO, Ms. Jing WANG, Mr. Chi Shing LI, Mr. Yiu Leung Andy CHEUNG, Mr. Man CHO and Ms. Xuefeng JI, have attended the training course conducted by the Hong Kong legal adviser of the Company.

Mr. Man CHO and Ms. Xuefeng JI obtained the legal advice referred to under Rule 3.09D of the Hong Kong Listing Rules on November 19, 2025, before their appointments as independent non-executive Directors take effect. Each of Mr. Man CHO and Ms. Xuefeng JI understands his or her obligations as a director of a listed issuer under the Hong Kong Listing Rules.

BOARD COMMITTEES

The Board has established three committees, namely the Audit Committee, the Remuneration and Assessment Committee and the Nomination Committee. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authorities and duties. The terms of reference of the Board committees are posted on the Company's website and the Hong Kong Stock Exchange's website.

Audit Committee

The Company established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Hong Kong Listing Rules and the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules.

The changes of the composition of the Audit Committee during the Reporting Period and up to the date of this report are set out below:

	Since January 1, 2025 and up to November 26, 2025	Since November 27, 2025 and up to the date of this report
Mr. Yiu Leung Andy CHEUNG	Chairman	Chairman
Mr. Shuifa GUI(1)	Member	–
Mr. Jianzhong LIU(1)	Member	–
Mr. Chi Shing LI(2)	–	Member
Ms. Xuefeng JI(2)	–	Member

Notes:

(1) With effect from November 27, 2025, Mr. Shuifa GUI and Mr. Jianzhong LIU ceased to be members of the Audit Committee. Please refer to the Company's announcements dated October 27, 2025 and November 27, 2025 for details.

(2) With effect from November 27, 2025, Mr. Chi Shing LI and Ms. Xuefeng JI have been appointed as members of the Audit Committee. Please refer to the Company's announcement dated November 27, 2025 for details.

During the Reporting Period and up to the date of this report, each of the chairman and members of the Audit Committee was our non-executive Director/independent non-executive Directors and at least one of them was equipped with the appropriate professional qualifications (being Mr. Yiu Leung Andy CHEUNG).

The primary duties of the Audit Committee are to review the Company's financial information and its disclosure, and supervise and evaluate internal and external auditing work and internal control system of the Company, oversee the audit procedure, and oversee the existing and potential risks of the Company and perform other duties and responsibilities as assigned by the Board. The Audit Committee has met all the applicable responsibilities and duties as described under the Hong Kong Listing Rules.

The Audit Committee held five meetings during the Reporting Period, the attendance record of the committee members is set out in the section entitled "Board Meetings and Directors' Attendance Records" in this chapter. The following is a summary of work performed by the Audit Committee during the Reporting Period:

- reviewed the quarterly, interim and annual results and/or report (if applicable), the Group's financial and accounting policies and practices and the scope of audit and appointment of auditors;
- reviewed the appointment of domestic and international auditors and internal control audit agency of the Company for the year of 2025;
- reviewed the financial control system and engagement of non-audit services;
- reviewed the risk management and internal control systems and the effectiveness of internal audit function and discussed with the management and internal audit on their findings;
- reviewed the connected transactions of the Company to ensure that such transactions are in compliance with relevant laws and regulations and disclosure requirements;
- reviewed the Company's public available annual environmental, social and governance report to ensure that such reports meet relevant disclosure requirements and are all in compliance with the relevant listing rules and other applicable laws and regulations;
- oversaw the lawful and compliant performance of duties by directors and senior management, exercised other powers stipulated in the Articles of Association, and safeguarded the lawful rights and interests of the Company and its Shareholders; and
- reviewed the proposal in relation to the utilization of reserves to offset losses by the Company.

The Audit Committee also met twice the external auditors of the Company during the Reporting Period.

Remuneration and Assessment Committee

The Company established the Remuneration and Assessment Committee with written terms of reference in compliance with Rule 3.25 of the Hong Kong Listing Rules and the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules.

The changes of the composition of the Remuneration and Assessment Committee during the Reporting Period and up to the date of this report are set out below:

	Since January 1, 2025 and up to November 26, 2025	Since November 27, 2025 and up to the date of this report
Mr. Shuifa GUI[(1)]	Chairman	–
Mr. Man CHO[(2)]	–	Chairman
Mr. Chi Shing LI[(2)]	–	Member
Ms. Xuefeng JI[(2)]	–	Member
Dr. Xuefeng YU	Member	Member
Mr. Yiu Leung Andy CHEUNG	Member	Member

Notes:

(1) With effect from November 27, 2025, Mr. Shuifa GUI ceased to be the chairman of the Remuneration and Assessment Committee. Please refer to the Company's announcements dated October 27, 2025 and November 27, 2025 for details.

(2) With effect from November 27, 2025, (i) Mr. Man CHO has been appointed as the chairman of the Remuneration and Assessment Committee; and (ii) Mr. Chi Shing LI and Ms. Xuefeng JI have been appointed as members of the Remuneration and Assessment Committee. Please refer to the Company's announcement dated November 27, 2025 for details.

The primary duties of the Remuneration and Assessment Committee are to establish and review the evaluation criteria and the remuneration policy and structure for the Directors and senior management, make recommendations on senior managements benefit arrangement and review and/or approve matters relating to share schemes under Chapter 17 of the Hong Kong Listing Rules. The Remuneration and Assessment Committee has met all the applicable responsibilities and duties as prescribed under the Hong Kong Listing Rules.

The Remuneration and Assessment Committee held four meetings during the Reporting Period, the attendance record of the committee members is set out in the section entitled "Board Meetings and Directors' Attendance Records" in this chapter. The following is a summary of work performed by the Remuneration and Assessment Committee during the Reporting Period:

- made recommendations to the Board on the remuneration package of the non-executive Directors and senior management;
- reviewed and made recommendations to the Board on the Company's policy and structure for the remuneration of all Directors and senior management;
- reviewed the performance of duties of Directors and senior management of the Company and conduct annual performance appraisals on them; and
- reviewed the adoption of the 2025 H Share Option Scheme and 2025 A Share Incentive Scheme and grant of share option.

Details of the Directors' remuneration are set out in Note 42 to the consolidated financial statements.

The remuneration of the senior management (other than Directors) of the Group by band for the year ended December 31, 2025 is set out below:

	Number of senior managements (other than Directors)
Less than HK$1,500,000	–
HK$1,500,001-HK$2,000,000	1
HK$2,000,001-HK$2,500,000	1
HK$2,500,001-HK$3,000,000	–
HK$3,000,001-HK$3,500,000	1

Directors' remuneration policy

The remuneration of Directors comprises an annual directors' fee and may also be entitled to options and/or awards under the rules of the share option scheme or share award scheme adopted by the Company from time to time. Such remuneration is determined and recommended by the Remuneration and Assessment Committee with reference to the respective Directors' qualifications, industry experience, position and performance, and the prevailing market conditions.

Nomination Committee

The Company established the Nomination Committee with written terms of reference in compliance with the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules.

The changes of the composition of the Nomination Committee during the Reporting Period and up to the date of this report are set out below:

	Since January 1, 2025 and up to November 26, 2025	Since November 27, 2025 and up to the date of this report
Mr. Jianzhong LIU[(1)]	Chairman	–
Ms. Xuefeng JI[(2)]	–	Chairwoman
Mr. Man CHO[(2)]	–	Member
Dr. Xuefeng YU	Member	Member
Mr. Shuifa GUI[(1)]	Member	–
Mr. Yiu Leung Andy CHEUNG[(1)]	Member	–
Mr. Chi Shing LI[(1)]	Member	–

Notes:

(1) With effect from November 27, 2025, (i) Mr. Jianzhong LIU ceased to be the chairman of the Nomination Committee; and (ii) Mr. Shuifa GUI, Mr. Yiu Leung Andy CHEUNG and Mr. Chi Shing LI ceased to be members of the Nomination Committee. Please refer to the Company's announcements dated October 27, 2025 and November 27, 2025 for details.

(2) With effect from November 27, 2025, (i) Ms. Xuefeng JI has been appointed as the chairwoman of the Nomination Committee; and (ii) Mr. Man CHO has been appointed as a member of the Nomination Committee. Please refer to the Company's announcement dated November 27, 2025 for details.

The primary duties of the Nomination Committee include, among others, reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board, and making recommendations to the Board on the appointment and removal of Directors and senior management of the Company. The Nomination Committee has at least one director of a different gender and met all the applicable responsibilities and duties as prescribed under the Hong Kong Listing Rules.

The Nomination Committee held one meeting during the Reporting Period, the attendance record of the committee members is set out in the section entitled "Board Meetings and Directors' Attendance Records" in this chapter. The following is a summary of work performed by the Nomination Committee during the Reporting Period:

- assessed the independence of the independent non-executive Directors;
- reviewed the structure, size and composition of the Board;
- reviewed the effectiveness of the Board diversity policy and the Directors' nomination policy; and
- provided expertise in the selection of candidates for the proposed independent non-executive Directors of the third session of the Board of Directors.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's character, qualifications, experience, independence (for appointment of Independent non-executive Directors), and Board diversity aspects, where appropriate, before making recommendation to the Board.

Board Diversity Policy

In assessing the Board composition, the Company adopted the board diversity policy which sets out the approach achieving diversity. 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, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience and other factors that the Nomination Committee may consider relevant from time to time towards achieving a diversified Board. The board diversity policy will be reviewed by the Nomination Committee on annual basis. 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.

As of the date of this report, the Board currently comprises 7 Directors, of which 3 are executive Directors, 1 is a non-executive Director and 3 are independent non-executive Directors. Among which, 2 Directors are female and 5 Directors are male. The Board has an appropriate mix of genders, ages, skills, experience and diversity that are relevant to the Company's strategy, governance and business.

The Board targets to maintain at least the current level of female representation, with the ultimate goal of achieving gender parity.

Workforce diversity

Among all the employees, (including senior management) of the Group, male employees account for 47.5% and female employees account for 52.5%. The Company believes that the gender ratio (male: female) in the workforce is within the reasonable range. The total gender diversity of the Group is balanced and the Group will continue to maintain the gender diversity in workforce.

For further details of gender ratio and initiatives taken to improve gender diversity together with the relevant data, please refer to the disclosure in the Environmental, Social and Governance (ESG) & Sustainability Report to be published by the Company separately in accordance with the Hong Kong Listing Rules.

Board Independence

The Company recognizes that Board independence is important to good corporate governance. The Company has in place effective mechanisms that underpin an independent Board to ensure independent views and input are available to the Board and such mechanisms will be reviewed by the Board as appropriate from time to time. The Board believes that the following mechanisms are feasible and effective:

- The composition of the Board complies with the independence requirements under the Hong Kong Listing Rules: (i) 3 out of the 7 Directors are independent non-executive Directors; and (ii) the Audit Committee, Remuneration and Assessment Committee and Nomination Committee are all chaired by independent non-executive Directors.

- The independence of all independent non-executive Directors is assessed upon their appointment and annually thereafter.

- The remuneration of independent non-executive Directors are subject to a regular review to maintain competitiveness and commensurate with their responsibilities and workload.

- Directors are requested to declare their direct or indirect interests, if any, in proposals or transactions to be considered by the Board at the Board meetings and abstain from voting, where appropriate. External independent professional advice is available to all Directors, including independent non-executive Directors, whenever deemed necessary. The independent non-executive Directors have consistently demonstrated strong commitment and the ability to devote sufficient time to discharge their responsibilities at the Board.

- The Company has also established channels through formal and informal means whereby independent non-executive Directors can express their views in an open manner, and in a confidential manner, should circumstances requires.

Anti-corruption Policy

The Company has been consistently improving documents on anti-corruption and anti-bribery systems, and has formulated rules and regulations such as the CanSinoBIO Compliance Handbook (《康希諾生物合規手冊》), Anticorruption and Anti-fraud Management System (《反腐敗反舞弊管理制度》), and Management Process of Gifts Received by Employees (《員工收受禮品管理流程》) to continuously improve its daily supervision capabilities.

The Company does not tolerate any form of bribery, whether direct or indirect, by, or of, its Directors, officers, employees, agents or consultants or any persons or companies acting for them or on their behalf. The Company adopts the anti-corruption policy in assisting the employees in recognising circumstances which may lead to or give the appearance of being involved in corruption or unethical business conduct, so as to avoid such conduct which is clearly prohibited, and to promptly seek guidance if necessary.

The anti-corruption policy will be reviewed on a regular basis, any convicted cases will be reported to the legal and compliance department of the Company.

Whistleblowing Policy

The Company has in place an open, transparent and smooth whistleblowing channel and encourages all stakeholders to report possible misconducts that they are aware of. The Company has established a whistleblower protection mechanism by undertaking to keep whistleblower and reported information strictly confidential to avoid any form of retaliation, deals with the reported matters in a timely manner in accordance with the Incentive Process for Compliance Whistleblowing (《合規舉報獎勵流程》) and Procedures for Compliance Reporting, Whistleblowing and Internal Investigation and Management (《合規報告、舉報及內部調查管理規程》), and holds violations accountable.

The whistleblowing policy will be reviewed on a regular basis, any suspected cases will be reported to the legal and compliance department of the Company.

Corporate Governance Function

The Board is responsible for performing the functions set out in the code provision A.2.1 of part 2 of the CG Code.

The Board has reviewed and determined the following issues during the Reporting Period:

- the Company's policies and practices on corporate governance, compliance with legal and regulatory requirements;
- training and continuous professional development of Directors and senior management;
- code of conduct and compliance manual (if any) applicable to employees and Directors; and
- the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

Board Meetings and Directors' Attendance Records

Regular Board meetings should be held at least four times a year involving active participation, either in person or through electronic means of communication, of a majority of the Directors.

Apart from regular Board meetings, the Chairman also held a meeting with the independent non-executive Directors without the presence of other Directors during the Reporting Period.

During the Reporting Period, the Board held seven meetings and the attendance record of the Directors at the Board and Board Committee meetings and the general meetings of the Company held during the year ended December 31, 2025 is set out in the table below:

ATTENDANCE RECORDS OF MEETINGS

	Number of Meetings Attended/Eligible to attend					
Name of Director	Board	Audit Committee	Remuneration and Assessment Committee	Nomination Committee	Annual General Meeting	Other General Meeting
Dr. Xuefeng YU	7/7	N/A	4/4	1/1	1/1	2/2
Dr. Shou Bai CHAO	7/7	N/A	N/A	N/A	1/1	2/2
Ms. Jing WANG	7/7	N/A	N/A	N/A	1/1	2/2
Mr. Chi Shing LI	7/7	N/A	N/A	1/1	1/1	2/2
Mr. Shuifa GUI(1)	6/7	5/5	4/4	1/1	1/1	2/2
Mr. Jianzhong LIU(1)	6/7	5/5	N/A	1/1	1/1	2/2
Mr. Yiu Leung Andy CHEUNG	7/7	5/5	4/4	1/1	1/1	2/2
Mr. Man CHO(2)	1/7	N/A	N/A	N/A	N/A	N/A
Ms. Xuefeng JI(2)	1/7	N/A	N/A	N/A	N/A	N/A

Notes:

(1) Resigned as a Director with effect from November 27, 2025. For details, please refer to the Company's announcements dated October 27, 2025 and November 27, 2025.

(2) Appointed as a Director with effect from November 27, 2025. For details, please refer to the Company's announcement dated November 27, 2025.

COMPANY'S CULTURE

The Board believes that corporate culture underpins the long-term business, economic success and sustainable growth of the Group. A strong culture enables the Company to deliver long-term sustainable performance and fulfil its role as a responsible corporate citizen. The Company is committed to developing a positive and progressive culture that is built on its Vision, Mission and Values.

During the Reporting Period, the Company continued to strengthen its cultural framework by focusing on the following:

- Vision: Innovation for a safer world
- Mission: To provide high-quality, innovative and affordable vaccines
- Values: Respect, Agility, Innovation, Superior in Quality and Engagement

The Board sets and promotes corporate culture and expects and requires all employees to reinforce it. All of our new employees are required to attend orientation and training programs so that they may better understand our corporate culture, structure and policies, learn relevant laws and regulations, and raise their quality awareness. In addition, from time to time, the Company will invite external experts to provide training to our management personnel to improve their relevant knowledge and management skills.

The Board considers that the corporate culture and the purpose, values and strategy of the Group are aligned.

INTERNAL CONTROL AND RISK MANAGEMENT

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

The Company has developed and adopted various risk management procedures and guidelines with defined authority for implementation by key business processes and office functions. All departments conduct internal control assessment regularly to identify risks that potentially impact the business of the Group and various aspects including key operational and financial processes, regulatory compliance and information security.

The management, in coordination with department heads, assessed the likelihood of risk occurrence, provide treatment plans, and monitor the risk management progress, and reported to the Audit Committee and the Board on all findings and the effectiveness of the systems. The management has reported to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems for the Reporting Period.

The Board, as supported by the Audit Committee as well as the management, annually reviewed the effectiveness of risk management and internal control systems, including the financial, operational and compliance controls, for the Reporting Period, and considered that such systems are effective and adequate. The annual review also covered the financial reporting and internal audit function and staff qualifications, experiences, training programmes, budget of the accounting and relevant resources as well as those relating to the ESG performance and reporting of the Company.

The Company has developed its disclosure policy which provides a general guide to the Company's Directors, officers, 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' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

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

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

The statement of the independent auditors of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 77 to 78 of this report.

AUDITOR'S REMUNERATION

During the Reporting Period, the remuneration paid or payable to the Company's auditors, in respect of their audit and non-audit services was as follows:

	RMB'000
Audit services	3,500
Non assurance services	250
Total	3,750

JOINT COMPANY SECRETARY

The Company has appointed, externally, Mr. Ming King CHIU as the joint company secretary of the Company. Mr. CHIU's primary contact with the Company is Dr. Yu, the executive Director, chief executive officer and the chairman of the Board of Directors. Mr. Jin CUI, another joint company secretary of the Company, is also the board secretary of the Company.

During the year ended December 31, 2025, both Mr. CHIU and Mr. CUI undertook not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Hong Kong Listing Rules.

SHAREHOLDERS' RIGHTS

Rights to Convene Extraordinary General Meeting

As one of the measures to safeguard Shareholders' interests and rights, the Shareholders are encouraged to participate at the general meetings of the Company and to vote thereat. An annual general meeting of the Company shall be held each year and at the place as may be determined by the Board. Each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting.

The annual general meeting of the Company will provide a forum for the Board and the Shareholders to communicate. The Board will answer questions raised by Shareholders at the annual general meeting.

Pursuant to Article 51 of the Articles of Association, Shareholders who, individually or jointly, hold not less than 10% of the shares with voting rights of the Company shall have the right to request the Board to convene an extraordinary general meeting, and shall submit the request in writing to the Board. The Board shall provide a reply in writing within 10 days after receipt of the request to express consent or objection to the convening of an extraordinary general meeting in accordance with the requirements of the laws, administrative regulations and these Articles of Association.

If the Board consents to hold an extraordinary general meeting, it should issue a notice of general meeting within 5 days after the resolution is approved by the Board, and any change to the original request in the notice shall be subject to consent from the relevant Shareholders.

If the Board disagrees to hold an extraordinary general meeting, or fails to give a reply within 10 days after receiving the request, Shareholders who, individually or jointly, hold not less than 10% of the shares with voting rights of the Company shall propose to the Audit Committee to convene an extraordinary general meeting, and the request shall be submitted to the Audit Committee in writing.

If the Audit Committee consents to hold an extraordinary general meeting, it should issue a notice of general meeting within 5 days after receiving the request, and any change to the original appeal in the notice shall be subject to consent from the relevant Shareholders.

If the Audit Committee fails to issue a notice of general meeting within the prescribed period, the Audit Committee is deemed to refuse to convene and preside over the general meeting, and Shareholders who, individually or jointly, hold not less than 10% shares with voting rights of the Company for not less than 90 consecutive days may convene and preside over a general meeting.

Procedures for Putting Forward a Proposal at the General Meeting

Pursuant to Article 53 of the Articles of Association, when a general meeting is held by the Company, the Board, Audit Committee and Shareholders who individually or together hold not less than 1% of the shares with voting rights of the Company may propose resolutions to the Company.

Shareholders who individually or together hold not less than 1% of the shares with voting rights of the Company may submit ad hoc proposals in writing to the convener of the general meeting 10 working days before the holding of the general meeting. The convener shall issue a supplementary notice of the general meeting within 2 days upon receipt of the proposals and announce the contents of the ad hoc proposals, and submit such ad hoc proposal to the general meeting for deliberation. However, this shall not apply where the ad hoc proposal violates the provisions of laws, administrative regulations or these Articles of Association, or does not fall within the scope of authority of the general meeting.

The contact information of the convener is set out in the section entitled "Right to Put Enquiries to the Board" in this chapter.

Right to Put Enquires to the Board

For putting forward any enquiries to the Board, Shareholders may send written enquiries to the Company by mail to Headquarters: 401-420, 4th Floor, Biomedical Park, 185 South Avenue, TEDA West District, Tianjin, PRC, or; Hong Kong: Room 1901, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay Hong Kong or by email to ir@cansinotech.com.

COMMUNICATION WITH SHAREHOLDERS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and understanding of the Group's business performance and strategies. The Company recognizes the importance of timely and non-selective disclosure of information, which will enable Shareholders and investors to make the informed investment decisions.

The Company adopted the shareholders communication policy, which sets out the framework the Company has put in place to promote effective communication with Shareholders so as to enable them to engage actively with the Company and exercise their rights as Shareholders in an informed manner. The shareholders communication policy will be reviewed on a regular basis by the Company.

The Company has established a range of communication channels between itself and its Shareholders, investors and other stakeholders. These include (i) the publication of interim and annual reports and/or dispatching circulars, notices and other announcements; (ii) the annual general meeting or extraordinary general meeting providing a forum for Shareholders to raise comments and exchanging views with the Board; (iii) updated and key information of the Group available on the Company's website and the Hong Kong Stock Exchange's website; (iv) the Company's website offering communication channel between the Company and its stakeholders; (v) the Company's share registrar in Hong Kong serving the Shareholders in respect of all share registration matters; and (vi) convening investor meeting and/or analyst briefings with existing and potential investors.

The Company held its annual general meeting on June 4, 2025 (the "**AGM**"). All resolutions proposed at the AGM were passed. For details, please refer to the poll results announcements of the Company dated June 4, 2025.

The Company also held its first and second extraordinary general meetings on October 23, 2025 and November 27, 2025 (the "**EGMs**") respectively. All resolutions proposed at the EGMs were passed. For details, please refer to poll results announcements of the Company dated October 23, 2025 and November 27, 2025, respectively.

Having considered the multiple channels of communication and shareholders engagement in the general meetings held during the year, the Company is satisfied that the shareholders communication policy has been properly implemented during 2025 and is effective.

Change in Constitutional Documents

On October 27, 2025, the Board considered and approved the proposed amendment to the Articles of Association. The proposed amendment was approved by the Shareholders by way of a special resolution at the second extraordinary general meeting on November 27, 2025 and the revised Articles of Association took effect on the same day. Save as disclosed above, there were no significant changes in the constitutional documents of the Company for the year ended December 31, 2025 and up to the date of this report.

Policies Relating to Shareholders

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.

The Company has adopted a policy on payment of dividends pursuant to code provision F.1.1 of part 2 of the CG Code, such details has also set out in its Articles of Association and summarized as follows:

The Company may distribute dividends in one of the following forms (or in both forms):

(1) cash;

(2) shares;

(3) a combination of cash and shares;

(4) other forms as permitted by laws, administrative regulations, departmental rules and regulatory rules of the place of listing.

As for cash dividends and other payments to domestic shareholders, the Company shall pay in RMB, and such payments to holders of foreign shares will be denominated and declared in Renminbi and paid in foreign currency. Foreign currency required by the Company to pay cash dividends and other monies to holders of foreign shares shall be obtained in accordance with the relevant provisions on foreign exchange administration of the state.

Subject to the applicable law and the Articles of Association, any future determination to pay dividends will be based on a number of factors, including the Company's future operations, capital requirements, general financial condition and other factors that the Board may deem relevant.

The Shareholders have approved the "Shareholders' Dividend and Return Plan of the Company for the Next Three Years (2023-2025) (《未來三年(2023年-2025年)股東分紅回報規劃》)" (the "**Shareholders' dividend plan**") at the annual general meeting held on June 30, 2023. Pursuant to the Company Law, the Securities Law, the "Notice on Further Implementing Cash Dividends for Listed Companies" (SFC [2012] No. 37), the "Guidelines for the Supervision of Listed Companies No. 3–Cash Dividends for Listed Companies (Revised in 2023)" (CSRC Announcement No. 61 (2023)), and relevant laws, regulations and regulatory documents, as well as the Articles of Association, the Board has amended the Shareholders' dividend plan after fully considering the Company's actual operating conditions and future development need, which was considered and approved by the annual general meeting held on June 27, 2024.

Details of the Shareholders' dividend plan of the Company for the next three years is as follows:

(1) Provided that the conditions of profit distribution are satisfied, the Company may distribute dividends in cash, shares, a combination of both cash and shares or by other ways permitted under laws and regulations, and shall give priority to cash dividends over share dividends. The Company shall determine specific distribution proportions in accordance with the distributable profit and the amount of capital surplus that can be utilized under the Company's consolidated financial statements or the financial statements of the parent company, whichever is lower.

(2) The following conditions shall also be satisfied when the Company implements cash dividend:

(i) The distributable profit (i.e. after-tax net profit after the Company has made up for losses and withdrawn from the statutory reserve fund) for the year is positive;

(ii) Cash dividend shall not exceed the accumulated distributable profit of the Company;

(iii) The audit institution has issued a standard audit report with unqualified opinion on the financial report for the financial year;

(iv) The Company has no significant investment plan or significant cash expenditure or such other events (excluding fund-raising projects).

Significant investment plan or significant cash expenditure refers to: the proposed external investment, acquisition of assets or purchase of equipment by the Company in the upcoming 12 months with accumulated expenses amounting to or exceeding 30% of the latest audited total assets of the Company, and exceeding RMB50 million.

(3) Where profits are distributed by way of stock dividends, true and reasonable reasons such as the Company's growth, dilution of net asset value per share, etc. shall be taken into consideration. Stock dividends may be distributed separately or in combination with cash dividends.

The Board shall take into consideration various factors, including the industry features, development stage, business model, profitability, debt-paying ability, whether the Company has any substantial capital expenditure arrangement, as well as investor returns, and differentiate the following circumstances and propose differentiated cash dividend policies in accordance with the procedures under the Articles of Association:

(i) Where the Company is in a developed stage with no substantial capital expenditure arrangement, the proportion of cash dividends in the profit distribution shall not be less than 80%;

(ii) Where the Company is in a developed stage with substantial capital expenditure arrangement, the proportion of cash dividends in the profit distribution shall not be less than 40%;

(iii) Where the Company is in a developing stage with substantial capital expenditure arrangement, the proportion of cash dividends in the profit distribution shall not be less than 20%.

Where it is difficult to determine the Company's stage of development but there are substantial capital expenditure arrangements, the provisions of item 3 of the preceding paragraph could apply.

The profit distribution proposal shall be proposed by the Board and implemented upon consideration and approval at the general meeting.

(4) Provided that the conditions of profit distribution are satisfied, the Company shall distribute dividends in cash once a year in principle, and determine whether interim cash dividends shall be distributed after considering profits and capital requirements. When the annual general meeting of the Company is convened to consider the annual profit distribution plan, it may consider and approve the conditions, the upper limit of the ratio and the upper limit of the amount of the cash dividend for the next year's interim period. The upper limit of the next year's interim dividend to be considered at the annual general meeting shall not exceed the net profit attributable to shareholders of the listed company for the corresponding period. The Board shall formulate a specific interim dividend plan in accordance with the resolution of the annual general meeting subject to the conditions for profit distribution.

Electronic Dissemination of Corporate Communications

On January 11, 2024, the Company adopted electronic dissemination of corporate communications (the "**Corporate Communications**"), which means any documents 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 (a) the directors' report, its annual accounts together with a copy of the auditors' report and, where applicable, its summary financial 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. For details, please refer to the notification letters of the Company dated January 11, 2024 and April 16, 2025.

The Board is pleased to present this Report of the Board of Directors together with the consolidated financial statements of the Group for the year ended December 31, 2025.

PRINCIPAL ACTIVITIES

The principal activities of the Company are to develop, manufacture and commercialize high quality, innovative and affordable vaccines. There were no significant changes in the nature of the Company's principal activities during the Reporting Period.

BUSINESS REVIEW AND RESULTS

A review of the business of the Group during the Reporting Period is provided in the section headed "Business Review" under "Management Discussion and Analysis" of this report. The results of the Group for the Reporting Period are set out in the consolidated financial statements on pages 79 to 82 of this report. An analysis of the Group's performance during the Reporting Period is provided in the section headed "Financial Review" on pages 18 to 26 under "Management Discussion and Analysis" of this report. Future business development of the Group is provided in the section headed "Future and Outlook" on page 17 under "Management Discussion and Analysis" of this report.

FINAL DIVIDENDS

The Directors do not recommend a final dividend for the Reporting Period (2024: nil).

IMPORTANT EVENTS AFTER THE END OF THE REPORTING PERIOD

Save as disclosed in "Management Discussion and Analysis – Business Review", there were no important events affecting the Company occurred since the end of Reporting Period and up to the date of this report.

R&D ACTIVITIES

A review of the R&D activities of the Company during the Reporting Period is provided in the section headed "Business Review" on pages 8 to 16 under "Management Discussion and Analysis" of this report.

RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The success of the Group relies on the support of important relations such as employees, suppliers and customers. The Company maintains a good relationship with its employees, customers and suppliers in order to ensure smooth business operation.

Our Company adopts the people-oriented development strategy and had strived to retain talents, protect the rights of our employees, and take care of the development and wellness of our employees. We believed that collaboration with the supplier would be critical to our business success. As such, when choosing suppliers for our business, apart from the quality of their products and services, we would also take into consideration factors such as social responsibility, human rights compliance, ethics and environmental awareness. By improving our supply management system on an ongoing basis, the sustainability of our supply chain could be ensured. For details of relationship with the employees, customers and suppliers, please refer to the subsection headed "Major Customers and Suppliers" and "Employees and Remuneration Policies" in this section.

The Environmental, Social and Governance & Corporate Social Responsibility Report also contains information in respect of relationship with the employees, customers and suppliers, which will be published by the Company separately in accordance with the Hong Kong Listing Rules.

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE GROUP

The following are parts of the key risks and uncertainties identified by the Group:

Risks relating to our financial prospects:

- we have exposed to foreign exchange risk primarily arising from its overseas operations. Fluctuations in exchange rates may impact the Group's financial performance through the translation of foreign currency-denominated assets and liabilities at settlement dates;
- in accordance with HKFRS, the Company has prudently recognized impairment provisions based on actual sales performance. Nevertheless, potential impairment risks persist due to uncertainties such as adverse changes in market conditions, intensified industry competition, or obsolescence of inventory.

Risks relating to development, clinical trials and regulatory approval of our vaccine candidates:

- we may be unable to obtain regulatory approval for our vaccine candidates, and we may not be able to identify, discover or in-license new and suitable vaccine candidates;
- if we encounter difficulties enrolling subjects in our clinical trials, clinical trials of our vaccine candidates could be delayed or otherwise adversely affected;
- vaccine development involves a lengthy and expensive process with uncertain outcomes, and results of earlier clinical trials may not be predictive of results of later-stage clinical trials; and
- we may not be able to comply with ongoing regulatory obligations and continued regulatory review even if we receive regulatory approval for our vaccine candidates.

Risks relating to commercialization of our vaccine and vaccine candidates:

- we may not be able to be successfully prequalified by local governments of our target provinces or secure subsequent product orders;
- our sales may be adversely affected by the recession or eradication of the infectious diseases that our vaccines target and the availability of alternative vaccines or treatment technologies may adversely affect our sales;
- we have limited experience in commercializing vaccine candidates in China, and any failure to perform proper quality control and quality assurance would have a material adverse effect on our business and financial results;
- the manufacture of vaccines is a highly exacting and complex process, and if we encounter problems in manufacturing our products, our business could suffer; and
- we may fail to obtain regulatory approval in any targeted jurisdictions outside of China and face variety of risks associated with international operations.

Risks relating to our operations:

- we have engaged in in-licensing and collaboration arrangements to develop and commercialize a number of vaccine candidates, and may continue to seek strategic partnerships and collaborations or enter into additional licensing arrangements in the future, which is subject to risks;
- our business depends on the use of raw materials, and a decrease in the supply, or an increase in the cost of these raw materials could materially and adversely affect our business, financial condition and results of operation;
- changes in government regulations or in practices relating to the vaccine industry and compliance with new regulations may result in additional costs;
- we could be unsuccessful in obtaining or maintaining adequate intellectual property protection for one or more of our vaccine candidates;
- we are at risk of governmental actions detrimental to our business, such as product seizure, resumed price controls and additional regulations;
- we benefit from certain preferential tax and financial incentives, the expiration of or changes to which could adversely affect our profitability;
- our reputation is important to our business success. Negative publicity may adversely affect our reputation and business prospect;
- we may be subject to risks of non-compliance with anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions and similar laws or other import and export restrictions of the United States and other jurisdictions in the future, which could adversely affect our business, results of operations, financial condition and reputation;
- we may be subject to natural disasters, health epidemics, civil and social disruption and other outbreaks, which could significantly disrupt our operation; and
- any disruption to our continuous use of properties for our business and operations could adversely affect our business and results of 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.

MAJOR CUSTOMERS AND SUPPLIERS

During the Reporting Period,

(i) the Group's largest supplier accounted for 4.3% (2024: 15.6%) of its total purchases, and the five largest suppliers accounted for 16.3% of its total purchases (2024: 41.2%); and

(ii) without considering sales returns recognized during the Reporting Period, the Group generated revenue of approximately RMB130.7 million from the sales of our vaccine products for the year ended December 31, 2025 from the five largest customers, representing 12.1% of the total sales excluded sales returns (total revenue from the sales of our vaccine products) during the Reporting Period. The Group's largest customer accounted for 5.0% (2024: 6.1%) of its total sales excluded sales returns.

None of the Directors or any of their close associates or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any interest in the Group's five largest customers and suppliers.

PROPERTY, PLANT AND EQUIPMENT

As of December 31, 2025, details of our main constructions in progress are as follows:

Address and Postal Code	Stage of Completion	Expected Completion Date	Planned Use	Gross Floor Area	Interest Held by the Company
To the north of South Avenue TEDA West District, Tianjin (天津經濟技術開發區西區南大街以北), 300457	Approximately 40.04%	By the end of 2026	R&D, manufacture, supply of vaccine; office building for administration purpose	Approximately 147,750 square meters	100%
No. 860 Xinyang Road, Lingang Area-Pilot Free Trade Zone, Shanghai (上海市自由貿易試驗區臨港新片區新楊公路860號), 201422	Approximately 74.82%	By the end of 2026	Vaccine construction base	Approximately 16,983 square meters	100%

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

SUBSIDIARIES

Details of the subsidiaries of the Company as of December 31, 2025 are set out in note 45 to the consolidated financial statements.

SHARE CAPITAL

Share capital of the Company as of December 31, 2025 was as follows:

	Number of Shares	Percentage of total issued share capital
A Shares	114,372,901	46.3%
H Shares	132,670,900	53.7%

On November 27, 2025, the Company canceled 406,098 treasury A Shares that had been repurchased for incentive purposes. Details of movements in the share capital of the Company during the Reporting Period are set out in note 27 to the consolidated financial statements.

DONATIONS

For the year ended December 31, 2025, the Company made donations of a total amount of RMB0.7 million (2024: approximately RMB0.4 million).

DISTRIBUTABLE RESERVES

As of December 31, 2025, the Company did not have any distributable reserves (as of December 31, 2024: nil).

BANK AND OTHER BORROWINGS

Particulars of bank and other borrowings of the Group as of December 31, 2025 are set out in note 29 to the consolidated financial statements.

For the Reporting Period, the Group did not issue any convertible bonds.

SHARE SCHEMES

As at the Latest Practicable Date, the Company had three active Share schemes, namely the 2023 Stock Ownership Plan, the 2025 A Share Incentive Scheme, and the 2025 H Share Option Scheme.

2023 Stock Ownership Plan

On April 20, 2023, the 2023 Stock Ownership Plan was approved by the Shareholders at the 2023 first extraordinary general meeting on the same date. For details, please refer to the circular of the Company dated March 28, 2023 and the poll results announcement of the Company dated April 20, 2023.

Purpose

The purpose of the 2023 Stock Ownership Plan is to enhance the cohesion of employees and the competitiveness of the Company, and mobilize the enthusiasm and creativity of employees by holding the Shares, establishing and improving the benefit sharing mechanism for employees and Shareholders, and improving corporate governance, and ultimately to promote the long-term, sustainable and healthy development of the Company.

Participants

The participants of the 2023 Stock Ownership Plan comprise the supervisors (as at the time of adoption of the scheme), senior management, core management and core business personnel of the Company. Each of the participants shall take a position in the Company (including its controlled subsidiaries) and enter into labor contracts with the Company or its controlled subsidiaries or shall be employed by the Company.

Scheme Limit

The total number of A Shares available under the 2023 Stock Ownership Plan shall not exceed 562,460 A Shares, representing approximately 0.23% of the total share capital of the Company as of the date of this report. Unless approved by the Shareholders, the maximum entitlement of each participant under the 2023 Stock Ownership Plan shall not exceed 1% of the issued share capital of the Company (excluding treasury shares) at the relevant time.

Duration

The 2023 Stock Ownership Plan was originally scheduled to remain effective until May 9, 2026, which represents a period of 36 months from May 10, 2023, the date on which the Company announced the transfer of the underlying Shares to the 2023 Stock Ownership Plan.

Subsequently, at the third meeting of the holders of the 2023 Stock Ownership Plan and the tenth meeting of the third session of the Board of Directors, it was resolved to extend the duration of the 2023 Stock Ownership Plan from 36 months to 60 months, with its term thereby extended to May 9, 2028.

Vesting Arrangement

The appraisal years for unlocking the underlying Shares shall be the two accounting years of 2023 and 2024, and the appraisal shall be conducted once each accounting year. The individual performance appraisal of the eligible employees shall be implemented according to the relevant internal performance appraisal system of the Company. The individual appraisal results of the eligible employees are divided into four levels, namely “A”, “B”, “C” and “D”. The final number of eligible employees’ underlying Shares that can be unlocked shall be determined on the basis of the individual appraisal results as follows:

Evaluation Criteria	A	B	C	D
Unlocking ratio	100%	95%	80%	0%

Note: Actual unlocking amount of an eligible employee for the year = Target unlocking amount × Unlocking ratio

Purchase Price

The price at which the designated account for the 2023 Stock Ownership Plan receives the shares repurchased by the Company shall be 50% of the average trading price of the A Shares on the last trading day preceding the date of the Board meeting proposing the adoption of the 2023 Stock Ownership Plan, i.e. RMB61.17 per A Share. The price under the 2023 Stock Ownership Plan was determined by the Company with reference to relevant policies and cases of other listed companies, while taking into account factors such as the implementation effect of the Company’s historical share incentive plans, the trend of the Company’s secondary market share price in recent years, and the actual situation of the Company.

Movements

The following table sets forth the movements of the Shares granted under the 2023 Stock Ownership Plan during the Reporting Period:

						Number of Shares					
Name of grantees	Date of Grant	Vesting Period	Purchase Price (RMB)	Closing Price[1] (RMB/Share)	Fair Value[2] (RMB/Share)	Outstanding as of January 1, 2025	Granted during the Reporting Period	Cancelled during the Reporting Period	Lapsed/ Forfeited during the Reporting Period	Vested during the Reporting Period	Outstanding as of December 31, 2025
217 employee participants	May 8, 2023	(Note 3)	61.17	95.00	95.57	106,310	–	–	1,590	104,720	–

Notes:

1. The closing price in this column refers to the closing price of the A Shares on the Shanghai Stock Exchange on the last trading day immediately before the date of grant.

2. The fair value in this column refers to the fair value of the Shares as at the date of grant. With respect to the accounting standard and policy adopted in determination of such fair value, please refer to Note 28 to the consolidated financial statements.

3. The Shares to be subscribed under the 2023 Stock Ownership Plan are subject to a vesting arrangement as set out in the section headed "2023 Stock Ownership Plan – Vesting Arrangement" above.

2025 A Share Incentive Scheme

On October 23, 2025, the 2025 A Share Incentive Scheme was approved by the Shareholders at the 2025 first extraordinary general meeting on the same date. For details, please refer to the circular of the Company dated October 6, 2025 and the poll results announcement of the Company dated October 23, 2025.

Purpose

The purpose of the 2025 A Share Incentive Scheme is improving the Company's incentive mechanism, further enhancing the enthusiasm, creativity, and cohesion of employees, promoting the continuous growth of Company's performance, and achieving common development by enhancing the value of the Company and granting benefits to the employees.

Participants

The Participants who may participate in include the Company's Directors, senior management, and other personnel deemed by the Board to require incentives (excluding independent non-executive Directors and supervisors).

Scheme Limit

The total number of A Shares available under the 2025 A Share Incentive Scheme shall not exceed 2,569,100 A Shares (adjusted from the original 2,580,000 A Shares), representing approximately 1.04% of the total share capital of the Company as of the date of this report. Unless approved by the Shareholders, the maximum entitlement of each participant under the 2025 A Share Incentive Scheme shall not exceed 1% of the issued share capital of the Company (excluding treasury shares) at the relevant time.

Duration

The 2025 A Share Incentive Scheme will remain effective from October 23, 2025 to the date on which all restricted Shares granted to the participants have attributed or lapsed. Such validity period shall not exceed 48 months.

Vesting Arrangement

The restricted Shares granted under the 2025 A Share Incentive Scheme are subject to attribution in tranches during the attribution period and may be attributed only upon satisfaction of the relevant vesting conditions, including, among others, the achievement of the relevant performance assessment targets at both the Company level and the individual Participant level.

The Company's performance indicators will be evaluated on an annual basis for the relevant financial years, and the achievement of the prescribed performance targets will constitute one of the conditions for the attribution of the Restricted Shares for the corresponding tranche. The individual performance assessment of the Participants is conducted in accordance with the Company's internal performance assessment system.

The final number of Restricted Shares to be attributed to each Participant shall be determined based on the aforesaid vesting conditions and assessments. For further details, please refer to the circular of the Company dated October 6, 2025.

Grant Price

The grant price of the restricted Shares under the 2025 A Share Incentive Scheme shall be RMB41.20 per A Share. Upon fulfilment of the conditions of grant, each Participant is entitled to purchase the restricted Shares at the price of RMB41.20 per Share. No consideration will be payable on acceptance of each grant of the restricted Shares by a Participant under the 2025 A Share Incentive Scheme.

Movements

The following table sets forth the movements of the Shares granted under the 2025 A Share Incentive Scheme during the Reporting Period:

						Number of Shares					
Name of grantees	Date of Grant	Vesting Period	Grant Price (RMB)	Closing Price[1] (RMB/Share)	Fair Value (RMB/Share)	Outstanding as of January 1, 2025	Granted during the Reporting Period	Cancelled during the Reporting Period	Lapsed/ Forfeited during the Reporting Period	Vested during the Reporting Period	Outstanding as of December 31, 2025
Ms. Jing WANG (Executive Director)	October 27, 2025	(Note 3)	41.20	74.55	(Note 2)	0	103,700	0	0	0	103,700
85 employee participants	October 27, 2025	(Note 3)	41.20	74.55	(Note 2)	0	1,950,900	0	0	0	1,950,900

Notes:

1. The closing price in this column refers to the closing price of the A Shares on the Shanghai Stock Exchange on the last trading day immediately before the date of grant.

2. The fair values of the shares corresponding to the first, second, and third vesting periods were RMB34.02 per share, RMB35.09 per share, and RMB36.00 per share. With respect to the accounting standard and policy adopted in determination of such fair value, please refer to Note 28 to the consolidated financial statements.

3. The Shares to be subscribed under the 2025 A Share Incentive Scheme are subject to a vesting arrangement as set out in the section headed "2025 A Share Incentive Scheme – Vesting Arrangement" above.

2025 H Share Option Scheme

On October 23, 2025, the 2025 H Share Option Scheme was approved by the Shareholders at the 2025 first extraordinary general meeting on the same date. For details, please refer to the circular of the Company dated October 6, 2025 and the poll results announcement of the Company dated October 23, 2025.

Purpose

The purpose of the 2025 H Share Option Scheme is to improve the Company's incentive mechanism and motivate the Core Management (as defined below) as they have a critical influence on the decision-making and execution of major matters such as the Company's development strategy, business layout, and capital operations. Including these individuals in long-term incentive plans will contribute to their leadership in guiding the Company towards more long-term objectives.

Participants

The participants of the 2025 H Share Option Scheme are Directors and core management personnel serving in the Company, namely Dr. Xuefeng YU, Dr. Tao ZHU, Dr. Shou Bai CHAO, and Dr. Dongxu QIU (the "**Core Management**").

Scheme Limit

The total number of H Shares which may be issued upon exercise of option(s) under the 2025 H Share Option Scheme shall not exceed 3,440,000 H Shares, representing approximately 1.40% of the total share capital of the Company as of the date of this report. Unless approved by the Shareholders, the maximum entitlement of each participant under the 2025 H Share Option Scheme shall not exceed 1% of the issued share capital of the Company (excluding treasury shares) at the relevant time.

Duration

The 2025 H Share Option Scheme shall be valid and effective for a period of 48 months commencing on October 23, 2025, after which no further options shall be granted. Subject to the aforementioned, in all other respects, in particular, in respect of options remaining outstanding on the expiration of such option period, the provisions of the 2025 H Share Option Scheme shall remain in full force and effect.

Vesting Arrangement

The options granted shall be vested in three tranches: (i) 40% of the options shall be vested at the first anniversary of the date of grant; (ii) 30% of the options shall be vested at the second anniversary of the date of grant; and (iii) 30% of the options shall be vested at the third anniversary of the date of grant.

Under the 2025 H Share Option Scheme, the Company's performance indicators will be evaluated on an annual basis for the financial years from 2025 to 2027, and the achievement of performance target will be one of the vesting conditions for the participants for the relevant years. The individual performance assessment of Participants is carried out according to the internal performance assessment system of the Company.

The final number of options to be vested will be determined based on the aforesaid indicators and assessments. For further details, please refer to the circular of the Company dated October 6, 2025.

Exercise Price

The basis for the determination of the exercise price (in compliance with Rule 17.03(9) of the Hong Kong Listing Rules) is specified in the option scheme rules and the offer letter. The Board believes that this will provide the Board with more flexibility in setting the terms and conditions of the options under particular circumstances of each grant and facilitate the Board's aim to offer meaningful incentive to attract and retain quality personnel that are valuable to the development of the Group and for the benefit of the Company and the Shareholders as a whole.

Movements

The following table sets forth the movements of the Shares granted under the 2025 H Share Option Scheme during the Reporting Period:

Name of grantees	Date of Grant	Vesting Period	Exercise Price (HKD)	Closing Price[1] (HKD/Share)	Fair Value (HKD/Share)	Number of Shares: Outstanding as of January 1, 2025	Granted during the Reporting Period	Cancelled during the Reporting Period	Lapsed/ Forfeited during the Reporting Period	Vested during the Reporting Period	Outstanding as of December 31, 2025
Dr. Xuefeng YU	September 26, 2025	(Note 3)	49.924	48.90	(Note 2)	0	371,300	0	0	0	371,300
Dr. Tao ZHU	September 26, 2025	(Note 3)	49.924	48.90	(Note 2)	0	204,300	0	0	0	204,300
Dr. Shou Bai CHAO	September 26, 2025	(Note 3)	49.924	48.90	(Note 2)	0	162,500	0	0	0	162,500
Dr. Dongxu QIU	September 26, 2025	(Note 3)	49.924	48.90	(Note 2)	0	121,900	0	0	0	121,900

Notes:

1. The closing price in this column refers to the closing price of the H Shares on the Hong Kong Stock Exchange on the last trading day immediately before the date of grant.

2. The fair values of the shares corresponding to the first, second, and third vesting periods were HKD 7.49 per share, HKD 10.01 per share, and HKD 12.37 per share. With respect to the accounting standard and policy adopted in determination of such fair value, please refer to Note 28 to the consolidated financial statements.

3. The Shares to be subscribed under the 2025 H Share Option Scheme are subject to a vesting arrangement as set out in the section headed "2025 H Share Option Scheme – Vesting Arrangement" above.

During the Reporting Period, (i) the Shares granted, lapsed or cancelled under the 2023 stock Ownership Plan, the 2025 A Share Incentive Scheme and the 2025 H Share Option Scheme were disclosed above, and (i) there was no amount payable on application or acceptance of the Shares under the2023 stock Ownership Plan. As the 2023 stock Ownership Plan only involves existing Shares, no new Shares may be issued pursuant to the 2023 Stock Ownership Plan.

EQUITY-LINKED AGREEMENTS

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 Company during the Reporting Period or subsisted at the end of the Reporting Period.

DIRECTORS

The Directors who held office during the Reporting Period and up to the date of this report were as follows:

Executive Directors

Dr. Xuefeng YU *(Chairman)*
Dr. Shou Bai CHAO
Ms. Jing WANG

Non-executive Director

Mr. Chi Shing LI

Independent Non-executive Directors

Mr. Shuifa GUI (resigned from November 27, 2025)
Mr. Jianzhong LIU (resigned from November 27, 2025)
Mr. Yiu Leung Andy CHEUNG
Mr. Man CHO (effective from November 27, 2025)
Ms. Xuefeng JI (effective from November 27, 2025)

DIRECTORS' BIOGRAPHICAL DETAILS

Details of Directors are set out in "Directors and Senior Management" on pages 27 to 33 of this report. Save as disclosed in that section, up to the date of this report, there were no changes to the information which are required to be disclosed by Directors pursuant to Rules 13.51(2)(a) to 13.51(2)(e) and 13.51(2)(g) of the Hong Kong Listing Rules.

DIRECTORS' SERVICE CONTRACTS

Details of Directors' service contracts set out in the section headed "Appointment, Re-election and Removal of Directors" on page 36 under "Corporate Governance Report" in this report. The Company did not enter into any relevant unexpired service contracts with them which are not determinable by the Company within a year without payment of any compensation (other than statutory compensation).

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

None of the Directors or any of their respective associates were granted by the Company or its subsidiaries any right to acquire shares in, or debentures of, the Company or its subsidiary, or had exercised any such right during the Reporting Period.

CANCELLATION OF THE BOARD OF SUPERVISORS

In accordance with the Company Law, the Transitional Period Arrangements for the Implementation of the Rules of the Supporting Systems of the New Company Law (《關於新<公司法>配套制度規則實施相關過渡期安排》), and other relevant laws and regulations, and taking into consideration the Company's actual circumstances and operational needs, the Company has cancelled the board of supervisors, with effect from November 27, 2025. For details, please refer to the circular of the Company dated November 11, 2025 and the poll results announcement of the Company dated November 27, 2025.

COMPETING INTEREST AND OTHER INTEREST

None of the Directors or any entity connected with them had any material interest, either directly or indirectly, in any contract, transaction or arrangement of significance to the Company's business to which the Company, any of its holding companies, any of its subsidiaries, fellow subsidiaries was a party subsisted at the end of the year or at any time during the Reporting Period.

During the Reporting Period, none of the Directors and their respective associates had an interest in a business which causes or may cause any significant competition with the business of the Company and any other conflicts of interest which any such person has or may have with the Company.

During the Reporting Period, the Group has not entered into any contract of significance with the single largest group of Shareholders (other than the service contracts of Directors and senior management).

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received a confirmation of independence pursuant to Rule 3.13 of the Hong Kong Listing Rules from each of the independent non-executive Directors and considers such Directors to be independent in accordance with Rule 3.13 of the Hong Kong Listing Rules.

MANAGEMENT CONTRACTS

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

EMPLOYEES AND REMUNERATION POLICY

As of December 31, 2025, the Group had 1,134 employees (as of December 31, 2024: 1,105), approximately 52.5% of which are female.

The Group has developed a remuneration and welfare management system that provides employees with competitive remuneration and five types of social insurances and housing provident funds for employees in strict compliance with the relevant laws and regulations, and provides additional comprehensive benefit insurance.

The number of employees employed by the Group varies from time to time. The remuneration package of our employees includes salary, bonus, and incentive shares (if any) under the Company's incentive schemes, which are generally determined by their qualifications, industry experience, position and performance. The Company makes contributions to social insurance and housing provident funds as required by the PRC laws and regulations.

The total employee benefit expenses incurred by the Group for the year ended December 31, 2025 was approximately RMB454.4 million (2024: RMB454.7 million).

During the year ended December 31, 2025, the Group did not experience any material labor disputes or strikes that may have a material and adverse effect on our business, financial condition or results of operations, or any difficulty in recruiting employees.

The Remuneration and Assessment Committee was set up for reviewing the Company's emolument policy and any long-term incentive schemes, and structure for all remuneration of the Directors and senior management of the Company, having regard to the Company's operating results, individual performance of the Directors and senior management and comparable market practices.

PENSION SCHEME

The employees of the Group's subsidiaries in the PRC are required to participate in a central pension scheme operated by the local municipal government. The Group is required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

Employee benefits to all eligible employees of the overseas subsidiaries are made in accordance with the rules set forth in the collective labor agreement, and recorded as an expense in the period they are due as a charge to the statement of profit or loss.

Details of the pension scheme of the Group are set out in note 8 to the consolidated financial statements. During the Reporting Period, there was no forfeited contribution under the Group's pension scheme, and no forfeited contribution (if allowed under applicable laws) was used by the Company to reduce the existing level of contribution.

REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the Directors and five highest paid individuals are set out in notes 42 and 8 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.

CORPORATE GOVERNANCE

Please refer to the "Corporate Governance Report" set out on pages 34 to 52 of this report for discussion of the corporate governance of the Company during the Reporting Period.

The Company is committed to achieving improvement in environmental performance and complying with the relevant environmental protection regulations and rules. For details, please refer to the Environmental, Social and Governance & Corporate Social Responsibility Report to be published by the Company separately in accordance with the Hong Kong Listing Rules, which was prepared in accordance with Appendix C2 to the Hong Kong Listing Rules and relevant applicable laws and regulations.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding securities transactions by the Directors.

Having made specific enquiry of all Directors, all of them have confirmed that they have complied with the Model Code throughout the Reporting Period. No incident of non-compliance of the Model Code by the employees who are likely to be in possession of inside information of the Company was noted by the Company.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As of December 31, 2025, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or as otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code were as follows:

Interests in Shares or Underlying Shares of the Company

Name of Director	Capacity/Nature of interest	Class of Shares	Number of Shares(1)	Approximate % of total shareholding interest in our Company	Approximate % of the relevant class of Shares(2)
Dr. Yu	Beneficial owner, interest of a party to an agreement regarding interest in the Company(3)	H Share	35,736,400(L)	14.44%	26.94%
	Beneficial owner, interest of a party to an agreement regarding interest in the Company(3)	A Share	34,598,400(L)	13.98%	30.14%
Dr. Chao	Beneficial owner, Interest of spouse(4)	H Share	12,155,200(L)	4.91%	9.16%
	Interest of spouse(4)	A Share	4,409,500(L)	1.78%	3.84%
Ms. Wang	Beneficial owner	H Share	14,200(L)	0.01%	0.01%
	Beneficial owner	A Share	103,700(L)	0.04%	0.09%
Mr. CHO	Interest of spouse	H Share	61,000(L)	0.02%	0.05%

Notes:

(1) (L) – Long position

(2) The percentage is calculated based on the number of relevant class of Shares in issue as of December 31, 2025.

(3) Pursuant to the Concert Party Agreement.

(4) Dr. Chao is the spouse of Dr. Mao. Therefore, Dr. Chao is deemed to be interested in the Shares held by Dr. Mao, Medicharms LLC and Champden LLC, two companies controlled by Dr. Mao, under the SFO.

Save as disclosed above, as of December 31, 2025, to the best knowledge of the Director or chief executive of the Company, none of the Directors or chief executive of the Company had interests or short positions in the Shares, underlying Shares and debentures of the Company or its associated corporations as recorded in the register required to be kept, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or as otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

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

As of December 31, 2025, so far as it was known to the Directors or chief executive of the Company, the following persons (other than the Directors and chief executive of the Company) had interests and/or short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO.

Interests in Shares or Underlying Shares of the Company

Name of substantial shareholder	Capacity/Nature of interest	Class of Shares	Number of Shares[1]	Approximate % of total shareholding interest in our Company	Approximate % of the relevant class of Shares[2]
Dr. Mao	Beneficial owner, interest of a party to an agreement regarding interest in the Company[3], interest in a controlled corporation	H Share	35,736,400(L)	14.44%	26.94%
	Beneficial owner, interest of a party to an agreement regarding interest in the Company[3]	A Share	34,598,400(L)	13.98%	30.14%
Dr. Zhu	Beneficial owner, Interest of a party to an agreement regarding interest in the Company[3]	H Share	35,736,400(L)	14.44%	26.94%
	Beneficial owner, interest of a party to an agreement regarding interest in the Company[3]	A Share	34,598,400(L)	13.98%	30.14%
Dr. Qiu	Beneficial owner, interest of a party to an agreement regarding interest in the Company[3]	H Share	35,736,400(L)	14.44%	26.94%
	Beneficial owner, interest of a party to an agreement regarding interest in the Company[3]	A Share	34,598,400(L)	13.98%	30.14%

Notes:

(1) (L) – Long position

(2) The percentage is calculated based on the number of relevant class of Shares in issue as of December 31, 2025.

(3) Pursuant to the Concert Party Agreement.

Save as disclosed above, as of December 31, 2025, to the best knowledge of the Directors or chief executive of the Company, none of the substantial Shareholders of the Company had interests or short positions in the Shares and underlying Shares of the Company or its associated corporations as recorded in the register required to be kept, pursuant to Section 336 of the SFO.

USE OF PROCEEDS FROM LISTING OF H SHARES AND A SHARE OFFERING

Use of H Share IPO Proceeds

The Company received net proceeds (after deduction of underwriting commissions and related costs and expenses) from its Listing of H Shares and the exercise of over-allotment option of approximately HK$1,309.8 million in aggregate, equivalent to approximately RMB1,122.3 million (the "**H Share IPO Proceeds**"). Taking into account the net proceeds received from the A Share Offering and the Company's operation needs, in order to strengthen the Company's capital efficiency, the Board resolved on August 21, 2020 to change the use of the remaining unutilized H Share IPO Proceeds of approximately RMB682.8 million in total as of June 30, 2020, which was approved by the Shareholders on October 9, 2020. In addition, with a view to achieving the long-term interests of the Company and its Shareholders and the strategic development goals of the Company, and taking into account the actual demands of the market as well as the enhancement of efficiency of funds utilization, the Board resolved on December 2, 2022 to change the use of RMB100 million of the unutilized H Share IPO Proceeds as of November 30, 2022, which was originally allocated for the R&D of DTcP candidates, to the R&D of combined vaccine candidates containing DTcP components to enrich the product portfolio of vaccines and enhance the market competitiveness of the Company which was approved by the Shareholders on December 21, 2022.

The table below sets out, among other things, the revised allocation of unutilized H Share IPO Proceeds and actual usage of the re-allocated H Share IPO Proceeds up to December 31, 2025. The Company prioritized the use of A Share IPO Proceeds (as defined below) after receiving it, and thus the actual usage of corresponding H Share IPO Proceeds was delayed.

Intended use of H-Share Proceeds	Revised allocation of unutilized H Share IPO Proceeds approved on December 2, 2022 (RMB million)	Actual usage during the Reporting Period (RMB million)	Actual usage up to December 31, 2025 (RMB million)	Unutilized net proceeds as of December 31, 2025 (RMB million)	Expected time of full utilization of remaining balance
R&D and commercialization of MCV candidates	–	–	85.1	–	NA
R&D of DTcP candidates	49.3	8.1	124.5	–	NA
R&D of other key products	10.7	–	168.3	–	NA
Continued R&D of our pre-clinical vaccine candidates	–	–	112.2	–	NA
Working capital and other general corporate purposes	–	–	112.2	–	NA
(i) cooperation, licensing and introduction of advanced technologies, vaccine candidates and biological products; (ii) development of vaccine candidates; and (iii) acquisition of high-quality assets related to vaccines and biological products	384.3	124.0	347.9	72.1	By the end of 2026
R&D of combined vaccine candidates containing DTcP components	100.0	27.3	68.6	31.4	By the end of 2026
Total	**544.3**	**159.4**	**1,018.8**	**103.5**	

USE OF A SHARE IPO PROCEEDS

The A Shares were listed on the Sci-Tech Innovation Board of Shanghai Stock Exchange on August 13, 2020. The Company received net proceeds (after deduction of underwriting commissions and related costs and expenses) from the A Share Offering of approximately RMB4,979.5 million (the "**A Share IPO Proceeds**"). Taking into the account the trend of the vaccine industry and the Company's long-term development strategies, in order to improve the Company's capabilities of R&D, manufacturing, testing and storage, the Board resolved on April 29, 2021 to change the use of the remaining unutilized A Share IPO Proceeds, which was approved by the Shareholders on May 28, 2021.

The table below sets out, among other things, the planned applications of the A Share IPO Proceeds and actual usage up to December 31, 2025:

Intended use of A Share IPO Proceeds	Planned applications of A Share IPO Proceeds (RMB million)	Revised Planned applications of A Share IPO Proceeds on May 28, 2021 (RMB million)	Actual usage during the Reporting Period (RMB million)	Actual usage up to December 31, 2025 (RMB million)	Unutilized net proceeds as of December 31, 2025 (RMB million)	Expected time of full utilization of remaining balance
CanSino Innovative Vaccine Industrial Campus Project[1]	550.0	1,100.0	110.4	912.5	187.5	By the end of 2026
Development of vaccine candidates[2]	150.0	150.0	14.6	128.6	21.4	By the end of 2026
Construction of vaccine traceability and cold chain logistics system and information system	50.0	50.0	–	50.0	–	NA
Working capital	250.0	250.0	–	250.0	–	NA
Sub-total[3]	1,000.0	1550.0	125.0	1,341.1	208.9	NA
Over-raised proceeds from A Share Offering[3, 4]	3,979.5	3,429.5	–	3,429.5	–	NA
Total	**4,979.5**	**4,979.5**	**125.0**	**4,770.6**	**208.9**	

Notes:

(1) On April 29, 2021, the Board proposed to upgrade and replace the construction plan of Phase II manufacture facilities with the CanSino Innovative Vaccine Industrial Campus Project, which was subsequently approved by the Shareholders on May 28, 2021. The Company plans to invest approximately RMB2,244.7 million into the CanSino Innovative Vaccine Industrial Campus Project, which will be funded by (i) the proposed change of use in the unutilized A Share IPO Proceeds planned for the construction of Phase II manufacture facilities, being approximately RMB550.0 million, as well as any interests generated therefrom; (ii) the proposed application of a portion of the unutilized over-raised proceeds from the A Share Offering of RMB550.0 million; and (iii) the Group's internal resources and bank borrowings to be arranged by the Company (if any) to cover the remaining amount. For details, please refer to the circular of the Company published on the website of Hong Kong Stock Exchange dated May 12, 2021 in relation to the proposed change in use of proceeds from A Share Offering. On August 29, 2024, the Board resolved to extend the expected time of full utilization of the remaining balance for CanSino Innovative Vaccine Industrial Campus Project to the end of 2026 due to the prolonged procurement, logistics and construction cycle under the impact of global public health incidents and the macro-economy and our prudent and efficient spending strategy. For details, please refer to the Company's overseas regulatory announcement in relation to the use of the A Share IPO Proceeds dated August 29, 2024.

(2) On March 28, 2023, based on the production and operation of the Company, the Board proposed to change in the investment projects using the A Share IPO Proceeds under the development of vaccine candidates of RMB150.0 million. Since DTcP-Hib has not obtained the approval for the clinical trial, the proposed raised proceeds of RMB30 million has not been utilized. In order to improve the efficiency of the proceeds and improve the market competitiveness of the combined vaccine products, the Company proposed to change the use of proceeds of RMB30 million to the R&D of combined vaccine candidates containing DTcP components, which was subsequently approved by the Shareholders at the general meeting on June 30, 2023. For details, please refer to the circular of the Company published on the website of Hong Kong Stock Exchange dated June 8, 2023 in relation to the proposed change in the investment projects using the part of A Share IPO Proceeds. On August 29, 2024, the Board resolved to extend the expected time of full utilization of the remaining balance for development of vaccine candidate based on the clinical progress of the relevant vaccine candidates and the expected settlement and payment of the related development costs. For details, please refer to the Company's overseas regulatory announcement in relation to the use of the A Share IPO Proceeds dated August 29, 2024. The Company's subsidiary projects, PCV13*i* and DTcP, were fully invested by the end of December 2025. For the subsidiary project PBPV, the investment progress reached 95.34% by the end of December 2025. Following the positive Phase I clinical trial data obtained for this product, the Company is further planning the subsequent research and development advancement strategy.

(3) The A Share IPO Proceeds consist of: (i) a total of RMB1,000.0 million, the proposed applications of which have been disclosed in the prospectus of the A Share Offering; and (ii) the over-raised proceeds of RMB3,979.5 million. STAR Market Listing Rules do not require intended use to be applied to the overraised proceeds obtained from A Share Offering. Any subsequent intended use for the over-raised proceeds from A Share Offering shall be approved by the Shareholders at a general meeting.

(4) As approved by the Shareholders at the extraordinary general meeting held on October 9, 2020, October 11, 2021 and December 21, 2022, a total amount of RMB3,429.5 million of the over-raised proceeds from A Share Offering has been used to permanently supplement working capital. The Company will use the unutilized over-raised proceeds from A Share Offering for future business needs and the Company's production and operation activities related to its main business.

The expected timeline for utilizing the remaining proceeds from each of the Listing of H Shares and A Share Offering is set on the basis of the best estimation of the Company taking into account, among other factors, prevailing and future market conditions and business developments and needs, and therefore is subject to change. Based on our estimates, we currently intend to apply the unutilized net proceeds in accordance with the plans set out in the above tables.

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

On January 23, 2022, the Board approved the repurchase of a portion of issued A Shares by the Company using its internal funds through Centralized Bidding Trading at the seventh extraordinary meeting of the second session of the Board (the "**Share Repurchase**"). The total amount of funds for the Share Repurchase shall be not less than RMB150 million (inclusive) and not more than RMB300 million (inclusive). The maximum repurchase price of the Shares Repurchase will not exceed RMB446.78 per A Share, and all the A Shares repurchased will be used for future employee stock ownership plan or equity incentive scheme. Pursuant to the Share Repurchase, the Company has repurchased 683,748 numbers of A Shares with a total consideration amounted to approximately RMB150.2 million, including the transaction costs of RMB152,000 in 2022. As of December 31, 2025, 277,650 shares of the repurchased A Shares were used for the 2023 Stock Ownership Plan. On 27 November 2025, a total of 406,098 ordinary A shares repurchased during February 7, 2022 to December 1, 2022 were cancelled.

Save as disclosed above, no other Shares were held by the Company as treasury Shares as of December 31, 2025.

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Shares (including any sale or transfer of treasury Shares).

RELATED PARTY TRANSACTIONS

During the year ended December 31, 2025, save as disclosed below in note 41 to the financial statements, the Group did not have any significant transactions with related parties.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the relevant laws of the PRC that would oblige the Company to offer new Shares on a pro rata basis to 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 listed securities. If any of the Shareholders is unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or the exercise of any rights in relation to the Shares, he or she is advised to consult an expert.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

As far as the Board and the management are aware, the Company has complied with all relevant laws and regulations that have a significant impact on the Company. During the Reporting Period, there was no material breach of or noncompliance with the applicable laws and regulations by the Company.

PERMITTED INDEMNITY PROVISION

During the Reporting Period and as of December 31, 2025, the Company had purchased liability insurance for Directors which provides proper protection from liabilities arising from or in connection with the performance of their duties.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as of the date of this report, the Company has maintained the prescribed percentage of public float under Rule 19A.28B of the Hong Kong Listing Rules.

FINANCIAL SUMMARY

A summary of the Group's results, assets and liabilities for the last five financial years (prepared in accordance with HKFRS) are set out on page 4 of this report. This summary does not form part of the audited consolidated financial statements.

USING RESERVES TO OFFSET LOSSES

On November 27, 2025, the Second Extraordinary General Meeting of 2025 of the Company considered and approved the resolution in relation to the use of reserves to offset the accumulated losses of the Company. Upon completion of the plan to offset losses, the parent company's surplus reserve will be reduced to RMB0, capital reserve will be reduced to RMB5,244,776,299.42, and the accumulated losses will be fully offset to RMB0 as of December 31, 2024. The implementation of the plan to use reserves to offset the accumulated losses as of December 31, 2024 will enable the Company to enhance its capacity to deliver investor returns and support the Company's high-quality development.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company will be held in due course. A notice convening the annual general meeting and setting out the arrangements in relation to the closure of register of members will be published and dispatched to the Shareholders in due course in accordance with the requirements of the Hong Kong Listing Rules.

AUDIT COMMITTEE

As of the date of this report, the Audit Committee consists of two independent non-executive Directors and one non-executive Director, being Mr. Yiu Leung Andy CHEUNG, Ms. Xuefeng JI and Mr. Chi Shing LI. The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of the Company and overseeing the audit process.

The Audit Committee has reviewed together with the management and external auditors of the Company, the accounting principles and policies adopted by the Company and the audited consolidated financial statements for the year ended December 31, 2025.

AUDITOR

The audited consolidated financial statements for the year ended December 31, 2025 has been audited by Deloitte Touche Tohmatsu. Deloitte Touche Tohmatsu shall retire in the forthcoming annual general meeting and, being eligible, will offer themselves for re-appointment. A resolution to re-appoint Deloitte Touche Tohmatsu as auditor of the Company and to authorize the chairman to determine the specific matters, including but not limited to its remuneration will be proposed at the forthcoming annual general meeting.

By order of the Board
CanSino Biologics Inc.
Xuefeng YU
Chairman

Hong Kong,
March 30, 2026

Independent Auditor's Report

To the Shareholders of CanSino Biologics Inc.
(incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of CanSino Biologics Inc. (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 79 to 166, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

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

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") 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 MATTER

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements of the current period. This matter was 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 this matter.

KEY AUDIT MATTER (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Revenue recognition for the sales of vaccine and relevant products	
As disclosed in Note 5 to the consolidated financial statements, the Group recognised net revenue of RMB1,011 million from the sale of vaccine and related products for the year ended 31 December 2025, after deducting the provision for sales returns. Revenue has a significant impact on financial statements and is one of the Group's key performance indicators, which has an inherent risk of manipulation to achieve the expected goals. Moreover, the sales return provision requires significant management estimates. Therefore, we identify the occurrence and accuracy of revenue recognition for the sales of vaccine and relevant products as a key audit matter.	Our main procedures in relation to the occurrence and accuracy of revenue recognition for the sales of vaccine and relevant products included: 1. Obtaining the typical sales contracts. Inspecting the terms of the contracts obtained for risk assessment and evaluating whether the timing of revenue recognition for the sales of vaccine and relevant products of the Group complies with HKFRS 15 *Revenue from Contracts with Customers*. 2. Understanding the key controls related to the occurrence and accuracy assertions of revenue recognition for the sales of vaccine and relevant products, including but not limited to the Group's internal control over the review of sales contract terms, revenue recognition process, and accounting estimates related to sales returns. Evaluating the design, implementation and operating effectiveness of these controls. 3. Performing test of details on a sample basis by checking the recorded revenue transactions to relevant supporting documents. 4. For domestic vaccine products sales transactions, reconciling all the invoices issued for the sales of vaccine products with records from National Tax system. 5. Evaluating the reasonableness of key assumptions and raw data utilised by the management and underlying supporting evidence in relation to the estimation of the sales return, together with the information of actual sales return on historical sales. 6. Reviewing the management's calculation of the estimation of sales return.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include 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 DIRECTORS AND THOSE CHARGED WITH GOVERNANCE 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 disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors of the Company 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.

Those charged with governance are responsible 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 solely to you, as a body, in accordance with our agreed terms of engagement, 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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 of the Company.

- Conclude on the appropriateness of the directors of the Company's 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 group 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.

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

We communicate with those charged with governance 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 those charged with governance 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 those charged with governance, we determine the matter that was of most significance in the audit of the consolidated financial statements of the current period and is therefore the key audit matter. We describe this matter 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 BAO Jie (practising certificate number: P07856).

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
30 March 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	Notes	Year ended 31 December 2025 RMB'000	2024 RMB'000
Revenue	5	**1,059,393**	824,884
Cost of sales		**(260,131)**	(244,432)
Gross profit		**799,262**	580,452
Other income	6	**166,372**	109,483
Selling expenses		**(416,726)**	(369,052)
Administrative expenses		**(173,108)**	(194,357)
Research and development expenses		**(313,038)**	(416,120)
Impairment loss under expected credit loss ("**ECL**") model		**(12,516)**	(15,152)
Other losses, net	9	**(4,595)**	(81,876)
Share of results of associates		**(1,388)**	(16,768)
Operating profit (loss)		**44,263**	(403,390)
Finance income or gains	10	**34,765**	82,345
Finance costs	10	**(57,290)**	(60,159)
Finance costs – net	10	**(22,525)**	22,186
Profit (loss) before income tax		**21,738**	(381,204)
Income tax credit (expense)	11	**6,135**	(2,467)
Profit (loss) for the year	7	**27,873**	(383,671)
Profit (loss) for the year attribute to owners of the Company		**27,873**	(378,884)
Loss for the year attribute to non-controlling interests		**–**	(4,787)
Other comprehensive (expense) income for the year			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of foreign operations		**(39)**	400
Other comprehensive (expense) income for the year, net of income tax		**(39)**	400
Total comprehensive income (expense) for the year		**27,834**	(383,271)
Total comprehensive income (expense) attribute to:			
– Owners of the Company		**27,834**	(378,484)
– Non-controlling interests		**–**	(4,787)
		27,834	(383,271)
Earnings (loss) per share			
– Basic and diluted (in RMB)	12	**0.11**	(1.53)

Consolidated Statement of Financial Position

As at 31 December 2025

	Notes	As at 31 December 2025 RMB'000	2024 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	14	**2,610,386**	2,634,412
Right-of-use assets	15	**102,941**	114,037
Intangible assets	16	**224,507**	180,104
Financial assets at fair value through profit or loss	23	**152,958**	150,636
Other receivables and prepayments	22	**27,274**	57,986
Interests in associates	17	**9,130**	16,792
Deferred tax assets	18	**211,550**	205,394
Term deposits with initial term of over three months	24	**–**	316,280
Total non-current assets		**3,338,746**	3,675,641
Current assets			
Inventories	19	**338,309**	280,522
Contract costs	20	**9,539**	2,893
Trade receivables	21	**782,885**	737,622
Income tax recoverable		**267**	137
Other receivables and prepayments	22	**63,634**	55,679
Financial assets at fair value through profit or loss	23	**988,421**	1,183,118
Term deposits with initial term of over three months	24	**420,014**	455,905
Restricted bank deposits	25	**16,078**	10,152
Bank balances and cash	26	**1,219,683**	1,556,463
Total current assets		**3,838,830**	4,282,491
Total assets		**7,177,576**	7,958,132
Capital and Reserves			
Share capital and share premium	27	**5,385,782**	6,846,688
Treasury shares	27	**–**	(95,622)
Capital reserves	28	**26,736**	(22,509)
Statutory reserves		**12,360**	118,389
Translation reserves		**185**	224
Accumulated losses		**(471,443)**	(1,937,298)
Equity attributable to owners of the Company		**4,953,620**	4,909,872
Non-controlling interests		**–**	–
Total equity		**4,953,620**	4,909,872
LIABILITIES			
Non-current liabilities			
Borrowings	29	**956,945**	1,098,538
Lease liabilities	30	**7,618**	12,676
Deferred income	32	**176,923**	165,004
Total non-current liabilities		**1,141,486**	1,276,218
Current liabilities			
Trade payables	33	**50,437**	62,474
Contract liabilities	5	**18,232**	14,687
Other payables and accruals	34	**599,368**	632,282
Financial liabilities at fair value through profit or loss	35	**–**	91
Borrowings	29	**318,525**	892,168
Lease liabilities	30	**5,426**	9,991
Refund liabilities	31	**53,025**	75,053
Deferred income	32	**37,457**	85,296
Total current liabilities		**1,082,470**	1,772,042
Total liabilities		**2,223,956**	3,048,260
Total equity and liabilities		**7,177,576**	7,958,132

The consolidated financial statements on page 79 to page 166 were approved and authorised for issue by the board of directors on 30 March 2026 and are signed on its behalf by:

Director: Xuefeng YU

Director: Shou Bai CHAO

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Attributable to owners of the Company									
	Share capital RMB'000	Share premium RMB'000	Treasury shares RMB'000	Capital reserves RMB'000	Statutory reserves RMB'000	Translation reserves RMB'000	Accumulated losses RMB'000	Subtotal RMB'000	Non-controlling interests RMB'000	Total RMB'000
Balance at 1 January 2025	247,450	6,599,238	(95,622)	(22,509)	118,389	224	(1,937,298)	4,909,872	–	4,909,872
Total comprehensive income (expense)										
– Profit for the year	–	–	–	–	–	–	27,873	27,873	–	27,873
– Other comprehensive expense for the year	–	–	–	–	–	(39)	–	(39)	–	(39)
Total comprehensive income (expense) for the year	–	–	–	–	–	(39)	27,873	27,834	–	27,834
Recognition of equity-settled share-based payments (Note 28)	–	–	–	9,378	–	–	–	9,378	–	9,378
Cancellation of treasury shares (Note 27)	(406)	(88,680)	89,086	–	–	–	–	–	–	–
Transferred to statutory reserves (Note)	–	–	–	–	12,360	–	(12,360)	–	–	–
Transfer upon vesting of share-based payments (Notes 27 and 28)	–	(39,867)	6,406	39,867	–	–	–	6,406	–	6,406
Utilisation of reserves to make up for previous years' losses (Note 27)	–	(1,331,953)	–	–	(118,389)	–	1,450,342	–	–	–
Effect of sale of the restricted shares granted under 2023 Stock Ownership Plan (Note 28)	–	–	130	–	–	–	–	130	–	130
Balance at 31 December 2025	247,044	5,138,738	–	26,736	12,360	185	(471,443)	4,953,620	–	4,953,620
Balance at 1 January 2024	247,450	6,594,556	(106,173)	(21,028)	118,389	(176)	(1,558,414)	5,274,604	12,811	5,287,415
Total comprehensive income (expense)										
– Loss for the year	–	–	–	–	–	–	(378,884)	(378,884)	(4,787)	(383,671)
– Other comprehensive income for the year	–	–	–	–	–	400	–	400	–	400
Total comprehensive income (expense) for the year	–	–	–	–	–	400	(378,884)	(378,484)	(4,787)	(383,271)
Recognition of equity-settled share-based payments (Note 28)	–	–	–	3,201	–	–	–	3,201	–	3,201
Deemed disposal of a subsidiary	–	–	–	–	–	–	–	–	(8,024)	(8,024)
Transfer upon vesting of share-based payments (Notes 27 and 28)	–	4,682	7,388	(4,682)	–	–	–	7,388	–	7,388
Effect of sale of the restricted shares granted under 2023 Stock Ownership Plan (Note 28)	–	–	3,163	–	–	–	–	3,163	–	3,163
Balance at 31 December 2024	247,450	6,599,238	(95,622)	(22,509)	118,389	224	(1,937,298)	4,909,872	–	4,909,872

Note: In accordance with the Articles of Association of the Company, it is required to transfer 10% of the profit after taxation to the statutory reserve until the reserve reaches 50% of the registered capital. Transfer to this reserve must be made before distributing dividends to equity holders. The statutory reserves can be used to make up for previous years' losses, expand the existing operations or convert into additional capital of the Company.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Notes	Year ended 31 December 2025 RMB'000	2024 RMB'000
Operating activities			
Cash from (used in) operations	36	**60,714**	(208,869)
Interest received		**17,294**	40,219
Income tax paid		**(151)**	(137)
Net cash from (used in) operating activities		**77,857**	(168,787)
Investing activities			
Purchase of property, plant and equipment		**(190,240)**	(357,160)
Purchase of structured deposits, wealth management products and certificates of deposit held for trading		**(7,436,003)**	(12,146,000)
Cash paid for equity and fund investments		**–**	(29,442)
Payment for term deposits with initial term of over three months		**(189,273)**	(781,605)
Payment for rental deposits		**(682)**	–
Proceeds from term deposits with initial term of over three months		**544,002**	1,068,154
Proceeds from maturity of structured deposits and wealth management products		**7,631,003**	12,266,375
Proceeds from disposal of financial assets at FVTPL		**1,000**	–
Proceeds on disposal of property, plant and equipment		**560**	38
Purchase of intangible assets		**(53,661)**	(100,478)
Receipt of investment income on structured deposits, wealth management products and term deposits		**44,973**	89,800
Net cash outflow on deemed disposal of a subsidiary		**–**	(1,308)
New loan lent to an associate		**–**	(5,912)
Receipt of asset-related government grants		**13,125**	1,500
Net cash generated from investing activities		**364,804**	3,962
Financing activities			
Interest paid		**(44,508)**	(63,781)
Proceeds from the sale of ordinary shares		**7,340**	7,032
Payment to the employees for the consideration received from the sale of ordinary shares		**(7,306)**	(6,962)
Repayment of borrowings		**(1,510,062)**	(1,303,201)
Repayment of lease liabilities		**(7,340)**	(10,472)
New borrowings raised		**795,660**	1,043,200
Net cash used in financing activities		**(766,216)**	(334,184)
Net decrease in cash and cash equivalents		**(323,555)**	(499,009)
Cash and cash equivalents at the beginning of the year		**1,555,805**	2,046,099
Effect of foreign exchange rate changes		**(12,981)**	8,715
Cash and cash equivalents at the end of the year	26	**1,219,269**	1,555,805

1. GENERAL INFORMATION

CanSino Biologics Inc. (the "**Company**") was incorporated in Tianjin of the People's Republic of China (the "**PRC**") on 13 January 2009 as a limited liability company by Xuefeng Yu, Tao Zhu, Dongxu Qiu, Xuan Liu and Helen Huihua Mao. The address of the Company's registered office is 401-420, 4th Floor, Biomedical Park, 185 South Avenue, TEDA West District, Tianjin, the PRC. Upon approval by the shareholders' general meeting held on 10 February 2017, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC and changed its registered name from "Tianjin CanSino Biotechnology Inc.(天津康希諾生物技術有限公司)" to "CanSino Biologics Inc. (康希諾生物股份公司)" on 13 February 2017. The Company and its subsidiaries (collectively referred to as the "**Group**"), are principally engaged in the research and development, manufacturing and commercialisation of vaccine and relevant products for human use and medical research, experimental development services and development and manufacturing services.

The Company's H shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 28 March 2019 (the "**HK Listing**"), and the Company's A shares were listed on the SSE STAR Market on 13 August 2020 (the "**A Share Listing**").

The consolidated financial statements are presented in Renminbi ("**RMB**") and rounded to nearest thousand yuan, unless otherwise stated. The sum of the amounts included in the consolidated financial statements may be inconsistent with the total due to rounding.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

(i) Basis of preparation of consolidated financial statements

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.1 Basis of preparation (Continued)

(i) Basis of preparation of consolidated financial statements (Continued)

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with HKFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(ii) Amendments to an HKFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard as issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability

The application of the amendments to an HKFRS Accounting Standard in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.1 Basis of preparation (Continued)

(iii) New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency[3]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[3]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2026.
3 Effective for annual periods beginning on or after 1 January 2027.

Except for the new HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to *Basis of Preparation of Financial Statements* upon effective of HKFRS 18) and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Subsidiaries

A subsidiary is an entity (including structured entities) over which the Group has control. The Group controls an entity when the Group has power over the investee, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

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 listed above.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRS Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are provided for, and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group applies HKFRS 9, including the impairment requirements, to long-term interests in an associate to which the equity method is not applied and which form part of the net investment in the investee. Furthermore, in applying HKFRS 9 to long-term interests, the Group does not take into account adjustments to their carrying amount required by HKAS 28 (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with HKAS 28).

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required whenever there is an indication that the investments may be impaired.

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("**CODM**"). The CODM, who is responsible for allocating resources, assessing performance of the operating segments, and has been identified as the executive directors of the Group that make strategic decisions.

2.6 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("**the functional currency**"). The consolidated financial statements are presented in RMB, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non-monetary items those are measured in terms of historical cost in a foreign currency are not translated.

Foreign exchange gains and losses are presented in the consolidated statement of profit or loss and other comprehensive income within finance income or finance costs.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserves.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.7 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and impairment loss, if any.

Buildings, leasehold improvements and other equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Sale proceeds of items that are produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management (such as samples produced when testing whether the asset is functioning properly), and the related costs of producing those items are recognised in the profit or loss. The cost of those items is measured in accordance with the measurement requirements of HKAS 2. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting year in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Buildings	3-50 years
Leasehold improvements	Shorter of remaining lease term or estimated useful life
Equipment and instruments	5-10 years
Motor vehicles	4 years
Office equipment and furniture	3-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "Other losses, net" in the consolidated statement of profit or loss and other comprehensive income.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.8 Intangible assets

(a) Computer software

Acquired computer software are capitalised on the basis of the costs incurred to acquire and bring the specific software into usage. These costs are amortised using the straight-line method over their estimated useful lives of 2 to 10 years. Costs associated with maintaining computer software programs are recognised as expense as incurred. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

(b) Non-proprietary technologies

Non-proprietary technologies are initially recorded at cost and are amortised on a straight-line basis over their useful lives of 2 to 10 years. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

(c) Research and development

The Group incurs significant costs and efforts on research and development activities, which include expenditures on vaccine and relevant products. Research expenditures are charged to the profit or loss as an expense in the year the expenditure is incurred. Development costs are recognised as assets if they can be directly attributable to a newly developed vaccine and relevant product and all the following can be demonstrated:

(i) The technical feasibility to complete the development project so that it will be available for use or sale;

(ii) The intention to complete the development project to use or sell the vaccine and relevant product;

(iii) The ability to use or sell the vaccine and relevant product;

(iv) The manner in which the development project will generate probable future economic benefits for the Group;

(v) The availability of adequate technical, financial and other resources to complete the development project and use or sell the vaccine and relevant product; and

(vi) The expenditure attributable to the asset during its development can be reliably measured.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.8 Intangible assets (Continued)

(c) Research and development (Continued)

The Group recognise development costs as follows:

For class I biological products (biological products that have not been previously approved for sale in China or abroad), development stage begins after obtaining new drug application approval from drug regulatory organization. Development costs at this stage are recognised as assets when the above six criteria are met.

For non-class I biological products, development stage begins after Phase III clinical trials are conducted substantially. Development costs at Phase III are recognised as assets when the above six criteria are met.

Development expenditures not satisfying the above criteria are recognised in the profit or loss as incurred.

Capitalised development costs are amortised using the straight-line method over the life of the related vaccine and relevant product. Amortisation shall begin when the asset is available for use.

2.9 Impairment of non-financial assets

Intangible assets not yet available for use are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Property, plant and equipment, right-of-use assets, intangible assets available for use, interests in associates are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Determining value in use involves management judgment to assess whether the carrying amount of the relevant asset is recoverable from the present value of future cash flows. In calculating the present value of future cash flows, a number of assumptions are required, including management's forecasts regarding: (i) timing of commercialisation, productivity, and market size; (ii) revenue compound annual growth rate; (iii) costs and operating expenses; and (iv) selection of a discount rate to reflect the risks involved.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.10 Financial assets and financial liabilities

(a) Initial recognition

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument.

At initial recognition, the Group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an ECL is recognised for financial assets measured at amortised cost, which results in an accounting loss being recognised in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(b) Classification and subsequent measurement

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The Group classifies its financial assets in the following measurement categories:

(i) amortised cost;

(ii) fair value through other comprehensive income; or

(iii) fair value through profit or loss.

Except for the financial assets measured at fair value through profit or loss as disclosed in Note 23, the financial assets of the Group are measured at amortised cost.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.10 Financial assets and financial liabilities (Continued)

(b) Classification and subsequent measurement (Continued)

The classification requirements for debt and equity instruments are described below:

Debt instruments

Classification and subsequent measurement of debt instruments depend on the Group's business model for managing the asset and the cash flow characteristics of the asset.

A debt instrument shall be measured at amortised cost if all of the following conditions are met:

(i) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows;

(ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and

(iii) they are not designated at financial assets at fair value through profit or loss.

The carrying amount of these assets is adjusted by any expected credit loss allowance. Interest income from these financial assets is measured using the effective interest rate method.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "Other losses, net" line item.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.10 Financial assets and financial liabilities (Continued)

(b) Classification and subsequent measurement (Continued)

Equity instruments

The Group subsequently measures all equity investments at fair value through profit or loss.

Gains and losses on debt or equity investments at fair value through profit or loss are included in the profit or loss. The gains or losses recognised in profit or loss exclude any dividend or interest earned on the financial asset and is included in the "other gains (losses), net" line item.

Financial liabilities and equity

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.10 Financial assets and financial liabilities (Continued)

(b) Classification and subsequent measurement (Continued)

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which HKFRS 3 applies, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is held for trading if:

- it has been incurred principally for the purpose of repurchasing in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at amortised cost

Financial liabilities including borrowings, trade payables and other payables and accruals are subsequently measured at amortised cost, using the effective interest method.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss.

Embedded derivatives

Derivatives embedded in hybrid contracts that contain financial asset hosts within the scope of HKFRS 9 are not separated. The entire hybrid contract is classified and subsequently measured in its entirety as either amortised cost or fair value as appropriate.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.10 Financial assets and financial liabilities (Continued)

(c) Derecognition

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 balance sheet) when:

(i) the rights to receive cash flows from the asset have expired; or

(ii) 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.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

A financial liability is derecognised when the obligation under the liability is discharged, 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. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.10 Financial assets and financial liabilities (Continued)

(d) ECL

The Group assesses on a forward-looking basis the ECL associated with its debt instrument assets carried at amortised cost. The Group recognises a loss allowance for such losses at each reporting date.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and current conditions at the reporting date as well as the forecast of future economic conditions.

The Group always recognises lifetime ECL for trade receivables. For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

The measurement of ECL reflects: An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; the time value of money; and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, 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. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- Significant changes in external market indicators of credit risk for a particular financial instrument or similar financial instruments with the same expected life. Changes in market indicators of credit risk include, but are not limited to: the credit spread, the credit default swap prices for the borrower, the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.10 Financial assets and financial liabilities (Continued)

(d) ECL (Continued)

(i) Significant increase in credit risk (Continued)

- An actual or expected significant change in the financial instrument's external credit rating;
- An actual or expected internal credit rating downgrade for the borrower;
- Expected adverse changes in business, financial or economic conditions that are expected to cause a significant change in the borrower's ability to meet its debt obligations;
- An actual or expected significant change in the operating results of the borrower;
- A significant adverse change in the regulatory, economic, or technological environment of the borrower;
- Significant changes in the expected performance and behavior of the borrower, including changes in the payment status of borrowers in the group;
- Changes in the entity's credit management approach in relation to the financial instrument.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the aforegoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.10 Financial assets and financial liabilities (Continued)

(d) ECL (Continued)

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.10 Financial assets and financial liabilities (Continued)

(d) ECL (Continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and forward looking information, including time value of money where appropriate, that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

The ECL for the Group's certain trade receivables and other receivables are assessed individually. The ECL for the Group's remaining trade receivables are considered on a collective basis, taking into consideration ageing information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Ageing;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments subject to ECL measurement by adjusting their carrying amount, with the exception of trade and other receivables where the corresponding adjustment is recognised through a loss allowance account.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.11 Inventories

Inventories including finished goods, goods shipped in transit, work in progress, raw materials and consumable materials purchased for production, research and development activities are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

2.12 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables arising from contracts with customers are initially measured in accordance with HKFRS 15. Other receivables are recognised initially at fair value. Trade and other receivables are subsequently measured at amortised cost using the effective interest method, less allowance for ECL.

2.13 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

2.14 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.15 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting year. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.16 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are derecognised when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.17 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

2.18 Current and deferred income tax

The income tax expense or credit for the period represents the sum of current and deferred income tax expense, which is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.18 Current and deferred income tax (Continued)

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(b) Deferred income tax

Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 profits will be available to allow all or part of the asset to be recovered.

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

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.18 Current and deferred income tax (Continued)

(b) Deferred income tax (Continued)

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to the leasing liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss.

2.19 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as "payroll and welfare payable" in Note 34.

(b) Post-employment obligations

The Group incorporated in the PRC contributes based on certain percentage of the salaries of the employees to a defined contribution retirement benefit plan organised by relevant government authorities in the PRC on a monthly basis. The government authorities undertake to assume the retirement benefit obligations payable to all existing and further retired employees under these plans and the Group has no further obligation for post-retirement benefits beyond the contributions made. Contributions to these plans are expensed as incurred. Assets of the plans are held and managed by government authorities and are separate from those of the Group.

(c) Termination benefits

A liability for a termination benefit is recognised at the earlier of when the Group entity can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.20 Interest income

Interest income is presented as finance income where it is earned from term deposits and financial assets that are held for cash management purposes. Any other interest income is included in other income.

2.21 Share-based payments

Equity-settled share-based payments

Share-based compensation benefits are provided to employees via various share award schemes and share option schemes. Information relating to these schemes is set out in Note 28.

The fair value of equity-settled share-based payments granted to employees under Employee Share Plans is recognised as an employee benefit expense over the relevant service period, being the vesting period of the shares, and the credit is recognised in equity in the capital reserve. The fair value of the shares is measured at the grant date without taking into consideration all non-market vesting conditions. The number of shares expected to vest is estimated based on the non-market vesting conditions. The estimates are revised at the end of each reporting period and adjustments are recognised in profit or loss and the capital reserve. Where share awards are forfeited due to a failure by the employee to satisfy the service conditions, any expenses previously recognised in relation to such shares are reversed in profit or loss. When shares granted are vested, the amount previously recognised in capital reserves will be transferred to share premium. When shares are cancelled during the vesting period, it is treated as an acceleration of vesting and the Group immediately recognises the remaining amount that it otherwise would have recognised for services over the remaining vesting period.

When share options are exercised, the amount previously recognised in capital reserves will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in capital reserves will continue to be held in capital reserves.

2.22 Revenue from contracts with customers

Information about the Group's accounting policies relating to revenue from contracts with customers is provided in Notes 5 and 31.

2.23 Costs to fulfil a contract

The Group incurs costs to fulfil a contract in its business. The Group first assesses whether these costs qualify for recognition as an asset in terms of other relevant standards, failing which it recognises an asset for these costs only if they meet all of the following criteria:

(a) the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify;

(b) the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

(c) the costs are expected to be recovered.

The asset so recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate. The asset is subject to impairment review.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.24 Variable consideration

For vaccine sales contracts that contain variable consideration, the Group estimates the amount of consideration to which it will be entitled using the most likely amount, which better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

2.25 Refund liabilities

The Group recognises a refund liability if the Group expects to refund some or all of the consideration received from customers.

For a sale of products with a right of return for dissimilar products, the Group recognises all of the following:

(a) revenue for the transferred products in the amount of consideration to which the Group expects to be entitled. Therefore, revenue would not be recognised for the products expected to be returned;

(b) a refund liability; and

(c) an asset and corresponding adjustment to cost of sales for its right to recover products from customers and are presented as right to returned goods.

2.26 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be receive and the Group will comply with all attached conditions.

Where the grants relates to an expense item, it is recognised as income on a systematic basis over the period that the costs, which it is intended to compensate, are expensed. Where the grants relates to an asset, the fair value is credited to a deferred income account and is released to the consolidated statement of profit or loss and other comprehensive income over the expected useful life of the relevant asset on straight-line basis.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under “other income”.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.27 Leases

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Non-lease components are separated from lease component and are accounted for by applying other applicable standards.

Except for the short-term leases, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment whether the risk profile of the entity that enters into the lease is different to that of the Group and whether the lease benefit from a guarantee from the Group.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.27 Leases (Continued)

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The Group remeasures lease liabilities and makes a corresponding adjustment to the related right-of-use assets whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment;
- the lease payments change due to changes in market rental rates following a market rent review, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate;
- a lease contract is modified and the lease modification is not accounted for as a separate lease.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Right-of-use assets are measured at cost comprising the following:

- the amounts of the initial measurement of lease liabilities;
- any lease payments made at or before the commencement date; and
- any initial direct costs.

Right of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.27 Leases (Continued)

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

2.28 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

2.29 Contingent liabilities

A contingent liability is a present obligation arising from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

The Group assesses continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the consolidated financial statements in the reporting period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key source of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Inventory provision

The Group assesses periodically if cost of inventories may not be fully recoverable based on an assessment of the net realizable value of inventories. Inventories are usually written down to net realizable value when the cost of inventories may not be fully recoverable. This may be the case when those inventories are damaged, have become wholly or partially obsolete, or their selling prices have declined. The Group's inventories compose of vaccine and relevant products, as well as the related raw materials and work in progress. In estimating the net realizable value of inventories, the Group takes into account the expire dates of the inventories and the estimation on future demand for the vaccine and relevant products to reflect the best estimation of the net realizable value of inventories as at 31 December 2025. When preparing the forecast of future demand for vaccine products, the Group makes reference to the current relevant vaccination policies, estimates the expected vaccination of population from different categories, and considers possible technological iterations and future uncertainties of the relevant demand. The abovesaid assumptions involves management estimates and judgements, and also with uncertainty. Changing the assumptions and estimates, could affect the net realizable value and a reversal or further recognition of write-down may arise and be recognised in profit or loss of future periods.

As at 31 December 2025, the gross amounts of inventories were approximately RMB699,797,000 (31 December 2024: RMB720,182,000), net of write down of inventories of approximately RMB361,488,000 (31 December 2024: RMB439,660,000).

Fair value measurement of unlisted equity investments and unlisted fund investment

As at 31 December 2025, the Group's unlisted equity investments and unlisted fund investment amounting to RMB117,101,000 (31 December 2024: RMB114,082,000) are measured at fair value with fair value being determined based on significant unobservable inputs using valuation techniques. Judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof, including liquidity discount and volatility etc. Changes in assumptions relating to these factors could result in material adjustments to the fair value of these instruments. Details of the fair value measurement of these investments were set out in Note 44.3.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key source of estimation uncertainty (Continued)

Deferred tax assets

As at 31 December 2025, deferred tax assets of RMB211,550,000 (31 December 2024: RMB205,394,000) has been recognised in the consolidated statement of financial position. The realisability of the deferred tax assets mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future taxable profits and taxable temporary differences generated are less or more than expected, or changes in facts and circumstances which result in revision of future taxable profits and taxable temporary differences estimation, a material reversal or further recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal or further recognition takes place. No deferred tax asset has been recognised on the tax losses and temporary differences of the subsidiaries due to the unpredictability of future profit streams as disclosed in Note 18. Based on the Company's forecast of future earnings, a deferred tax asset is recognised for deductible temporary differences, unused tax losses and tax credits carried forward, to the extent that it is probable that future taxable profits will be available.

Estimation of refund liabilities

The Group recognises a refund liability if the Group expects to refund some or all of the consideration of all goods delivered arising from the rights granted by the Group to the customers to return some or all the goods purchased. At the end of each reporting period, the Group estimates the future sales return of the goods sold and a corresponding adjustment to revenue is recognised for those products expected to be returned. The estimation of sales return requires the use of judgement and estimates. Where the actual return rate is different from the original estimate, such difference will be trued up in subsequent periods. As at 31 December 2025, the Group recognised a refund liability of approximately RMB53,025,000 (31 December 2024: RMB75,053,000).

Impairment on long-term assets

The Group regularly reviews whether there are any indications of impairment and recognises an impairment loss if the carrying amount of an asset is lower than its recoverable amount. The Group tests for impairment for intangible assets and property, plant and equipment, interests in associates and right-of-use assets whenever there is an indication that the asset may be impaired. Intangible assets not yet available for use are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. The recoverable amounts have been determined based on the higher of the fair value less costs of disposal and value in use. The use of estimates are required in these calculations. Changing the assumptions and estimates, including the fair value, costs of disposal, expected cash flow, discount rate and other key parameters could materially affect the recoverable amounts.

As at 31 December 2025, the carrying amount of intangible assets was RMB224,507,000 (31 December 2024: RMB180,104,000), after taking into account the impairment allowance of approximately RMB36,864,000 (31 December 2024: RMB36,864,000). As at 31 December 2025, the carrying amount of property, plant and equipment was RMB2,610,386,000 (31 December 2024: RMB2,634,412,000), after taking into account the impairment allowance of nil (31 December 2024: RMB6,032,000).

4. SEGMENT

The operating segments have been determined based on the reports reviewed by CODM. The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive directors of the Company.

The Group is principally engaged in the research and development, manufacturing and commercialisation of vaccine and relevant products for human use and medical research, experimental development services and development and manufacturing services. Management reviews the operating results of the business as a whole to make decisions about resources to be allocated. Therefore, the CODM of the Company regards that there is only one segment which is used to make strategic decisions.

The major operating entity of the Group is domiciled in the PRC. The Group's revenue were primarily derived in the PRC based on the location of the customers. Details are set out in Note 5.

As at 31 December 2025 and 2024, the Group's non-current assets were mainly located in Mainland China and Hong Kong.

There were no customers whose revenue contributed over 10% of the Group's total sales during the year ended 31 December 2025 and 2024.

5. REVENUE

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Sales of vaccine and related products – at a point in time	**1,011,148**	800,341
Provision of development and manufacturing services – at a point in time	**31,437**	24,543
Technology transfer income and sales of intermediate products – at a point in time	**16,808**	–
	1,059,393	824,884

Information about the geographical markets of the Group's revenue is presented based on the locations of the customers.

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Geographical markets		
China	**1,011,642**	795,162
Overseas	**47,751**	29,722
	1,059,393	824,884

5. REVENUE (CONTINUED)

The Group recognised the following contract liabilities related to contracts with customers:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Contract liabilities – vaccine and relevant products	**10,809**	10,828
Contract liabilities – development and manufacturing services, research and technical services	**7,423**	3,859
	18,232	14,687

The following is an analysis of the Group's revenue from its major products:

Revenue from the sales of vaccine and relevant products is recognised when control of the vaccine and relevant products has transferred, being when the goods have been shipped to the specific location and accepted by customers, or the Group has objective evidence that all criteria for acceptance have been satisfied.

At the point of sale, a refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. The Group estimates the future sales return of the products sold based on the historical experience.

Revenue from provision of development and manufacturing services is derived from the transfer of services and/or goods through contracts under fee for service basis and recognised at a point in time when the customer obtains control of the distinct good or service. The Group identifies each deliverable unit as a separate performance obligation and recognises revenue of contractual elements at the point upon acceptance of the deliverable units. The contracts include payment schedules which require stage payments over the service period once certain specified milestones are reached. The Group's performance does not create an asset with alternative future use since the Group cannot redirect the asset for use on another customer, and at the same time the Group has a present right to payment from the customers for services performed only upon acceptance of the deliverable units, therefore, the directors of the Company have concluded that the performance obligation of such contracts is satisfied at a point in time and recognised the corresponding revenue at a point in time.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. Contract liabilities as of 31 December 2025 amounting to RMB18,232,000 (31 December 2024: RMB14,687,000) were recognised, mainly representing the unfulfilled sales of vaccine and relevant products and provision of development and manufacturing services and research and technical services. Revenue of RMB3,881,000 was recognised during the year ended 31 December 2025 that was included in the contract liabilities at the beginning of the year 2025.

As of 31 December 2025, the contract liabilities with an aging period exceeding one year amounted to RMB10,806,000 (31 December 2024: nil). The aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied as of 31 December 2025 was RMB74,140,000, of which RMB60,644,000 is anticipated to be recognized as revenue during the year ended 31 December 2026.

As at 1 January 2024, contract liabilities amounted to RMB3,567,000.

6. OTHER INCOME

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Investment income on structured deposits, certificates of deposit held for trading, wealth management products and derivative instruments	**35,550**	50,301
Government grants (a)	**52,110**	32,738
Subsidies from Bill & Melinda Gates Foundation	**73,085**	14,246
Consulting services income	**3,611**	4,972
Operation services income	**–**	4,463
Others	**2,016**	2,763
	166,372	109,483

Note:

(a) Government grants mainly represented subsidy income received from various government organisations to support the operation, research and development activities and construction of assets of the Group.

7. PROFIT (LOSS) FOR THE YEAR

Profit (loss) for the year has been arrived at after charging:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Depreciation of property, plant and equipment	**154,058**	179,853
Depreciation of right-of-use assets	**8,323**	12,887
Amortisation of intangible assets	**16,342**	20,922
Short-term leases	**1,877**	3,443
Employee benefit expenses		
– Wages, salaries and bonuses	**347,515**	332,641
– Social security costs and housing benefits	**72,072**	74,785
– Share-based compensation expenses	**9,378**	3,201
– Others	**25,416**	44,027
Capitalised in the ending balance of inventories	**(51,719)**	(53,226)
Capitalised in the ending balance of constructions in process	**(9,074)**	(9,339)
	574,188	609,194
Auditors' remuneration		
– Audit services	**3,500**	3,450
– Other services	**250**	–
Impairment losses recognised on non-financial assets, inventories and right to returned goods, property, plant and equipment, intangible assets and prepayments included in		
– cost of sales	**23,520**	50,154
– others losses, net	**6,274**	–
– administrative expenses	**–**	5,447
Cost of inventories recognised as an expense (including write-down of inventories and the right to returned goods amounting to RMB23,520,000 (2024: RMB52,815,000))	**261,763**	283,533

In addition to the employee benefits expenses presented above, the Group also provides other non-monetary benefits to employees. During the year ended 31 December 2025, depreciation of property, plant and equipment in relation to these non-monetary benefits amounted to RMB2,362,000 (2024: RMB2,160,000).

8. EMPLOYEE BENEFIT EXPENSES

The employees of the Group in the PRC are members of a state-managed pension scheme operated by the PRC government. The Group is required to contribute a specified percentage of payroll costs as determined by local government authority to the pension obligations to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contribution under the scheme. The Group contributions to the retirement benefit scheme are expensed as incurred and not reduced by contributions forfeited by those employees who leave the plan prior to vesting fully in the contributions.

The total expense recognised in profit or loss of RMB30,681,000 (2024: RMB32,151,000) represents contributions paid or payable to these plans by the Group at rates specified in the rules of the plans. As at 31 December 2025, contributions of RMB569,000(2024: RMB599,000) due in respect of the year ended had not been paid over to the plans.

(a) Five highest paid individuals

For the year ended 31 December 2025, the five individuals whose emoluments were the highest in the Group include 3 directors (2024: 5), whose emoluments are reflected in the analysis presented in Note 42. Detail of remuneration of the remaining highest paid employees who are not directors of the Group are as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Salaries and other benefits	**2,692**	–
Retirement benefit scheme contributions	**120**	–
Discretionary bonuses	**1,781**	–
Share-based payments	**428**	–
Others	**133**	–
	5,154	–

The five highest paid individuals fell within the following bands:

	Year ended 31 December	
	2025	2024
	No. of employees	No. of employees
Emolument bands		
HK$2,000,001 – HK$2,500,000	**1**	1
HK$2,500,001 – HK$3,000,000	**–**	2
HK$3,000,001 – HK$3,500,000	**2**	1
HK$3,500,001 – HK$4,000,000	**–**	1
HK$4,000,001 – HK$4,500,000	**1**	–
HK$4,500,001 – HK$5,000,000	**1**	–
HK$5,000,001 – HK$5,500,000	**–**	–
	5	5

During the year ended 31 December 2025, no emoluments have been paid to the five highest individuals of the Group as an inducement to join or upon joining the Group or as compensation for loss of office (2024: nil).

9. OTHER LOSSES, NET

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Loss on deemed disposal of a subsidiary	**–**	(70,515)
Net fair value gain (loss) on financial assets and liabilities at fair value through profit or loss	**3,718**	(6,146)
Impairment loss in respect of interests in associates	**(6,274)**	–
(Losses) gains on disposal of property, plant and equipment and right-of-use assets	**(273)**	763
Provision for compensation for the cancellation of firm purchase commitments	**–**	(1,721)
Others	**(1,766)**	(4,257)
	(4,595)	(81,876)

10. FINANCE COSTS – NET

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Finance income or gains		
Interest income on deposits	**34,765**	63,873
Foreign exchange gains	**–**	18,472
	34,765	82,345
Finance costs		
Interest expenses on bank borrowings	**(38,883)**	(60,251)
Interest expenses for lease liabilities	**(724)**	(1,968)
Foreign exchange loss	**(17,361)**	–
Less: borrowing costs capitalised in qualifying assets	**–**	2,237
	(56,968)	(59,982)
Bank charges	**(322)**	(177)
	(57,290)	(60,159)
Finance costs – net	**(22,525)**	22,186

11. INCOME TAX CREDIT (EXPENSE)

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Current income tax expense – PRC Enterprise Income Tax		
Underprovision in previous years	**21**	–
Deferred income tax (credit) expense (Note 18)	**(6,156)**	2,467
	(6,135)	2,467

The tax on the Group's profit (loss) before tax differs from the theoretical amount that would arise using the statutory tax rate as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Profit (loss) before income tax	**21,738**	(381,204)
Tax expense calculated at statutory tax rate of 25%	**5,435**	(95,301)
Impact of applying preferential tax rate	**4,104**	(1,644)
Tax effect of unrecognized tax losses and deductible temporary differences and utilisation of previously unrecognized amounts	**(297,668)**	183,873
Tax effect of expenses not deductible for taxation purposes	**13,260**	4,892
Extra deduction of research and development expenses	**(64,275)**	(89,353)
Tax effect of utilisation of reserves to make up for previous years' losses	**332,988**	–
Underprovision in respect of previous years	**21**	–
Income tax (credit) expense	**(6,135)**	2,467

Under the Law of the PRC Enterprise Income Tax (the "**EIT Law**") and Implementation Regulations of the EIT Law, the tax rate of the Company and its PRC subsidiaries is 25% for both years.

On 24 November 2016, the "Certificate of New Hi-tech Enterprise" was granted to the Company and was renewed on 28 November 2019 and 19 December 2022 and 8 December 2025 with a valid period of 3 years. Therefore, the Company becomes eligible for a corporate income tax rate of 15% for the year ended 31 December 2025 (2024: 15%).

According to the Regulations of Shanghai Municipal Economy and Information Technology Commission [2023] No. 376, CanSino (Shanghai) Biotechnology Co., Ltd., a subsidiary of the Company, becomes eligible for a corporate income tax rate of 15% for the year ended 31 December 2025 (2024: 15%).

11. INCOME TAX CREDIT (EXPENSE) (CONTINUED)

According to Announcement No. 13 [2022] of the Ministry of Finance and the State Taxation Administration, for small low-profit enterprises, the portion of the annual taxable income that exceed RMB1 million but not exceed RMB3 million will be calculated as 25% of the original amount from 2022 to 2024, and small low-profit enterprises pay enterprise income tax at a rate of 20%. According to Announcement No. 6 [2023] of the Ministry of Finance and the State Taxation Administration, for small low-profit enterprises, the portion of the annual taxable income that not exceed RMB1 million will be calculated as 25% of the original amount from 2022 to 2024, and small low-profit enterprises pay enterprise income tax at a rate of 20%. According to Announcement No. 12 [2023] of the Ministry of Finance and the State Taxation Administration, the policy of reducing taxable income used for calculation to 25% and paying enterprise income tax at a rate of 20% for small low-profit enterprises was extended until 31 December 2027. Bomai (Tianjin) Venture Capital Management Co., Ltd., a subsidiary of the Company, becomes eligible for a small low-profit enterprise and the preferential policies on income tax for small low-profit enterprises, and becomes eligible for a corporate income tax rate of 20% for the year ended 31 December 2025 (2024: 20%).

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

12. EARNINGS (LOSS) PER SHARE

(a) Basic earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the profit (loss) attributable to owners of the Company by the weighted average number of ordinary shares outstanding.

	Year ended 31 December	
	2025	2024
Profit (loss) for the year attribute to owners of the Company (in RMB'000)	**27,873**	(378,884)
Weighted average number of ordinary shares in issue (in '000)	**247,006**	246,853
Basic earnings (loss) per share (in RMB)	**0.11**	(1.53)

The computation of the basic earnings (loss) per share for the years ended 31 December 2025 and 2024 is based on weighted average number of shares which excluded the treasury shares held by the Company.

(b) Diluted earnings (loss) per share

In 2025, due to the anti-dilutive effect of the Restricted Shares granted under the 2025 A Share Incentive Scheme and the Options granted under the 2025 H Share Option Scheme as defined in Note 28, the diluted earnings per share for 2025 is equal to the basic earnings per share.

The Group incurred a loss for the year 2024. Therefore, the restricted shares issued under the 2023 Stock Ownership Plan were not included in the calculation of diluted loss per share, as their inclusion would have an anti-dilutive effect. Consequently, the diluted loss per share for the year ended 31 December 2024 is the same as the basic loss per share.

13. DIVIDENDS

No dividend has been paid or declared by the Company for the year ended 31 December 2025 (2024: nil).

14. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Leasehold improvements	Equipment and instruments	Motor vehicles	Office Equipment and furniture	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2024							
Cost	978,887	39,013	1,287,217	4,546	73,419	1,263,177	3,646,259
Accumulated depreciation	(124,142)	(12,112)	(312,231)	(2,352)	(31,441)	–	(482,278)
Impairment	–	–	(167,262)	–	(8,798)	(149,579)	(325,639)
Net book value	854,745	26,901	807,724	2,194	33,180	1,113,598	2,838,342
Year ended 31 December 2024							
Opening net book value	854,745	26,901	807,724	2,194	33,180	1,113,598	2,838,342
Additions	124,728	141	15,492	284	183	327,350	468,178
Disposals	–	–	(1,217)	(85)	–	–	(1,302)
Transfer upon completion	125,534	56	35,692	–	–	(161,282)	–
Transfer to construction in progress (Note)	(167,006)	–	(76,652)	–	(286)	243,944	–
Deemed disposal of a subsidiary	–	–	(225,470)	(338)	(3,233)	(255,880)	(484,921)
Depreciation	(62,232)	(5,557)	(104,915)	(807)	(6,342)	–	(179,853)
Impairment loss recognised in profit or loss	(585)	(5,447)	–	–	–	–	(6,032)
Closing net book value	875,184	16,094	450,654	1,248	23,502	1,267,730	2,634,412
As at 31 December 2024							
Cost	1,025,243	39,210	718,361	3,907	51,343	1,267,730	3,105,794
Accumulated depreciation	(149,474)	(17,669)	(267,707)	(2,659)	(27,841)	–	(465,350)
Impairment	(585)	(5,447)	–	–	–	–	(6,032)
Net book value	875,184	16,094	450,654	1,248	23,502	1,267,730	2,634,412
Year ended 31 December 2025							
Opening net book value	**875,184**	**16,094**	**450,654**	**1,248**	**23,502**	**1,267,730**	**2,634,412**
Additions	**733**	**456**	**6,652**	**354**	**3,119**	**119,432**	**130,746**
Disposals	**–**	**–**	**(583)**	**(97)**	**(34)**	**–**	**(714)**
Transfer upon completion	**268,300**	**–**	**95,548**	**–**	**1,994**	**(365,842)**	**–**
Depreciation	**(49,602)**	**(3,564)**	**(93,492)**	**(607)**	**(6,793)**	**–**	**(154,058)**
Closing net book value	**1,094,615**	**12,986**	**458,779**	**898**	**21,788**	**1,021,320**	**2,610,386**
As at 31 December 2025							
Cost	**1,293,692**	**29,573**	**818,771**	**3,111**	**56,274**	**1,021,320**	**3,222,741**
Accumulated depreciation	**(199,077)**	**(16,587)**	**(359,992)**	**(2,213)**	**(34,486)**	**–**	**(612,355)**
Net book value	**1,094,615**	**12,986**	**458,779**	**898**	**21,788**	**1,021,320**	**2,610,386**

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

During the year ended 31 December 2024, certain property, plant and equipment of the Group have been transferred to construction in progress for upgrade and reconstruction to facilitate the subsequent commercial manufacturing of the Recombinant Poliomyelitis vaccine.

During the year ended 31 December 2025, the Group has no capitalised borrowing costs on qualifying assets (2024: the Group has capitalised borrowing costs amounting to RMB2,237,000 on qualifying assets) (Note 10). Borrowing costs were capitalised at the weighted average of its borrowings rate of 3.00 % during the year ended 31 December 2024.

As of 31 December 2025, no impairment was provided for property, plant and equipment of the Group.

Certain property, plant and equipment of the Group have been pledged as collateral under the Group's borrowing arrangements. The carrying amount of property, plant and equipment pledged as collateral were RMB148,977,000 as at 31 December 2025 (31 December 2024: RMB158,868,000).

The Group has obtained the property ownership certificates for all properties except for the ownership certificates of certain buildings with carrying amount of RMB119,807,000 (2024: RMB123,981,000) in which the Group is in the process of obtaining.

Depreciation was charged in the following categories:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Manufacturing costs	**65,628**	84,849
Research and development expenses	**74,900**	74,491
Administrative expenses	**13,530**	20,513
Construction in progress	**–***	–*
Total	**154,058**	179,853

* Amount is less than RMB1,000.

15. RIGHT-OF-USE ASSETS

	Land use rights RMB'000	Office premises RMB'000	Motor vehicles RMB'000	Office equipment RMB'000	Total RMB'000
As at 1 January 2024					
Cost	102,329	256,994	1,966	368	361,657
Accumulated depreciation	(8,523)	(55,904)	(1,105)	(313)	(65,845)
Net book value	93,806	201,090	861	55	295,812
Year ended 31 December 2024					
Opening net book value	93,806	201,090	861	55	295,812
Additions	–	13,155	296	530	13,981
Disposals	–	(5,472)	–	–	(5,472)
Depreciation	(2,310)	(9,958)	(545)	(74)	(12,887)
Deemed disposal of a subsidiary	–	(177,397)	–	–	(177,397)
Closing net book value	91,496	21,418	612	511	114,037
As at 31 December 2024					
Cost	102,329	42,134	1,052	593	146,108
Accumulated depreciation	(10,833)	(20,716)	(440)	(82)	(32,071)
Net book value	91,496	21,418	612	511	114,037
Year ended 31 December 2025					
Opening net book value	**91,496**	**21,418**	**612**	**511**	**114,037**
Additions	**–**	**3,606**	**–**	**42**	**3,648**
Disposals	**–**	**(6,354)**	**(67)**	**–**	**(6,421)**
Depreciation	**(2,311)**	**(5,568)**	**(323)**	**(121)**	**(8,323)**
Closing net book value	**89,185**	**13,102**	**222**	**432**	**102,941**
As at 31 December 2025					
Cost	**102,329**	**24,777**	**822**	**604**	**128,532**
Accumulated depreciation	**(13,144)**	**(11,675)**	**(600)**	**(172)**	**(25,591)**
Net book value	**89,185**	**13,102**	**222**	**432**	**102,941**

Depreciation was charged in the following categories:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Administrative expenses	**6,250**	6,726
Construction in progress	**2,035**	2,266
Manufacturing costs	**1**	1,070
Research and development expenses	**37**	2,737
Selling expenses	**–**	88
Total	**8,323**	12,887

15. RIGHT-OF-USE ASSETS (CONTINUED)

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Additions to right-of-use assets	**3,648**	13,981
Expense relating to short-term leases	**1,940**	3,524
Including: Employee benefit	**63**	81
Other short-term leases	**1,877**	3,443
Total cash outflow for leases (note)	**10,004**	15,964

Note: Amount includes payments of principal and interest portion of lease liabilities, short-term leases and payments of lease payments on or before lease commencement date (including leasehold land). These amounts could be presented in operating, investing or financing cash flows.

For both years, the Group leases various offices, office equipment and motor vehicles for its operations. Lease contracts are entered into for fixed term of 20 months to 108 months (2024: 20 months to 108 months). Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Group regularly entered into short-term leases for warehouse, staff housing, motor vehicles and printers. As at 31 December 2025 and 2024, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

Restrictions or covenants on leases

As at 31 December 2025 and 2024, the Group has no land use rights have been pledged as collateral under the Group's borrowing arrangements.

In addition, lease liabilities of RMB13,044,000 are recognised with related right-of-use assets of RMB13,756,000 as at 31 December 2025 (2024: lease liabilities of RMB22,667,000 are recognised with related right-of-use assets of RMB22,541,000). The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Except for land use rights, leased assets may not be used as security for borrowing purposes.

Leases committed

As at 31 December 2025 and 2024, the Group had no new leases contracts signed that had not yet commenced.

As at 31 December 2025 and 2024, the Group has obtained the land use right certificates for all leasehold lands.

16. INTANGIBLE ASSETS

	Capitalised product development costs RMB'000	Computer software RMB'000	Non-proprietary technologies RMB'000	Total RMB'000
As at 1 January 2024				
Cost	61,499	54,672	118,443	234,614
Accumulated amortisation	–	(32,895)	(53,014)	(85,909)
Impairment	–	–	(36,864)	(36,864)
Net book value	61,499	21,777	28,565	111,841
Year ended 31 December 2024				
Opening net book value	61,499	21,777	28,565	111,841
Additions	94,613	4,449	1,416	100,478
Amortisation	–	(10,577)	(10,345)	(20,922)
Deemed disposal of a subsidiary	–	(11,293)	–	(11,293)
Closing net book value	156,112	4,356	19,636	180,104
As at 31 December 2024				
Cost	156,112	42,534	119,859	318,505
Accumulated amortisation	–	(38,178)	(63,359)	(101,537)
Impairment	–	–	(36,864)	(36,864)
Net book value	156,112	4,356	19,636	180,104
Year ended 31 December 2025				
Opening net book value	156,112	4,356	19,636	180,104
Additions	58,124	2,621	–	60,745
Amortisation	–	(3,202)	(13,140)	(16,342)
Transfer	(89,295)	–	89,295	–
Closing net book value	124,941	3,775	95,791	224,507
As at 31 December 2025				
Cost	124,941	45,155	209,154	379,250
Accumulated amortisation	–	(41,380)	(76,499)	(117,879)
Impairment	–	–	(36,864)	(36,864)
Net book value	124,941	3,775	95,791	224,507

16. INTANGIBLE ASSETS (CONTINUED)

Amortisation were charged in the following categories:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Research and development expenses	1,512	3,446
Manufacturing costs	11,732	10,418
Administrative expenses	3,064	7,004
Selling expenses	34	41
Property, plant and equipment	–	13
Total	16,342	20,922

17. INTERESTS IN ASSOCIATES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
At the beginning of the year	16,792	18,168
Addition	–	15,392
Impairment	(6,274)	–
Share of post-acquisition loss	(1,388)	(16,768)
At the end of the year	9,130	16,792

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Fair value of listed investments (Note)	5,711	9,615

Note: The fair value of the listed investments is determined based on the quoted market bid price available on the stock exchange of Malaysia multiplied by the quantity of shares held by the Group.

The impairment loss in respect of interests in associates is measured by reference to the fair value of the corresponding quoted shares of Solution Group Berhad as at 31 December 2025.

17. INTERESTS IN ASSOCIATES (CONTINUED)

Details of the Group's associates at the end of the reporting period are as follow:

Name of entities	Country of incorporation/ registration	Proportion of ownership interest held by the Group		Proportion of voting rights held by the Group		Principal activities
		2025	2024	**2025**	2024	
天津千汐投資管理合夥企業(有限合夥) Tianjin Qianxi Investment Management Partnership (Limited Partnership)	China	**32.50%**	32.50%	**32.50%**	32.50%	Investment management
Solution Group Berhad	Malaysia	**9.08%**	9.08%	**9.08%**	9.08%	Technology investment
CanSino SPH	China	**49.80%**	49.80%	**49.80%**	49.80%	Production and manufacturing

Aggregate information of associates that are not individually material

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
The Group's share of loss from continuing operations	**(1,388)**	(16,768)
The Group's share of other comprehensive income	**–**	–
The Group's share of total comprehensive expense	**(1,388)**	(16,768)
Aggregate carrying amount of the Group's interests in these associates	**9,130**	16,792

18. DEFERRED TAX ASSETS AND LIABILITIES

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Deferred tax assets	**215,578**	210,693
Deferred tax liabilities	**(4,028)**	(5,299)
	211,550	205,394

The movement in deferred income tax assets and liabilities is as follows:

Deferred tax assets	**Deferred income RMB'000**	**Inventory provisions RMB'000**	**ECL provision RMB'000**	**Tax losses RMB'000**	**Refund liabilities RMB'000**	**Lease liabilities RMB'000**	**Prepayments provision RMB'000**	**Others RMB'000**	**Total RMB'000**
As at 1 January 2025	**33,639**	**67,163**	**5,101**	**89,327**	**11,258**	**4,059**	**133**	**13**	**210,693**
(Charge) credit to profit or loss	**(4,228)**	**(12,179)**	**1,878**	**24,823**	**(3,304)**	**(2,092)**	**–**	**(13)**	**4,885**
As at 31 December 2025	**29,411**	**54,984**	**6,979**	**114,150**	**7,954**	**1,967**	**133**	**–**	**215,578**

Deferred tax assets	Deferred income RMB'000	Inventory provisions RMB'000	ECL provision RMB'000	Tax losses RMB'000	Refund liabilities RMB'000	Lease liabilities RMB'000	Prepayments provision RMB'000	Others RMB'000	Total RMB'000
As at 1 January 2024	25,488	100,647	3,847	53,837	16,914	48,513	7,358	2,095	258,699
Credit (charge) to profit or loss	8,151	(33,484)	1,254	35,490	(5,656)	164	(7,225)	(2,082)	(3,388)
Deemed disposal of a subsidiary	–	–	–	–	–	(44,618)	–	–	(44,618)
As at 31 December 2024	33,639	67,163	5,101	89,327	11,258	4,059	133	13	210,693

18. DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

The movement in deferred income tax assets and liabilities is as follows: (Continued)

Deferred tax liabilities	Right-of-use assets RMB'000	Fair value adjustment of derivative instruments RMB'000	Fair value adjustment of other financial assets at fair value through profit or loss RMB'000	Fair value adjustment of equity investment RMB'000	Total RMB'000
As at 1 January 2025	(4,053)	(190)	(278)	(778)	(5,299)
Credit (charge) to profit or loss	1,968	122	(167)	(652)	1,271
As at 31 December 2025	(2,085)	(68)	(445)	(1,430)	(4,028)

Deferred tax liabilities	Right-of-use assets RMB'000	Fair value adjustment of derivative instruments RMB'000	Fair value adjustment of other financial assets at fair value through profit or loss RMB'000	Fair value adjustment of equity investment RMB'000	Total RMB'000
As at 1 January 2024	(48,492)	(194)	(1,230)	(922)	(50,838)
(Charge) credit to profit or loss	(179)	4	952	144	921
Deemed disposal of a subsidiary	44,618	–	–	–	44,618
As at 31 December 2024	(4,053)	(190)	(278)	(778)	(5,299)

(a) Deferred tax assets not recognised

The Group has not recognised any deferred tax assets in respect of the following items:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Deductible temporary differences	836,190	741,251
Tax losses	1,261,794	2,644,002
Total	2,097,984	3,385,253

As at 31 December 2025, the Group has carryforward unused tax losses of RMB2,022,649,000 (31 December 2024: RMB3,239,508,000) available for offset against future profits. A deferred tax asset of RMB114,150,000 (31 December 2024: RMB89,327,000) in respect of tax losses of RMB760,855,000 (31 December 2024: RMB595,506,000) has been recognised. No deferred tax assets has been recognised in respect of tax losses of RMB1,261,794,000 of the Group (31 December 2024: tax losses of RMB2,644,002,000 of the Group), as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

18. DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

(a) Deferred tax assets not recognised (Continued)

As at 31 December 2025, the Group has deductible temporary differences of RMB1,512,281,000 (31 December 2024: RMB1,545,886,000). RMB101,428,000 deferred tax asset (31 December 2024: RMB121,366,000) in respect of deductible temporary differences of RMB676,091,000 (31 December 2024: RMB804,635,000) has been recognised. No deferred tax asset has been recognised in respect of deductible temporary differences of RMB836,190,000 (31 December 2024: RMB741,251,000), as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

(b) Tax losses that are not recognised as deferred tax assets will be expired as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
2025	**–**	3
2026	**4,144**	4,144
2027	**161,690**	161,845
2028	**255,912**	256,046
2029	**174,694**	174,694
2030	**117,994**	–
2032	**–**	185,053
2033	**188,306**	1,415,560
2034	**359,054**	446,657
	1,261,794	2,644,002

19. INVENTORIES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Raw materials and consumable materials	**386,297**	432,483
Work in progress	**160,123**	126,505
Finished goods	**151,710**	161,154
Goods shipped in transit	**1,667**	40
	699,797	720,182
Less: allowance	**(361,488)**	(439,660)
	338,309	280,522

During the reporting period, due to the slow moving of certain raw materials, work in progress and finished goods, the Group accrued a provision of RMB23,421,000 of those inventories that were not expected to be used or sold within the useful life with reference to historical usage and future usage and selling plans.

During the reporting period, as certain inventories were scrapped, the Group write off the inventory provision of RMB101,593,000.

20. CONTRACT COSTS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Costs to fulfil contracts	**9,539**	2,893

21. TRADE RECEIVABLES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade receivables from contracts with customers	**824,707**	769,493
Less: expected credit losses	**(41,822)**	(31,871)
	782,885	737,622

The Group allows an average credit period of 90 to 270 days to its trade customers after the timing of invoicing agreed in corresponding contracts is reached.

As at 1 January 2024, trade receivables from contracts with customers amounted to RMB636,882,000.

(a) Trade receivables by ageing analysis

As at 31 December 2025 and 2024, the ageing analysis of trade receivables presented based on the revenue recognition date of the Group is as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
1-180 days	**528,125**	473,585
181-365 days	**126,792**	88,317
1-2 years	**87,801**	102,839
Over 2 years	**40,167**	72,881
	782,885	737,622

22. OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Amounts due from CanSino SPH	**71,984**	71,984
Prepayments to suppliers of intangible assets and property, plant and equipment (a)	**8,227**	27,675
Prepayments to suppliers of raw materials and services	**32,761**	43,999
Value added tax recoverable	**42,557**	30,212
Right to returned goods (b)	**–**	–
Others	**12,066**	13,917
	167,595	187,787
Less: expected credit losses	**(76,687)**	(74,122)
	90,908	113,665
Less: non-current portion (c)	**(27,274)**	(57,986)
Current portion	**63,634**	55,679

Notes:

(a) The prepayments to suppliers of intangible assets and property, plant and equipment are net of a write-down of approximately RMB885,000 as at 31 December 2025 (31 December 2024: RMB885,000).

(b) The right to returned goods are net of a write-down of approximately RMB8,633,000 as at 31 December 2025 (31 December 2024: RMB14,475,000).

(c) The non-current portion of other receivables and prepayments as at 31 December 2025 and 2024 mainly includes prepayments to suppliers of intangible assets and property, plant and equipment, value added tax recoverable and rental deposits.

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Structured deposits	**987,970**	1,181,854
Derivative financial assets	**451**	1,264
Unlisted fund investment (Note)	**95,314**	93,501
Unlisted equity investments (Note)	**57,644**	57,135
	1,141,379	1,333,754
Less: non-current portion (Note)	**(152,958)**	(150,636)
Current portion	**988,421**	1,183,118

Note:

On 22 April 2023, the Group invested in a private fund, Yuanxi Haihe (Tianjin) Biomedical Industry Fund ("**Yuanxi Haihe**"). As at 31 December 2025, the Group has invested RMB90,000,000 in this fund and has 28.4% interests. The Group has no guaranteed income, exit guarantee, or obligation to other investors.

On 5 August 2020, the proposal for purchase of 1.43% equity interest in Thousand Oaks Biopharmaceuticals Co., Ltd. was approved by the board of directors, relevant industrial and commercial change registration was completed on 30 September 2020. As at 31 December 2025, the Group has 0.98% equity interests in Thousand Oaks Biopharmaceuticals Co., Ltd.

On 21 December 2022, the Group entered into agreement to invest RMB5,000,000 in Bio-Link Biological Applied Technologies (Shanghai) Co., Ltd. (" **Bio-Link**"), the business registration was completed on 20 February 2023. As at 31 December 2025, the Group has 0.28% equity interests in Bio-Link.

On 27 February 2024, the Group invested USD 4,100,000 (equivalent to RMB28,657,000) to purchase 1.025% equity interests in PT Etana Biotechnologies Indonesia.

With no control, joint control or significant influence by the Group, the investments are recognised as financial assets at fair value through profit or loss. As the Group expects to hold the equity investment and fund investment for a period more than one year, the investments are classified as non-current assets as at 31 December 2025.

24. TERM DEPOSITS WITH INITIAL TERM OF OVER THREE MONTHS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Term deposits		
– USD deposits	**–**	36,491
– RMB deposits (a)	**300,000**	645,680
– HKD deposits	**89,816**	72,114
	389,816	754,285
Accrued interest	**30,198**	17,900
	420,014	772,185
Less: non-current portion	**–**	(316,280)
Current portion (b)	**420,014**	455,905

Notes:

(a) Term deposits held by the Group as at 31 December 2025 bear 3.30% interests per annum with a duration of 3 years.

(b) Term deposits held by the Group as at 31 December 2025 bear interests ranged from 4.79% to 4.89% per annum with a duration of 3-12 months (31 December 2024: Term deposits held by the Group bear interests ranged from 1.70% to 5.70% per annum with a duration of 3-12 months).

25. RESTRICTED BANK DEPOSITS

As at 31 December 2025, restricted bank deposits amounted to RMB16,078,000 (31 December 2024: RMB10,152,000). Deposits amounting to RMB2,429,000 represent deposits pledged for derivative transactions and will be released upon the expiration of derivatives. Deposits amounting to RMB13,071,000 represent guarantee deposits and were released on 24 February 2026. Deposits amounting to RMB573,000 represent deposits pledged to secure a lease guarantee and will be released upon the expiration of lease guarantee. Deposits amounting to RMB5,000 represent deposits for the vehicle's Electronic Toll Collection system.

26. BANK BALANCES AND CASH

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Cash at banks (a)		
– RMB deposits	**648,961**	1,345,399
– USD deposits	**549,850**	157,761
– HKD deposits	**19,201**	51,169
– Euro ("**EUR**") deposits	**4**	1,122
– Swiss Franc ("**CHF**") deposits	**1,214**	320
– Canadian Dollar ("**CAD**") deposits	**39**	34
	1,219,269	1,555,805
Accrued interest	**414**	658
	1,219,683	1,556,463

Note:

(a) Cash at banks earns interest at floating rates based on daily bank deposit rates. The Group's balances of cash at banks which are mainly denominated in RMB are deposited with banks in the PRC. The conversion of these RMB-denominated balances into foreign currencies and the remittance of funds out of the Mainland China are subject to the rules and regulations of foreign exchange control promulgated by the Government of the PRC.

27. SHARE CAPITAL AND SHARE PREMIUM

Authorised and issued

	Number of shares '000	Nominal value of shares RMB'000
As at 1 January 2024 and 31 December 2024	247,450	247,450
Cancellation of treasury shares	(406)	(406)
As at 31 December 2025	247,044	247,044

	Number of ordinary shares	Share capital RMB'000	Share premium RMB'000	Total RMB'000
As at 1 January 2024	247,449,899	247,450	6,594,556	6,842,006
Transfer upon vesting of share-based payments	–	–	4,682	4,682
As at 31 December 2024	247,449,899	247,450	6,599,238	6,846,688
Transfer upon vesting of share-based payments	–	–	(39,867)	(39,867)
Utilisation of reserves to make up for previous years' losses	–	–	(1,331,953)	(1,331,953)
Cancellation of treasury shares	(406,098)	(406)	(88,680)	(89,086)
As at 31 December 2025	247,043,801	247,044	5,138,738	5,385,782

Note:

During the year ended 31 December 2025, the Company cancelled 406,098 treasury shares amounting to RMB89,086,000.

The Company utilised the Company's statutory reserves amounting to RMB118,389,000 and share premium amounting to RMB1,331,953,000, totalling RMB1,450,342,000, to make up for the accumulated losses of the Company. This utilisation of reserves will be limited to reducing the Company's accumulated losses as of 31 December 2024 to zero.

28. CAPITAL RESERVES

	Other reserves RMB'000	Share-based compensation reserves RMB'000 (Note)	Total RMB'000
Balance at 1 January 2024	17,912	(38,940)	(21,028)
– Recognition of equity-settled share-based payments	–	3,201	3,201
– Transfer upon vesting of share-based payments	–	(4,682)	(4,682)
Balance at 31 December 2024	17,912	(40,421)	(22,509)
Balance at 1 January 2025	17,912	(40,421)	(22,509)
– Recognition of equity-settled share-based payments	–	9,378	9,378
– Transfer upon vesting of share-based payments	–	39,867	39,867
Balance at 31 December 2025	17,912	8,824	26,736

Note:

Share-based payment

(a) Share awards/share options schemes

2023 Stock Ownership Plan

On 27 March 2023, the 2023 A Share Employee Stock Ownership Plan ("**2023 Stock Ownership Plan** ") of the Company has been proposed by the board of directors of the Company for the purpose to improve the Company's incentive mechanism. On 20 April 2023, the implementation of the 2023 Stock Ownership Plan has been approved at the 2023 first extraordinary general meeting.

On 8 May 2023, 277,650 shares were subscribed by 217 eligible employees, representing approximately 0.11% of the total share capital of the Company. A total consideration of RMB16,984,000 were received by the Company under 2023 Stock Ownership Plan with the purchase price of RMB61.17 per share. All the shares issued were the treasury shares repurchased by the Company since 2022.

These granted treasury shares have vesting periods of one or two years. 50% of the restricted shares will be vested on the first anniversary of the treasury shares registration date and the remaining 50% of the restricted shares will be vested on the second anniversary of the treasury shares registration date. In addition to the service conditions, the 2023 Stock Ownership Plan also specified certain performance conditions to the employees. Details of these conditions are set out in the circular of the Company dated 27 March 2023.

During the year ended 31 December 2023, 24 eligible employees left the Company, 3,020 shares awarded to these employees were forfeited and 19,390 shares awarded to these employees were cancelled. The share-based payment expenses of shares cancelled are accelerated and recognised immediately that would otherwise have been recognised over the remainder of the vesting period.

28. CAPITAL RESERVES (CONTINUED)

Note: (Continued)

Share-based payment (Continued)

(a) Share awards/share options schemes (Continued)

2023 Stock Ownership Plan (Continued)

During the year ended 31 December 2024, 32 eligible employees left the Company, 16,855 shares awarded to these employees were forfeited and 11,290 shares awarded to these employees were cancelled. The share-based payment expenses of shares cancelled are accelerated and recognised immediately that would otherwise have been recognised over the remainder of the vesting period.

During the year ended 31 December 2024, 120,785 shares of the granted shares have been vested on the first anniversary of the grant date as the eligible employees had achieved their performance target. The accumulated share-based compensation reserves recognised of RMB4,682,000 was transferred to share premium, and the corresponding consideration received from employees for granted shares amounting to RMB7,388,000 was transferred to equity.

During the year ended 31 December 2024, 50,555 forfeited or cancelled shares have been sold in open market, resulting in a decrease in treasury shares of RMB3,163,000.

During the year ended 31 December 2025, 4 eligible employees left the Company, 1,590 shares awarded to these employees were forfeited.

During the year ended 31 December 2025, 104,720 shares of the granted shares have been vested on the first anniversary of the grant date as the eligible employees had achieved their performance target. The accumulated share-based compensation reserves recognised of RMB4,129,000 was transferred to share premium, and the corresponding consideration received from employees for granted shares amounting to RMB6,406,000 was transferred to equity.

During the year ended 31 December 2025, 3,180 forfeited or cancelled shares have been sold in open market, resulting in a decrease in treasury shares of RMB130,000.

Set out below are details of the movements of the outstanding unvested units granted under 2023 Stock Ownership Plan throughout the reporting period:

The fair value of the restricted shares was determined based on the difference between the grant date quoted price of the Company's A Share and the subscription price of the restricted shares under 2023 Stock Ownership Plan.

Outstanding at 1 January 2025	Granted during the year	Vested during the year	Forfeited during the year	Cancelled during the year	Outstanding at 31 December 2025
106,310	**–**	**(104,720)**	**(1,590)**	**–**	**–**

28. CAPITAL RESERVES (CONTINUED)

Note: (Continued)

Share-based payment (Continued)

(a) Share awards/share options schemes (Continued)

2025 A Share Incentive Scheme

In September 2025, the Group launched the new incentive scheme to grant the restricted A shares of the Company ("**Restricted Shares**") to the eligible participants (the "**2025 A Share Incentive Scheme**"). On 27 October 2025, the Group granted an aggregate of 2,054,600 restricted shares under the 2025 A Share Incentive Scheme to 86 participants at the grant price of RMB41.20 per share. Upon fulfilment of the conditions of grant, each Participant is entitled to purchase the Restricted Shares at the price of RMB41.20 per Share.

The source of the Restricted Shares to be granted are A Shares repurchased by the Company from the secondary market and/or new A Shares to be issued by the Company to the participants under the 2025 A Share Incentive Scheme.

Each Restricted Share granted under the 2025 A Share Incentive Scheme can only be vested in tranches. The details of the 2025 A Share Incentive Scheme is shown in the table below:

Tranche	Vesting date
First attribution tranche: forty percent (40%) of the Restricted Shares so granted	the first trading day after the expiry of 12 months following the grant date of the Restricted Shares
Second attribution tranche: thirty percent (30%) of the Restricted Shares so granted	the first trading day after the expiry of 24 months following the grant date of the Restricted Shares
Third attribution tranche: thirty percent (30%) of the Restricted Shares so granted	the first trading day after the expiry of 36 months following the grant date of the Restricted Shares

The participants of the 2025 A Share Incentive Scheme are subject to service conditions, company performance conditions and individual performance conditions. Details of these conditions are set out in the circular of the Company dated 26 September 2025.

28. CAPITAL RESERVES (CONTINUED)

Note: (Continued)

Share-based payment (Continued)

(a) Share awards/share options schemes (Continued)

2025 A Share Incentive Scheme (Continued)

Set out below are details of the movements of the outstanding Restricted Shares granted under 2025 A Share Incentive Scheme throughout the reporting period:

	Outstanding at 1 January 2025	Granted during the year	Vested during the year	Forfeited during the year	Cancelled during the year	Outstanding at 31 December 2025
	–	2,054,600	–	–	–	2,054,600
Exercisable at the end of the year						–
Weighted average exercise price (RMB per share)	–	41.20	–	–	–	41.20

The Restricted Shares outstanding at 31 December 2025 had a weighted average remaining contractual life of 2.73 years.

The Group has applied Black-Scholes-Merton option pricing model to determine the fair value of the Restricted Shares of first attribution tranche, second attribution tranche and third attribution tranche under 2025 A Share Incentive Scheme as RMB34.02 per share, RMB35.09 per share and RMB36.00 per share, respectively. The major inputs used in determining the fair value of Restricted Shares under the 2025 A Share Incentive Scheme by the management are as follows:

	2025 A Share Incentive Scheme		
Key assumptions	**First attribution tranche**	**Second attribution tranche**	**Third attribution tranche**
Underlying share price (RMB per share)	74.61	74.61	74.61
Expected life (Month)	12	24	36
Expected volatility	21.37%	27.37%	25.33%
Risk-free interest rate	1.46%	1.48%	1.52%
Dividend ratio	–	–	–

28. CAPITAL RESERVES (CONTINUED)

Note: (Continued)

Share-based payment (Continued)

(a) Share awards/share options schemes (Continued)

2025 H Share Option Scheme

In September 2025, the Group launched the H Share incentive scheme to grant the share options of the Company ("**Options**") to the eligible participants (the "**2025 H Share Option Scheme**"). On 26 September 2025, the Group granted an aggregate of 860,000 Options under the 2025 H Share Option Scheme to 4 participants at the exercise price of HKD49.924 per share, representing 0.35% of the shares of the Company in issue at that date.

Each Option granted under the 2025 H Share Option Scheme granted can only be vested in tranches. The details of the 2025 H Share Option Scheme is shown in the table below:

Tranche	Vesting date
First attribution tranche: forty percent (40%) of the Options so granted	the first trading day after the expiry of 12 months following the grant date of the Options
Second attribution tranche: thirty percent (30%) of the Options so granted	the first trading day after the expiry of 24 months following the grant date of the Options
Third attribution tranche: thirty percent (30%) of the Options so granted	the first trading day after the expiry of 36 months following the grant date of the Options

The participants of the 2025 H Share Option Scheme are subject to service conditions, company performance conditions and individual performance conditions. Details of these conditions are set out in the circular of the Company dated 27 September 2025.

Set out below are details of the movements of the outstanding Options granted under 2025 H Share Option Scheme throughout the reporting period:

	Outstanding at 1 January 2025	Granted during the year	Vested during the year	Forfeited during the year	Cancelled during the year	Outstanding at 31 December 2025
	–	**860,000**	–	–	–	**860,000**
Exercisable at the end of the year						–
Weighted average exercise price (HKD per share)	–	**49.924**	–	–	–	**49.924**

The Options outstanding at 31 December 2025 had a weighted average remaining contractual life of 3.75 years.

28. CAPITAL RESERVES (CONTINUED)

Note: (Continued)

Share-based payment (Continued)

(a) Share awards/share options schemes (Continued)

2025 H Share Option Scheme (Continued)

The Group has applied Black-Scholes-Merton option pricing model to determine the fair value of the Options of first attribution tranche, second attribution tranche and third attribution tranche under 2025 H Share Option Scheme as HKD7.49 per Option, HKD10.01 per Option and HKD12.37 per Option, respectively. Key assumptions used in determining the fair value of the Options under the 2025 H Share Option Scheme used by the management are as follows:

	2025 H Share Option Scheme		
Key assumptions	**First attribution tranche**	**Second attribution tranche**	**Third attribution tranche**
Underlying share price (HKD per share)	**46.96**	**46.96**	**46.96**
Expected life (Month)	**12**	**24**	**36**
Expected volatility	**44.00%**	**39.00%**	**38.00%**
Risk-free interest rate	**2.51%**	**2.53%**	**2.54%**
Dividend ratio	**–**	**–**	**–**

(b) Expenses arising from share-based payment transactions

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Share-based compensation expenses	**9,378**	3,201

As at 31 December 2025, the accumulated expenses arising from share-based payment transactions amounted to RMB87,243,000 are recognised in the capital reserves (2024: RMB77,865,000) and RMB78,419,000 (31 December 2024: RMB74,290,000) are transferred to share premium upon vesting.

29. BORROWINGS

	As at 31 December 2025 RMB'000	2024 RMB'000
Borrowings from banks – unsecured	**753,865**	1,437,109
Borrowings from banks – secured	**438,540**	467,899
Borrowings from banks – guaranteed	**82,200**	84,000
Accrued interest	**865**	1,698
	1,275,470	1,990,706
Less: current portion	**(318,525)**	(892,168)
Non-current portion	**956,945**	1,098,538
Analysed as:		
Fixed interest rate	**80,375**	463,780
Variable interest rate	**1,194,230**	1,525,228
	1,274,605	1,989,008

	As at 31 December 2025 RMB'000	2024 RMB'000
Maturity of borrowings		
Less than 1 year	**318,525**	892,168
Between 1 and 2 years	**239,693**	350,327
Between 2 and 5 years	**460,498**	376,278
Over 5 years	**256,754**	371,933
	1,275,470	1,990,706

The ranges of effective interest rates on the Group's fixed and variable-rate borrowings are as follows:

	As at 31 December 2025	2024
Effective interest rate:		
Fixed rate borrowings	**2.11%~2.24%**	2.20%-3.30%
Variable rate borrowings	**2.11%~2.40%**	2.50%-3.05%

29. BORROWINGS (CONTINUED)

As of 31 December 2025, long-term bank borrowings were denominated in RMB. The secured loan of RMB438,540,000, which was used in the construction of the CanSino (Shanghai) mRNA vaccine R&D and industrialisation project and the final payment on the building, was secured against certain property, plant and equipment of the Group (Note 14).

As of 31 December 2025, the guaranteed loan amounting to RMB82,200,000 was guaranteed by Shanghai Lingang Industrial Zone Public Rental Housing Construction and Operation Management Co., Ltd.

30. LEASE LIABILITIES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Lease liabilities payable		
Within 1 year	**5,426**	9,991
Between 1 and 2 years	**5,085**	6,508
Between 2 and 5 years	**2,533**	5,369
Over 5 years	**–**	799
	13,044	22,667
Less: Amount due for settlement within 1 year shown as current liabilities	**(5,426)**	(9,991)
Amount due for settlement after 1 year shown as non-current liabilities	**7,618**	12,676

The incremental borrowing rates applied to lease liabilities range from 3.410% to 5.212% (31 December 2024: from 3.795% to 5.212%).

31. REFUND LIABILITIES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Refund liabilities		
Sales return	**53,025**	75,053

At the point of sale, the Group estimates the future sales return of the goods sold. A refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned.

32. DEFERRED INCOME

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Government grants (Note 6)		
– Asset-related grants (a)	**177,672**	173,770
– Reimbursement for future expenses (b)	**8,913**	1,200
Subsidies from Bill & Melinda Gates Foundation (Note 6)	**27,795**	75,330
	214,380	250,300
Less: current portion	**(37,457)**	(85,296)
Non-current portion	**176,923**	165,004

Notes:

(a) The asset-related grants are the subsidies received from the government for the purpose of compensation for purchase of the Group's property, plant and equipment and land use rights.

(b) Government grants as reimbursement for future expenses are subsidies received for compensating the Group's future research and development activities with regards to certain projects.

The amount of government grants and subsidies from Bill & Melinda Gates Foundation that credited to other income is disclosed in Note 6.

33. TRADE PAYABLES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Procurement amounts due to vendors	**50,437**	62,474

Payment terms with suppliers are mainly with average credit term of 60 days (2024: 60 days) from the time when the goods and services are received from the suppliers. The ageing analysis of trade payables presented based on the date of receipt of goods or services is as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Within 1 year	**33,353**	25,530
Between 1 year and 2 years	**2,293**	3,456
Over 2 years	**14,791**	33,488
	50,437	62,474

The carrying amounts of trade payables are denominated in RMB and approximate their fair values due to short term maturities.

34. OTHER PAYABLES AND ACCRUALS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Other payables to suppliers of property, plant and equipment	**79,137**	159,994
Marketing service fee	**205,381**	155,896
Payroll and welfare payable	**132,808**	119,110
Clinical trial and testing fee	**73,472**	76,176
Accrued taxes other than enterprise income tax	**15,824**	19,411
Other service fees	**18,541**	14,255
Deposits from suppliers	**13,304**	13,934
Consulting fees	**10,828**	11,763
Upfront fees for exclusive promotion rights	**9,434**	–
Considerations received from employees for subscribing restricted A shares of the Company under the 2023 Stock Ownership Plan	**–**	6,503
Operation and maintenance fees	**5,019**	3,307
Others	**35,620**	51,933
	599,368	632,282

35. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Derivative financial liabilities	**–**	91

36. CASH FROM (USED IN) OPERATION

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Profit (loss) before income tax	**21,738**	(381,204)
Adjustments for:		
– Depreciation	**160,346**	190,461
– Amortisation	**16,342**	20,922
– Impairment loss on inventories and right to returned goods	**23,520**	52,815
– Impairment loss on property, plant and equipment	**–**	6,032
– Impairment loss in respect of interests in associates	**6,274**	–
– Reversal of impairment loss on prepayments	**–**	(3,246)
– ECL recognised on trade and other receivables, net of reversal	**12,516**	15,152
– Investment income on structured deposits products, certificates of deposit held for trading and wealth management products	**(35,371)**	(51,179)
– Share of results of associates	**1,388**	16,768
– Loss on deemed disposal of a subsidiary	**–**	70,515
– Losses (gains) on disposal of property, plant and equipment and right-of-use assets	**273**	(763)
– Net fair value (gain) loss on financial assets and liabilities at fair value through profit or loss	**(4,437)**	6,146
– Income from asset-related government grants	**(9,223)**	(16,336)
– Finance costs (income) – net	**22,203**	(22,363)
– Share-based compensation expenses	**9,378**	3,201
– Income tax	**(21)**	–
Changes in working capital		
– Inventories and rights to return goods	**(81,307)**	20
– Contract costs	**(6,646)**	(700)
– Other receivables and prepayments	**2,241**	28,906
– Restricted bank deposits	**–**	(377)
– Income tax recoverable	**151**	137
– Trade receivables	**(55,214)**	(106,713)
– Trade payables	**(12,037)**	(16,518)
– Contract liabilities	**3,545**	11,120
– Other payables and accruals	**46,905**	(51,902)
– Refund liabilities	**(22,028)**	(37,706)
– Provisions	**–**	(11,270)
– Deferred income	**(39,822)**	69,213
Cash from (used in) operations	**60,714**	(208,869)

37. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Borrowings	Lease liabilities	Considerations received from employees for subscribing restricted A shares of the Company under the 2023 Stock Ownership Plan	Total debts
	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025	**1,990,706**	**22,667**	**6,503**	**2,019,876**
Financing cash flows	**(758,910)**	**(7,341)**	**(97)**	**(766,348)**
New leases entered	**–**	**3,500**	**–**	**3,500**
Disposal of right-of use assets	**–**	**(6,506)**	**–**	**(6,506)**
Interest expenses	**43,674**	**724**	**–**	**44,398**
Transfer upon vesting of share-based payments	**–**	**–**	**(6,406)**	**(6,406)**
At 31 December 2025	**1,275,470**	**13,044**	**–**	**1,288,514**
At 1 January 2024	2,460,524	239,816	16,984	2,717,324
Financing cash flows	(323,885)	(10,369)	(3,023)	(337,277)
New leases entered	–	13,943	–	13,943
Disposal of right-of use assets	–	(6,262)	–	(6,262)
Interest expenses	63,592	1,968	–	65,560
Transfer upon vesting of share-based payments	–	–	(7,458)	(7,458)
Deemed disposal of a subsidiary	(209,525)	(216,429)	–	(425,954)
At 31 December 2024	1,990,706	22,667	6,503	2,019,876

38. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
ASSETS		
Non-current assets		
Property, plant and equipment	**1,955,693**	1,937,327
Right-of-use assets	**102,727**	107,308
Intangible assets	**222,946**	177,759
Financial assets at fair value through profit or loss	**123,177**	119,128
Other receivables and prepayments	**8,595**	23,734
Interests in subsidiaries	**932,808**	927,461
Investments in associates	**2,104**	2,057
Deferred tax assets	**211,550**	205,394
Term deposits with initial term of over three months	**–**	316,280
Total non-current assets	**3,559,600**	3,816,448
Current assets		
Inventories	**328,903**	267,695
Contract costs	**9,540**	2,893
Trade receivables	**783,773**	737,622
Other receivables and prepayments	**94,169**	153,650
Financial assets at fair value through profit or loss	**988,421**	1,183,118
Term deposits with initial term of over three months	**420,014**	355,727
Restricted bank deposits	**16,078**	10,152
Bank balances and cash	**1,155,224**	1,343,897
Total current assets	**3,796,122**	4,054,754
Total assets	**7,355,722**	7,871,202

38. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (CONTINUED)

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
CAPITAL AND RESERVES		
Equity attributable to owners of the Company		
Share capital and share premium	**5,385,782**	6,846,688
Treasury shares	**–**	(95,622)
Capital reserves	**26,736**	(22,509)
Statutory reserves	**12,360**	118,389
Retained earnings (accumulated losses)	**111,241**	(1,450,342)
Total equity	**5,536,119**	5,396,604
LIABILITIES		
Non-current liabilities		
Borrowings	**449,250**	557,798
Other payables and accruals	**–**	–
Lease liabilities	**7,586**	9,824
Deferred income	**161,176**	148,358
Total non-current liabilities	**618,012**	715,980
Current liabilities		
Trade payables	**49,282**	59,681
Contract liabilities	**17,930**	14,687
Other payables and accruals	**736,021**	646,654
Financial liabilities at fair value through profit or loss	**–**	91
Borrowings	**305,137**	880,508
Lease liabilities	**5,300**	6,043
Refund liabilities	**53,025**	75,053
Deferred income	**34,896**	75,901
Total current liabilities	**1,201,591**	1,758,618
Total liabilities	**1,819,603**	2,474,598
Total equity and liabilities	**7,355,722**	7,871,202

38. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (CONTINUED)

(a) Statement of changes in equity of the Company

	Share capital RMB'000	Share premium RMB'000	Treasury shares RMB'000	Capital reserves RMB'000	Statutory reserves RMB'000	(Accumulated losses) retained earnings RMB'000	Total RMB'000
Balance at 1 January 2025	**247,450**	**6,599,238**	**(95,622)**	**(22,509)**	**118,389**	**(1,450,342)**	**5,396,604**
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**–**	**123,601**	**123,601**
Transferred to statutory reserves	**–**	**–**	**–**	**–**	**12,360**	**(12,360)**	**–**
Recognition of equity-settled share-based payments (Note 28)	**–**	**–**	**–**	**9,378**	**–**	**–**	**9,378**
Cancellation of treasury shares (Note 27)	**(406)**	**(88,680)**	**89,086**	**–**	**–**	**–**	**–**
Transfer upon vesting of share-based payments (Notes 27 and 28)	**–**	**(39,867)**	**6,406**	**39,867**	**–**	**–**	**6,406**
Utilisation of reserves to make up for previous years' losses (Note 27)	**–**	**(1,331,953)**	**–**	**–**	**(118,389)**	**1,450,342**	**–**
Transfer upon sale of the restricted shares granted under 2023 Stock Ownership Plan (Note 28)	**–**	**–**	**130**	**–**	**–**	**–**	**130**
Balance at 31 December 2025	**247,044**	**5,138,738**	**–**	**26,736**	**12,360**	**111,241**	**5,536,119**
Balance at 1 January 2024	247,450	6,594,556	(106,173)	(21,028)	118,389	(1,263,527)	5,569,667
Total comprehensive expense for the year	–	–	–	–	–	(186,815)	(186,815)
Recognition of equity-settled share-based payments (Note 28)	–	–	–	3,201	–	–	3,201
Transfer upon vesting of share-based payments (Notes 27 and 28)	–	4,682	7,388	(4,682)	–	–	7,388
Transfer upon sale of the restricted shares granted under 2023 Stock Ownership Plan (Note 28)	–	–	3,163	–	–	–	3,163
Balance at 31 December 2024	247,450	6,599,238	(95,622)	(22,509)	118,389	(1,450,342)	5,396,604

39. COMMITMENTS

(a) Capital commitments

The following is the details of capital expenditure contracted for but not provided in the consolidated financial statements:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Contracted but not provided for – Property, plant and equipment	**18,776**	129,200

40. CONTINGENT LIABILITIES

The Company received the notice of a lawsuit in March 2024 from 3ª Vara Civel de Maringa/PR ("**Brazilian Court**") filed by Belcher Farmaceutica Ltda.("**Belcher**"), claiming Brazilian Real 167 million (equivalent to approximately RMB213 million) in compensation for the related losses, fees, and spiritual damage from the Company following the termination of the authorisation to it to negotiate with the Brazilian government about the registration and commercialization of the Company's COVID-19 vaccines in Brazil in 2021. Details of the lawsuit are set out in the announcement of the Company dated 14 March 2024 in relation to the Company's involvement in a lawsuit.

The Company has engaged a professional legal counsel to handle such lawsuit. Based on the current legal advice, the Company has strong defense position and it is less likely that Belcher's claim will be supported by the Brazilian Court. Therefore, the management of the Company is in the view that it is not probable an outflow of economic benefits will be required to settle Belcher's claim. As a result, no provision with respect to this lawsuit was made by the Company as at 31 December 2025. As of the date of the approval of these consolidated financial statements, the Brazilian Court has yet to start hearing of this lawsuit.

41. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control. Members of key management and their close family member of the Group are also considered as related parties.

(a) The following companies are related parties of the Group during the year ended 31 December 2025:

Names of the related parties	Nature of relationship
上海上藥康希諾生物製藥有限公司 CanSino SPH*	Associate
東富龍科技集團股份有限公司 Tofflon Science and Technology Group Co., Ltd.*	A supervisor of the Company is a director of this entity
上海翊斯生物醫藥科技有限公司Shanghai Yisi Biopharmaceutical Technology Co., Ltd.*	Entity having same director of the Company

* The English names are for identification purpose only.

(b) Related party transactions:

(i) Other services and procurements received by the Group:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
CanSino SPH	**637**	–
Tofflon Science and Technology Group Co., Ltd.	**296**	436
Shanghai Yisi Biopharmaceutical Technology Co., Ltd.	**–**	960
Total	**933**	1,396

(ii) Other services provided by the Group:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
CanSino SPH	**–**	173

41. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Related party balances:

(i) Other receivables and prepayments:

	Year ended 31 December 2025 RMB'000	2024 RMB'000
Tofflon Science and Technology Group Co., Ltd.	**600**	–
CanSino SPH (Note)	**71,984**	71,984
Total	**72,584**	71,984

Note: The Group has recognised full expected credit losses in respect of other receivables and prepayments due from CanSino SPH, amounting to RMB71,984,000.

(ii) Trade payables:

	Year ended 31 December 2025 RMB'000	2024 RMB'000
Tofflon Science and Technology Group Co., Ltd.	**111**	69

(iii) Other payables and accruals:

	Year ended 31 December 2025 RMB'000	2024 RMB'000
Tofflon Science and Technology Group Co., Ltd.	**985**	1,949

(d) Key management compensation

Key management includes directors, supervisors and senior management. The compensation paid or payable to key management for employee services and to independent non-executive directors for director services is shown below:

	Year ended 31 December 2025 RMB'000	2024 RMB'000
Fees	**1,302**	1,028
Salaries	**10,805**	11,794
Discretionary bonuses	**6,069**	5,501
Share-based compensation expenses (Note 29)	**1,717**	131
Retirement benefit scheme contributions	**261**	325
Others	**368**	410
Total	**20,522**	19,189

42. BENEFITS AND INTERESTS OF DIRECTORS AND SUPERVISORS

(a) Directors', supervisors' and chief executive's emoluments

Details of the emoluments paid or payable to the directors and the Chief Executive of the Company for the service provided to the Group during the reporting period are as follows:

Name	Fees RMB'000	Salaries RMB'000	Discretionary bonuses RMB'000	Share-based compensation RMB'000	Retirement benefit scheme contributions RMB'000	Others RMB'000	Total RMB'000
For the year ended 31 December 2025							
Name of executive directors							
Xuefeng Yu*	–	2,288	1,537	488	–	1	4,314
Shou Bai Chao	–	1,525	1,025	213	–	2	2,765
Jing Wang	–	1,927	1,281	388	48	95	3,739
Name of non-executive directors							
Chi Shing Li	300	–	–	–	–	–	300
Name of independent non-executive directors							
Yiu Leung Andy Cheung	400	–	–	–	–	–	400
Man Cho (i)	27	–	–	–	–	–	27
Xuefeng Ji (i)	27	–	–	–	–	–	27
Shuifa Gui (ii)	274	–	–	–	–	–	274
Jianzhong Liu (ii)	274	–	–	–	–	–	274
Name of supervisors							
Zhongqi Shao (iii)	–	1,126	–	–	–	–	1,126
Zhi Xiao (iii)	–	–	–	–	–	–	–
Chang Sun (iii)	–	293	–	2	44	64	403
	1,302	7,159	3,843	1,091	92	162	13,649

42. BENEFITS AND INTERESTS OF DIRECTORS AND SUPERVISORS (CONTINUED)

(a) Directors', supervisors' and chief executive's emoluments (Continued)

Name	Fees RMB'000	Salaries RMB'000	Discretionary bonuses RMB'000	Share-based compensation RMB'000	Retirement benefit scheme contributions RMB'000	Others RMB'000	Total RMB'000
For the year ended 31 December 2024							
Name of executive directors							
Xuefeng Yu*	–	2,330	1,294	–	–	2	3,626
Tao Zhu	–	1,699	862	–	59	76	2,696
Dongxu Qiu	–	1,340	636	–	71	43	2,090
Shou Bai Chao	–	1,695	862	–	–	2	2,559
Jing Wang	–	1,930	1,078	–	62	79	3,149
Name of non-executive directors							
Liang Lin	–	–	–	–	–	–	–
Nisa Leung	–	–	–	–	–	–	–
Zhi Xiao	–	–	–	–	–	–	–
Chi Shing Li	–	–	–	–	–	–	–
Name of independent non-executive directors							
Yiu Leung Andy Cheung	344	–	–	–	–	–	344
Shiu Kwan Danny Wai	42	–	–	–	–	–	42
Zhu Xin	42	–	–	–	–	–	42
Shuifa Gui	300	–	–	–	–	–	300
Jianzhong Liu	300	–	–	–	–	–	300
Name of supervisors							
Zhongqi Shao	–	864	334	–	–	–	1,198
Jiangfeng Li	–	–	–	–	–	–	–
Zhi Xiao	–	–	–	–	–	–	–
Yuan Zhou	–	691	–	–	43	67	801
Chang Sun	–	286	60	12	44	68	470
	1,028	10,835	5,126	12	279	337	17,617

* Chief executive of the Company

42. BENEFITS AND INTERESTS OF DIRECTORS AND SUPERVISORS (CONTINUED)

(a) Directors', supervisors' and chief executive's emoluments (Continued)

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group. The independent non-executive directors' emoluments shown above were for their services as directors of the Company. The supervisors' emoluments shown above were for their services as employee supervisors of the Company.

Notes:

(i) Mr. Man CHO and Ms. Xuefeng JI were appointed as independent non-executive directors of the Company with effect from 27 November 2025.

(ii) Mr. Shuifa GUI and Mr. Jianzhong LIU retired as directors with effect from 27 November 2025.

(iii) The board of supervisors was dissolved with effect from 27 November 2025, and Dr. Zhongqi SHAO, Mr. Zhi Xiao and Ms. Chang SUN retired as supervisors with effect from 27 November 2025.

(b) No directors or supervisors waived or agreed to waive any emoluments. No emoluments were paid to directors or supervisors as an inducement to join or upon joining the Group or as compensation for loss of office.

(c) Directors' and supervisors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Group was a party and in which a director or a supervisor of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the years ended 31 December 2025 and 2024.

During the year ended 31 December 2025, certain directors were granted restricted shares and share options, in respect of their services to the Group under the 2025 H Share Option Scheme and 2025 A Share Incentive Scheme of the Company. Details of the schemes are set out in Note 28 to the consolidated financial statements.

43. FINANCIAL INSTRUMENTS BY CATEGORY

	As at 31 December 2025 RMB'000	2024 RMB'000
Financial assets at amortised cost		
Bank balances and cash (Note 26)	**1,219,683**	1,556,463
Restricted bank deposits (Note 25)	**16,078**	10,152
Trade receivables (Note 21)	**782,885**	737,622
Term deposits (Note 24)	**420,014**	772,185
Other receivables excluding non-financial assets (Note 22)	**6,793**	11,444
	2,445,453	3,087,866
Financial assets at fair value through profit or loss		
Structured deposits (Note 23)	**987,970**	1,181,854
Unlisted fund investment (Note 23)	**95,314**	93,501
Unlisted equity investments (Note 23)	**57,644**	57,135
Derivative financial assets (Note 23)	**451**	1,264
	1,141,379	1,333,754

	As at 31 December 2025 RMB'000	2024 RMB'000
Financial liabilities at amortised cost		
Borrowings (Note 29)	**1,275,470**	1,990,706
Trade payables (Note 33)	**50,437**	62,474
Other payables excluding non-financial liabilities (Note 34)	**450,277**	493,761
	1,776,184	2,546,941
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities (Note 35)	**–**	91

44. FINANCIAL RISK MANAGEMENT

44.1 Financial risk factors

The Group's risk management is carried out by the finance department under policies approved by the board of directors. The department identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, other price risk, credit risk and liquidity risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(a) Market risk

(i) Foreign exchange risk

Foreign currency risk is the risk that the value of a financial instrument fluctuates because of the change in foreign exchange rates. The Group has established foreign currency business management system that includes accounts, settlements and exchange rate risk. The Group conducts various foreign currency businesses in accordance with the requirements of the management system.

The Group have foreign currency sales, purchases and bank balances which expose the Group to foreign currency risk. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
USD		
Cash at banks	**550,256**	157,771
Terms deposits with initial term of over three months	**–**	37,300
Trade receivables	**6,139**	4,564
Other payables and accruals	**(51)**	(761)
HKD		
Cash at banks	**34,702**	51,301
Terms deposits with initial term of over three months	**93,697**	72,747
Other receivables and prepayments	**456**	412
Other payables and accruals	**(16)**	(40)

As at 31 December 2025, the Group entered into four designated foreign exchange swap transactions with Agricultural Bank of China, Tianjin Tanggu Branch, regarding the sale of USD 5,000,000, USD 1,800,000, USD 3,200,000 and USD 5,000,000, respectively. The contractual term of each transaction is one year, with maturity dates on 9 January 2026, 24 February 2026, 24 February 2026, and 6 March 2026, respectively. As the contracts stipulate fixed agreed exchange rates, the related foreign currency assets are not exposed to foreign exchange risk.

As at 31 December 2025, if RMB strengthened or weaken by 5% against USD with all other variables held constant, profit for the year ended 31 December 2025 would decrease or increase by RMB22,575,000 (loss for the year ended 31 December 2024 would increase or decrease by RMB9,944,000).

As at 31 December 2025, if RMB strengthened or weaken by 5% against HKD with all other variables held constant, profit for the year ended 31 December 2025 would decrease or increase by RMB6,442,000 (loss for the year ended 31 December 2024 would increase or decrease by RMB6,221,000).

44. FINANCIAL RISK MANAGEMENT (CONTINUED)

44.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to floating rate bank borrowings (Note 29). The Group is also exposed to fair value interest rate in relation to bank balances, restricted bank deposits, term deposits, fixed rate bank borrowings and lease liabilities. The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook. The management will review the proportion of borrowings in floating rates and ensure they are within reasonable range.

During the years ended 31 December 2024, some portion of borrowings interests were capitalised. Assuming that there was no interest capitalisation effect, the Group performs a sensitivity analysis below which has been determined based on the exposure to interest rates for the floating rate bank borrowings at the end of the reporting period. For floating rate borrowings, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

A 50 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates. If interest rates had been 50 basis points higher and all other variables were held constant, the Group's profit would approximately decrease by RMB5,971,000 for the year ended 31 December 2025 (2024: the Group's losses would approximately increase by RMB9,945,000).

(iii) Other price risk

The Group is exposed to equity price risk through its equity investments measured at fair value through profit or loss.

The sensitivity analysis below has been determined based on the exposure to equity price risk at the reporting date for financial assets at fair value through profit or loss.

If the prices of the respective equity instruments had been changed based on the 5% higher/lower, the profit for the year ended 31 December 2025 would increase/decrease by RMB7,648,000 (loss for the year ended 31 December 2024 would decrease/increase by RMB7,532,000), as a result of the changes in fair value of financial assets measured at fair value through profit or loss ("**FVTPL**").

(b) Credit risk

Credit risk mainly arises from term deposits, restricted bank deposits, cash at banks, trade receivables, other receivables and structured deposits. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position.

The credit risk of term deposits, cash at banks, restricted bank deposits and structured deposits is limited because the counterparties are state-owned or reputable commercial banks which are high-credit-quality financial institutions.

44. FINANCIAL RISK MANAGEMENT (CONTINUED)

44.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

For trade receivables and other receivables, management makes periodic assessments as well as collective and individual assessment on the recoverability based on the financial quality of debtors, historical settlement records and past experience and adjusts for forward looking information to reflect current conditions and estimates of future economic conditions. The Group applies the simplified approach for the Group's trade receivables net with refund liabilities and the amount to be returned to the same customer using a lifetime ECL provision.

As at 31 December 2025, trade receivables with gross carrying amount of RMB6,140,000 (2024: nil) was assessed individually for expected credit losses and RMB648,000 was recognised as impairment losses under ECL model accordingly.

The following table provides information about the exposure to credit risk for trade receivables which are assessed based on ageing analysis within lifetime ECL.

Gross carrying amount	**As at 31 December 2025**		As at 31 December 2024	
Ageing analysis	**Average loss rate %**	**Trade receivables RMB'000**	Average loss rate %	Trade receivables RMB'000
1-180 days	**–**	**522,634**	–	473,585
181-365 days	**4.63**	**132,951**	3.87	91,874
1-2 years	**13.05**	**100,978**	11.87	116,687
Over 2 years	**35.22**	**62,004**	16.56	87,347

During the year ended 31 December 2025, the Group provided RMB9,303,000 as expected credit losses for trade receivables assessed collectively under ECL model (2024: RMB6,224,000).

Management assesses the expected credit losses on credit-impaired other receivables individually when one or more events that have a detrimental impact on the estimated future cash flows of the other receivables have occurred. Such events may include significant financial difficulty of the counterparties or a breach of contract. As at 31 December 2025, other receivables amounting to RMB76,687,000 from CanSino SPH, an associate of the Group, and the other independent third party was considered as credit-impaired and expected credit loss allowance amounting to RMB76,687,000 has been recognised for these receivables. Other than these credit-impaired other receivables mentioned above, management has assessed that during the year ended 31 December 2025, the remaining other receivables have not had a significant increase in credit risk since initial recognition. Thus, a 12-month expected credit loss approach that results from possible default event within 12 months of each reporting date is adopted by management. The directors of the Company do not expect any losses from non-performance by the counterparties of other receivables and no expected credit loss allowance for these remaining other receivables was recognised (2024: nil).

44. FINANCIAL RISK MANAGEMENT (CONTINUED)

44.1 Financial risk factors (Continued)

(c) Liquidity risk

The Group aims to maintain sufficient cash to meet operating capital requirements.

The table below analyses the Group's financial liabilities and lease liabilities into relevant maturity groupings based on the remaining period at the end of the reporting periods to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Weighted average interest rates	On demand or less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total	Carrying amount at 31/12/2025
	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2025							
Trade payables	**–**	**50,437**	**–**	**–**	**–**	**50,437**	**50,437**
Other payables	**–**	**450,277**	**–**	**–**	**–**	**450,277**	**450,277**
Borrowings	**2.3**	**344,145**	**261,192**	**491,046**	**274,243**	**1,370,626**	**1,275,470**
Lease liabilities	**4.6**	**5,489**	**6,491**	**3,480**	**–**	**15,460**	**13,044**
Total		**850,348**	**267,683**	**494,526**	**274,243**	**1,886,800**	**1,789,228**
As at 31 December 2024							
Derivative financial liabilities	–	91	–	–	–	91	91
Trade payables	–	62,474	–	–	–	62,474	62,474
Other payables	–	493,761	–	–	–	493,761	493,761
Borrowings	2.9	940,860	388,341	433,494	401,998	2,164,693	1,990,706
Lease liabilities	4.6	10,512	7,289	7,473	397	25,671	22,667
Total		1,507,698	395,630	440,967	402,395	2,746,690	2,569,699

44.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less bank balances and cash excluding accrued interest. Total capital is calculated as total equity as shown in the consolidated statement of financial position plus net debt.

As at 31 December 2025, the Group's gearing ratio is 1.12%. As at 31 December 2024, the Group's gearing ratio is 8.14%.

44. FINANCIAL RISK MANAGEMENT (CONTINUED)

44.3 Fair value measurements

(a) Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis

This note provides information about how the Group determines fair value of the following financial assets and liabilities that are measured at fair value on a recurring basis.

Financial assets/ liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of significant unobservable input(s) to fair value
	12/31/2025 RMB'000	12/31/2024 RMB'000				
Structured deposits	**987,970**	1,181,854	Level 3	Discounted cash flow – Future cash flows are estimated based on expected rate of return	Expected rate of return	The higher the expected rate of return, the higher the fair value.
Unlisted equity investment	**35,857**	36,554	Level 2	Recent transaction price	N/A	N/A
Unlisted equity investment (i)	**21,787**	20,581	Level 3	Market approach – fair value estimated based on key inputs including liquidity discount and volatility	Liquidity discount	The lower the liquidity discount/higher the volatility, the higher the fair value.
Unlisted fund investment (ii)	**95,314**	93,501	Level 3	Net asset value of underlying investments	Net assets	The higher net asset value, the higher the fair value.
Derivative financial assets	**451**	1,264	Level 2	Discounted cash flow – Future cash flows are estimated based on observable forward exchange rates and contracted forward rates, discounted at rates that reflect the credit risk of various counterparties	N/A	N/A

44. FINANCIAL RISK MANAGEMENT (CONTINUED)

44.3 Fair value measurements (Continued)

(a) Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis (Continued)

This note provides information about how the Group determines fair value of the following financial assets and liabilities that are measured at fair value on a recurring basis. (Continued)

Financial asset/ liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of significant unobservable input(s) to fair value
	12/31/2025 RMB'000	12/31/2024 RMB'000				
Derivative financial liabilities	–	91	Level 2	Discounted cash flow – Future cash flows are estimated based on observable forward exchange rates and contracted forward rates, discounted at rates that reflect the credit risk of various counterparties	N/A	N/A

There were no transfers between level 1 and 2 during 2025 and 2024.

Notes:

(i) The equity investment represents the Group's equity investment in Thousand Oaks Biopharmaceuticals Co., Ltd. As there was no recent financing activities during the year ended 31 December 2025, the Group used the market approach to assess the fair value of its equity investment.

(ii) The equity investment represents the Group's equity investment in Yuanxi Haihe. As the Group has no guaranteed income, exit guarantee, or obligation to other investors, the equity investments are recognised as financial assets at fair value through profit or loss. As the net asset value of Yuanxi Haihe mainly consist of bank balances and investments measured at fair value, the Group used the asset-based method to assess the fair value of its equity investment.

44. FINANCIAL RISK MANAGEMENT (CONTINUED)

44.3 Fair value measurements (Continued)

(b) Reconciliation of level 3 fair value measurements

Details of reconciliation of financial assets at FVTPL measured at Level 3 fair value measurement are set out as below:

	Structured deposits Year ended 31 December		Unlisted equity investment Year ended 31 December		Unlisted fund investment Year ended 31 December		Derivative financial assets Year ended 31 December	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024
	RMB'000	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000
Opening balance	**1,181,854**	618,341	**20,581**	26,147	**93,501**	89,998	**–**	1,211
Additions	**3,871,003**	5,867,000	**–**	–	**–**	–	**–**	–
Settlements	**(4,078,741)**	(5,320,953)	**–**	–	**(1,000)**	–	**–**	–
Gain (losses) recognised in profit or loss	**13,854**	17,466	**1,206**	(5,566)	**2,813**	3,503	**–**	(1,211)
Closing balance	**987,970**	1,181,854	**21,787**	20,581	**95,314**	93,501	**–**	–

A gain of RMB6,988,000 (2024: a loss of RMB209,000) relates to financial assets at FVTPL held at the end of current reporting period was included in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2025. Fair value gains or losses on financial assets at FVTPL are included in 'other losses – net'.

(c) Fair value of financial assets and financial liabilities that are not measured at fair value

The directors of the Company consider that the carrying amount of the Group's financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair values. Such fair values have been determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

45. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

45.1 General information of subsidiaries

Name of company	Place of incorporation	Proportion ownership interest held by the Company				Principal activities
		Directly		Indirectly		
		2025	2024	2025	2024	
天津萬博生物醫藥技術有限公司Tianjin Wan Bo Biomedical Technology Co., Ltd.*	China	100.00%	100.00%	–	–	Business development and trade services
CanSino Biologics (Canada) Inc.	Canada	100.00%	100.00%	–	–	Research and development
CanSino Biologics (Singapore) Inc Pte. Ltd.	Singapore	100.00%	100.00%	–	–	Business development and trade services
CanSino Biologics (Hong Kong) Limited	Hong Kong, China	100.00%	100.00%	–	–	Research and development
康希諾生物(上海)有限公司CanSino Biologics (Shanghai) Co., Ltd.*	China	100.00%	100.00%	–	–	Business development and trade services
康希諾(上海)生物研發有限公司CanSino (Shanghai) Biological Research and Development Co., Ltd.*	China	–	–	100.00%	100.00%	Research and development
康希諾(上海)生物科技有限公司CanSino (Shanghai) Biotechnology Co., Ltd.* (i)	China	–	–	100.00%	97.33%	Production and manufacturing
CanSino Biologics (Switzerland) SA	Switzerland	100.00%	100.00%	–	–	Business development and trade services
康博(天津)醫藥科技有限公司Kangbo (Tianjin) Pharmaceutical Technology Co., Ltd.* (ii)	China	NA	100.00%	NA	–	Production and manufacturing
博邁(天津)創業投資管理有限公司Bomai (Tianjin) Venture Capital Management Co., Ltd.*	China	100.00%	100.00%	–	–	Investment management
康希諾(天津)國際生命科技有限公司 (曾用名：中智華康(天津)科技發展有限公司) CanSino (Tianjin) International Life Science Co., Ltd.*	China	100.00%	100.00%	–	–	Research and development and trading services

* The English names are for identification purpose only.

Note:

(i) On 18 August 2021, CanSino Biologics (Shanghai) Co., Ltd. ("**CanSino Shanghai**"), a subsidiary of the Company, jointly established CanSino (Shanghai) Biotechnology Co., Ltd. with Shanghai Qianyun Enterprise Management Partnership (Limited Partnership) ("**Shanghai Qianyun**"), with a registered capital of RMB200 million. CanSino Shanghai held 90% of the equity interest, while Shanghai Qianyun held 10%. CanSino Biotechnology subsequently increased its registered capital by RMB550 million on 2 March 2022, 28 June 2022, 21 July 2022, and 13 December 2022, all of which was contributed by CanSino Shanghai. In 2025, Shanghai Qianyun transferred its 2.67% equity interest in CanSino Biotechnology to CanSino Shanghai. Following this equity transfer, CanSino Shanghai's ownership interest increased to 100%. As of 31 December 2025, CanSino Shanghai had fully contributed the registered capital amounting to RMB730 million.

(ii) Kangbo (Tianjin) Pharmaceutical Technology Co., Ltd. was deregistered on 15 May 2025.

None of the subsidiaries had issued any debt securities at the end of the year.

46. SUBSEQUENT EVENTS

Save as disclosed elsewhere in the report, the following significant event took place subsequent to 31 December 2025:

In January 2026, the Ministry of Finance ("**MOF**") and the State Taxation Administration ("**STA**") issued the Announcement on Transition of VAT Preferential Policies Following the Implementation of the VAT Law ("**MOF & STA Announcement No. 10 (2026)**"). Pursuant to MOF & STA Announcement No. 10 (2026), vaccine products are no longer subject to the simplified VAT calculation method at 3% with effect from 1 January 2026. Instead, they are subject to the standard VAT rate of 13%, with input VAT creditable accordingly. As at the date of approval of these consolidated financial statements, the Group is still assessing the detailed impact of this change, which is expected to have a material effect on the Group's future financial performance and operations.

"2023 Stock Ownership Plan"	the 2023 A Share Employee Stock Ownership Plan of the Company adopted by the Company on April 20, 2023
"2025 A Share Incentive Scheme"	the 2025 Restricted A Share Incentive Scheme of the Company adopted by the Company on October 23, 2025
"2025 H Share Option Scheme"	the 2025 Core Management H Share Option Scheme of the Company adopted by the Company on October 23, 2025
"A Share Offering"	the Company's initial public offering of 24,800,000 A Shares and listing on the Sci-Tech Innovation Board of Shanghai Stock Exchange on August 13, 2020
"A Share(s)"	ordinary shares in the share capital of our Company with a nominal value of RMB1.00 each and listed on the Sci-Tech Innovation Board of the Shanghai Stock Exchange and traded in RMB
"Ad5-EBOV"	an adenovirus type 5 vector based Ebola virus disease vaccine, a vaccine jointly developed by, among others, CanSinoBIO, that protects against Ebola by relying on the recombinant replication-defective human adenovirus type-5 vector to induce the immune response, which received the NDA approval in China in October 2017
"Ad5-nCoV"	Recombinant Novel Coronavirus Vaccine (Adenovirus Type 5 Vector), consisting of two types of products, namely Convidecia® and Convidecia Air® (Ad5-nCoV for Inhalation)
"Ad5Ag85A"	a novel TB vaccine expressing Ag85A antigen in a human type V adenovirus vector
"adenovirus"	a DNA virus originally identified in human adenoid tissue, causing infections of the respiratory system, conjunctiva, and gastrointestinal tract
"Articles of Association"	the articles of association of the Company, as amended from time to time
"Audit Committee"	the audit committee of the Board
"Board" or "Board of Directors"	the board of directors of the Company
"CanSino Innovative Vaccine Industrial Campus Project"	an upgrade and replacement of the construction plan of Phase II manufacture facilities originally planned by the Company in its A Share Offering prospectus
"CanSino SPH"	CanSino SPH Biologics Inc. (上海上藥康希諾生物製藥有限公司), a limited liability company established in the PRC in February 2021 pursuant to a joint venture agreement entered into by and among the Company, Shanghai Sunway Biotech Co., Ltd. (上海三維生物技術有限公司) and Shanghai Biomedical Industry Equity Investment Fund Partnership (Limited Partnership) (上海生物醫藥產業股權投資基金合夥企業(有限合夥)) in January 2021

Definitions

"CanSinoBIO" or "Company"	CanSino Biologics Inc. (康希諾生物股份公司), a joint stock company incorporated in the PRC with limited liability on February 13, 2017, or, where the context requires (as the case may be), its predecessor, Tianjin CanSino Biotechnology Inc. (天津康希諾生物技術有限公司), a company incorporated in the PRC with limited liability on January 13, 2009
"CDC"	Chinese Centre for Disease Control and Prevention
"CDMO"	contract development and manufacturing organization, a company that provides support to the pharmaceutical, biotechnology, and medical device industries in the form of development and manufacturing services outsourced on a contract basis
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rule
"China" or "the PRC"	the People's Republic of China excluding, for the purpose of this report, Hong Kong, Macau Special Administrative Region and Taiwan
"Company Law"	the Company Law of the PRC (《中華人民共和國公司法》), as amended from time to time
"Concert Party Agreement"	the agreement entered into between Dr. Yu, Dr. Zhu, Dr. Qiu and Dr. Mao on February 13, 2017 which was subsequently amended on January 26, 2022, re-entered into on March 27, 2024 and further amended on July 24, 2024 and December 3, 2024, respectively, pursuant to which, Dr. Yu, Dr. Zhu, Dr. Qiu and Dr. Mao have undertaken to, among other things, vote (and procure the entities held by them if any to vote) unanimously for any resolutions proposed at any Shareholders' meeting of the Company
"conjugate"	chemically link bacterial capsular polysaccharide to a protein to enhance immunogenicity
"Convidecia®"	trade name of Recombinant Novel Coronavirus Vaccine (Adenovirus type 5 Vector) for intramuscular injection
"Convidecia Air®" or "Ad5-nCoV for Inhalation"	Recombinant Novel Coronavirus Vaccine (Adenovirus Type 5 Vector) for inhalation
"COVID-19"	the disease caused by a new coronavirus called SARS-CoV-2
"Director(s)"	the director(s) of the Company
"Dr. Chao"	Dr. Shou Bai CHAO, chief operating officer and deputy general manager of the Company and spouse of Dr. Mao

"Dr. Mao"	Dr. Helen Huihua MAO, our executive vice-president, co-founder and spouse of Dr. Chao
"Dr. Qiu"	Dr. Dongxu QIU, deputy general manager of the Company and our co-founder
"Dr. Yu"	Dr. Xuefeng YU, chairman of the Board, executive Director, chief executive officer and general manager of the Company and our co-founder
"Dr. Zhu"	Dr. Tao ZHU, chief scientific officer and deputy general manager of the Company and our co-founder
"DTcP"	diphtheria, tetanus and acellular pertussis (components) combined vaccine, each pertussis antigen of DTcP vaccines is purified individually and are subsequently combined in a defined ratio, hence ensuring a fixed and consistent composition
"DTcP Infant"	DTcP vaccine for infants (below 2 years old)
"DTcP-Hib-MCV4 Combined Vaccine"	absorbed diphtheria, tetanus and acellular pertussis (components) Haemophilus Influenzae Type b (Conjugate) – Group ACYW135 Meningococcal (Conjugate) combined vaccine
"GMP"	Good Manufacturing Practice, guidelines and regulations from time to time issued pursuant to the PRC Drug Administration Law (《中華人民共和國藥品管理法》) as part of quality assurance which aims to minimize the risks of contamination, cross contamination, confusion and errors during the manufacture process of pharmaceutical products and to ensure that pharmaceutical products subject to these guidelines and regulations are consistently produced and controlled in conformity to quality and standards appropriate for their intended use
"Group"	the Company and its subsidiary
"H Share(s)"	overseas listed shares in the share capital of our Company with a nominal value of RMB1.00 each, which are subscribed for and traded in HKD and listed on the Main Board of the Hong Kong Stock Exchange
"Hib Vaccine"	Haemophilus Influenzae Type b Conjugate Vaccine, Freeze-dried
"HK$" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"HKFRS"	the Hong Kong Financial Reporting Standard
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended or supplemented from time to time

"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"immunogenicity"	the ability of a particular substance, such as an antigen, to provoke an immune response in the body of a human and other animal
"inhaled TB Booster"	inhaled tuberculosis vaccine (Adenovirus Type 5 Vector)
"iPneucia®"	trade name of 13-valent Pneumococcal Polysaccharide Conjugate Vaccine (CRM197/TT), a vaccine used for the prevention of invasive pneumococcal diseases
"KOL"	Key opinion leaders
"Listing of H Shares"	the listing of the H Shares on the Main Board of the Hong Kong Stock Exchange on March 28, 2019
"Main Board"	the Main Board of the Hong Kong Stock Exchange
"MCV"	meningococcal conjugate vaccine, used to prevent infection caused by meningococcal bacteria
"MCV2"	Groups A and C MCV, a vaccine used for the prevention of N. meningitides (Lta)
"MCV4"	Groups A, C, Y and W135 MCV, a vaccine used for the prevention of N. meningitides (Lta)
"Menhycia®"	trade name of Groups A, C, Y and W135 MCV, a vaccine used for the prevention of N. meningitides (Lta)
"Menphecia®"	trade name of Groups A and C MCV, a vaccine used for the prevention of N. meningitides (Lta)
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules
"MPSV4"	Group A, C, Y and W135 MPSV, a vaccine used for the prevention of epidemic cerebrospinal meningitis in children aged above 2 years old
"mRNA"	messenger RNA
"N. meningitides (Lta)"	Neisseria meningitidis (lipoteichoic acid)
"NDA"	new drug application
"NMPA"	the National Medical Products Administration of China (國家藥品監督管理局) or, where the context so requires, its predecessor, the China Food and Drug Administration (國家食品藥品監督管理總局), or CFDA
"Nomination Committee"	the nomination committee of the Board

"PBPV"	a globally innovative, serotype-independent protein-based pneumococcal vaccine being developed by us
"PCV13"	13-Valent pneumococcal conjugate vaccine, 13-valent vaccine primarily used for the prevention of invasive pneumococcal diseases
"PCV13*i*"	an improved pneumococcal polysaccharide conjugate vaccine being developed by us
"PCV24"	24-valent pneumococcal polysaccharide conjugate vaccine (CRM197/TT)
"pertussis"	commonly known as whooping cough, a respiratory tract infection characterized by a paroxysmal cough
"polysaccharide"	a carbohydrate that can be decomposed by hydrolysis into two or more molecules of monosacchari
"POV"	point of vaccination
"PPV23"	23-valent pneumococcal polysaccharide vaccine, used for the prevention of invasive pneumococcal disease in children aged above two years of old and adults
"R&D"	Research and development
"Recombinant Poliomyelitis Vaccine"	a VLP-based polio vaccine developed by the Company
"Recombinant Zoster Vaccine"	the Recombinant Zoster Vaccine (Adenovirus Vector) developed by the Group in cooperation with Vaccitech (UK) Limited
"Remuneration and Assessment Committee"	the remuneration and assessment committee of the Board
"Renminbi" or "RMB"	Renminbi Yuan, the lawful currency of China
"Reporting Period"	the year from January 1, 2025 to December 31, 2025
"SARS-CoV-2"	a strain of the species severe-acute-respiratory-syndrome-related coronavirus
"Securities Law"	the Securities Law of the PRC (《中華人民共和國證券法》), as amended from time to time
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time

Definitions

"Share(s)"	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, comprising A Share(s) and H Share(s)
"Shareholder(s)"	holder(s) of the Share(s)
"STAR Market Listing Rules"	the Rules Governing the Listing of Stocks on the STAR Market of Shanghai Stock Exchange (《上海證券交易所科創板股票上市規則》)
"TB"	tuberculosis, an infection caused by Mycobacterium tuberculosis that primarily affects the lungs
"TB Booster"	a recombinant human type 5 adenovirus-based tuberculosis vaccine, a globally innovative TB booster vaccine for Bacillus Calmette-Guerin vaccinated population
"Tdcp Adolescent and Adult"	a vaccine being developed by us for adolescents and adults (above 6 years old) that protects against pertussis, containing slightly increased amount of TT antigen to DTcP vaccine candidate for infants, but reduced amounts of pertussis and DT antigens
"Tetanus Vaccine"	Absorbed Tetanus Vaccine
"USD" or "US$"	US dollar, the lawful currency of the United States of America
"vector"	an agent (such as a plasmid or virus) that contains or carries modified genetic material (such as recombinant DNA) and can be used to introduce exogenous genes into the genome of an organism
"VLP"	virus-like particle
"WHO"	World Health Organization
"XBB.1.5 Variant"	the Recombinant COVID-19 XBB.1.5 Variant Vaccine for Inhalation (Adenovirus Type 5 Vector)

* *For identification purposes only*

CanSino Biologics Inc.