INNOCARE
诺诚健华

InnoCare Pharma Limited
諾誠健華醫藥有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 9969

2025
ANNUAL REPORT

Contents

InnoCare Pharma Limited
2025 Annual Report

DEFINITIONS

In this report, unless the context otherwise requires, the following terms have the following meanings. These terms and their definitions may not correspond to any industry standard definition, and may not be directly comparable to similarly titled terms adopted by other companies operating in the same industries as the Company.

"1L"	first-line
"2024 ESG Report"	2024 Environmental, Social, and Corporate Governance report
"AAD"	American Academy of Dermatology
"ACTRIMS"	Americas Committee for Treatment and Research in Multiple Sclerosis
"AD"	atopic dermatitis
"ADC"	antibody-drug conjugate
"AGM"	annual general meeting of the Company
"AML"	acute myeloid leukemia
"Applicable Rules of the STAR Market"	PRC laws, regulations and normative documents applicable to the Company by virtue of the listing of its shares on the STAR Market of the Shanghai Stock Exchange
"ArriVent"	ArriVent Biopharma
"ASH"	American Society of Hematology
"AUD"	Australian dollars, the lawful currency of Australia
"Audit Committee"	the audit committee of the Board
"B-cell"	a type of white blood cell that differs from other lymphocytes like T-cells by the presence of the BCR on the B-cell's outer surface. Also known as B-lymphocytes
"Beijing InnoCare"	Beijing InnoCare Pharma Tech Co., Ltd.
"Beijing Tiancheng"	Beijing Tiancheng Pharma Tech Co., Ltd.
"Beijing Tianshi"	Beijing Tianshi Pharma Tech Co., Ltd.
"BID"	twice daily
"Board"	the board of directors of our Company
"BR"	rituximab and bendamustine

"BTD"	breakthrough therapy designation
"BTK"	Bruton Tyrosine Kinase
"BVI"	British Virgin Islands
"CD20"	B-lymphocyte antigen CD20, a B-cell specific cell surface molecule that is encoded by the MS4A1 gene
"CDC"	complement-dependent cytotoxicity
"CDE"	Center for Drug Evaluation
"CDH17"	Cadherin 17
"CEO" or "Chief Executive Officer"	the chief executive officer of the Company
"CG Code"	the Corporate Governance Code set out in Appendix C1 of the Listing Rules
"Chairperson"	Chairperson of the Board
"China" or "PRC"	the People's Republic of China, which for the purpose of this report and for geographical reference only, excludes Hong Kong, Macau and Taiwan
"cholangiocarcinoma"	bile duct cancer, a type of cancer that forms in the bile ducts
"CIT Law"	Corporate Income Tax Law of the PRC and the respective regulations
"CLE"	cutaneous lupus erythematosus
"CNSL"	central nervous system lymphoma
"Company", "our Company", "the Company" or "InnoCare"	InnoCare Pharma Limited (Stock code: 9969), an exempted company with limited liability incorporated under the laws of the Cayman Islands on 3 November 2015, the shares of which are listed on the Main Board of the Hong Kong Stock Exchange on 23 March 2020
"Compensation Committee"	the compensation committee of the Board
"CR"	complete response
"CSCO"	Chinese Society of Clinical Oncology
"CSU"	Chronic Spontaneous Urticaria
"DAR"	drug-to-antibody ratio
"Director(s)"	the director(s) of the Company

"DLBCL"	diffuse large B-cell lymphoma, a common type of non-Hodgkin lymphoma that starts in lymphocytes
"DLT"	dose-limiting toxicities
"DOT"	duration of therapy
"EAE"	experimental autoimmune encephalomyelitis
"EASI"	Eczema Area and Severity Index
"EULAR"	the European Alliance of Associations for Rheumatology
"FL"	follicular lymphoma
"FVTOCI"	fair value through other comprehensive income
"FVTPL"	fair value through profit or loss
"Gd+"	gadolinium-enhancing
"Global Offering"	the Hong Kong public offering and the international offering of the Shares
"GMP"	Good Manufacturing Practice
"Group", "our Group", "the Group", "we", "us" or "our"	the Company and its subsidiaries from time to time
"Guangzhou Base"	Guangzhou manufacturing facility
"Guangzhou InnoCare"	Guangzhou InnoCare Pharma Tech Co., Ltd.
"Guangzhou Kaide"	Guangzhou Kaide Technology Development Co., Ltd., which was renamed as Guangzhou Development Zone Financial Holding Group Co., Ltd since September 2019
"HK$" or "HKD"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
"HKASs"	Hong Kong Accounting Standards
"HKICPA"	Hong Kong Institute of Certified Public Accountants
"HNSTD"	highest non-severely toxic dose
"Hong Kong Stock Exchange" or "Stock Exchange" or "HKEx"	The Stock Exchange of Hong Kong Limited
"IBD"	inflammatory bowel disease

"ICML"	International Conference on Malignant Lymphoma
"IFN"	interferon
"IGA"	Investigator's Global Assessment
"IL-12"	interleukin-12
"IL-17"	interleukin-17
"IL-23"	interleukin-23
"IND"	investigational new drug or investigational new drug application, also known as clinical trial application in China or clinical trial notification in Australia
"IPO"	the initial public offering of the Company on the Hong Kong Stock Exchange
"IRC"	Independent Review Committee
"ITP"	Immune Thrombocytopenia
"JAK"	Janus tyrosine kinase
"Keymed Chengdu"	Keymed Biosciences (Chengdu) Co., Ltd.
"Listing"	the listing of the Shares on the Main Board of the Hong Kong Stock Exchange
"Listing Date"	23 March 2020, being the date on which the Shares of the Company were listed on the Hong Kong Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"LN"	lupus nephritis
"LP"	linker-payload
"MCL"	mantle cell lymphoma, a type of B-cell non-Hodgkin lymphoma
"MDS"	myelodysplastic syndromes
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules
"MS"	multiple sclerosis
"MTD"	maximum tolerated dose

"MZL"	marginal zone lymphoma
"Nanjing InnoCare"	Nanjing Tianyin Jian Hua Pharma Tech Co., Ltd.
"ND pCNSL"	newly diagnosed pCNSL
"NDA"	new drug application
"NHL"	non-Hodgkin's lymphoma
"NMPA"	National Medical Products Administration (國家藥品監督管理局) and its predecessor, the China Food and Drug Administration (國家食品藥品監督管理局)
"Nomination Committee"	the nomination committee of the Board
"NRDL"	National reimbursement drug list
"NRS"	numerical rating scale
"NSCLC"	non-small cell lung cancer
"NTRK"	neurotrophic tyrosine receptor kinase
"ORR"	overall response rate
"pan-TRK inhibitor"	pan-inhibitor of tropomyosin-related kinase family
"PASI"	Psoriasis Area and Severity Index
"PASI 75"	75% or greater reduction from baseline
"pCNSL"	Primary Central Nervous System Lymphoma
"PFS"	progression-free survival
"pharmacodynamics" or "PD"	the study of how a drug affects an organism, which, together with pharmacokinetics, influences dosing, benefit, and adverse effects of the drug
"pharmacokinetics" or "PK"	the study of the bodily absorption, distribution, metabolism, and excretion of drugs, which, together with pharmacodynamics, influences dosing, benefit, and adverse effects of the drug
"PN"	Prurigo Nodularis
"PPMS"	Primary Progressive Multiple Sclerosis
"PR"	partial response

"Prolium"	Prolium Bioscience Inc.
"Prospectus"	the prospectus of the Company, dated 11 March 2020, in relation of its Global Offering
"QD"	once daily
"R&D"	drug research and development
"r/r FL"	relapsed or refractory follicular lymphoma
"R/R" or "r/r"	relapsed and refractory
"R2"	lenalidomide and rituximab
"RMB"	Renminbi, the lawful currency of the PRC
"RMB Share Issue"	the Company's initial issue of no more than 264,648,217 RMB Shares which have been listed on the STAR Market since 21 September 2022
"RMB Shares"	the ordinary Shares to be subscribed for in RMB by target subscribers in the PRC, to be listed on the STAR Market and traded in RMB
"RMO"	rituximab, HD-MTX plus orelabrutinib
"RRMS"	relapsing-remitting multiple sclerosis
"SC"	subcutaneous
"SCLC"	small cell lung cancer
"SD"	Stable Disease
"Shanghai Tianjin"	Shanghai Tianjin Pharma Tech Co., Ltd.
"Share(s)"	ordinary shares in the share capital of our Company with a nominal value of US$0.000002 each
"Shareholder(s)"	holder(s) of Share(s)
"SLE"	systemic lupus erythematosus
"SLL"	small lymphocytic lymphoma
"SMC"	Safety Monitoring Committee
"sPGA"	static Physician Global Assessment
"SPMS"	Secondary Progressive Multiple Sclerosis

"SRI"	the SLE Responder Index
"SS"	Sjögren's syndrome
"STAR Market"	the Science and Technology Innovation Board of the Shanghai Stock Exchange
"T-cell"	a type of lymphocyte produced or processed by the thymus gland and actively participating in the immune response. T-cells can be distinguished from other lymphocytes, such as B-cells and NK cells, by the presence of a T-cell receptor on the cell surface
"TCR"	T-cell receptor
"TDCC"	T cell-dependent cellular cytotoxicity
"TEAEs"	treatment emergent adverse events
"TH17"	T helper 17
"Tiannuo Pharma"	Beijing Tiannuo Jiancheng Pharmaceutical Technology Co., Ltd.
"TLS"	tumor lysis syndrome
"TRAEs"	treatment-related adverse events
"TRK"	a family of tyrosine kinases that regulates synaptic strength and plasticity in the mammalian nervous system
"TTP"	time to progression
"TTR"	time to response
"TYK2"	tyrosine kinase 2
"U.S. FDA" or "FDA"	U.S. Food and Drug Administration
"uMRD"	undetectable minimal residual disease
"US$" or "USD"	United States dollars, the lawful currency of the United States
"USA or United States" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"VAV1"	Vav guanine nucleotide exchange factor 1
"Vivo"	Vivo Opportunity Fund, L.P, a company of Vivo Capital VIII, LLC
"Zenas"	Zenas BioPharma, Inc.

BOARD OF DIRECTORS

Executive Directors

Dr. Jisong Cui
(Chairperson and Chief Executive Officer)
Dr. Renbin Zhao

Non-executive Directors

Dr. Yigong Shi
Mr. Ronggang Xie

Independent Non-executive Directors

Ms. Lan Hu
Dr. Dandan Dong
Prof. Kunliang Guan
(appointed with effect from 21 January 2025)

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Building 8, No. 8 Life Science Park Road
Zhongguancun Life Science Park
Changping District
Beijing
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40/F, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai
Hong Kong

REGISTERED OFFICE

The offices of Ogier Global (Cayman) Limited
89 Nexus Way
Camana Bay
Grand Cayman
KY1-9009
Cayman Islands

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ogier Global (Cayman) Limited
89 Nexus Way
Camana Bay
Grand Cayman
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Cayman Islands

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKER

Bank of China (Hong Kong) Limited
1 Garden Road
Hong Kong

COMPANY SECRETARY

Ms. Angel Pui Shan Lee
(resigned with effect from 25 March 2026)
Ms. Lin Sio Ngo
(appointed with effect from 25 March 2026)

AUTHORIZED REPRESENTATIVES

Dr. Jisong Cui
Ms. Angel Pui Shan Lee
(resigned with effect from 25 March 2026)
Ms. Lin Sio Ngo
(appointed with effect from 25 March 2026)

AUDIT COMMITTEE

Ms. Lan Hu *(chairperson)*
Mr. Ronggang Xie
Dr. Dandan Dong

COMPENSATION COMMITTEE

Ms. Lan Hu *(chairperson)*
Dr. Jisong Cui
Dr. Dandan Dong

NOMINATION COMMITTEE

Dr. Jisong Cui *(chairperson)*
Ms. Lan Hu
(resigned with effect from 13 November 2025)
Dr. Dandan Dong
Prof. Kunliang Guan
(appointed with effect from 13 November 2025)

AUDITOR

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

STOCK CODE

9969

COMPANY WEBSITE

www.innocarepharma.com

BUSINESS HIGHLIGHTS

In 2025, the Company delivered a year of transformative growth, achieving total operating revenue of approximately RMB2,374.9 million, representing a year-on-year increase of approximately 135.3%, and marking a milestone transition from loss to profitability for the first time. This strong financial performance was driven by robust commercial execution with enhanced market penetration of our marketed products, as well as value realization from strategic global business development collaborations. The successful achievement of profitability underscored the improving quality of earnings and the scalability of the Company's operating model. During the year, the Company also made meaningful progress in advancing its internationalization strategy through global licensing and partnership arrangements, while maintaining strong momentum in research and development, with multiple regulatory approvals, late-stage clinical advancements, and a major breakthrough in its proprietary ADC platform. Collectively, these achievements reinforce the Company's position as a fully integrated biopharmaceutical company with a growing global presence and the ability to translate scientific innovation into a powerful and sustainable growth engine with significant upside potential.

Building on the strong financial and operational performance achieved during the year, the Company continued to advance its strategy of focusing on high-value therapeutic areas. During the Reporting Period, we made meaningful progress across our core disease areas, including hematologic malignancies, autoimmune diseases and solid tumors, with multiple clinical, regulatory and commercial milestones achieved. The following sections provide a detailed review of our key developments and progress in each therapeutic area.

BUILDING A LEADING FRANCHISE IN HEMATO-ONCOLOGY

In 2025, we made significant progress toward building a leading franchise in hemato-oncology, driven by coordinated advances in commercial execution, late-stage clinical development and global program expansion across three cornerstone therapies-orelabrutinib (BTK inhibitor), tafasitamab (anti-CD19 monoclonal antibody) and mesutoclax (ICP-248, BCL-2 inhibitor). Our marketed portfolio continued to expand with the approval of orelabrutinib for first-line chronic lymphocytic leukemia/small lymphocytic lymphoma ("**1L CLL/SLL**") and its successful inclusion in the updated National Reimbursement Drug List ("**NRDL**"), while its previously approved indications for relapsed or refractory CLL/SLL ("**r/r CLL/SLL**"), relapsed or refractory mantle cell lymphoma ("**r/r MCL**") and relapsed or refractory marginal zone lymphoma ("**r/r MZL**") were successfully renewed with stable annual treatment costs maintained, supporting sustained patient access and high-quality revenue growth. Beyond China, orelabrutinib continued to advance its global registration footprint, with approval granted for r/r MZL in Singapore and the successful New Drug Application ("**NDA**") submission for r/r MCL in Australia, further validating the asset's differentiated profile and reinforcing its potential as a globally competitive BTK inhibitor.

Tafasitamab achieved an important commercialization milestone with regulatory approval in May 2025 and first prescriptions issued in September 2025, establishing a solid foundation for full-year commercial contribution from 2026 onwards.

Meanwhile, our next-generation BCL-2 inhibitor mesutoclax further strengthened the long-term depth of the franchise, with five ongoing clinical studies, including three registrational trials addressing key areas of unmet medical needs. These include a Phase III fixed-duration combination regimen with orelabrutinib for 1L CLL/SLL, a registrational study in BTK inhibitor treated MCL, and a Phase III registrational trial in r/r MCL. In parallel, global clinical development of mesutoclax in acute myeloid leukemia ("**AML**") and myelodysplastic syndromes ("**MDS**") is progressing in China, US and other regions, underscoring the program's global potential.

Together, these three therapies form the core of our hemato-oncology strategy, combining near-term commercial growth with a robust pipeline of differentiated, late-stage assets. The following sections provide a detailed overview of the regulatory, clinical and commercial progress of each product within our hemato-oncology portfolio.

Orelabrutinib

- We have achieved strong revenue growth of our core product 宜諾凱® (Orelabrutinib, Bruton Tyrosine Kinase ("**BTK**") inhibitor) in the year ended 31 December 2025. The rapid sales growth was driven by several key factors, including:

  - Four approved indications, including r/r CLL/SLL, r/r MCL, r/r MZL and 1L CLL/SLL have been covered under the NRDL with stable annual treatment costs.

  - Orelabrutinib has been approved as the first and only BTK inhibitor for r/r MZL in China. MZL is the second most common B-cell NHL (Marginal zone lymphoma: 2023 update on diagnosis and management. DOI: 10.1002/ajh.27058). Orelabrutinib was officially included as a Class I recommended regimen for the treatment of r/r MZL patients in the Chinese Society of Clinical Oncology ("**CSCO**") Diagnosis and Treatment Guidelines for Malignant Lymphoma for 2024 and 2025.

  - In 2025, our commercial team further strengthened its execution capabilities and sharpened strategic focus, delivering strong sales performance throughout the year. Enhanced market penetration and operational excellence underscored the effectiveness of these improvements, providing a solid foundation for sustained revenue growth and long-term commercial success.

  - Orelabrutinib's preferred safety profile has led to better patient compliance and an extended duration of therapy ("**DOT**").

- The expansion of orelabrutinib's indications continues to progress. The NDA for orelabrutinib in the treatment of 1L CLL/SLL was accepted by the Center for Drug Evaluation ("**CDE**") in April 2025. Meanwhile, orelabrutinib was listed as a Class I recommendation for first-line treatment of CLL/SLL in the CSCO Diagnosis and Treatment Guidelines for Malignant Lymphoma for 2025.

- Beyond China, orelabrutinib continued to advance its global registration footprint, with approval granted for r/r MZL in Singapore and the NDA submission for r/r MCL in Australia, further validating the asset's differentiated profile and reinforcing its potential as a globally competitive BTK inhibitor.

Tafasitamab (ICP-B04, anti-CD19 monoclonal antibody, Minjuvi®)

In May 2025, the NMPA granted BLA approval for tafasitamab in combination with lenalidomide for adult patients with r/r DLBCL who are not eligible for ASCT, representing the first CD19-targeted antibody therapy approved in China for this indication. The first prescriptions were issued in September 2025, officially initiating tafasitamab's commercial availability in China. This approval was supported by a single-arm, open-label, multicenter Phase II clinical study that evaluated the safety and efficacy of tafasitamab plus lenalidomide. As of 30 July 2024, data evaluated by the independent review committee ("**IRC**") showed an overall response rate ("**ORR**") of 73.1%, including 34.6% of patients who achieved complete response ("**CR**") and 38.5% who achieved partial response ("**PR**").

- Tafasitamab plus lenalidomide previously received accelerated approval by the FDA in July 2020 and conditional marketing authorization from the EMA in August 2021 for the same r/r DLBCL population. In June 2025, the FDA further approved tafasitamab-cxix in combination with lenalidomide and rituximab for relapsed or refractory follicular lymphoma ("**r/r FL**"), based on a randomized Phase III trial that demonstrated significant clinical benefit.

- In Greater China, the therapy was approved by the Department of Health of Hong Kong SAR, Macau, and Taiwan. Building on the initial commercial launch in September 2025, 2026 will mark the first full year of tafasitamab sales in China. We are confident that tafasitamab will help address unmet clinical needs in this patient population and provide meaningful benefit to those living with relapsed or refractory DLBCL who are ineligible for ASCT. Moreover, tafasitamab has been officially included as a Class II recommended regimen in the CSCO Guidelines for adult r/r DLBCL patients ineligible for ASCT, further supporting its role as an important new treatment option in hemato-oncology.

Mesutoclax (ICP-248)

Mesutoclax (ICP-248), our next-generation, orally bioavailable and highly selective BCL-2 inhibitor, is rapidly advancing toward becoming the next strategic pillar of our hematology-oncology franchise. We are evaluating mesutoclax in 5 ongoing clinical trials, including 3 registrational trials:

  - A Phase III fixed-duration combination regimen with orelabrutinib for first-line CLL/SLL, which began patient enrollment in April 2025 and completed enrollment in February 2026, demonstrating the Company's strong clinical execution capability.

  - A Phase II registrational trial in BTK inhibitor-treated MCL, approved for initiation in June 2025, with patient enrollment expected to complete around mid-2026. Mesutoclax is the first BCL-2 inhibitor to be granted Breakthrough Therapy Designation by the NMPA.

  - A Phase III randomized, double-blind, multicenter study of mesutoclax in r/r MCL has been approved for initiation in China.

  - Global clinical development of mesutoclax in AML and MDS is progressing in China, US and other regions.

- These milestones reflect significant regulatory momentum, positioning mesutoclax (ICP-248) as a potential best-in-class, globally competitive BCL-2 therapy poised to strengthen our leadership in blood cancers.

- Early clinical data strongly supports these advancements. In a Phase II study of 42 treatment-naïve patients receiving mesutoclax (ICP-248) in combination with orelabrutinib, no tumor lysis syndrome ("**TLS**") was observed. Preliminary results demonstrated an ORR of 100%, a target lesion CRR of 57.1%, and an undetectable minimal residual disease ("**uMRD**") rate of 65% at 36 weeks, supporting the advancement of the combination into a Phase III registrational trial, which has now completed patient enrollment.

- In a Phase I/II study across CLL/SLL, MCL, and other NHL subtypes (81 patients treated), mesutoclax (ICP-248) demonstrated a favorable safety and PK profile with promising efficacy, including ORRs of 100% in r/r CLL/SLL and 87.5% in r/r MCL, with durable responses observed even in BTKi-treated patients. Notably, in 25 r/r MCL patients refractory to prior BTKi treatment, ORR reached 84% with a 36% CRR (data presented at ASH 2025), highlighting its strong potential in this high unmet medical need population. A Phase II single-arm registrational study of ICP-248 in BTKi-treated r/r MCL is currently accelerating patient enrollment, further supporting its path toward registration.

- In the ongoing clinical development of mesutoclax in AML and MDS, preliminary results have been encouraging. As of 12 January 2026, a total of 59 patients were enrolled, including 8 r/r AML, 39 TN AML and 12 TN MDS. Among the 35 evaluable TN AML patients, 85.7% achieved cCR. The DoR rate at 3-months was 91.7%. The 6-month OS rate was 94.1%. Preliminary data in MDS patients were also promising. No dose-limiting toxicities ("**DLT**") or TLS events were observed. Detailed data will be presented at ASCO 2026.

- The combination of mesutoclax and azacitidine demonstrated a favorable safety profile and encouraging anti-tumor activity not only in AML but also in MDS patients, supporting its continued development for the treatment of myeloid malignancies. These preliminary results warrant further investigation in larger, randomized trials.

Early-Stage and Collaborative Programs

For early-stage hematologic oncology assets, ICP-490 and ICP-B05 (CM369, anti-CCR8 monoclonal antibody) are both advancing in clinical development. ICP-490 is currently being evaluated in multiple myeloma and non-Hodgkin lymphoma, with preliminary data demonstrating good tolerability and target degradation, and further combination strategies to be explored. Meanwhile, ICP-B05 (CM369) is undergoing dose escalation in a Phase I trial for advanced solid tumors and r/r NHL, with early signals of partial responses and high progression-free survival rates supporting continued clinical evaluation and potential future combination approaches.

DEVELOPING B-CELL AND T-CELL PATHWAYS IN AUTOIMMUNE DISEASES

Autoimmune diseases affect nearly all systems and may occur at any stage of life, often resulting in chronic, progressive and debilitating conditions. Despite significant advances, many autoimmune diseases remain inadequately treated, with persistent unmet needs related to disease control, long-term safety, and steroid dependence. The global markets for autoimmune diseases therapeutics are anticipated to reach US$185 billion by 2029, growing moderately at a CAGR of 3.7% over the forecast period, driven by the increasing prevalence of autoimmune diseases and immune-related secondary disorders, multiple new product launches, and rising treatment costs (3 October 2023 by iHealthcareAnalyst, Inc.).

Leveraging our strong capabilities in oral small-molecule drug discovery, InnoCare has built a differentiated and comprehensive autoimmune portfolio targeting both B-cell and T-cell-mediated disease pathways. Our strategy focuses on developing first-in-class and best-in-class oral therapies with the potential to deliver meaningful clinical benefits, improve long-term disease control, and address key limitations of existing biologic and small-molecule treatments in China and globally.

Our autoimmune pipeline spans late-stage registration programs and next-generation innovative assets, anchored by orelabrutinib in B-cell-driven diseases and a robust TYK2 franchise addressing T-cell-mediated inflammation. In parallel, we continue to advance early-stage programs targeting novel immune pathways to sustain long-term innovation and portfolio depth.

Orelabrutinib: A Differentiated BTK Inhibitor for Autoimmune Diseases

- Immune Thrombocytopenia ("**ITP**"): The pivotal Phase III study has completed patient enrollment, and a new drug application is expected to be submitted in the second quarter of 2026.

- SLE: Positive Phase IIb data were disclosed in late 2025. Under stringent steroid-tapering requirements, the orelabrutinib 75 mg QD group achieved a Week 48 SRI-4 response rate of 57.1%, significantly higher than placebo (34.4%). Importantly, efficacy was assessed using a dual-endpoint approach, requiring both SRI-4 response and reduction of daily corticosteroid dose to ≤7.5 mg, addressing a critical unmet need in SLE management.

- In patients with higher baseline disease activity (BILAG ≥1A or ≥2B with clinical SLEDAI ≥4), the 75 mg group achieved an SRI-4 response rate of 68%, representing a 43% absolute improvement over placebo. Steroid-sparing effects were also pronounced, with 71.1% of patients in the 75 mg group achieving steroid reduction to ≤7.5 mg, compared with 43.6% in the placebo group. Based on these results, Phase III clinical development using the 75 mg QD dose was initiated in the first quarter of 2026, with patient enrollment already underway.

- To accelerate the global development of orelabrutinib in multiple sclerosis ("**MS**") and maximize its international clinical and commercial potential, in October 2025, the Company entered into an exclusive license agreement and a subscription agreement ("**Agreements**") with Zenas BioPharma, Inc. ("**Zenas**"; Nasdaq: ZBIO) for the development, manufacture and commercialization of orelabrutinib and two other preclinical assets. Under the license agreement, Zenas will pay InnoCare upfront and near-term milestone payments of up to $100 million in cash, including milestone achievements expected in 2026, and up to 7,000,000 shares of Zenas common stock, including shares issuable upon a milestone expected to be achieved in early 2026. The total of the upfront payment, near term milestone and potential development and regulatory milestone payments, along with potential commercial sales achievement milestone payments for all three programs, exceeds $2 billion. In addition, the Company is entitled to receive tiered royalties of up to high teens percentages on annual net sales of the Licensed Products.

- In MS, extensive scientific and clinical discussions across the industry have reinforced the importance of CNS penetration for BTK inhibitors. Data from peer programs have highlighted meaningful differences in pharmacokinetics and CNS exposure among BTK molecules. Based on a comprehensive internal analysis, orelabrutinib demonstrates high and consistent drug exposure in both peripheral circulation and the CNS, with favorable inter-patient consistency. At doses ≥50 mg, orelabrutinib achieves full target occupancy by 4 hours post-dose, which is maintained through 24 hours. In a global Phase II study, orelabrutinib demonstrated potential best-in-indication efficacy signals, supporting its differentiated profile and strong potential in progressive forms of MS. We remain confident in the success of the global Phase III programs in PPMS and SPMS. Our partner is advancing the PPMS study and plans to initiate the SPMS study in the first quarter of 2026.

TYK2 Franchise: Broad T-Cell-Driven Autoimmune Coverage

InnoCare has established a strong TYK2 franchise addressing multiple T-cell-mediated autoimmune diseases, comprising two differentiated oral molecules.

Soficitinib (ICP-332)

- Soficitinib (ICP-332) is a novel tyrosine kinase 2 ("**TYK2**") inhibitor that is being developed for the treatment of various T cell related autoimmune disorders. Data from the Phase II clinical trial of soficitinib (ICP-332) in patients with moderate-to-severe atopic dermatitis ("**AD**") were presented as a late-breaking oral presentation at the 2024 American Academy of Dermatology ("**AAD**") Annual Meeting in March 2024, and were subsequently published in *JAMA Dermatology* in January 2026. Patients treated with soficitinib (ICP-332) for 4 weeks showed excellent efficacy and safety profiles. The percentage change from baseline in the Eczema Area and Severity Index ("**EASI**") score, a measure of the eczema area and severity, reached 78.2% at 80mg once-daily dosing ($p<0.0001$) and 72.5% at 120mg once-daily dosing ($p<0.0001$), compared to 16.7% for patients receiving placebo. Moreover, soficitinib (ICP-332) achieved multiple efficacy endpoints including EASI 50, EASI 75, EASI 90 (representing ≥50%, ≥75%, and ≥90% improvement from baseline) and Investigator's Global Assessment ("**IGA**") 0/1 (score of 0 clear or 1 almost clear) in the 80mg and/or 120mg groups, respectively. EASI 75 was achieved by 64% of patients in both the 80 mg and 120 mg groups, compared to 8% in the placebo group ($p<0.0001$). All treatment-related adverse events ("**TRAEs**") were mild or moderate, which was comparable to those receiving placebo.

- Soficitinib (ICP-332) is being evaluated across five autoimmune indications with multiple data readouts expected:

    - Atopic Dermatitis: The Phase III clinical study of soficitinib (ICP-332) in patients with moderate to severe atopic dermatitis completed patient enrollment in late 2025, primary efficacy analysis expected in mid-2026.

- Vitiligo: The Phase II/III clinical study of soficitinib (ICP-332) in patients with non-segmental vitiligo is ongoing. The Phase II portion has completed patient enrollment, with data readout expected in the third quarter of 2026, and the Phase III stage is planned to start subsequently.

- Prurigo Nodularis ("**PN**"): The global Phase II clinical study of soficitinib (ICP-332) in patients with PN initiated patient enrollment in late 2025 with accelerated enrollment underway.

- Chronic Spontaneous Urticaria ("**CSU**"): The Phase II/III clinical study of soficitinib (ICP-332) in patients with moderate to severe CSU is ongoing. The Phase II portion is currently enrolling patients, with data readout expected upon completion of enrollment, and the Phase III planned to start thereafter.

- Psoriasis: The Phase II clinical study of soficitinib (ICP-332) in patients with moderate to severe plaque psoriasis is ongoing, with patient enrollment in progress and data readout expected upon completion of enrollment and follow-up.

- As a result, soficitinib (ICP-332) is expected to deliver a series of clinically meaningful data readouts across 2026.

ICP-488

- ICP-488 is a potent and selective TYK2 allosteric inhibitor that binds to the pseudo kinase JH2 domain of TYK2 and blocks IL-23, IL12, type 1 IFN, and other cytokine receptors, further strengthens the portfolio by specifically targeting TYK2 without JAK1 inhibition. We plan to develop ICP-488 for the treatment of various autoimmune diseases. In October 2024, we announced positive results from the Phase II randomized, double-blind, placebo-controlled study of ICP-488 in patients with moderate-to-severe plaque psoriasis. The Phase II clinical trial data was presented as a late-breaking oral presentation at the 2025 American Academy of Dermatology Annual Meeting. Study results demonstrated a significant improvement in Psoriasis Area and Severity Index ("**PASI**"), with a 75% or greater reduction from baseline ("**PASI 75**") at week 12 for patients receiving both 6mg and 9mg once daily ("**QD**") doses of ICP-488, compared to those receiving placebo. Additionally, a statistically significant greater proportion of patients achieved PASI 90, PASI 100 and static Physician Global Assessment ("**sPGA**") scores of 0/1 in the ICP-488 arms compared to placebo.

  - A significantly greater proportion of patients treated with ICP-488 for 12 weeks achieved PASI 75 (77.3%, 78.6% for 6mg and 9mg, respectively) versus placebo (11.6%; $p<0.0001$), meeting the study's primary endpoint.

  - A significantly greater proportion of patients treated with ICP-488 for 12 weeks achieved PASI 90 (36.4%, 50.0% for 6mg and 9mg, respectively) versus placebo (0%; $p<0.05$), and PASI 100 (11.4%, 11.9% for 6mg and 9mg, respectively) versus placebo (0%; $p<0.05$).

  - A significantly greater proportion of ICP-488 treated patients achieved sPGA scores of 0/1 (70.5%, 71.4% for 6mg and 9mg, respectively) versus placebo (9.3%; $p<0.0001$) at 12 weeks. An sPGA score of 1 indicates almost clear skin and 0 indicates totally clear skin.

- In this study, most treatment emergent adverse events ("**TEAEs**") and treatment-related adverse events were mild or moderate in severity and self-limited.

- The Phase III clinical study in psoriasis completed patient enrollment in February 2026, with efficacy endpoint analysis expected in 2026. In cutaneous lupus erythematosus ("**CLE**"), Phase II clinical approval has been obtained, and patient enrollment has already commenced, addressing a significant unmet need with limited effective oral treatment options. The Phase II clinical IND for Sjögren's syndrome was submitted in February 2026, and additional indications and combination strategies are under evaluation. These efforts reflect our strategy to maximize the therapeutic potential of ICP-488 across a broad range of autoimmune diseases while building a differentiated, mechanism-based treatment portfolio.

ICP-054 (IL-17 Small Molecule Inhibitor)

- IL-17 (Interleukin-17) is a pro-inflammatory cytokine that plays a critical role in the pathogenesis of several autoimmune and inflammatory diseases, such as psoriasis, rheumatoid arthritis, and ankylosing spondylitis. Oral small molecules targeting IL-17 represent a new and promising class of therapeutics, offering the potential for easy administration, flexible dosing, and extending patient access. We have identified a novel, orally available, small molecule ICP-054 that can potently block the binding of both IL-17AA and IL-17AF to IL-17R, thereby modulating immune responses and reducing inflammation.

- Preclinical studies have demonstrated the effectiveness of ICP-054 in reducing key inflammatory biomarkers and improving clinical outcomes in animal models of autoimmune diseases. For example, in a rat collagen-induced arthritis (CIA) model, ICP-054 showed significant efficacy in clinical scores. The development of this oral IL-17 small molecule inhibitor aims to provide an effective, convenient, and more accessible treatment option compared to injectable biologics.

- In October 2025, the Company granted Zenas an exclusive license to develop, manufacture and commercialize ICP-054 in all territories outside Greater China and Southeast Asia. In China, the IND of ICP-054 was approved in April 2026.

ICP-538 (VAV1 Molecular Glues)

- VAV1 is a hematopoietic-restricted guanine nucleotide exchange factor (GEF) that plays a central role in both T-cell receptor (TCR) and B-cell receptor (BCR) signaling, acting as a critical signal transducer and adaptor in lymphocyte activation, proliferation and effector function. VAV1 promotes cytoskeletal reorganization, immunological synapse formation and downstream signaling events that drive cytokine production and immune cell differentiation, positioning it at a pivotal convergence point of adaptive immune responses. Preclinical evidence demonstrates that suppression or loss of VAV1 function can attenuate autoimmune pathology in experimental disease models by reducing pro-inflammatory T-cell responses and limiting tissue inflammation, highlighting its potential as a therapeutic lever across T-and B-cell-mediated autoimmune conditions. Genetic and mechanistic studies further support VAV1's role in disease susceptibility and immune regulation, providing a rationale for therapeutic strategies that modulate this upstream signaling node to address a broad range of autoimmune disorders.

- ICP-538 is our leading VAV1-targeted compound designed to modulate dysregulated immune signaling in autoimmune diseases by selectively engaging the VAV1 pathway. Preclinical data have shown its robust in vivo efficacy, including significant inhibition of disease progression in established models such as the experimental autoimmune encephalomyelitis ("**EAE**") model of multiple sclerosis, supporting the therapeutic potential of VAV1 modulation in CNS-driven and systemic autoimmune inflammation. The IND for ICP-538 was approved in February 2026 and started healthy volunteer enrollment in March 2026, achieving a key milestone for this novel program. The progression into human studies reflects both the strength of its preclinical efficacy and the attractiveness of VAV1 as a differentiated target that simultaneously modulates T-cell and B-cell pathways. We believe ICP-538 has the potential to deliver meaningful clinical benefit in hard-to-treat autoimmune diseases where current therapies remain inadequate.

ICP-B02 (CM355/PRO-203, CD20xCD3 bi-specific antibody)

- We are advancing clinical development to evaluate its potential in r/r NHL. In January 2025, Beijing InnoCare Pharma Tech Co., Ltd. ("**Beijing InnoCare**"), a subsidiary of the Company, Keymed Biosciences (Chengdu) Co., Ltd. ("**Keymed Chengdu**"), a subsidiary of Keymed Biosciences Inc. (stock code: 02162) ("**Keymed**"), and Beijing Tiannuo Jiancheng Pharmaceutical Technology Co., Ltd. (the "**Joint Venture**"), a joint venture of the Company and Keymed Chengdu (which is owned 50% by Beijing InnoCare and 50% by Keymed Chengdu), entered into an exclusive license agreement with Prolium Bioscience Inc. ("**Prolium**") for the development and commercialization of ICP-B02. Beijing InnoCare and Keymed Chengdu have collectively received an upfront and near-term payment of US$17.5 million based on their respective 50/50 ownership, and are entitled to receive additional milestone payments up to US$502.5 million based on the achievement of specific clinical, regulatory, and commercial milestones. Both Beijing InnoCare and Keymed Chengdu will also receive tiered royalties on future net sales of any products. As part of the consideration for the transaction, Beijing InnoCare and Keymed Chengdu (or their designated persons) have received a minority equity stake in Prolium. In March 2026, Prolium announced its launch with a US$50 million Series A Financing to develop ICP-B02 for severe autoimmune disease. Prolium announced that it has begun dosing healthy volunteers in an ongoing single ascending dose study of ICP-B02 and expects to initiate a multinational Phase 1/2 study of ICP-B02 in systemic sclerosis (SSc) in the second quarter of 2026. Additionally, five patients with treatment-refractory, advanced systemic lupus erythematosus ("**SLE**"), all of whom also have lupus nephritis ("**LN**"), have been treated with ICP-B02 in an investigator-initiated study. Results will be reported at a future medical conference. Prolium plans to initiate further clinical studies this year in additional severe autoimmune diseases that are driven predominantly by aberrant B-cells.

BUILDING A COMPETITIVE DRUG PORTFOLIO FOR SOLID TUMOR TREATMENT

As part of our strategic focus on solid tumor therapeutics, we are building a robust and diversified portfolio to address significant unmet medical needs across multiple tumor types. Our strategy is to combine targeted small molecules with next-generation antibody-drug conjugates (ADCs) to maximize clinical benefit while minimizing systemic toxicity. We aim to focus on tumor types with high unmet medical needs, particularly gastrointestinal and thoracic malignancies, and to develop therapies that are differentiated in mechanism of action, potency, and safety profile. By leveraging our proprietary platforms and biomarker-driven patient selection, we seek to accelerate clinical development, increase the likelihood of regulatory success, and ultimately provide innovative treatment options that improve patient outcomes across diverse solid tumor indications.

Zurletrectinib (ICP-723)

- Our first approved solid tumor therapy, zurletrectinib (ICP-723), a second-generation pan-TRK inhibitor, received NMPA approval in December 2025 for adult and adolescent patients (12–18 years) with NTRK gene fusion-positive tumors. Zurletrectinib (ICP-723) demonstrated remarkable efficacy in a registrational Phase II trial in China, achieving an IRC-assessed ORR of 89.1% (95% CI: 77.8, 95.9) across adult and adolescent patients with advanced solid tumors. This approval brings a new treatment option to patients who are treatment-naive or have developed resistance to first-generation TRK inhibitors, providing significant clinical benefit.

- Furthermore, the registrational trial for pediatric patients (2 years < 12 years) is ongoing, with the NDA submission targeted in first half of 2026.

BUSINESS HIGHLIGHTS

In-House Developed Antibody-Drug Conjugate (ADC) Platform

- The Company has developed a cutting-edge ADC platform with proprietary linker-payload ("**LP**") technologies, aimed at the delivery of potent and targeted therapies for cancer treatment. This platform allows for the creation of highly differentiated ADCs with improved efficacy and safety profiles. Key features of the platform include:
    - o Irreversible bioconjugation: ensuring stable antibody-linker bioconjugation for improved stability.
    - o Hydrophilic linker: enhancing ADC stability and achieving a drug-to-antibody ratio ("**DAR**") of 8.
    - o Novel payload: incorporating highly potent cytotoxic payloads with strong bystander killing effects.
- The platform is expected to deliver ADCs with strong tumor-killing efficacy and an adequate therapeutic window, thereby broadening treatment options for cancer patients and improving clinical outcomes. As the platform continues to evolve, the Company is poised to expand its portfolio with multiple differentiated ADC candidates, further advancing precision medicine in oncology.

ICP-B794: A Next-Generation B7H3-Targeted ADC for Solid Tumors

- ICP-B794 is a next-generation B7H3-targeted antibody-drug conjugate ("**ADC**") developed using InnoCare's proprietary linker-payload platform. It comprises a humanized anti-B7H3 monoclonal antibody conjugated to a novel, highly potent topoisomerase 1 inhibitor payload via a protease-cleavable, highly hydrophilic linker, achieving a DAR of 8. The platform features an irreversible connector designed to avoid retro-Michael reactions, PEG-modified hydrophilic linker chemistry, and a payload with low P-gp sensitivity, collectively conferring high stability in circulation and controlled payload release.
- In preclinical studies, ICP-B794 demonstrated superior potency and a clearly differentiated therapeutic index across multiple solid tumor models, including SCLC and NSCLC. In head-to-head comparisons, ICP-B794 showed significantly stronger in vitro and in vivo antitumor activity than DS-7300 and other B7H3-ADCs generated from alternative platforms. In the NCI-H1155 NSCLC xenograft model, ICP-B794 achieved a minimum effective dose as low as 0.15 mg/kg and induced complete tumor regression at higher doses, including in tumors resistant to DS-7300.
- GLP toxicology studies in monkeys demonstrated favorable, dose-proportional pharmacokinetics and a wide safety window of approximately 267-fold, with no observed lung toxicity, supporting an improved therapeutic index versus first-generation B7H3-ADCs.
- The IND for ICP-B794 was approved in July 2025, and the program is currently in the dose-escalation phase. Early clinical data demonstrate favorable pharmacokinetics and tolerability. Consistent with the platform's design, circulating free payload levels are approximately 5–10-fold lower than those observed with comparator ADC platforms, supporting the potential for an improved safety profile. Encouraging anti-tumor activity has been observed, with disease stabilization in the initial dose cohort, and notably, all three patients in the second dose cohort achieved partial responses. Collectively, these data support ICP-B794 as a differentiated and potentially best-in-class B7H3-ADCs and validate the Company's proprietary ADC platform for solid tumor development.

ICP-B208: A Novel CDH17 Targeted ADC for Solid Tumors

- Building on the encouraging efficacy and safety of ICP-B794, our next ADC candidate, ICP-B208, is designed to target CDH17, a calcium-dependent cell adhesion protein that plays a key role in tumor cell proliferation, migration, and metastasis. CDH17 is highly expressed on the surface of a range of gastrointestinal cancers, including gastric, colorectal, pancreatic ductal adenocarcinoma, and cholangiocarcinoma, while showing minimal expression in normal tissues. Its tumor-restricted expression and functional role in cancer biology make CDH17 an attractive and differentiated target for ADC therapy, enabling the delivery of potent cytotoxic payloads specifically to tumor cells while minimizing systemic toxicity. ICP-B208 IND has been submitted in China in March 2026, and the program will be advanced into clinical development upon approval.

- In addition, we plan to submit at least two more ADC INDs within 2026, further expanding our differentiated solid tumor pipeline. These efforts reflect our commitment to leveraging our proprietary ADC technology to deliver multiple next-generation oncology therapies.

ICP-189

- ICP-189, is a potent oral allosteric inhibitor of SHP2 with potential synergistic combinations with a range of targeted therapies or immunotherapies. We are conducting a Phase Ia dose escalation study to evaluate the safety, tolerability, pharmacokinetics and preliminary anti-tumor activity of ICP-189 in patients with advanced solid tumors in China. As of the date of this report, patient enrollment at the 160 mg QD dose is ongoing. No DLTs nor ≥grade3 TRAEs have been observed up to 120 mg. ICP-189 has demonstrated dose proportional PK and a long half-life. At the 120 mg dose, ICP-189 achieved sufficient exposure to effectively cover the IC_{90} for DUSP6 inhibition, a downstream biomarker of MAPK pathway. Preliminary efficacy of ICP-189 monotherapy was observed; one patient with cervical cancer in the 20 mg dose cohort achieved a PR that was sustained for 17 cycles. On 14 July 2023, InnoCare and ArriVent Biopharma ("**ArriVent**") announced a clinical development collaboration to evaluate the combination of InnoCare's novel SHP2 allosteric inhibitor, ICP-189, with ArriVent's firmonertinib, a highly brain-penetrant, broadly active mutation-selective EGFR inhibitor in patients with advanced non-small cell lung cancer ("**NSCLC**"). Preclinical studies demonstrated that the combination of ICP-189 and firmonertinib could overcome resistance to third-generation EGFR inhibitors. We have completed the Phase Ib dose-finding study of ICP-189 in combination with firmonertinib. No DLTs were observed during the dose-finding phase. The preliminary dose for expansion was determined by the Safety Monitoring Committee ("**SMC**") as ICP-189 160 mg plus firmonertinib 80 mg. Among the 9 patients enrolled, 8 achieved stable disease, including 2 patients who remained on treatment at the ICP-189 160 mg plus firmonertinib 80 mg dose level.

FINANCIAL HIGHLIGHTS

In 2025, the Group has achieved the following growth when compared with those of 2021 to 2024:

	As at December 31,/year ended December 31,				
	2025	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cash and bank balances	**7,051,433**	6,222,626	8,224,596	8,697,927	5,928,716
Total asset	**10,823,600**	9,407,494	9,919,129	10,321,158	7,397,531
Total liabilities	**3,074,428**	2,661,559	2,738,424	2,676,831	1,738,612
REVENUE	**2,374,906**	1,009,448	738,537	625,404	1,043,033
Cost of sales	**(191,113)**	(138,441)	(128,435)	(143,397)	(65,667)
Other income and gains	**262,183**	210,828	244,153	198,199	217,938
Selling and distribution expenses	**(579,956)**	(419,961)	(366,891)	(438,611)	(298,463)
Research and development costs	**(951,619)**	(814,027)	(751,176)	(639,139)	(721,584)
Administrative expenses	**(203,510)**	(183,860)	(193,520)	(181,556)	(139,815)
Other expenses	**(409)**	(46,428)	(92,674)	(291,167)	(1,271)
Finance costs	**(54,132)**	(33,788)	(35,069)	(17,045)	(2,642)
Fair value changes of a convertible loan	**—**	(29,609)	(53,963)	3,396	(51,014)
Impairment losses of trade receivables	**(414)**	(1,495)	(268)	(100)	(32)
Shares of losses of joint ventures	**(196)**	(5,260)	(4,900)	(9,711)	(604)
Income tax expense	**(11,558)**	(263)	(1,426)	—	(46,558)
PROFIT/(LOSS) FOR THE YEAR	**644,182**	(452,856)	(645,632)	(893,727)	(66,679)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT					
– Basic and diluted	**RMB0.38**	(RMB0.26)	(RMB0.37)	(RMB0.60)	(RMB0.05)

	2025 RMB'000	2024 RMB'000
Revenue	**2,374,906**	1,009,448
Cost of sales	**(191,113)**	(138,441)
Gross profit	**2,183,793**	871,007
Other income and gains	**262,183**	210,828
Selling and distribution expenses	**(579,956)**	(419,961)
Research and development expenses	**(951,619)**	(814,027)
Administrative expenses	**(203,510)**	(183,860)
Other expenses	**(409)**	(46,428)
Profit/(loss) for the year	**644,182**	(452,856)
Adjusted Profit/(loss) for the year (as illustrated under "**Non-HKFRSs Measures**")	**675,449**	(430,800)

	31 December 2025 RMB'000	31 December 2024 RMB'000
Cash and related accounts balances*	**7,814,164**	7,762,911

* Cash and related accounts balance include cash and bank balances, other financial assets balance and interest receivables balance.

Total Revenue increased by 135.3% to RMB2,374.9 million for the year ended 31 December 2025, compared to RMB1,009.4 million for the year ended 31 December 2024, which was primarily attributable to strong drug sales growth and licensing revenue from collaborations with Zenas Biopharma and Prolium. Drug revenue increased by 43.4% to RMB1,442.4 million for the year ended 31 December 2025, compared to RMB1,005.6 million for the year ended 31 December 2024, driven by continued high growth of orelabrutinib and the launch of tafasitamab in the fourth quarter of 2025.

Total Operational Expenses, including selling and distribution expenses, research and development expenses and administrative expenses, increased by 22.4% from RMB1,417.8 million for the year ended 31 December 2024 to RMB1,735.1 million for the year ended 31 December 2025. This change was mainly from (i) increased selling and distribution expenses from RMB420.0 million for the year ended 31 December 2024 to RMB580.0 million for the year ended 31 December 2025, mostly as a result of increased market promotion and education activities, increased employee related costs due to commercialization expansion, market penetration and selling expenses for the tafasitamab launch readiness; (ii) increased research and development expenses by 16.9% from RMB814.0 million for the year ended 31 December 2024 to RMB951.6 million for the year ended 31 December 2025, primarily due to increased investment in advanced technology platform innovation and clinical trials aimed at accelerating the Group's transformation, as well as license-in related expenses and increased employee related costs; and (iii) administrative expenses increased by 10.7% from RMB183.9 million for the year ended 31 December 2024 to RMB203.5 million for the year ended 31 December 2025, primarily attributable to an increase in taxes and surcharges, as well as an increase in employee related costs.

Proft/(loss) for the year turned from a loss of RMB452.9 million for the year ended 31 December 2024 to a profit of RMB644.2 million for the year ended 31 December 2025, marking the Group's first year of profitability.

Cash and related accounts balances stood at approximately RMB7.8 billion as of 31 December 2025. This robust cash position provides the Company with flexibility to expedite clinical development and invest in a competitive pipeline.

Non-HKFRSs Measures

To supplement the Group's consolidated financial statements, which are presented in accordance with HKFRSs, we also use the adjusted total profit/(loss) for the year as an additional financial measure, which is not required by, or presented in accordance with HKFRSs. We believe that these adjusted measures provide useful information to shareholders and potential investors in understanding and evaluating our consolidated results of operations in turn as they help our management.

Adjusted total profit/(loss) for the year represents the total profit/(loss) for the year excluding the effect of certain non-cash items, namely the unrealized foreign exchange and share-based compensation expense. The term adjusted total profit/(loss) for the year is not defined under HKFRSs. The use of this non-HKFRSs measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under HKFRSs. Our presentation of this adjusted figure may not be comparable to similarly titled measures presented by other companies. However, we believe that this non-HKFRSs measure reflects our normal operating results by eliminating potential impacts of items that our management do not consider to be indicative of our normal operating performance, and thereby, facilitate comparisons of normal operating performance from period to period and company to company to the extent applicable. The table below sets forth a reconciliation of total profit/(loss) to adjusted total profit/(loss) for the years indicated:

	2025	2024
	RMB'000	RMB'000
Profit/(Loss) for the year	**644,182**	(452,856)
Adjust:		
Unrealized exchange loss/(gain)	**(38,338)**	32,848
Share-based compensation expense	**69,605**	(10,792)
Adjusted profit/(loss) for the year	**675,449**	(430,800)

Dr. Jisong Cui (Jasmine Cui)
Chairperson and Executive Director

Dear Shareholders,

On behalf of the Board, I would like to express our sincere gratitude for your continued trust and support of InnoCare. The past year has been truly transformative for our Company. In 2025, we achieved profitability for the first time, marking an important milestone in our evolution from a development-stage biotechnology company toward long-term sustainable growth as a commercial-stage biopharmaceutical enterprise. This milestone reflects not only the strong commercial performance of our flagship product orelabrutinib, but also the increasing maturity of our operating capabilities, disciplined execution, and steadily diversified pipeline.

EFFECTIVE STRATEGY IMPLEMENTATION DRIVING BUSINESS GROWTH

During the year, InnoCare successfully evolved from a single-product company into a multi-product, multi-franchise biopharmaceutical company, with revenue contributions expanding across hematologic oncology, autoimmune diseases, and solid tumors. Multiple assets advanced into late-stage or registrational development, establishing a strong foundation for accelerated commercial growth and sustained value creation.

Hematologic oncology remains the cornerstone of our portfolio. Orelabrutinib continues to demonstrate strong commercial performance, supported by expanding clinical indications and stable reimbursement coverage. Beyond China, the program has broadened its global regulatory footprint–receiving approval for r/r MZL in Singapore and successfully completing an NDA submission for r/r MCL in Australia–further underscoring its potential as a globally competitive BTK inhibitor.

We further strengthened our commercial portfolio with the BLA approval of tafasitamab in May 2025, which entered commercial launch in the fourth quarter, becoming our second commercial oncology product and diversifying our revenue streams. Mesutoclax (ICP-248) has rapidly progressed into a key growth driver. Three registrational studies now underway across CLL/SLL and r/r MCL, including a head-to-head Phase III trial versus pirtobrutinib, while global clinical development in AML and MDS continues to advance.

In autoimmune diseases, we have built a differentiated and increasingly mature portfolio targeting both B-cell and T-cell-mediated pathways. Orelabrutinib has demonstrated strong clinical progress across multiple indications. The registrational Phase III trial in ITP has completed patient enrollment, with NDA submission anticipated in the second quarter of 2026. In SLE, positive Phase IIb data reported in late 2025 are supporting the ongoing Phase III program, with patient enrollment actively progressing.

Our T-cell focused programs are also advancing rapidly. Soficinitib (ICP-332) is being evaluated across five autoimmune and dermatological indications, including atopic dermatitis, vitiligo, prurigo nodularis, chronic spontaneous urticaria and psoriasis. The Phase III registrational trial in moderate-to-severe atopic dermatitis completed patient enrollment in late 2025, with primary efficacy analysis expected in mid-2026. Clinical studies in vitiligo, chronic spontaneous urticaria and psoriasis are ongoing across Phase II or Phase II/III stages, while a global Phase II study in prurigo nodularis has recently initiated patient enrollment. Collectively, these programs are expected to generate a series of clinically meaningful data readouts in 2026. ICP-488, a selective allosteric TYK2 inhibitor, has also completed enrollment in its Phase III psoriasis study, with efficacy endpoint analysis expected in 2026. Phase II development in cutaneous lupus erythematosus has commenced, and an IND for Sjögren's syndrome has been submitted.

In solid tumors, we are building a competitive portfolio combining targeted therapies with proprietary ADC technologies. Zurletrectinib (ICP-723) received NMPA approval for NTRK fusion-positive solid tumors, marking our first approved solid tumor therapy. Our ADC platform has advanced rapidly–ICP-B794, a B7-H3-targeted ADC, has entered clinical development with encouraging early safety and pharmacokinetic signals, while ICP-B208, a CDH17-targeted ADC, is progressing toward IND submission alongside additional pipeline programs.

Leveraging in-house R&D, efficient clinical execution, scalable manufacturing capabilities, and an expanding commercial infrastructure, we have established a balanced portfolio spanning marketed products, late-stage registration programs, and next-generation clinical assets.

GLOBALIZATION AS A CENTRAL STRATEGIC PRIORITY

Consistent with our InnoCare 2.0 strategy, globalization remained a key strategic priority in 2025. We executed two landmark business development transactions that significantly expanded the international footprint and value realization potential of our pipeline.

In January 2025, we entered into an exclusive license agreement with Prolium for the development and commercialization of ICP-B02, granting Prolium exclusive global rights to the asset in non-oncology indications and oncology indications outside Asia.

In October 2025, we entered into a strategic collaboration with Zenas BioPharma, granting Zenas exclusive rights to develop, manufacture, and commercialize orelabrutinib for multiple sclerosis globally and for non-oncology indications outside Greater China and Southeast Asia, while InnoCare retains full global oncology rights. The collaboration also grants Zenas exclusive rights to develop an oral IL-17AA/AF inhibitor outside Greater China and Southeast Asia, as well as an oral TYK2 inhibitor globally.

These transactions validate the global competitiveness of our innovation engine while enabling us to leverage partners' international development and commercialization expertise. Through the Zenas collaboration, global Phase III development of orelabrutinib in PPMS and SPMS is now underway, supporting the continued international expansion of our pipeline.

FINANCIAL STRENGTH AND OPERATIONAL EXCELLENCE

Achieving profitability in 2025 represents a significant milestone for the Company. With multiple products now commercialized or approaching regulatory submission, InnoCare has entered a new phase of diversified growth, enhanced earnings visibility, and expanding global engagement. Our cash position remains robust, providing financial stability and strategic flexibility to navigate macroeconomic conditions while supporting continued scale-up efforts.

Over the past years, we have expanded our infrastructure and internal production capabilities in Guangzhou and Beijing. The commercial batch production of orelabrutinib at the Guangzhou facility has implemented more efficient manufacturing processes–underscoring the strength of our integrated platform and our commitment to building a world-class biopharmaceutical company dedicated to developing and commercializing high-quality innovative drugs accessible to patients.

ACCELERATING THE INNOCARE 2.0 STRATEGY

Building on the solid foundation established over the past decade, we remain firmly committed to advancing innovative therapies for patients worldwide. The transition to InnoCare 2.0 continues to accelerate as we expand both our pipeline and commercial footprint to address significant global unmet medical needs.

Looking ahead, management expects 2026 to be a catalyst-rich year. Multiple assets across oncology and autoimmune diseases are approaching important clinical and regulatory milestones, including clinical data readouts, regulatory submissions, and expanded commercialization. As several programs transition from late-stage development toward potential commercialization, we anticipate accelerating revenue growth, improved operating leverage, and further strengthening of our global presence.

On behalf of the Board and the entire InnoCare team, I extend our sincere gratitude to each of you–our partners, shareholders, and stakeholders–for your continued support and trust. Looking forward, my colleagues and I remain confidently focused on our mission and strategy. With a growing commercial base, a diversified late-stage pipeline and expanding global partnerships, we remain well positioned to deliver long-term value for patients and shareholders.

Yours faithfully,

Dr. Jisong Cui
Chairperson and Executive Director

25 March 2026

OVERVIEW

2025 marked a defining year in InnoCare's evolution. The Company achieved profitability for the first time, representing a critical inflection point in our transition from a development-stage biotech to a sustainable, commercial-stage biopharmaceutical company. This milestone reflects not only the strong commercial performance of our flagship product, orelabrutinib, but also the increasing maturity of our operating model, execution discipline, and diversified pipeline.

During the year, InnoCare successfully advanced from a single-product company into a multi-product, multi-franchise organization, with expanding contributions from hematologic oncology and solid tumors. Multiple assets progressed into late-stage or registrational development, laying the groundwork for accelerated commercialization and long-term growth.

Leveraging in-house R&D, efficient clinical execution, scalable manufacturing, and a growing commercial infrastructure, InnoCare has established a balanced portfolio spanning commercialized products, late-stage registration programs, and next-generation clinical assets. Led by an experienced management team with global industry expertise, the Company is positioned for scalable and sustainable growth.

With multiple products commercialized or approaching regulatory submission, InnoCare has entered a new phase of diversified growth, enhanced earnings visibility, and expanding global engagement, and is well positioned to consistently create value through disciplined execution and portfolio expansion.

STRATEGIC PROGRESS AND GLOBALIZATION

In line with the InnoCare 2.0 strategy, globalization remained a central strategic priority in 2025. We made two landmark business development transactions that materially expanded the international footprint and value realization pathway of our pipeline:

- In January 2025, we entered into an exclusive license agreement with Prolium for the development and commercialization of ICP-B02. Under the agreement, Prolium obtained exclusive global rights to ICP-B02 in non-oncology indications and oncology indications outside Asia.

- In October 2025, InnoCare entered into a strategic licensing collaboration with Zenas BioPharma, granting Zenas exclusive rights to develop, manufacture and commercialize orelabrutinib for multiple sclerosis globally and for non-oncology indications outside Greater China and Southeast Asia, while InnoCare retains full global rights to orelabrutinib in oncology and non-oncology right in Greater China and Southeast Asia. The collaboration also grants Zenas exclusive rights to develop, manufacture and commercialize an oral IL-17AA/AF inhibitor outside Greater China and Southeast Asia, as well as an oral, brain-penetrant TYK2 inhibitor globally.

These transactions validate the global competitiveness of our innovation engine and clinical assets, while enabling us to leverage partners' international development and commercialization capabilities. Looking ahead, globalization will remain a core pillar of our strategy in 2026 and beyond, with continued focus on selective out-licensing, co-development, and regional partnerships to maximize global value while maintaining strategic focus of our innovative assets.

HEMATOLOGIC ONCOLOGY: A STRONG FOUNDATION WITH CONTINUING EVOLUTION

Hematologic oncology represents the Company's most established therapeutic area and continues to provide a solid foundation of revenue generation, clinical credibility and operational experience.

- Orelabrutinib continues to serve as the cornerstone of the franchise, benefiting from expanded indications, stable reimbursement status, and sustained commercial momentum. Beyond China, the program has further extended its global registration footprint, with approval granted for r/r MZL in Singapore and the NDA submission for r/r MCL in Australia, further validating its differentiated clinical profile and reinforcing its potential as a globally competitive BTK inhibitor.

- Tafasitamab received BLA approval in May 2025 and was commercially launched in the fourth quarter of 2025, marking the Company's second commercial oncology product and expanding its reach to r/r DLBCL patients, the largest NHL patient population.

- Mesutoclax (ICP-248) has rapidly advanced into a strategic growth pillar, with three registrational studies underway or initiated across CLL/SLL and r/r MCL. In parallel, global clinical development in AML and MDS is progressing.

With multiple late-stage assets advancing in parallel, we expect increasing clinical, regulatory, and commercial catalysts to further strengthen our leadership in hematologic malignancies.

AUTOIMMUNE DISEASES: DIVERSIFIED LATE-STAGE PIPELINE ACROSS B-CELL AND T-CELL PATHWAYS

In autoimmune diseases, InnoCare has established a differentiated and increasingly mature portfolio targeting both B-cell and T-cell-mediated pathways, anchored by oral small-molecule innovation.

- Orelabrutinib has demonstrated strong clinical momentum across multiple autoimmune indications. The registrational Phase III trial in ITP has completed enrollment, with NDA submission expected in the second quarter of 2026. In SLE, positive Phase IIb data disclosed in late 2025 support the ongoing Phase III program, with patient enrollment already underway.

- Through the strategic collaboration with Zenas, global Phase III development of orelabrutinib in PPMS and SPMS is actively advancing, accelerating its global development path by leveraging Zenas's clinical and development expertise in autoimmune diseases.

Complementing the B-cell pathway, our T-cell portfolio continues to mature:

- Soficitinib (ICP-332) has completed patient enrollment in the Phase III registrational trial for atopic dermatitis, with multiple additional indications — including vitiligo, chronic spontaneous urticaria and psoriasis — progressing in parallel. Additionally, a global Phase II study of prurigo nodularis has been initiated.

- ICP-488, a selective allosteric TYK2 inhibitor, has completed patient enrollment in its Phase III psoriasis study, with efficacy endpoint analysis expected in 2026. Phase II development in cutaneous lupus erythematosus has commenced, and the IND for Sjögren's syndrome has been submitted. Additional indications and combination strategies are under evaluation.

Collectively, these programs establish a broad, late-stage autoimmune pipeline, with a series of upcoming data readouts expected in the near term. Beyond our late-stage assets, we continue to advance and expand the autoimmune pipeline, including new programs moving into the clinic. In February 2026, the IND for our VAV1 program was approved, and the first healthy volunteer was dosed in March 2026, making it the second VAV1-targeting molecule globally to enter clinical development. In addition, the IND of our IL-17 small molecule was approved in April 2026. Our preclinical pipeline continues to be enriched and expanded, further strengthening InnoCare's autoimmune portfolio.

SOLID TUMORS AND ADC PLATFORM: BUILDING THE NEXT GROWTH ENGINE

In solid tumors, InnoCare is building a competitive and forward-looking portfolio combining targeted therapies and proprietary ADC technologies.

- Zurletrectinib (ICP-723) received NMPA approval for NTRK fusion-positive solid tumors, marking the Company's first approved solid tumor therapy, with pediatric development continuing.

- Our proprietary ADC platform has advanced rapidly, with ICP-B794, a B7-H3-targeted ADC, entering clinical development and demonstrating encouraging early safety and pharmacokinetic signals. In March 2026, the IND for ICP-B208 was submitted in China, with additional ADC programs planned.

These efforts reflect our long-term commitment to establishing ADCs as a meaningful future growth driver in oncology.

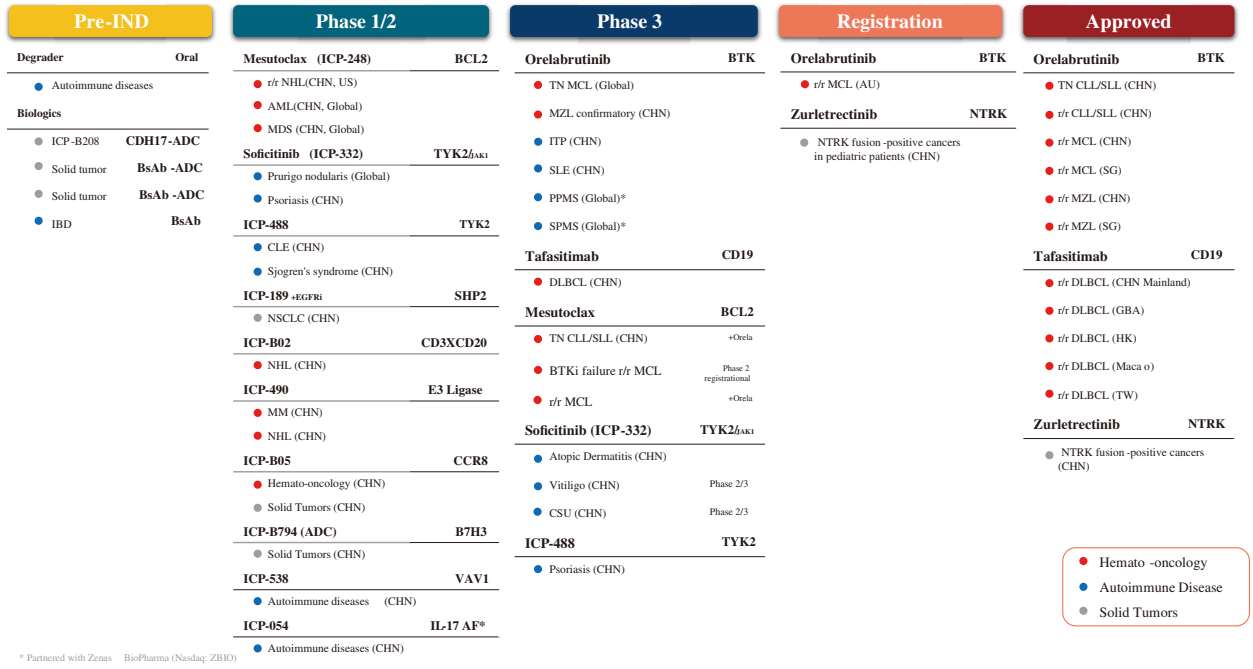
OUTLOOK: A CATALYST-RICH PHASE OF ACCELERATED GROWTH

Looking forward, management expects 2026 to be a highly catalyst-driven year. Multiple assets across oncology and autoimmune diseases are approaching critical inflection points, including clinical data readouts, regulatory submissions and expanded commercialization. As several programs transition from late-stage development into potential market entry, the Company anticipates accelerating revenue growth, improved operating leverage and enhanced earnings visibility.

With an expanding commercial base, a diversified late-stage pipeline, and sustained globalization efforts, InnoCare is well positioned to accelerate revenue growth, enhance global presence, and deliver long-term value for patients and shareholders alike.

PRODUCT PIPELINE

Our current pipeline drugs cover a variety of novel and validated therapeutic targets and drug modalities including small molecules, monoclonal antibodies, bispecific antibodies, and ADCs for the treatment of various hemato-oncology, autoimmune diseases and solid tumors.



* Partnered with Zenas BioPharma (Nasdaq: ZBIO)

BUSINESS OVERVIEW

ORELABRUTINIB COMMERCIALIZATION ACHIEVEMENTS AND MILESTONES

(宜諾凱®, Orelabrutinib, BTK inhibitor)

Orelabrutinib (宜諾凱®), our first and core commercial product, is a highly selective, irreversible BTK inhibitor and a cornerstone of our hemato-oncology franchise. Since its launch in mainland China, orelabrutinib has achieved significant market penetration and clinical recognition. Orelabrutinib continued to expand our marketed portfolio, with its approval for 1L CLL/SLL and successful inclusion in the 2026 NRDL, while its previously approved indications for r/r CLL/SLL, r/r MCL, and r/r MZL were successfully renewed, maintaining stable annual treatment costs, thereby supporting sustained patient access and high-quality revenue growth. Orelabrutinib is the first and only BTK inhibitor approved in China for r/r MZL. Since its launch in mainland China, orelabrutinib was included in the CSCO Guidelines as a Class I treatment for r/r CLL/SLL, 1L CLL/SLL, r/r MZL and r/r MCL, and as a recommended BTK inhibitor in combination regimens for r/r DLBCL and pCNSL. These milestones underscore their strong clinical value and broad adoption.

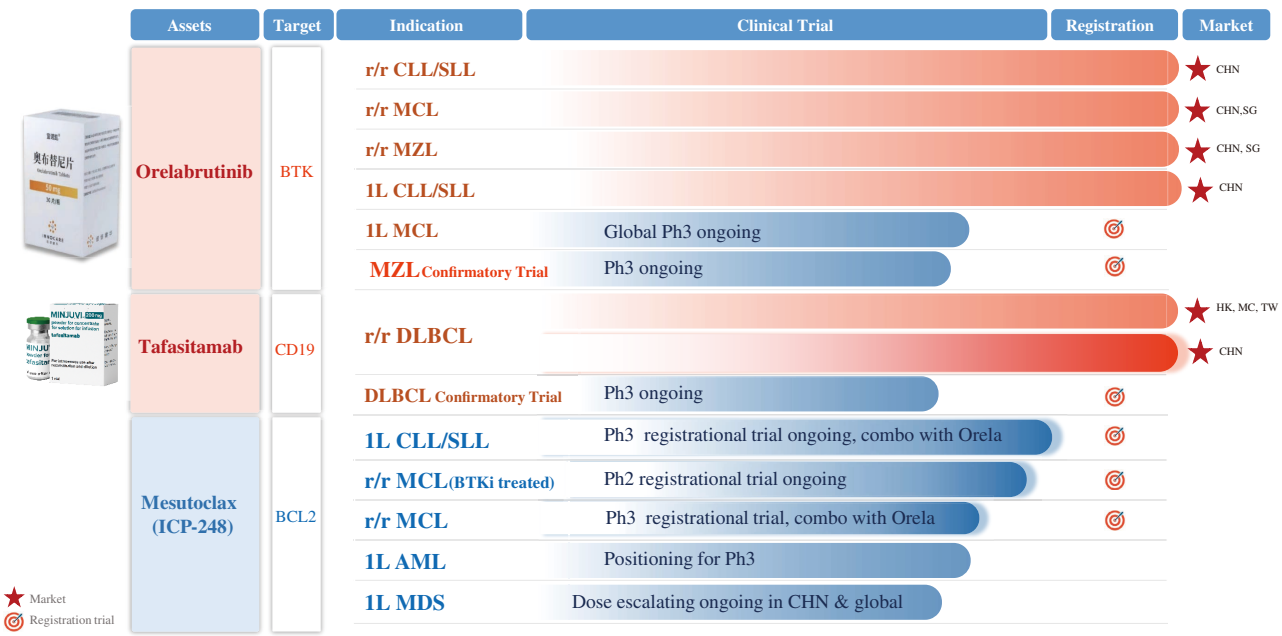
Total revenue of the Group was RMB2,374.9 million for the year ended 31 December 2025, of which drug sales generated sales of RMB1,442.4 million for the year ended 31 December 2025, representing a 43.4% growth compared to the year ended 31 December 2024. With the inclusion of orelabrutinib in NRDL for four approved indications, unique leadership position in r/r MZL, enhanced commercial execution, and improving patient compliance and treatment duration, we are well-positioned to capture further market share and sustain strong growth momentum.

Beyond China, orelabrutinib continued to advance its global registration footprint, with approval granted for r/r MZL in Singapore and the NDA submission for r/r MCL successfully completed in Australia, further validating the asset's differentiated profile and reinforcing its potential as a globally competitive BTK inhibitor.

BUILDING A LEADING FRANCHISE IN HEMATO-ONCOLOGY

Orelabrutinib forms the foundation of our hemato-oncology pipeline, support a broad and advancing portfolio. Alongside orelabrutinib, tafasitamab received BLA approval in May 2025, with first prescriptions issued in September 2025, marking a significant regulatory and commercial milestone. Meanwhile, mesutoclax, our next-generation BCL-2 inhibitor, further strengthened the long-term depth of the franchise, with five ongoing clinical studies, including three registrational trials addressing key areas of unmet need. These include a Phase III fixed-duration combination regimen with orelabrutinib for 1L CLL/SLL, a registrational study in BTK inhibitor treated MCL, and a Phase III registrational trial in r/r MCL. In parallel, global clinical development of mesutoclax in AML and MDS is progressing in China, US and other regions, underscoring the program's global potential. This comprehensive development and global expansion strategy across our three core programs positions us well to capture increasing market opportunities domestically and internationally. We anticipate critical clinical data readouts and regulatory submissions in the near term to further strengthen our leadership in hematologic malignancies.

Comprehensive Coverage for Hemato-oncology



Orelabrutinib for Hemato-Oncology Diseases

As of the date of this report, we have dosed over 1,500 patients across all of our orelabrutinib trials for oncology and autoimmune diseases. Besides r/r CLL/SLL and r/r MCL, orelabrutinib was approved for r/r MZL, marking it as the first and only BTK inhibitor approved for this use in mainland China. The 2025 approval for 1L CLL/SLL further expanded the treatable patient population, significantly increasing orelabrutinib's clinical reach. Additionally, multiple registrational trials are ongoing across China, including first line and second line treatments for various hematological malignancies. The clinical data indicates that orelabrutinib's high target selectivity and exceptional target occupancy rate have resulted in favorable safety and efficacy profiles.

Orelabrutinib for 1L CLL/SLL

1L CLL/SLL is a chronic lymphocytic leukemia/small lymphocytic lymphoma subtype that primarily affects middle-aged and elderly individuals. The disease represents a substantial unmet medical need in China, with growing demand for effective therapies as diagnosis rates improve.

The approval of orelabrutinib for 1L CLL/SLL was supported by data from a randomized, open-label, multicenter Phase III trial conducted in China, which evaluated the efficacy and safety of orelabrutinib versus bendamustine plus rituximab in treatment-naïve patients with CLL/SLL. A total of 192 patients were enrolled (CLL=165; SLL=27) and randomized 1:1 to receive orelabrutinib or bendamustine plus rituximab, median follow-up was 21.4 months. The median age was 67 years (range 41–80), 94.8% had ECOG performance status 0–1, 47.4% had unmutated IGHV, and 60.4% were Rai stage III/IV at baseline. Patients in the orelabrutinib group received 150 mg orally once daily, while the control group received bendamustine 0.5 mg/kg orally on days 1 and 15 of each 28-day cycle, plus rituximab 375 mg/m² IV on day 1 of the first cycle and 500 mg/m² IV on day 1 of cycles 2–6. Efficacy was assessed by an Independent Review Committee ("**IRC**") according to IWCLL 2018 and 2014 International Working Group criteria for CLL and SLL. Median progression-free survival ("**PFS**") was not reached with orelabrutinib versus 19.4 months with bendamustine plus rituximab (HR=0.32; 95% CI: 0.18–0.58; p<0.0001). ORR was 90.1% versus 79.2%, respectively. These results highlight orelabrutinib's robust clinical benefit and its potential to significantly improve outcomes in first-line CLL/SLL.

By providing a novel targeted therapy option, orelabrutinib's approval for first-line treatment significantly expands the treatable patient population and offers considerable market potential in China.

Orelabrutinib for r/r MZL

MZL is an indolent B-cell NHL and the second most prevalent lymphoma in China, accounting for 8.3% of all lymphomas. It mainly affects middle-aged and elderly individuals. The annual incidence of MZL has been increasing globally. After first-line treatment, patients with r/r MZL lack effective treatment options.

In April 2023, orelabrutinib received approval from the Chinese NMPA for the treatment of patients with r/r MZL. Orelabrutinib is currently the first and only, BTK inhibitor approved for the treatment of r/r MZL in China.

On 16 June 2023, we announced the latest clinical data of orelabrutinib at the 17th International Conference on Malignant Lymphoma ("**ICML**") during the oral presentation section. Orelabrutinib demonstrated high response rates with durable disease remission and was well tolerated in Chinese patients with r/r MZL. The primary endpoint was ORR assessed by IRC based on the Lugano 2014 classification.

Among the enrolled patients, the majority had late-stage diseases, with stage IV accounting for 75.9%. After a median follow-up of 24.3 months, the IRC-assessed ORR was 58.9%. The median DoR and the median progression-free survival was 34.3 months and not reached, respectively. The 12-month PFS rate was 82.8%, and the OS rate was 91%. Treatment was generally well tolerated with most TRAEs being grade of 1 or 2.

We are now conducting a randomized, controlled, double-blind, Phase III study to evaluate the efficacy and safety of orelabrutinib plus lenalidomide and rituximab ("**R2**") versus placebo plus R2 in r/r MZL.

According to publicly disclosed data presented at the EHA 2025 Hybrid Congress, orelabrutinib combined with bendamustine-rituximab or obinutuzumab followed by orelabrutinib maintenance was effective and well-tolerated in untreated patients with MZL. From June 2024 to January 2025, a total of 16 patients were enrolled. At the end of induction treatment, tumor evaluation was conducted in 6 patients in group A and 2 patients in group B. The CRR was 66.7% in group A and 100.0% in group B, with an ORR of 100.0% in both groups. At the data cutoff, the median PFS and OS remained immature. No BTKi-related AEs, such as atrial fibrillation or bleeding, were observed.

Orelabrutinib for 1L MCL

We are currently conducting a global, randomized, double-blind, multicenter Phase III study evaluating orelabrutinib in combination with rituximab and bendamustine ("**BR**") versus BR alone in treatment-naïve patients with MCL, with patient enrollment ongoing. The study aims to assess efficacy and safety in the first-line setting, with primary endpoints including PFS and ORR, and secondary endpoints evaluating OS, DoR, and safety profiles. This global Phase III program is intended to generate pivotal data supporting the use of orelabrutinib as a frontline therapy for MCL.

Orelabrutinib for Primary Central Nervous System Lymphoma ("pCNSL")

In July 2025, Leukemia, one of the leading journals in hematology and oncology, published the clinical study results of a prospective, multicenter, investigator-initiated, Phase II study investigating the rituximab, HD-MTX plus orelabrutinib ("**RMO**") regimen for newly diagnosed pCNSL ("**ND pCNSL**").

This study provided the first prospective evidence of an orelabrutinib-containing regimen in newly diagnosed pCNSL and represents the largest cohort involving BTKi-based targeted immunochemotherapy in this setting to date.

Between 8 May 2021, and 15 September 2023, 65 patients were enrolled across 9 centers in China. Of 65 treated patients, 61 (95.4%) completed four cycles of RMO therapy and were evaluable for primary efficacy analysis. At the end of four RMO cycles, 23 (35.4%) patients achieved CR and 37 (56.9%) PR, resulting in an ORR of 92.3% among the 65 treated patients. Among 61 evaluable patients, the primary endpoint of ORR was 98.4% at the end of four RMO cycles. Twenty patients proceeded to two additional cycles of RMO, of these patients in PR, 6 achieved CR, 1 Stable Disease ("**SD**"), and 1 Progressive Disease, yielding a CRR of 72.2% and an ORR of 94.4% at the end of six RMO cycles. Among responders, RMO induced a rapid and durable response, achieving a median time to response of 0.7 months. As of the cutoff date (31 December 2024), the estimated DoR, PFS, and OS rates at 2 years were 75.0%, 75.0%, and 91.7% for those who received orelabrutinib maintenance, and 66.7%, 66.7% and 83.3% for those under observation alone.

The RMO regimen was generally well-tolerated and consistent with known profiles of single agents. No other off-target toxicities (e.g., hypertension, diarrhea, atrial fibrillation/flutter, and major bleeding) occurred. No treatment-related death occurred during induction therapy.

RMO induction demonstrated clinically meaningful activity (92.3% ORR and 37.7% CRR at the end of 4-cycles) and increased CRR with additional RMO cycles, achieving a more encouraging CRR of 72.2% among patients who received 6 cycles of RMO. The high response rate to RMO offers patients the possibility of long-term benefits, with a 2-year PFS of ≥75% and 2-year OS of ≥85%, regardless of consolidation or maintenance therapy, exceeding those of most historical immunochemotherapy with or without BTKis series, and supports further investigation of this combination.

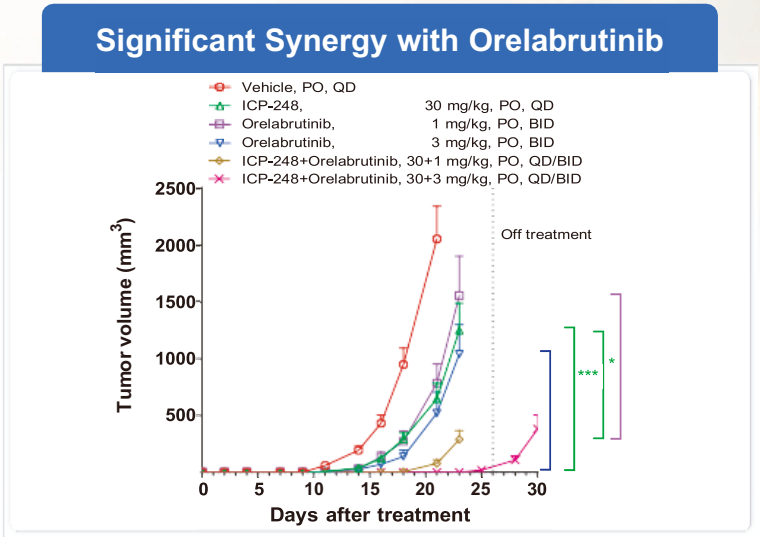
Global Registration Progress and International Market Expansion of Orelabrutinib

Beyond China, orelabrutinib continued to advance its global registration footprint, with approval granted for r/r MZL in Singapore and the NDA submission for r/r MCL successfully completed in Australia. Collectively, these regulatory milestones further validate the asset's differentiated clinical profile and reinforce its potential as a globally competitive BTK inhibitor.

Combining orelabrutinib with mesutoclax (ICP-248, BCL-2 inhibitor)

The advent of BTK inhibitors has transformed the treatment landscape for B cell malignancies, particularly CLL/SLL, shifting therapy from fixed-duration chemoimmunotherapy to convenient oral targeted treatment. Combining BTK inhibition with BCL-2 inhibition offers a synergistic approach that enhances response depth and may enable longer-lasting, fixed-duration remissions.

BCL-2 is an anti-apoptotic protein that renders cells resistant to apoptosis. The BCL-2 dysregulation is a key process in the pathogenesis of B cell lymphoma.



We have completed patient enrollment of the Phase III registrational trial evaluating orelabrutinib in combination with mesutoclax (ICP-248, BCL-2 inhibitor) as a first-line therapy for patients with CLL/SLL. This dual oral regimen is designed to further improve treatment outcomes and provide patients with a highly effective and more convenient therapeutic option. Meanwhile, we are initiating a Phase III study of mesutoclax (ICP-248) in subjects with r/r MCL in China.

Tafasitamab (ICP-B04)

In May 2025, the CDE of the NMPA approved the BLA for tafasitamab in combination with lenalidomide for adult patients with r/r DLBCL who are not eligible for ASCT, marking an important milestone in expanding treatment options for these patients in China.

DLBCL is the most common subtype of non-Hodgkin's lymphoma ("**NHL**"), accounting for approximately 31%–34% of NHL cases globally. In China, DLBCL represents an even higher proportion, accounting for approximately 45.8% of all NHL cases, underscoring the significant disease burden and the urgent need for innovative and accessible therapies in this setting.

The approval of tafasitamab in combination with lenalidomide in China was supported by a Phase II bridging study, designed as a single-arm, open-label, multicenter trial evaluating the safety and efficacy of tafasitamab plus lenalidomide in adult patients with r/r DLBCL who were ineligible for ASCT. The primary endpoint was to evaluate the ORR assessed by investigator and IRC. The secondary endpoints were DCR, DoR, PFS, time to progression ("**TTP**"), time to response ("**TTR**"), OS, and safety. Clinical data from this study were presented at the EHA 2024 Hybrid Congress. As of 30 July 2024, data evaluated by the IRC showed an ORR of 73.1%, including 34.6% of patients who achieved CR and 38.5% who achieved PR, highlighting the robust and clinically meaningful efficacy of the combination regimen.

Globally, tafasitamab in combination with lenalidomide has been well validated in this indication. The regimen previously received accelerated approval from the FDA in July 2020 and conditional marketing authorization from the EMA in August 2021 for adult patients with r/r DLBCL who are ineligible for ASCT. Further expanding its clinical value, in June 2025, the FDA approved tafasitamab-cxix in combination with lenalidomide and rituximab for the treatment of relapsed or refractory follicular lymphoma, based on data from a randomized Phase III clinical trial demonstrating significant clinical benefit.

Within Greater China, tafasitamab has also received regulatory approvals from the Department of Health of Hong Kong SAR, Macau, and Taiwan. In mainland China, while the commercial launch was initiated in late third quarter to early fourth quarter of 2025, the Company has actively advanced a comprehensive launch strategy, leveraging a dedicated hematology-focused commercial team and an established national sales network to support rapid uptake and patient access. The therapy has also been officially included as a Class II recommended regimen in the CSCO Guidelines for adult r/r DLBCL patients who are ineligible for ASCT, further reinforcing its clinical positioning and physician adoption.

To enhance affordability and patient access, tafasitamab has been included in the 2026 Huiminbao programs across 35 provinces and municipalities nationwide, including major regional programs such as Beijing Puhui Health Insurance and Yanzhao Health Insurance. This broad coverage is expected to meaningfully reduce patients' out-of-pocket burden and improve access to innovative treatment options for patients with DLBCL.

Mesutoclax (ICP-248)

Mesutoclax (ICP-248) is a next-generation, orally bioavailable, and highly selective BCL-2 inhibitor, representing the Company's next strategic pillar in hemato-oncology with strong domestic and global competitiveness. In 2025, we made significant progress across multiple clinical programs, reinforcing mesutoclax (ICP-248)'s potential to strengthen our leadership in blood cancers.

BCL-2 plays a crucial role in the apoptotic pathway and is overexpressed in a variety of hematologic malignancies. BCL-2 inhibitors have demonstrated anti-tumor effects by activating the endogenous mitochondrial apoptosis pathway, leading to rapid cancer cell apoptosis. We have developed mesutoclax (ICP-248) as a selective BCL-2 inhibitor characterized by enhanced metabolic stability and reduced drug-drug interaction (DDI) liability.

Early clinical data strongly supports these advancements. In a Phase II study of 42 treatment-naïve patients receiving mesutoclax (ICP-248) in combination with orelabrutinib, no TLS was observed. Preliminary results demonstrated an ORR of 100%, a target lesion CRR of 57.1%, and uMRD rate of 65% at 36 weeks, supporting the advancement of the combination into a Phase III registrational trial, which has now completed patient enrollment.

In a Phase I/II study across CLL/SLL, MCL, and other NHL subtypes (81 patients treated), mesutoclax (ICP-248) demonstrated a favorable safety and PK profile with promising efficacy, including ORRs of 100% in r/r CLL/SLL and 87.5% in r/r MCL, with durable responses observed even in BTKi-treated patients. Notably, in 25 r/r MCL patients refractory to prior BTKi treatment, ORR reached 84% with a 36% CRR (data presented at ASH 2025), highlighting its strong potential in this high unmet medical need population.

In February 2025, the CDE approved the initiation of the registrational Phase III clinical trial of mesutoclax (ICP-248) in combination with orelabrutinib as a 1L fixed-duration therapy for the treatment of CLL/SLL patients in China. Patient enrollment was completed in February 2026. We will make every effort to rapidly advance this combination therapy and bring benefits to 1L CLL/SLL patients as soon as possible.

In May 2025, mesutoclax (ICP-248) was granted Breakthrough Therapy Designation by the CDE of the NMPA for the treatment of BTKi-treated r/r MCL, which marks the first BCL-2 inhibitor to receive BTD recognition in China. We are also conducting a Phase II single-arm registrational trial of mesutoclax (ICP-248) for r/r MCL patients who failed prior BTK inhibitor treatment.

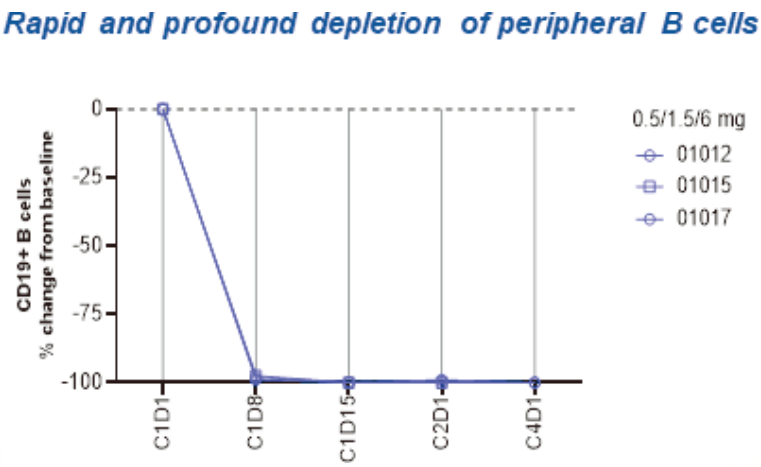
In the first half of 2026, we are initiating a randomized, double-blind, multicenter Phase III study of mesutoclax (ICP-248) in subjects with r/r MCL in China.

In May 2025, the IND approval was granted by the CDE to initiate the clinical trial for mesutoclax (ICP-248) in combination with azacitidine for the treatment of myeloid malignancies, including but not limited to MDS. Additionally, the FDA has approved the IND application to conduct the clinical trial of mesutoclax (ICP-248) in combination with azacitidine for the treatment of myeloid malignancies, such as AML and MDS in July 2025. Global expansion studies in AML and MDS are progressing.

As of 12 January 2026, a total of 59 patients were enrolled including 8 r/r AML, 39 TN AML and 12 TN MDS. Among the 35 evaluable TN AML patients, 85.7% achieved cCR. The DoR rate at 3-months was 91.7%. The 6-month OS rate was 94.1%. Preliminary data in MDS patients were also promising. No DLT or TLS events were observed. Detailed data will be presented at ASCO 2026. The combination of mesutoclax and azacitidine demonstrated a favorable safety profile and encouraging anti-tumor activity not only in AML but also in MDS patients, supporting its continued development for the treatment of myeloid malignancies. These preliminary results warrant further investigation in larger, randomized trials.

ICP-B02 (CM355)

ICP-B02 is a CD20xCD3 bispecific antibody co-developed with KeyMed for the treatment of B-cell non-Hodgkin's lymphoma as a monotherapy or in combination with other therapies. In preclinical studies, it demonstrated stronger T cell-dependent cellular cytotoxicity ("**TDCC**") activities with less cytokine release as compared to its leading competitors.



ICP-B02 induced rapid and deep B cell depletion in both peripheral blood and tissues in clinical studies. ICP-B02 (SC & IV) induced a profound and sustained depletion of peripheral B cells after the first infusion in our Phase I/II clinical trial in r/r NHL patients. Two patients with baseline bone marrow involvement were reassessed after achieving CR, and CD19 or CD20 positive B cells were completely depleted in the bone marrow, indicating deep B cell depletion in tissues. Given the critical role of B cells in a variety of severe autoimmune diseases, ICP-B02 may have wider applications in severe autoimmune diseases as it is more feasible and well tolerated.

In January 2025, Beijing InnoCare, a subsidiary of the Company, Keymed Chengdu, a subsidiary of Keymed (stock code: 02162), and Beijing Tiannuo Jiancheng Pharmaceutical Technology Co., Ltd., a joint venture of the Company and Keymed Chengdu, which is owned 50% by Beijing InnoCare and 50% by Keymed Chengdu, entered into an exclusive license agreement with Prolium for the development and commercialization of ICP-B02.

Under the terms of the agreement, Prolium has been granted the exclusive right to develop, register, manufacture, and commercialize ICP-B02 globally in non-oncology fields and in the global oncology fields outside of Asia. Each of Beijing InnoCare and Keymed Chengdu owns 50% of the rights in ICP-B02, and future revenue from the collaboration will be shared equally between Beijing InnoCare and Keymed Chengdu.

Beijing InnoCare and Keymed Chengdu have collectively received an upfront and near-term payment of US$17.5 million based on their respective 50/50 ownership, and are entitled to receive additional milestone payments up to US$502.5 million based on the achievement of specific clinical, regulatory, and commercial milestones. Both Beijing InnoCare and Keymed Chengdu will also receive tiered royalties on future net sales of any products. As part of the consideration for the transaction, Beijing InnoCare and Keymed Chengdu (or their designated persons) have received a minority equity stake in Prolium.

For details, see our announcement dated 20 January 2025 published on the websites of the Stock Exchange and the Company.

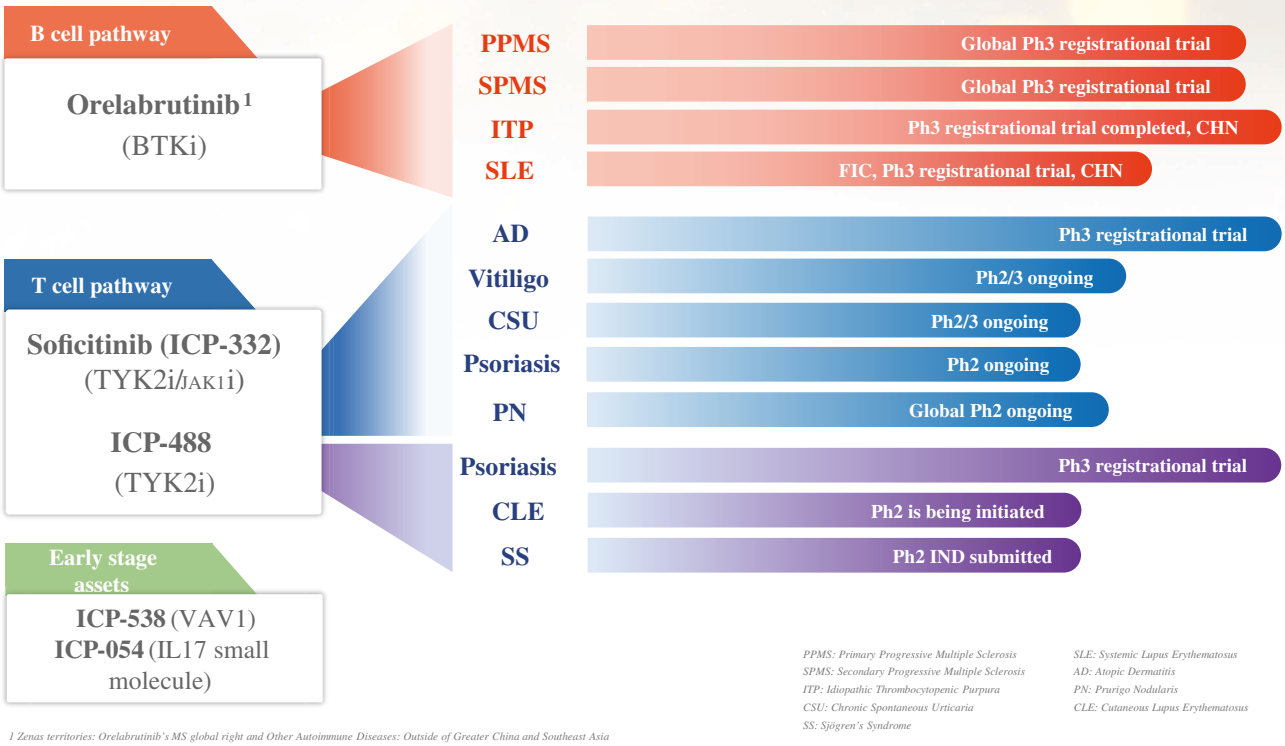
In March 2026, Prolium announced its launch with a US$50 million Series A Financing to develop ICP-B02 for severe autoimmune disease. Prolium announced that it has begun dosing healthy volunteers in an ongoing single ascending dose study of ICP-B02 and expects to initiate a multinational Phase 1/2 study of ICP-B02 in systemic sclerosis (SSc) in the second quarter of 2026. Additionally, five patients with treatment-refractory, advanced SLE, all of whom also have LN, have been treated with ICP-B02 in an investigator-initiated study. Results will be reported at a future medical conference. Prolium plans to initiate further clinical studies this year in additional severe autoimmune diseases that are driven predominantly by aberrant B-cells.

Developing B-cell and T-cell Pathways in Autoimmune Diseases

Autoimmune diseases can affect nearly every system in our body and may occur at any stage of life, often resulting in chronic, progressive and debilitating conditions. Despite significant advances, many autoimmune diseases remain inadequately treated, with persistent unmet needs related to disease control, long-term safety, and steroid dependence. The global markets for autoimmune diseases therapeutics are anticipated to reach US$185 billion by 2029, growing moderately at a CAGR of 3.7% over the forecast period, driven by the increasing prevalence of autoimmune diseases and immune-related secondary disorders, multiple new product launches, and rising treatment costs (3 October 2023 by iHealthcareAnalyst, Inc.).

Leveraging our strong capabilities in oral small-molecule drug discovery, InnoCare has built a differentiated and comprehensive autoimmune portfolio targeting both B-cell and T-cell-mediated disease pathways. Our strategy focuses on developing first-in-class and best-in-class oral therapies with the potential to deliver meaningful clinical benefits, improve long-term disease control, and address key limitations of existing biologic and small-molecule treatments in China and globally.

Our autoimmune pipeline spans late-stage registration programs and next-generation innovative assets, anchored by orelabrutinib in B-cell-driven diseases and a robust TYK2 franchise addressing T-cell-mediated inflammation. In parallel, we continue to advance early-stage programs targeting novel immune pathways to sustain long-term innovation and portfolio depth.



1 Zenas territories: Orelabrutinib's MS global right and Other Autoimmune Diseases: Outside of Greater China and Southeast Asia

B Cell Pathway — Orelabrutinib for Autoimmune Diseases

BTK is a member of the TEC family and is expressed in B lymphocytes, mast cells, macrophages, monocytes, and neutrophils. It is a key kinase in the BCR signaling pathway, and regulates B cell proliferation, survival, differentiation, and cytokine expression. Abnormal activation of BTK related signaling pathways can mediate autoimmune diseases. BTK has become a new and prominent therapeutic target for autoimmune diseases.

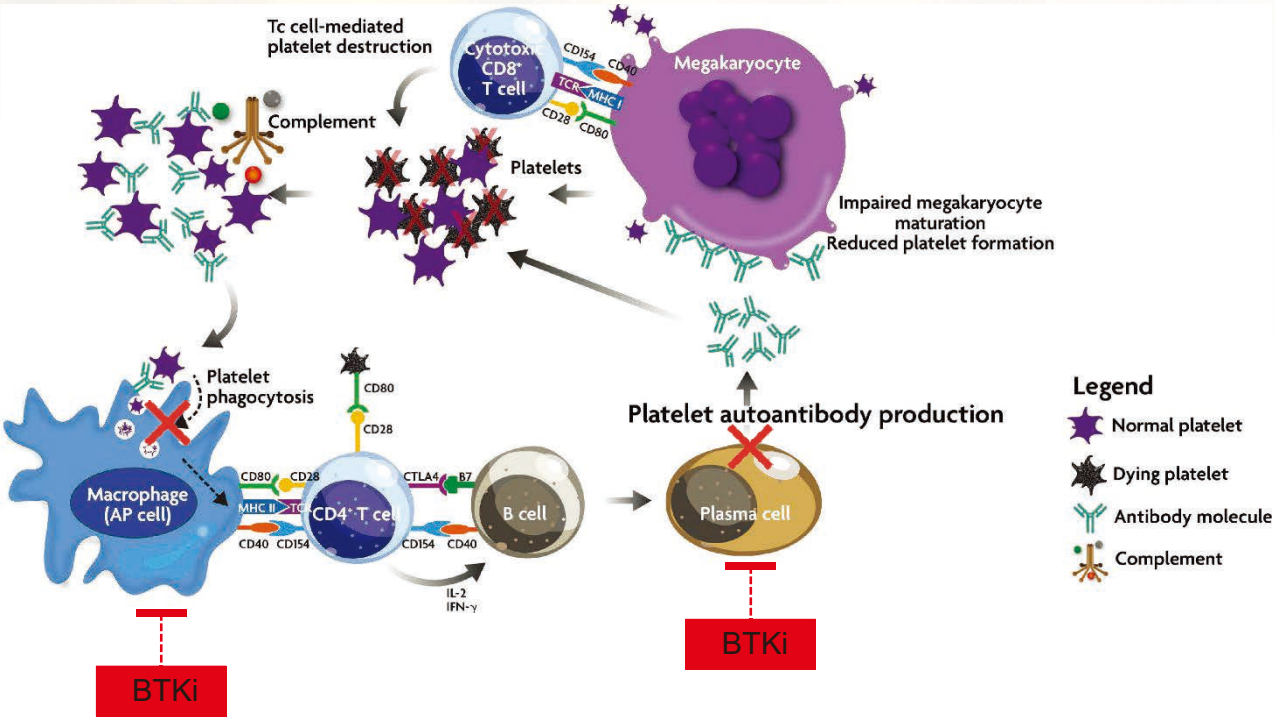
Orelabrutinib is a highly selective, oral, CNS-penetrant BTK inhibitor with a well-characterized safety profile across multiple indications. In autoimmune diseases, BTK inhibition is a validated mechanism with the potential to modulate both peripheral B-cell activity and central nervous system-resident immune cells, addressing disease activity and progression through complementary pathways.

Orelabrutinib for ITP

ITP, also referred to as immune thrombocytopenic purpura, is an acquired immune mediated disorder characterized by a decrease in peripheral blood platelet counts, resulting in an increased risk of bruising and bleeding. The main pathogenesis of ITP is the loss of immune tolerance to platelet auto-antigens. This immune intolerance leads to increased platelet destruction and decreased platelet production from megakaryocytes by autoantibodies and cytotoxic T lymphocytes.

ITP, which has a U.S. prevalence of 23.6 cases out of 100,000 and a China prevalence of 9.5 cases out of 100,000, represents hundreds of thousands of patients globally. Current therapies, including corticosteroids, thrombopoietin receptor agonists, anti-CD20 monoclonal antibodies, and spleen tyrosine kinase inhibitors lack long-term tolerability or durable sustained responses. New safe and effective treatment options are needed for patients who have inadequate responses to previous lines of therapy.

BTK is a key kinase in the B cell receptor signaling pathway, which is essential for the activation of B lymphocytes, macrophages, and other immune cells as well as the production of antibodies in the pathological process of ITP. Orelabrutinib, with its high target selectivity and good safety profile, has the potential to become a novel treatment option for ITP patients.



Current Status

The pivotal Phase III study has completed patient enrollment, and a new drug application is expected to be submitted in the second quarter of 2026.

In the first half of 2023, the Phase II clinical trial of orelabrutinib for the treatment of ITP was completed in mainland China. This is a randomized, multicenter, open-label Phase II study to evaluate the efficacy and safety of orelabrutinib in adult patients with persistent or chronic primary ITP and provide a basis for a Phase III study design and dose selection. The primary endpoint was the proportion of subjects with platelet count ≥50×10^9/L (confirmed by two consecutive platelet counts, with an interval of at least 7 days) without rescue medication in the 4 weeks preceding the count elevation. Both the 50mg QD and 30mg QD doses of orelabrutinib were safe in the treatment of patients with ITP. Generally, patients receiving the 50mg QD dose responded rapidly and showed better efficacy, especially in those who had responded to previous GC/IVIG therapies. Overall, 36.4% (12/33) of patients met the primary endpoint, with 40% (6/15) of patients at the 50mg cohort reaching the primary endpoint. Among the 12 patients who met the primary endpoint, 83.3% (10/12) of the patients achieved a durable response, defined as the percentage of patients with platelet count ≥50×10^9/L for at least 4 of the 6 visits between weeks 14 and 24. Among the 22 patients who previously responded to GC or IVIG, 75.0% (6/8) of patients at the 50mg arm met the primary endpoint. Orelabrutinib demonstrated a favorable safety profile in the treatment of ITP, with all TRAEs being of grade 1 or 2.

The favorable Phase II results demonstrated a PoC of orelabrutinib in ITP and provided us with the confidence to advance the program. By leveraging the BTK inhibitor's advantage in ITP of decreased macrophage-mediated platelet destruction and reduced production of pathogenic autoantibodies, we positioned orelabrutinib as a preferred BTK inhibitor to obtain approval for the treatment in this idiopathic disease.

The PoC data from the ITP Phase II trial was selected as an oral presentation at the EHA 2023 Hybrid Congress on 12 June 2023 and published in The American Journal of Hematology in April 2024.

Orelabrutinib for SLE

Orelabrutinib inhibits the BCR signaling cascade by binding to BTK, thereby preventing the proliferation and activation of B cells in autoimmune diseases. Pre-clinical data demonstrated that orelabrutinib has dose-dependent effects on improving kidney function, inhibiting arthritis, and reducing inflammation in SLE mouse models.

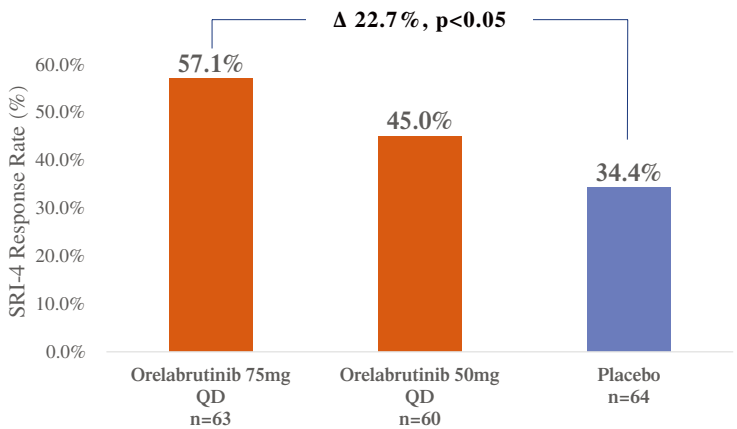
The root causes of SLE include family history, hormones, unhealthy lifestyles, certain environmental factors, drugs, and infections. The number of SLE patients in China is estimated to reach 1.06 million by 2025 with a compound annual growth rate of 0.7% from 2020 to 2025, and approximately to 1.09 million by 2030 with a compound annual growth rate of 0.5% from 2025 to 2030.

Current Status

Phase III clinical development using the 75 mg QD dose was initiated in the first quarter of 2026, with patient enrollment already underway.

Positive Phase IIb data were disclosed in late 2025. This was a randomized, double-blind, placebo controlled, multicenter, Phase IIb trials aims primarily to evaluate the efficacy of orelabrutinib in SLE patients, with a secondary objective of evaluating the safety, tolerability, and impact on the quality of life of subjects with moderate to severe SLE. 187 patients receiving standard therapy were randomized at a ratio of 1:1:1 to receive oral orelabrutinib at 50mg, 75mg, or placebo once daily for 48 consecutive weeks. Meanwhile, glucocorticoid tapering to ≤7.5 mg/day was required from week 8 to week 36 for patients to be considered as response.

The primary endpoint of this study was the SLE Response Index-4 (SRI-4) response rate at week 48. At week 48, the orelabrutinib 75 mg QD group achieved a statistically significant improvement in SRI-4 response rate compared with placebo (57.1% vs. 34.4%, p<0.05), meeting the primary endpoint. Additionally, the efficacy of orelabrutinib at 75 mg QD and 50 mg QD showed a dose-dependent trend in the treatment of SLE.



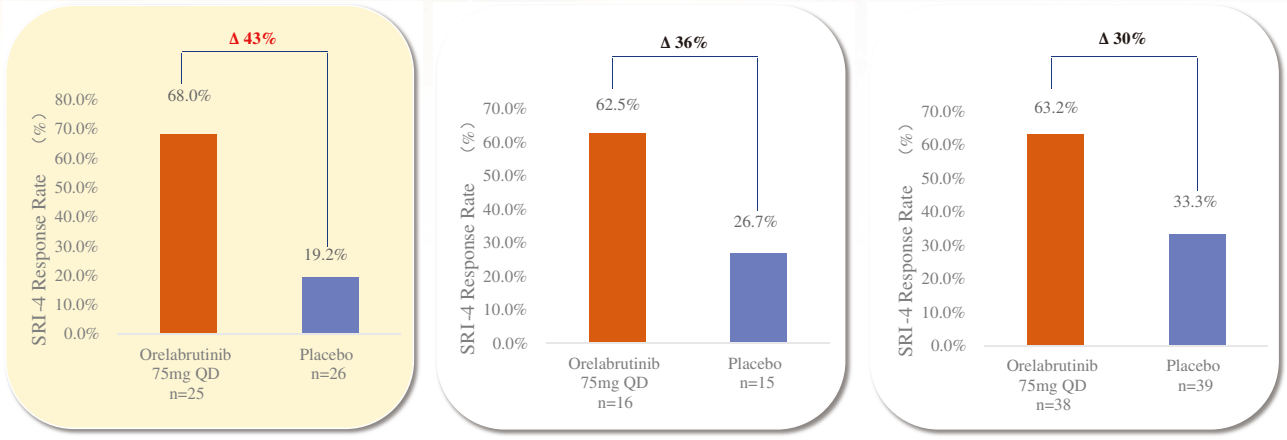
Week 48 SRI-4 Response Rate (RAS)

- A composite strategy was applied to handle all intercurrent events (including early treatment discontinuation, use of prohibited concomitant medications impacting efficacy assessment, and protocol-deviated changes in standard-of-care therapy). Efficacy was analyzed using the CMH chi-square test, with randomization stratification factors applied as covariates for adjustment.

At week 48, the orelabrutinib 75 mg QD group demonstrated significantly higher SRI-6 response rate and British Isles Lupus Assessment Group (BILAG) response rate compared to the placebo group (p<0.05), meeting the secondary endpoint.

Among patients with higher baseline disease activity, defined by BILAG ≥1A or ≥2B, orelabrutinib 75 mg QD achieved an SRI-4 response rate of 62.5%, compared with 26.7% in the placebo group, corresponding to a 36% placebo-adjusted improvement. In patients with more pronounced clinical activity, defined by BILAG ≥1A or ≥2B together with a clinical SLEDAI-2K score ≥4, the SRI-4 response rate reached 68.0% with orelabrutinib 75 mg QD versus 19.2% with placebo, representing a 43% placebo-adjusted difference.

Placebo-Adjusted Treatment Difference for Orelabrutinib 75 mg QD*



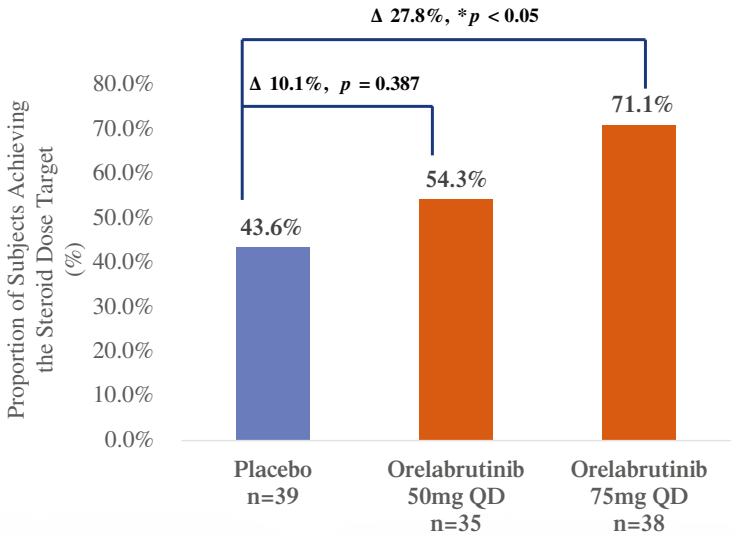
Baseline BILAG ≥1A or ≥2B with Clinical Score ≥4 (Week 48)

Baseline Urine Protein ≥1.0 g/24h or UPCR ≥1000 mg/g (Week 48)

Baseline Oral Corticosteroid Dose ≥10 mg/day (Week 48)

* Difference Adjusted for Stratification Factors

In addition, at Week 48, a significantly higher proportion of patients in the orelabrutinib 75 mg QD group achieved reduction to the target corticosteroid dose (≤7.5 mg/day) compared with placebo (71.1% vs. 43.6%, p<0.01), highlighting a clinically meaningful steroid-sparing benefit.



Steroid Dose Reduced to ≤7.5 mg/day at Week 48

* The proportion of patients by baseline steroid dose was balanced across treatment groups

Orelabrutinib shows promising potential to become a first-in-class BTK inhibitor for SLE patients, underpinned by differentiated pharmacology, robust and durable clinical efficacy, a favorable safety profile suitable for chronic use, and consistent corticosteroid-sparing effects, collectively supporting its potential to redefine the treatment paradigm for SLE.

Orelabrutinib for MS

To accelerate the global development of orelabrutinib in multiple sclerosis ("**MS**") and maximize its global clinical and commercial potential, InnoCare has entered into a strategic licensing collaboration with Zenas BioPharma in October 2025, granting Zenas global rights to develop and commercialize orelabrutinib for MS and for non-oncology indications outside Greater China and Southeast Asia.

In MS, extensive scientific and clinical discussions across the industry have reinforced the importance of CNS penetration for BTK inhibitors. Data from peer programs have highlighted meaningful differences in pharmacokinetics and CNS exposure among BTK molecules. Based on a comprehensive internal analysis, orelabrutinib demonstrates high and consistent drug exposure in both peripheral circulation and the CNS, with favorable inter-patient consistency. At doses ≥50 mg, orelabrutinib achieves full target occupancy by 4 hours post-dose, which is maintained through 24 hours. In a global Phase II study, orelabrutinib demonstrated potential best-in-indication efficacy signals, supporting its differentiated profile and strong potential in progressive forms of MS. We remain confident in the success of ongoing global Phase III programs in PPMS and SPMS, which are being fully advanced by our partner.

For details, see our announcement dated 8 October 2025 published on the websites of the Stock Exchange and the Company.

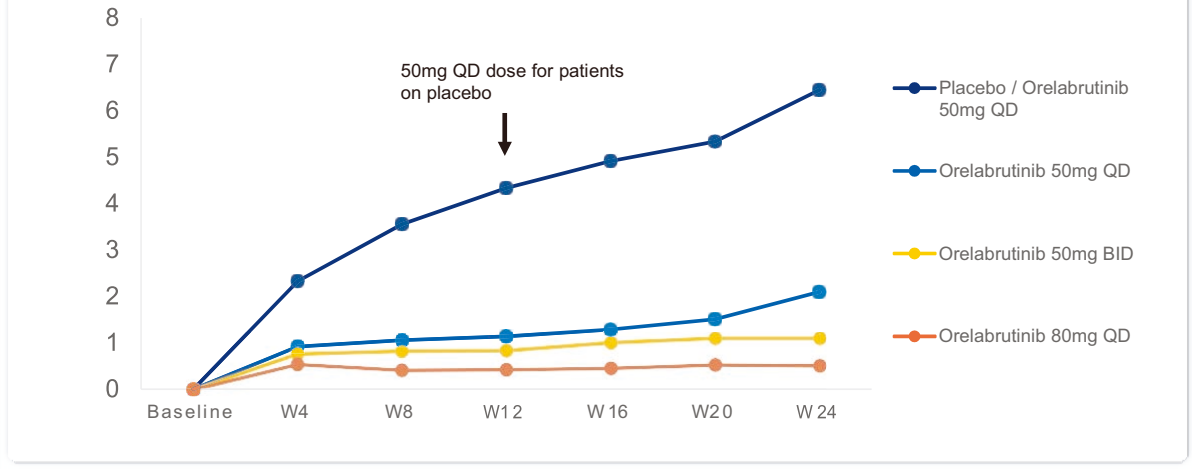
The Phase II results of orelabrutinib for the treatment of relapsing-remitting multiple sclerosis ("**RRMS**") were released at the 10th annual Americas Committee for Treatment and Research in Multiple Sclerosis ("**ACTRIMS**") Forum, a premier global event in neuroimmunology exploring cutting-edge developments in MS and related disorders. The results were also presented as an on-site poster (Poster No.: P094) on 27 February 2025.

Orelabrutinib was shown to be highly effective for the treatment of RRMS patients. The 80 mg once daily dose showed the best efficacy and safety profile and was therefore selected for Phase III progressive MS studies.

In this double-blind, Phase II trial, 158 eligible RRMS subjects were randomized in a 1:1:1:1 ratio to one of four treatment groups: placebo, orelabrutinib 50 mg QD, orelabrutinib 80 mg QD, and orelabrutinib 50 mg twice daily ("**BID**"). Subjects in the placebo group were switched to orelabrutinib 50 mg QD at Week 13. The primary endpoint was the cumulative number of new gadolinium-enhancing ("**Gd+**") T1 brain lesions at Week 12 (based on new Gd+ T1 lesions at Weeks 4, 8, and 12) compared to placebo.

At Week 12, all three treatment groups showed statistically significant reductions in the cumulative number of new Gd+ T1 lesions and new/enlarging T2 lesions compared to the placebo group ($p<0.05$), while the 80 mg QD and 50 mg BID groups showed statistically significant reductions throughout 24 weeks compared to the placebo/50 mg QD group ($p<0.05$). The 80 mg QD group demonstrated the highest reductions of 90.4% at Week 12 compared to placebo and 92.3% at Week 24 compared to the placebo/50 mg QD group. New lesion control in each orelabrutinib group occurred at the earliest assessment timepoint of Week 4 and was sustained through Week 24.

ADJUSTED MEAN CUMULATIVE NUMBER OF NEW GD+ T1 BRAIN LESIONS UP TO WEEK 24 (N=115)



Cumulative number of New Gd+ T1 Lesion from Week 4 to Week 24	Placebo / Orelabrutinib 50mg QD (N=27)	Orelabrutinib 50mg QD (N=30)	Orelabrutinib 50mg BID (N=29)	Orelabrutinib 80mg QD (N=29)
Adjusted mean cumulative number (95% CI) of lesions from W4 to W24	6.45 (3.62, 11.52)	2.10 (0.62, 7.11)	1.08 (0.30, 3.81)	0.50 (0.09, 2.74)
Percent reduction		**67.4** (-22.0, 91.3)	**83.3** (33.2, 95.8)	**92.3** (56.5, 98.6)
P-value		**0.0958**	**0.0114**	**0.0037**

T Cell Pathway — TYK2 for Autoimmune Diseases

Soficitinib (ICP-332)

Soficitinib (ICP-332) is a small molecule inhibitor of TYK2 that is being developed for the treatment of various autoimmune disorders. TYK2 is a member of the JAK family and plays a critical role in transducing signals downstream of IL-12/IL-23 family interleukin receptors as well as type I interferon ("**IFN**") receptor. These cytokine/receptor pathways drive the functions of T helper 17 ("**TH17**"), THl, B and myeloid cells which are critical in the pathobiology of multiple autoimmune and chronic inflammatory diseases including psoriasis, IBD, lupus, AD, etc. Soficitinib (ICP-332) was designed to be a potent and selective TYK2 inhibitor with 400-fold selectivity against JAK2 to avoid the adverse events associated with nonselective JAK inhibitors. Thus, by selective inhibition of TYK2, soficitinib (ICP-332) may become a potential therapy for multiple autoimmune diseases, such as AD, vitiligo, CSU, psoriasis, PN and IBD, with a better safety profile.

Soficitinib (ICP-332) for AD

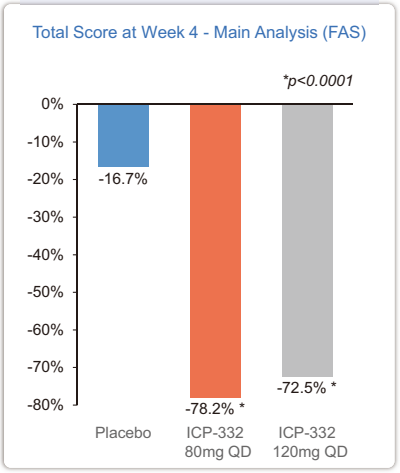
Atopic dermatitis is one of the most common skin eczemas and causes itching, redness and inflammation. According to Pharma Intelligence, AD has become a major autoimmune disease, with a 12-month prevalence rate ranging from 0.96–22.6% in children and 1.2–17.1% in adults, indicating a global market potential of US$10 billion in 2030. In China, according to Frost & Sullivan Analysis, AD patients numbered 65.7 million in 2019 and is estimated to reach 81.7 million people by 2030, reflecting a compound annual growth rate of 1.7%. For moderate and severe patients, AD could seriously impact life quality due to recurring itching, which is associated with sleep disturbances in 33% to 90% of adult patients (*J Allergy Clin Immunol Pract*. 2021 Apr; 9(4): 1488–1500). Thus, reducing itching was an urgent need for most patients with moderate to severe AD. With the tremendous potential to address the massive unmet medical needs of millions of patients outlined above, we anticipate soficitinib (ICP-332) will become a cornerstone product of our autoimmune franchise.

Soficitinib (ICP-332) demonstrated positive Phase II results in moderate-to-severe AD, and patient enrollment for the Phase III registrational has been completed.

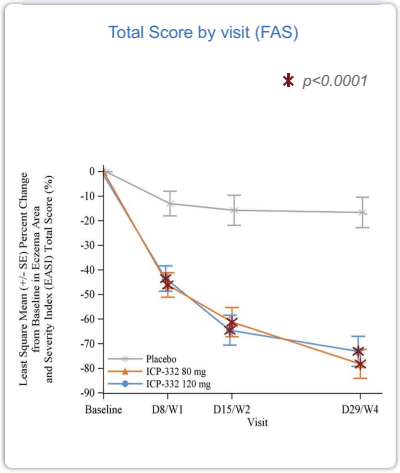
The results of the Phase II study were presented through a late-breaking oral presentation at 2024 American Academy of Dermatology Annual Meeting and published in JAMA Dermatology in January 2026. The Phase II study was a randomized, double-blind, placebo-controlled trial evaluating the safety, efficacy, pharmacokinetics, and pharmacodynamics of soficitinib (ICP-332) in moderate-to-severe AD. A total of 75 adult subjects with moderate to severe AD were enrolled, with 25 subjects in the 80mg QD treatment group, 120mg QD treatment group, and placebo group. Patients received four weeks of treatment with a 28-day safety follow-up.

Patients with AD treated with soficitinib (ICP-332) for 4 weeks showed excellent efficacy and safety profiles. soficitinib (ICP-332) achieved multiple efficacy endpoints, including percentage reductions from baseline in Eczema Area and Severity Index score, EASI 50, EASI 75, EASI 90 (improvement of at least 50%, 75%, and 90% in EASI score from baseline) and Investigator's Global Assessment (IGA) 0/1 (score of 0 clear or 1 almost clear) in the 80mg and/or 120mg group respectively.

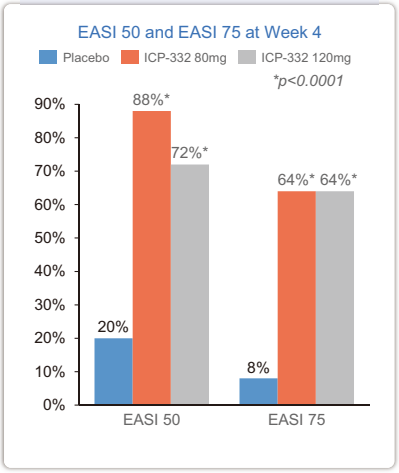
Percent Change from Baseline in EASI



Percent Change from Baseline in EASI

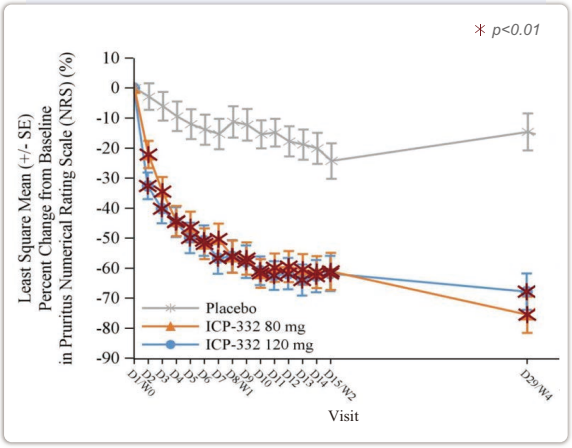


High Proportion of Patients Achieved



Quick and Statistically Significant Response from Day 2

Pruritus Numerical Rating Scale (NRS)



Improvement of Patient Quality of Life

Dermatology Life Quality Index (DLQI) Score Change from Baseline by Visits (Full Analysis Set)

	Placebo (N=25)	ICP-332 80mg (N=25)	ICP-332 120mg (N=25)
D8/W1	-3.3(-4.8,-1.9)	-6.5(-8.0,-5.1)	-6.8(-8.4,-5.3)
	p-value	**0.0027**	**0.0018**
D15/W2	-2.2(-4.2,-0.2)	-8.7(-10.7,-6.7)	-7.9(-9.9,-5.9)
	p-value	**<0.0001**	**0.0002**
D29/W4	-1.2(-3.3,0.9)	-10.8(-12.8,-8.8)	-8.9(-11.0,-6.8)
	p-value	**<0.0001**	**<0.0001**

The mean percentage change from baseline in the EASI score reached 78.2% and 72.5% for the once-daily dosing groups of 80mg and 120mg, respectively, both with a highly statistically significance (p<0.0001), compared to 16.7% for patients receiving placebo. EASI 75 reached 64% and 64% in the 80mg and 120mg dosing group respectively, compared to 8% percent for patients receiving placebo (p<0.0001). In the 80mg QD treatment group, the difference from placebo reached 56% in EASI 75, 40% in EASI 90, 32% in (IGA) 0/1 and 56% in pruritic numerical rating scale ("**NRS**") ≥4 Improvement (p<0.01).

In addition, significant improvement was observed with respect to pruritus (itch). Patients treated with soficitinib (ICP-332) experienced quick response in improving pruritus numerical rating from day 2 onwards both in severity and frequency across the 80/120mg soficitinib (ICP-332) doses, as measured by the NRS (p<0.01).

Soficitinib (ICP-332) was safe and well tolerated in AD patients. In this study, all treatment-related adverse events were mild or moderate. The overall incidence rates of TRAEs and TRAEs related to infections and infestations in the two treatment groups were comparable to the placebo group.

Soficitinib (ICP-332) for vitiligo

Vitiligo is a chronic autoimmune skin disorder characterized by progressive depigmentation resulting from immune-mediated destruction of melanocytes, leading to significant psychosocial burden and reduced quality of life. According to published epidemiological studies, vitiligo affects approximately 0.5%–2% of the global population, translating into tens of millions of patients worldwide. In China, Frost & Sullivan estimates that the number of vitiligo patients exceeded 10 million in 2020, with a substantial proportion experiencing moderate to severe disease requiring systemic therapy. Current treatment options remain limited, with no widely accepted oral targeted therapies and high relapse rates following topical or phototherapy-based interventions. Given the chronic, relapsing nature of the disease and the lack of effective long-term treatments, vitiligo represents a significant unmet medical need. With its oral administration and immunomodulatory mechanism, soficitinib (ICP-332) has the potential to address both disease control and long-term management needs, positioning it as a promising therapeutic option for vitiligo patients.

We are conducting a Phase II/III randomized, double-blind, placebo-controlled, parallel-group, adaptive, multicenter study to evaluate the efficacy and safety of soficitinib (ICP-332) in patients with non-segmental vitiligo. The Phase II portion of the study has completed patient enrollment, with data readout expected in the third quarter of 2026. The Phase III stage is planned to start following Phase II, aiming to further evaluate the clinical benefit and safety of soficitinib (ICP-332) in a larger patient population.

Soficitinib (ICP-332) for CSU

CSU is a debilitating autoimmune and inflammatory skin condition characterized by recurrent wheals, angioedema, and severe pruritus persisting for more than six weeks without an identifiable trigger. Global prevalence is estimated at approximately 0.5%–1.0% of the population, with a significant proportion of patients experiencing moderate to severe symptoms inadequately controlled by standard antihistamine therapy. In China, CSU affects several million patients, many of whom suffer from chronic itching, sleep disturbance, anxiety, and impaired work productivity. While biologics such as anti-IgE antibodies have improved outcomes for some patients, access, cost, and injection burden limit their widespread use. Oral small-molecule therapies with favorable safety profiles remain scarce. By targeting key inflammatory pathways involved in CSU pathogenesis, soficitinib (ICP-332) has the potential to provide a convenient and effective oral treatment option, addressing a large population of patients with persistent symptoms and substantial unmet medical needs.

We are conducting a Phase II/III randomized, double-blind, placebo-controlled, multicenter study to evaluate the efficacy and safety of soficitinib (ICP-332) in patients with moderate to severe CSU who are inadequately controlled by second-generation H1-antihistamines. The Phase II portion of the study is currently enrolling patients, with data readout expected upon completion of enrollment. Following the Phase II stage, the Phase III portion is planned to start to further assess the clinical benefit and safety of soficitinib (ICP-332) in a larger patient population.

Soficitinib (ICP-332) for psoriasis

Psoriasis is a chronic, immune-mediated inflammatory skin disease characterized by erythematous plaques, scaling, and systemic inflammatory involvement, with significant long-term physical and psychological impact. According to global epidemiological data, psoriasis affects approximately 2%–3% of the population worldwide. In China, Frost & Sullivan estimates that the number of psoriasis patients exceeded 6 million in 2019, with moderate-to-severe cases accounting for a substantial proportion requiring systemic treatment. Although biologic therapies have transformed disease management, limitations remain, including high treatment costs, injection-related burden, long-term safety concerns, and loss of response over time. There is a clear demand for effective oral therapies that combine strong efficacy, durable disease control, and favorable safety for chronic use. Leveraging its targeted immunomodulatory profile, soficitinib (ICP-332) has the potential to expand therapeutic options in psoriasis, particularly for patients seeking convenient, oral, and long-term treatment solutions.

We are conducting a randomized, double-blind, placebo-controlled, parallel-group Phase II clinical study to evaluate the efficacy, safety, pharmacokinetics, and pharmacodynamics of soficitinib (ICP-332) in patients with moderate to severe plaque psoriasis. Patient enrollment for the Phase II study is currently ongoing.

Soficitinib (ICP-332) for PN

PN is a chronic inflammatory skin disease characterized by intensely pruritic nodules, driven by dysregulated neuro-immune signaling and chronic itch-scratch cycles. PN is associated with severe, persistent pruritus that profoundly impairs sleep, mental health, and overall quality of life. Epidemiological studies suggest a prevalence of approximately 0.1%–0.4% globally, with increasing recognition and diagnosis in recent years. In China, PN remains underdiagnosed, but the patient population is believed to be substantial, particularly among individuals with long-standing inflammatory or atopic conditions. Treatment options are limited, and conventional therapies often fail to adequately control itching or prevent disease recurrence. Given the central role of immune dysregulation and chronic inflammation in PN pathogenesis, there is a significant unmet need for effective systemic therapies. With its oral formulation and potential to address both inflammation and pruritus, soficitinib (ICP-332) is well positioned to meet this unmet need and expand into a high-value, underserved dermatology indication.

Soficitinib (ICP-332) is currently being evaluated in an global, multicenter Phase II study in patients with prurigo nodularis. This randomized, double-blind, placebo-controlled, dose-ranging trial is designed to assess both the efficacy and safety of soficitinib (ICP-332) across multiple dose levels, providing critical data to support potential registrational development. The study represents the Company's first global clinical program for PN, highlighting its commitment to expanding soficitinib (ICP-332) into high-unmet-need dermatology indications.

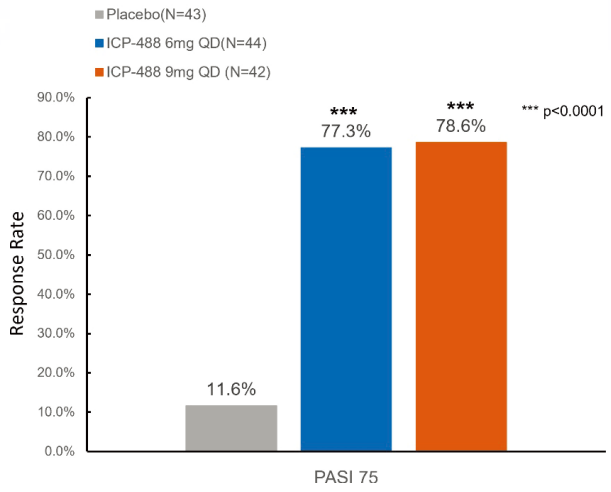
ICP-488

ICP-488 is a small molecule inhibitor of the pseudo kinase domain JH2 of TYK2. JH2 has an important regulatory role in TYK2 kinase catalytical activity, and mutations in JH2 have been shown to be the cause of or be linked with impaired TYK2 activity. ICP-488 is a potent and selective TYK2 allosteric inhibitor that, by binding to the TYK2 JH2 domain, blocks IL-23, IL-12, type 1 IFN and other autoimmune cytokine receptors. We intend to develop ICP-488 for the treatment of autoimmune diseases such as psoriasis, SLE, CLE, etc. Together with soficitinib (ICP-332), ICP-488 will further enrich our TYK2 portfolio.

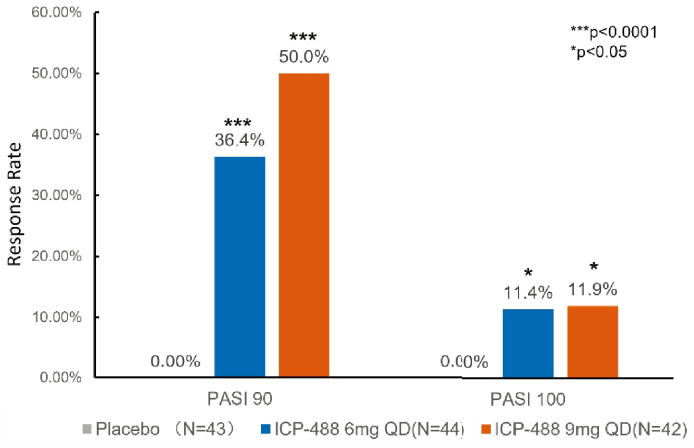
The Phase III clinical study in psoriasis completed patient enrollment in February 2026, with efficacy endpoint analysis expected in 2026. In CLE, Phase II clinical approval has been obtained, and patient enrollment has already commenced, addressing a significant unmet need with limited effective oral treatment options. The IND for Sjögren's syndrome has been submitted in February 2026, and additional indications and combination strategies are under evaluation. These efforts reflect our strategy to maximize the therapeutic potential of ICP-488 across a broad range of autoimmune diseases while building a differentiated, mechanism-based treatment portfolio.

We have obtained positive results from the Phase II randomized, double-blind, placebo-controlled study of ICP-488 in patients with moderate-to-severe plaque psoriasis. Additionally, a statistically significant greater proportion of patients achieved PASI 90, PASI 100 and static Physician Global Assessment scores of 0/1 in the ICP-488 dosing arms compared to placebo.

Patients achieving PASI 75 at Week 12 (FAS)

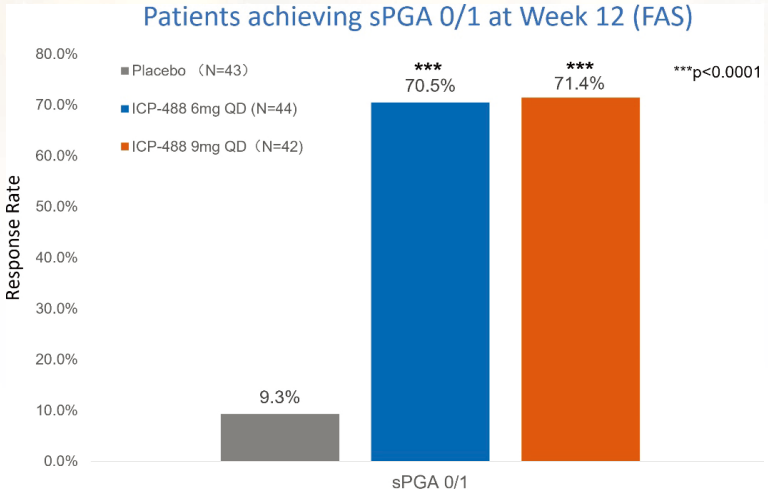


Patients achieving PASI 90/PASI 100 at Week 12 (FAS)



A significantly greater proportion of patients treated with ICP-488 for 12 weeks achieved PASI 75 (77.3%, 78.6%; 6mg, 9mg, respectively) versus placebo (11.6%; p<0.0001), meeting the study's primary endpoint.

A significantly greater proportion of patients treated with ICP-488 for 12 weeks achieved PASI 90 (36.4%, 50.0%; 6mg, 9mg, respectively) versus placebo (0%; p<0.05), and PASI 100 (11.4%, 11.9%; 6mg, 9mg, respectively) versus placebo (0%; p<0.05).



A significantly greater proportion of ICP-488 treated patients achieved sPGA scores of 0/1 (70.5%, 71.4%; 6mg, 9mg, respectively) versus placebo (9.3%; p<0.0001) at 12 weeks. An sPGA score of 1 indicates almost clear skin, while a score of 0 indicates totally clear skin.

In this study, most TEAEs and TRAEs were mild or moderate in severity and self-limited.

The results of this Phase II study were presented as a late-breaking oral presentation at 2025 American Academy of Dermatology Annual Meeting.

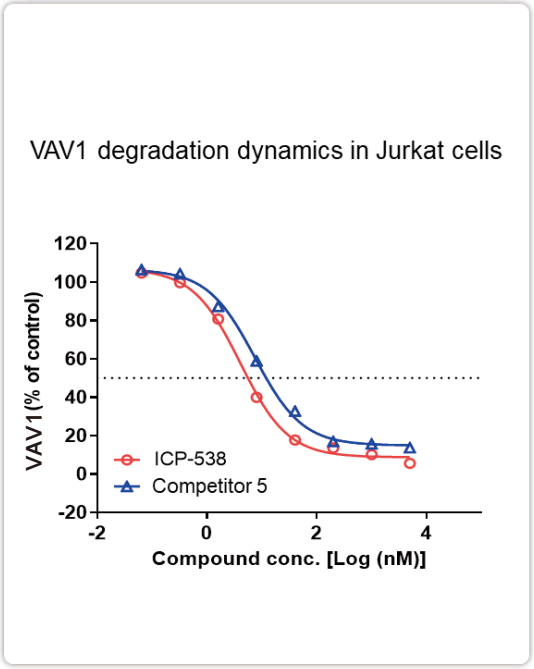
ICP-538

ICP-538 is a potent and selective CRBN-mediated VAV1 molecular glue degrader, representing a novel therapeutic approach targeting intracellular signaling pathways in immune cells. VAV1 is a key signal transducer downstream of both the T-cell receptor ("**TCR**") and B-cell receptor ("**BCR**"), playing a central role in lymphocyte activation, differentiation, and cytokine production. Dysregulation of VAV1 signaling has been implicated in multiple autoimmune diseases, positioning it as a promising target for addressing diseases with high unmet medical need, particularly those refractory to existing therapies.

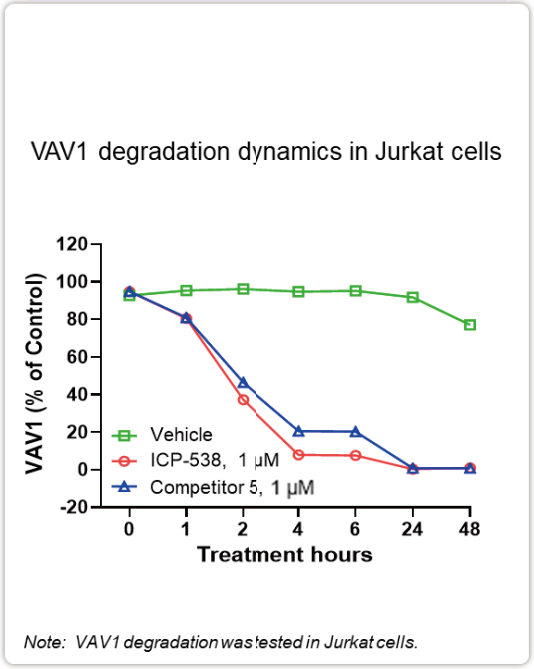
Compared with conventional pathway inhibitors, targeted degradation of VAV1 has the potential to achieve more profound and sustained pathway suppression, which may translate into improved efficacy in difficult-to-treat autoimmune conditions. ICP-538 is the second VAV1 molecular glue degrader worldwide to enter clinical development, highlighting its leading position in this emerging field.

Preclinical studies demonstrated dose-dependent, rapid, and deep degradation of VAV1 in Jurkat cells, confirming robust target engagement and degradation kinetics.

Dose-response VAV1 degradation



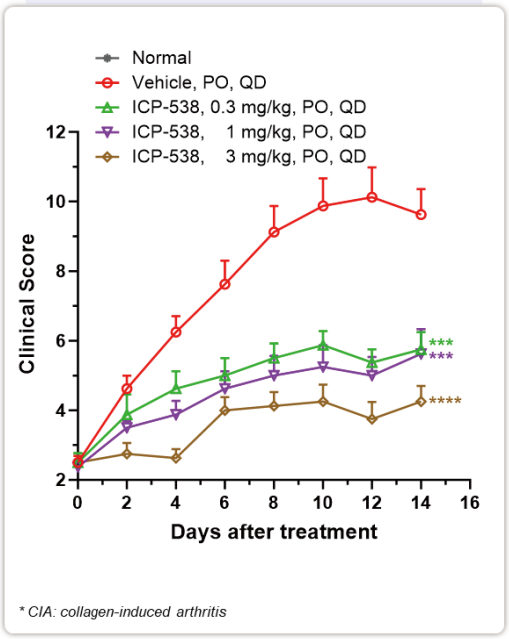
Rapid and deep VAV1 degradation



Note: VAV1 degradation was tested in Jurkat cells.

In addition, ICP-538 showed strong anti-inflammatory efficacy in vivo, significantly inhibiting disease progression in a rat collagen-induced arthritis (CIA) model, supporting its therapeutic potential in autoimmune diseases.

ICP-538 Inhibits Rat CIA Progression



** CIA: collagen-induced arthritis*

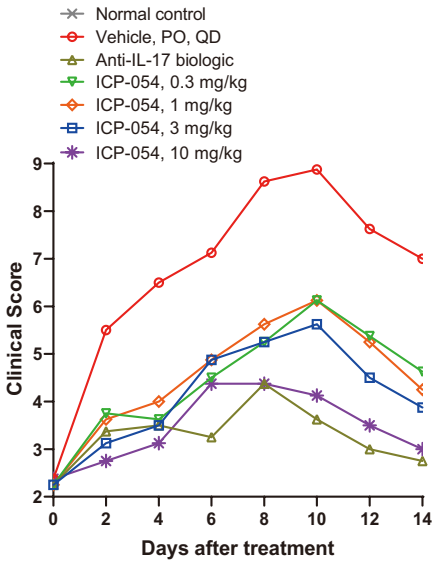
In March 2026, ICP-538 entered a Phase I clinical trial, with dosing in healthy volunteers initiated to evaluate its safety, pharmacokinetics, and preliminary efficacy in humans.

ICP-054 (ZB021)

ICP-054 is an oral small molecule IL-17AA/AF inhibitor designed to simultaneously block signaling mediated by both the IL-17AA homodimer and IL-17AF heterodimer. IL-17 is a well-established pro-inflammatory cytokine involved in the pathogenesis of multiple immune-mediated diseases, including dermatological and rheumatological disorders. Its central role in driving chronic inflammation has been clinically validated by several approved biologics, such as Cosentyx, Taltz, Siliq, and Bimzelx.

Despite strong efficacy, currently approved IL-17-targeting therapies are injectable biologics, creating an opportunity for oral small molecule alternatives with improved patient convenience and broader accessibility. By targeting both IL-17AA and IL-17AF, ICP-054 is designed to achieve broader pathway inhibition, which may translate into enhanced clinical efficacy.

Preclinical studies demonstrated that ZB021 has favorable pharmacokinetic and ADME properties. In vivo, ICP-054 achieved comparable efficacy to a reference anti-IL-17 biologic in a rat CIA model, indicating strong anti-inflammatory activity and supporting its potential as an oral alternative to existing biologic therapies.



The Company retains rights in Greater China and Southeast Asia, while ex-regional rights have been licensed to Zenas. ICP-054 has entered Phase I clinical development in 2026, with the potential for initial clinical data in 2027.

BUILDING A COMPETITIVE DRUG PORTFOLIO FOR SOLID TUMOR TREATMENT

As part of our strategic focus on solid tumor therapeutics, we are building a competitive and diversified drug portfolio to address significant unmet medical needs across multiple tumor types. In December 2025, the NMPA granted approval for our NTRK inhibitor zurletrectinib (ICP-723) for the treatment of adult and adolescent patients (12 to 18 years old) with NTRK gene fusion-positive tumors. In parallel, we are advancing our proprietary ADC platform, designed to enhance efficacy and safety through optimized linker and payload technologies. Our first in-house ADC candidate, a B7-H3-targeting ADC, received IND approval in July 2025, and the dose escalation is ongoing. In March 2026, the IND for ICP-B208, a CDH17 targeting ADC, was submitted in China. The Company plans to advance multiple ADC candidates based on this platform into clinical development, significantly enriching its solid tumor portfolio. Through these efforts, we aim to establish a robust and innovative oncology portfolio, positioning the company as a future leader in innovative therapies for solid tumors.

Zurletrectinib (ICP-723)

Zurletrectinib (ICP-723) is a second-generation small molecule pan-inhibitor of tropomyosin-related kinase designed to treat patients with NTRK gene fusion-positive cancers who were TRK inhibitor treatment-naive or who have developed resistance to the first generation TRK inhibitors, regardless of cancer types. First generation pan-TRK inhibitors have shown rapid and durable responses in patients with TRK gene fusions, however, patients can develop acquired resistance. Preclinical data showed that zurletrectinib (ICP-723) markedly inhibited the activity of the wild type TRKA/B/C as well as mutant TRKA with resistant mutation G595R or G667C. This finding provides strong evidence that zurletrectinib (ICP-723) could overcome acquired resistance to the first generation TRK inhibitors.

The TRK family consists of three proteins referred to as TRKA, TRKB and TRKC, respectively, which are encoded by neurotrophic receptor tyrosine kinase genes NTRKl, NTRK2 and NTRK3, respectively. TRKs play an important role in maintaining normal nervous system function. Unwanted joining of separated NTRK genes, or NTRK gene fusions, have been found to contribute to tumorigenesis in a variety of different cancers, with high prevalence in infantile fibrosarcoma, salivary gland carcinomas and thyroid carcinoma. NTRK fusions have also been detected at lower frequencies, in soft-tissue sarcomas, thyroid cancer, mammary analogue secretory carcinoma of salivary glands, lung cancer, colorectal cancer, melanoma, breast cancer, etc.

Zurletrectinib (ICP-723) received NMPA approval in December 2025 for adult and adolescent patients (12–18 years) with NTRK gene fusion-positive tumors. This approval was supported by a Phase II registrational trial of zurletrectinib (ICP-723) in adult and adolescent patients (12+ years of age) with advanced solid tumors harboring NTRK gene fusions. The primary efficacy endpoint was the ORR assessed by IRC. Among the 55 subjects included in the ISE analysis, the IRC-assessed ORR was 89.1% (95% CI: 77.8, 95.9). Zurletrectinib (ICP-723) was shown to overcome acquired resistance to first-generation TRK inhibitors, bringing hope to patients who failed prior TRKi therapy. Additionally, a separate registrational trial in pediatric patients aged 2 to <12 years is ongoing, with NDA submission planned in the first half of 2026.

In July 2024, the British Journal of Cancer, part of the leading science journal Nature, published a paper on zurletrectinib (ICP-723). The journal concluded that zurletrectinib (ICP-723) is a novel, highly potent next-generation TRK inhibitor with superior in vivo brain penetration and stronger intracranial activity compared to other next-generation agents. The paper highlighted zurletrectinib's strong potency against TRKA, TRKB, and TRKC wildtype kinases, as well as acquired resistance mutations TRKA G595R and TRKA G667C. Zurletrectinib (ICP-723) also demonstrated improved blood-brain barrier penetration, translating into enhanced antitumor activity compared to selitrectinib and repotrectinib. In an orthotopic mouse glioma xenograft model carrying the TRKA G598R/G670A resistance mutation, zurletrectinib (ICP-723) (15 mg/kg) significantly improved the survival of mice harboring orthotopic NTRK fusion-positive, TRK-mutant gliomas (median survival = 41.5, 66.5, and 104 days for selitrectinib, repotrectinib, and zurletrectinib (ICP-723) respectively; $P<0.05$), showing superior efficacy compared to repotrectinib (15 mg/kg) and selitrectinib (30 mg/kg) ($P=0.0384$ and 0.0022, respectively), with an excellent safety profile.

In-House Developed Antibody-Drug Conjugate (ADC) Platform

Antibody-Drug Conjugates (ADCs) are a class of targeted therapies that combine the specificity of antibodies with the potency of cytotoxic drugs, enabling the precise delivery of therapeutic agents directly to cancer cells. ADCs consist of three main components: an antibody that specifically binds to cancer cell surface antigens, a cytotoxic payload that delivers cell-killing activity, and a linker that connects the antibody to the payload.

The Company has developed a cutting-edge, in-house ADC platform with proprietary linker-payload technologies, designed to deliver potent and targeted therapies for cancer treatment. This platform allows for the creation of highly differentiated drug candidates with improved efficacy and safety profiles. Key features of the platform include:

- Irreversible bioconjugation: Ensures stable bioconjugation, optimizing the stability and consistency of the ADC molecules.
- Hydrophilic Linker: enhancing ADC stability and achieving a drug-to-antibody ratio of 8.
- Novel Payload: Incorporates highly potent cytotoxic payloads with strong bystander effects.

The advantages of this platform are expected to significantly enhance the efficacy and therapeutic window of drug candidates, thereby broadening treatment options for patients and improving their clinical outcomes. As the platform continues to evolve, the Company is well positioned to expand its portfolio with multiple differentiated ADC candidates, further advancing precision medicine in oncology.

ICP-B794: A Novel B7H3 Targeted ADC for Solid Tumors

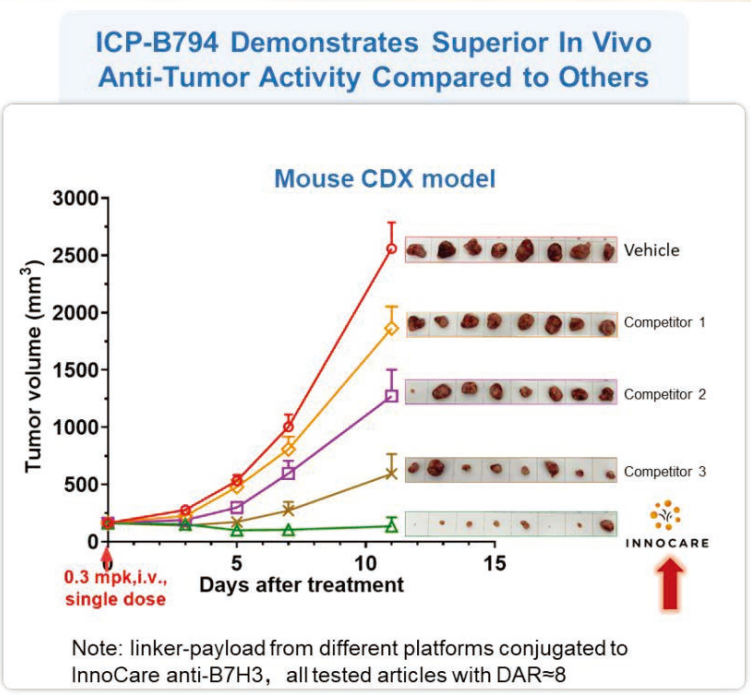
ICP-B794 is a next-generation B7H3-targeted ADC developed using InnoCare's proprietary linker-payload platform. It comprises a humanized anti-B7H3 monoclonal antibody conjugated to a novel, highly potent topoisomerase 1 inhibitor payload via a protease-cleavable, highly hydrophilic linker, achieving a DAR of 8. The platform features an irreversible connector designed to avoid retro-Michael reactions, PEG-modified hydrophilic linker chemistry, and a payload with low P-gp sensitivity, collectively conferring high stability in circulation and controlled payload release.

B7H3, a member of the B7 family of immune checkpoint molecules, is a single-pass transmembrane glycoprotein. Elevated expression of B7H3 has been found in various solid tumors, including prostate, ovarian, pancreatic, colorectal cancers, and melanoma. Due to its tumor-specific expression, B7H3 is considered a promising target for broad cancer therapy.

Robust and differentiated preclinical efficacy

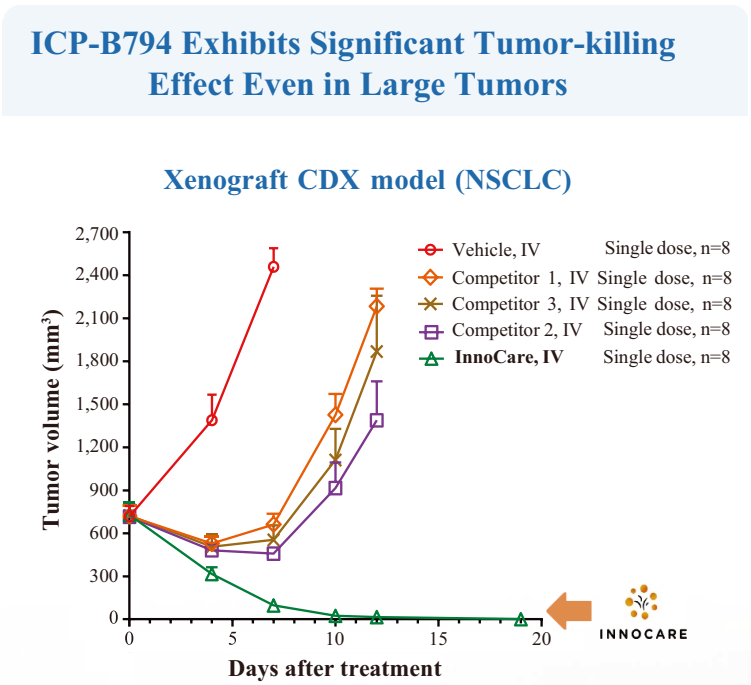
ICP-B794 has been demonstrated across multiple solid tumor models, including small cell lung cancer ("**SCLC**"), non-small cell lung cancer ("**NSCLC**"), and other B7H3-expressing tumors.

In an efficacy comparison study in the NCI-H1155 NSCLC CDX model, a single dose as low as 0.3 mg/kg of ICP-B794 resulted in ~100% TGI, significantly more efficacious than that of linker-payloads from competitor platforms conjugated to the same anti-B7H3 antibody. Throughout the treatment period, no abnormal clinical observations or significant changes in body weight were noted, indicating good tolerability of ICP-B794 in the NCI-H1155 model.



Robust anti-tumor activity in large tumor

Typically, preclinical ADC therapeutic studies in mice focus on treating small subcutaneous tumors ranging from 100 to 200 mm^3 in size. However, tumors or metastases found in patients with cancer are frequently much larger by the time they are detectable. Success in treating larger tumors is crucial, as large tumors are more clinically relevant.



A single 5 mg/kg dose of ICP-B794 resulted in 100% tumor regression in the NCI-H1155 xenograft mouse model with tumor volume as large as 700 mm^3.

Superior safety with significantly larger therapeutic window

By combining the specificity of an antibody with the cytotoxicity of a potent small molecule drug, ADCs can precisely deliver toxins to tumors while sparing normal tissues, thereby increasing the therapeutic window of a drug. In support of this concept, preclinical data demonstrate that conjugating a drug to an antibody can lower the minimum effective dose and increase the maximum tolerated dose ("**MTD**") of the drug.

In cynomolgus monkeys, ICP-B794 administered intravenously once every three weeks for three doses exhibited approximately dose-proportional pharmacokinetics and high in-circulation stability. The highest non-severely toxic dose ("**HNSTD**") was defined as 10 mg/kg, with no interstitial inflammation or lung toxicity observed. The resulting safety window — defined as HNSTD in monkeys versus MED in mice — was approximately 267-fold, substantially exceeding the reported safety window of DS-7300 (~40-fold), supporting a superior therapeutic index.

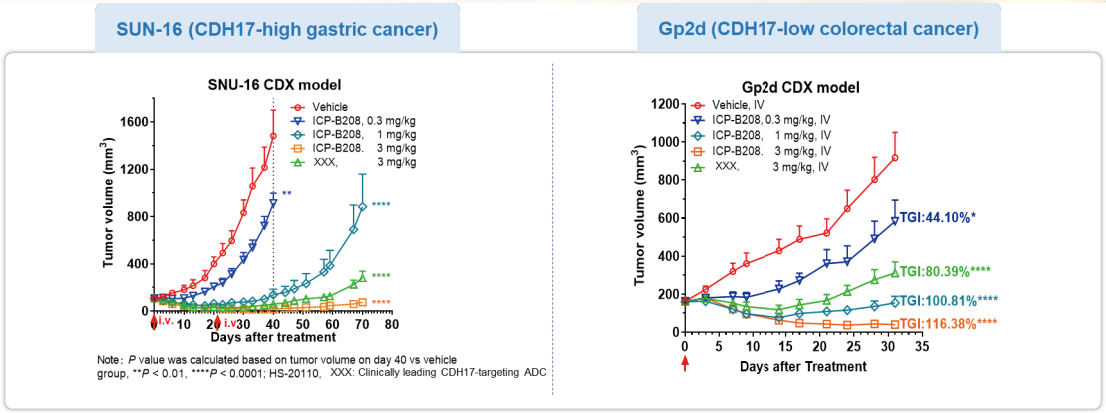
The IND for ICP-B794 was approved in July 2025, and the program is currently in the dose-escalation phase. Early clinical data demonstrate favorable pharmacokinetics and tolerability. Consistent with the platform's design, circulating free payload levels are approximately 5–10-fold lower than those observed with comparator ADC platforms, supporting the potential for an improved safety profile. Encouraging anti-tumor activity has been observed, with disease stabilization in the initial dose cohort, and notably, all three patients in the second dose cohort achieved partial responses.

Collectively, these data validate InnoCare's proprietary ADC platform as capable of delivering high potency, overcoming resistance mechanisms, and maintaining an expanded therapeutic window. ICP-B794 represents a differentiated and potentially best-in-class B7H3-targeted ADC, with broad applicability across solid tumors and the potential to become a cornerstone asset in the Company's solid tumor and ADC franchise.

ICP-B208: A Novel CDH17 Targeted ADC for Solid Tumors

Building on the encouraging efficacy and safety of ICP-B794, our next ADC candidate, ICP-B208, is designed to target CDH17, a calcium-dependent cell adhesion protein that plays a key role in tumor cell proliferation, migration, and metastasis. CDH17 is highly expressed on the surface of a range of gastrointestinal cancers, including gastric, colorectal, pancreatic ductal adenocarcinoma, and cholangiocarcinoma, while showing minimal expression in normal tissues. Its tumor-restricted expression and functional role in cancer biology make CDH17 an attractive and differentiated target for ADC therapy, enabling the delivery of potent cytotoxic payloads specifically to tumor cells while minimizing systemic toxicity.

In vivo efficacy has been validated across multiple tumor models, including SUN-16 (CDH17-high gastric cancer) and Gp2d (CDH17-low colorectal cancer) xenograft models, where ICP-B208 achieved significant tumor growth inhibition, supporting its differentiated profile.



In March 2026, the IND for ICP-B208 was submitted in China, and upon regulatory approval, the Company will accelerate the initiation and progression of clinical development.

ICP-189

ICP-189 is a potent oral allosteric inhibitor of SHP2 with reliable selectivity over other phosphatases. It is being developed for the treatment of solid tumors as a potential cornerstone therapy in combination with other antitumor agents. SHP2 is a key upstream regulator of the RAS-MAPK pathway and thus plays an essential role in the signaling by multiple oncogenic driver kinases, as well as a key signal transducer of PD-1 signaling, making SHP2 inhibitor an ideal partner for combination with multiple targeted and immune-oncology therapies.

In preclinical in vivo efficacy studies, ICP-189 demonstrated significant anti-tumor effects in various xenograft models as monotherapy. ICP-189 has also shown promising preliminary activity in combination with a range of targeted therapies and immunotherapies, including inhibitors of EGFR, KRAS, MEK and PD-1, in preclinical studies. The in vivo efficacy of ICP-189 is well accompanied by pharmacodynamic modulations, where ICP-189 exposure levels correlate with reduced p-ERK and DUSP6 mRNA levels in tumors.

We are conducting a Phase Ia dose escalation study to evaluate the safety, tolerability, pharmacokinetics, and preliminary anti-tumor activity of ICP-189 in patients with advanced solid tumors in China. As of the date of this report, we already completed the single agent dose escalation. There were no DLTs nor ≥grade3 TRAEs observed up to 160 mg. ICP-189 demonstrated dose-proportional pharmacokinetics and long half-life. ICP-189 achieved sufficient exposure to effectively target IC_{90} against DUSP6, a downstream biomarker of MAPK pathway. Preliminary efficacy was observed in ICP-189 monotherapy, 1 patient with cervical cancer in the 20mg dose cohort achieved PR which sustained for 17 cycles.

On 14 July 2023, InnoCare and ArriVent announced a clinical development collaboration to evaluate the combination of InnoCare's novel SHP2 allosteric inhibitor, ICP-189, with ArriVent's firmonertinib, a highly brain-penetrant, broadly active mutation-selective EGFR inhibitor in patients with advanced NSCLC. Preclinical studies demonstrated that the combination of ICP-189 and firmonertinib could overcome the resistance to third-generation EGFR inhibitors.

We have completed the Phase Ib dose finding study of ICP-189 combined with firmonertinib. No DLTs were observed during the dose finding phase. The preliminary dose for expansion was determined as ICP-189 160 mg plus firmonertinib 80 mg by the SMC. Among the 9 patients enrolled, 8 patients achieved stable disease, including 2 patients who are still on treatment in the ICP-189 160 mg plus firmonertinib 80 mg dose cohort. As of the date of this report, we enrolled 14 patients in the expansion cohort. Inhibition of peripheral DUSP6 was observed following combo treatment. The safety profile observed in the combo therapy was consistent with which reported in single agent studies.

MANUFACTURING

Guangzhou Manufacturing Facility

Our 83,000 m^2 small molecule in-house Guangzhou manufacturing facility ("**Guangzhou Base**") complies with Good Manufacturing Practice ("**GMP**") requirements of the U.S., Europe, Japan, and China, and has an annual production capacity of one billion pills. We have successfully obtained a manufacturing license for the facility. Upon receiving approval from the China NMPA to begin the production of commercial supply of our self-developed BTK inhibitor orelabrutinib at the Guangzhou Base, we began manufacturing orelabrutinib at the Guangzhou small molecule production facility, which has been commercially available since August 2022.

Improving the solubility of poorly soluble drugs has become a focus and challenge in the research and development of innovative drug formulation. Our Guangzhou Base has built a technical platform to address such challenges, including three major platform technologies: solubilization preparation technology for poorly soluble drugs, controlled release technology for oral solid dosage forms, and targeted drug delivery technology. We installed international advanced production lines featured with spray-dried and hot-melt extrusion solid dispersion technology, thus improving the bioavailability of drugs and better supporting the development and production of new drugs. In 2022, our Guangzhou Base was honored by the Guangdong Government as a Guangdong Engineering Technology Research Center of Insoluble Drug Innovation Preparation (廣東省難溶性藥物創新製劑工程技術研究中心) and recognized as a Guangdong Specialized and Sophisticated SMEs (廣東省專精特新中小型企業).

Additionally, we have successfully completed the second and third phase of construction. In the second phase, several process performance qualification (PPQ) projects were completed. The third phase of construction will support the rapid growth of orelabrutinib and upcoming new product launches. Together, these projects added 21,541 m^2 of facility area to support our growing drug pipeline and continued business expansion.

Beijing Manufacturing Facility

We have established a large molecules CMC (Chemistry, Manufacturing and Controls) pilot facility in Changping, Beijing, which is poised to enter the operational phase for early clinical supplies. Meanwhile, a 70,381 m^2 plot of land in Beijing, adjacent to our Company's headquarters inside the Life Science Park, was selected for the construction of a landmark R&D center and large molecule production facility.

OTHER CORPORATE DEVELOPMENTS

On 28 April 2025, the Company announced the release of 2024 Environmental, Social, and Corporate Governance report ("**2024 ESG Report**"). This marks the sixth year the Company has issued its ESG report, and the second year it has set up specific environmental management targets. In the 2023 Environmental, Social, and Corporate Governance report, the Company committed to a 10% reduction in its greenhouse gas emissions intensity, energy use intensity, and industrial wastewater discharge intensity, respectively, by 2028, based on 2023 levels, with compliance rates for exhaust gas emission treatment and waste treatment reaching 100%, in order to achieve green production and minimize the environmental impact resulting from the production process. For the year ended 31 December 2025, all targets have been successfully achieved.

EVENTS AFTER THE END OF THE REPORTING PERIOD

Subsequent to 31 December 2025, and up to the date of this report, no important events affecting the Company have occurred.

FINANCIAL REVIEW

Revenue

	Year Ended 31 December			
	2025		2024	
	RMB'000	%	RMB'000	%
Revenue from continuing operations				
Net sales of drugs	**1,442,369**	**60.7**	1,005,621	99.6
Business collaboration	**904,036**	**38.1**	—	—
Research and development and other services	**28,501**	**1.2**	3,827	0.4
Total Revenue	**2,374,906**	**100.0**	1,009,448	100.0

Total revenue increased from RMB1,009.4 million for the year ended 31 December 2024 to RMB2,374.9 million for the year ended 31 December 2025. Net sales of drugs increased by 43.4% from RMB1,005.6 million for the year ended 31 December 2024 to RMB1,442.4 million for the year ended 31 December 2025, which is attributed to the robust sales growth of orelabrutinib and new launched tafasitamab from the fourth quarter of 2025. Business collaboration revenue was mainly from the licensing revenue for the exclusive license agreement with Zenas Biopharma and Prolium. The change in revenue from research and development and other services is primarily due to corresponding service revenue recognition with Zenas according to the exclusive license agreement.

Gross Profit and Gross Profit Margin

	Year Ended 31 December			
	2025		2024	
	RMB'000	%	RMB'000	%
Sales of drugs	**1,266,559**	**58.0**	868,727	99.7
Business collaboration	**904,036**	**41.4**	—	—
Research and development and other services	**13,198**	**0.6**	2,280	0.3
Gross Profit	**2,183,793**	**100.0**	871,007	100.0

Gross profit increased by 150.7% to RMB2,183.8 million for the year ended 31 December 2025 from RMB871.0 million for the year ended 31 December 2024. Gross profit margin was 92.0% for the year ended 31 December 2025, representing an increase of 5.7 percentage points as compared with 86.3% for the year ended 31 December 2024. The increase of gross profit margin ratio was primarily due to the contribution from business collaboration revenue.

Segmental Information

The Group is engaged in biopharmaceutical research and development, manufacturing, commercialization and services, which are regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's senior management for purposes of resource allocation and performance assessment. Therefore, no analysis by operating segment is presented.

Other Income and gains

Our other income and gains increased from RMB210.8 million for the year ended 31 December 2024 to RMB262.2 million for the year ended 31 December 2025, primarily attributable to RMB26.2 million increase in the government grants from RMB21.1 million for the year ended 31 December 2024 to RMB47.3 million for the year ended 31 December 2025 and RMB31.9 million of foreign exchange gains for the year ended 31 December 2025.

Selling and Distribution Expenses

Selling and distribution expenses increased from RMB420.0 million for the year ended 31 December 2024 to RMB580.0 million for the year ended 31 December 2025, mostly as a result of increased market promotion and education activities, increased employee related costs due to commercialization expansion, market penetration and selling expenses for Tafasitamab launch readiness.

	Year Ended 31 December			
	2025		2024	
	RMB'000	**%**	RMB'000	%
Market research, market promotion and education	**297,491**	**51.3**	224,969	53.6
Employee expense	**229,402**	**39.6**	186,935	44.5
Share-based compensation	**6,585**	**1.1**	(29,745)	(7.1)
Others	**46,478**	**8.0**	37,802	9.0
Selling and Distribution Expenses	**579,956**	**100.0**	419,961	100.0

Research and Development Expenses

Our research and development costs increased by 16.9% from RMB814.0 million for the year ended 31 December 2024 to RMB951.6 million for the year ended 31 December 2025, primarily due to increased investments in advanced technology platform innovation, clinical studies as well as the license-in related expenses and increased employee related costs.

	Year Ended 31 December			
	2025		2024	
	RMB'000	**%**	RMB'000	%
Direct clinical trial, third-party contracting expense and license-in expenses	**396,475**	**41.7**	333,266	40.9
Employee expense	**295,703**	**31.1**	282,891	34.8
Share-based compensation	**33,927**	**3.6**	(3,097)	(0.4)
Depreciation and amortization	**79,881**	**8.4**	76,756	9.4
Others	**145,633**	**15.2**	124,211	15.3
Research and development Expenses	**951,619**	**100.0**	814,027	100.0

(i) RMB63.2 million increase of direct clinical trial, third party contracting and license-in expenses from RMB333.3 million to RMB396.5 million;

(ii) RMB12.8 million increase of R&D employees expense from RMB282.9 million to RMB295.7 million;

(iii) RMB37.0 million increase of share-based compensation from RMB-3.1 million to RMB33.9 million;

(iv) RMB3.1 million increase of depreciation and amortisation from RMB76.8 million to RMB79.9 million; and

(v) RMB21.4 million increase of other R&D expenses such as trial materials, consumables and energy, etc., from RMB124.2 million to RMB145.6 million.

Administrative Expenses

Administrative expenses increased by 10.7% from RMB183.9 million for the year ended 31 December 2024 to RMB203.5 million for the year ended 31 December 2025, primarily attributable to increase of taxes and surcharges, as well as increase of employee related costs.

	Year Ended 31 December			
	2025		2024	
	RMB'000	%	RMB'000	%
Employee expense	89,543	44.0	81,871	44.5
Share-based compensation	29,093	14.3	22,050	12.0
Professional fees	20,119	9.9	25,886	14.1
Depreciation and amortisation	17,755	8.7	16,831	9.2
Taxes and surcharges	23,424	11.5	15,236	8.3
Others	23,576	11.6	21,986	11.9
Administrative Expenses	203,510	100.0	183,860	100.0

Other Expenses

Other expenses decreased from RMB46.4 million for the year ended 31 December 2024 to RMB0.4 million for the year ended 31 December 2025. Due to the depreciation of the US dollar against the RMB for the year ended 31 December 2025, the unrealized exchange loss for the year ended 31 December 2024 turned into gain for the year ended 31 December 2025, which was booked in other income and gains.

Fair value change of a convertible loan

Fair value change of a convertible loan with Guangzhou Kaide changed from a loss of RMB29.6 million for the year ended 31 December 2024 to nil for the year ended 31 December 2025. We fully repaid this convertible loan in August 2024.

Share of loss of a joint venture

Share of loss of a joint venture was RMB0.2 million for the year ended 31 December 2025 compared to a loss of RMB5.3 million for the year ended 31 December 2024.

Finance Costs

Finance costs increased from RMB33.8 million for the year ended 31 December 2024 to RMB54.1 million for the year ended 31 December 2025, mainly due to the increased bank loan interest cost of RMB19.8 million for the year ended 31 December 2025.

Analysis of Key Items of Financial Position

Net Current Assets

The following table sets forth our current assets and current liabilities as of the dates indicated:

	As of 31 December	
	2025	2024
	RMB'000	RMB'000
CURRENT ASSETS		
Trade receivables	**502,876**	351,002
Prepayments, other receivables and other assets	**80,731**	88,084
Inventories	**162,869**	95,577
Other financial assets	**264,213**	1,062,899
Cash and bank balances	**7,051,433**	6,222,626
Total current assets	**8,062,122**	7,820,188
CURRENT LIABILITIES		
Interest-bearing bank borrowings	**241,161**	193,797
Trade payables	**183,699**	128,363
Contract liabilities	**105,432**	—
Income tax payable	**11,879**	—
Other payables and accruals	**814,350**	695,512
Deferred income	**14,025**	11,724
Lease liabilities	**27,234**	31,608
Total current liabilities	**1,397,780**	1,061,004
NET CURRENT ASSETS	**6,664,342**	6,759,184

We had net current assets of RMB6,664.3 million as of 31 December 2025, which was primarily attributable to our cash and bank balances of RMB7,051.4 million, trade receivables of RMB502.9 million, other financial assets of RMB264.2 million, which were partially offset by trade payables of RMB183.7 million, other payables and accruals of RMB814.4 million and interest-bearing bank borrowings of RMB241.2 million.

Trade receivables

Trade receivables mainly consist of the receivables from drug sales and other receivables from providing R&D services. An ageing analysis of the trade receivables as at the end of the Reporting Period, based on the invoice date and net of loss allowance, is as follows:

	As of 31 December	
	2025	2024
	RMB'000	RMB'000
Within 3 months	**477,072**	345,906
3 months to 6 months	**25,804**	5,096
Trade receivables	**502,876**	351,002

Our trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally one to three months, and may be extended for certain customers. The Group seeks to maintain strict control over its outstanding receivables to minimize credit risk. Overdue balances are reviewed regularly by senior management. The Group's major customers are state-owned, large-scale drug distributors located in the PRC, with whom the Group has been cooperating since 2021. The Group considers that such practice is in line with the prevailing norms of the bio-pharmaceutical industry in the PRC where primary drug distributors are state-owned enterprises. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

Prepayments, other receivables and other assets

Prepayments, other receivables and other assets decreased from RMB88.1 million as of 31 December 2024 to RMB80.7 million as of 31 December 2025, primarily due to decreased tax recoverable because of reduction in deductible tax caused by increased sales volume.

	As of 31 December	
	2025	2024
	RMB'000	RMB'000
Prepayments	**55,364**	57,291
Interest receivable	**20,855**	18,199
Tax recoverable	**3,489**	10,631
Other receivables	**1,023**	1,963
	80,731	88,084

Inventories

Due to sustained growth in sales volume, the inventories, which mainly include raw materials, work in progress and finished goods, increased from RMB95.6 million as of 31 December 2024 to RMB162.9 million as of 31 December 2025.

Other financial assets

	As of 31 December	
	2025	2024
	RMB'000	RMB'000
Financial assets measured at amortised cost	**741,876**	762,907
Financial assets at fair value through profit of loss	**—**	759,179
Other financial assets	**741,876**	1,522,086
Classified as:		
Current assets	**264,213**	1,062,899
Non-current assets	**477,663**	459,187
Other financial assets	**741,876**	1,522,086

Total other financial assets, classified in financial assets measured at amortised cost and financial assets at fair value through profit or loss were wealth management products denominated in RMB and USD, with RMB264.2 million in current assets and RMB477.7 million in non-current assets as of 31 December 2025, compared to RMB1,062.9 million in current assets and RMB459.2 million in non-current assets as of 31 December 2024.

Trade Payables

An ageing analysis of the trade payables as at the end of the Reporting Period, based on the invoice date, is as follows:

	As of 31 December	
	2025	2024
	RMB'000	RMB'000
Within 1 year	**174,246**	111,795
1 year to 2 years	**6,848**	13,457
2 years to 3 years	**2,420**	2,990
Over 3 years	**185**	121
	183,699	128,363

Contract liabilities

Contract liabilities were payment received but not recognized in revenue as of 31 December 2025 from Zenas according to the exclusive license agreement.

Other Payables and Accruals

Other payables and accruals increased from RMB695.5 million as of 31 December 2024 to RMB814.4 million as of 31 December 2025, primarily due to (i) an increase in payroll payable from RMB62.6 million as of 31 December 2024 to RMB78.5 million as of 31 December 2025; (ii) an increase in individual income tax and other taxes from RMB31.1 million as of 31 December 2024 to RMB67.1 million as of 31 December 2025; (iii) an increase in sales rebate from RMB19.5 million as of 31 December 2024 to RMB49.2 million as of 31 December 2025; (iv) RMB48.0 million of newly increased long term payables due within one year and offset by (v) a decrease in payable for property, plant and equipment from RMB47.8 million as of 31 December 2024 to RMB36.8 million as of 31 December 2025.

	As of 31 December	
	2025	2024
	RMB'000	RMB'000
Payable for property, plant and equipment	**36,760**	47,848
Payroll payables	**78,489**	62,649
Individual income tax and other taxes	**67,070**	31,113
Sales rebate	**49,206**	19,504
Accruals	**42,676**	39,837
Other current liability	**476,336**	476,336
Long term payables — current	**48,029**	—
Others	**15,784**	18,225
Other Payables and Accruals	**814,350**	695,512

Indebtedness

The following table sets forth the breakdown of our indebtedness as of the dates indicated:

	As of 31 December	
	2025	2024
	RMB'000	RMB'000
Included in current liabilities		
Interest-bearing bank borrowings	**241,161**	193,797
Lease liabilities	**27,234**	31,608
Other current liability	**476,336**	476,336
Long term payables — current	**48,029**	—
Included in non-current liabilities		
Interest-bearing bank borrowings	**1,001,700**	1,018,700
Lease liabilities	**19,026**	27,440
Long term payables	**274,016**	303,134
Total indebtedness	**2,087,502**	2,051,015

Our total indebtedness increased from RMB2,051.0 million as of 31 December 2024 to RMB2,087.5 million as of 31 December 2025, mainly due to increased short-term bank borrowings.

Deferred income

Total deferred income, classified in current liabilities and non-current liabilities, increased from RMB263.0 million as of 31 December 2024 to RMB289.4 million as of 31 December 2025, mainly due to newly granted government subsidy obtained.

Property, Plant and Equipment

Property, plant and equipment decreased from RMB784.3 million as of 31 December 2024 to RMB731.7 million as of 31 December 2025, which is mainly caused by the depreciation of buildings, plant and equipment.

Right-of-use Assets

Right of use assets decreased from RMB281.8 million as of 31 December 2024 to RMB266.4 million as of 31 December 2025, which is mainly caused by the amortization.

Other Intangible Assets

Other intangible assets decreased from RMB35.9 million as of 31 December 2024 to RMB30.6 million as of 31 December 2025 was mainly due to the amortization of the intangible assets.

Investment in a joint venture

Investment in a joint venture increased from RMB0.4 million as of 31 December 2024 to RMB2.7 million as of 31 December 2025 because of new capital injection.

Unlisted equity investment measured at FVTPL (Fair Value through Profit or Loss)

According to the exclusive license agreement with Prolium, we had received a minority stake in Prolium as part of the consideration for the transaction, which were represented in unlisted equity investment measured at FVTPL, amounting to RMB24.8 million as of 31 December 2025.

Equity investment designated at fair value through other comprehensive income

According to the exclusive license agreement with Zenas, we had received 5,000,000 shares of Zenas common stock by the end of 2025, which were represented in equity investment designated at fair value through other comprehensive income. As of 31 December 2025, the balance was RMB1,174.0 million with a fair value gain of RMB507.2 million, RMB400.7 million of which was recorded at fair value through the Company's other comprehensive income and RMB106.5 million was recorded in deferred tax liabilities.

Other Non-Current Assets

Other non-current assets, which were mainly the prepayments for long term assets, including property, plant and equipment and other intangible assets etc., increased from RMB22.6 million as of 31 December 2024 to RMB50.4 million as of 31 December 2025.

Deferred tax liabilities

Deferred tax liabilities arised from the fair value change of equity investment designated at fair value through other comprehensive income.

Key Financial Ratios

The following table sets forth our selected key financial ratio:

	As of 31 December 2025	2024
Current ratio	**5.8**	7.4

Current ratio equals current assets divided by current liabilities as of the end of the year. The decrease in current ratio was primarily due to increased contract liabilities, other payables and accruals and trade payables.

LIQUIDITY AND FINANCIAL RESOURCES

We expect our liquidity requirements to be satisfied by a combination of cash generated from operating activities, bank facilities and other borrowing, other funds raised from the capital markets from time to time and the net proceeds from the IPO and the RMB Share Issue. We will continue to evaluate potential financing opportunities based on our need for capital resources and market conditions.

On 23 March 2020, 250,324,000 Shares of US$0.000002 each were issued at a price of HK$8.95 per Share in connection with the Company's Listing on the Hong Kong Stock Exchange. The proceeds of HK$3,883 representing the par value of shares, were credited to the Company's share capital. The remaining proceeds of HK$2,240.4 million (before deduction of the expenses relating to the Company's IPO) were credited to the share premium account. The translation from U.S. dollar to Hong Kong dollar is made at the exchange rate set forth in the H.10 weekly statistical release of the Federal Reserve System of the U.S. as of 23 March 2020.

On 15 April 2020, the international underwriters of the Global Offering exercised the overallotment option in full, pursuant to which the Company is required to allot and issue the option shares, being 37,548,000 Shares, representing approximately 15% of the maximum number of shares initially available under the Global Offering, at the offer price under the Global Offering. The net proceeds from the exercise of the over-allotment option were approximately HK$322.59 million (after deducting the commissions and other offering expenses payable by the Company in relation to the exercise of the over-allotment option).

On 10 February 2021, pursuant to two subscription agreements entered between the Company and certain investors, a total of 210,508,000 Shares of the Company were subscribed at a subscription price of HK$14.45 per subscription share. For further details, please refer to the announcements of the Company dated 3 February 2021 and 10 February 2021, respectively.

On 21 September 2022, 264,648,217 RMB Shares of US$0.000002 each were issued at a price of RMB11.03 per RMB Share and listed on the STAR Market. Net proceeds after deducting underwriting discounts and commission and offering expenses were RMB2,778.82 million. As required by the PRC securities laws, the net proceeds from the RMB Share Issue must be used in strict compliance with the planned uses as disclosed in the PRC prospectus as well as the Company's proceeds management policy for the RMB Share Issue approved by the board of directors.

As of 31 December 2025, our cash and related accounts balances were RMB7,814.2 million, as compared to RMB7,762.9 million as of 31 December 2024. The increase was mainly due to cash generated from the operating activities. Our primary uses of cash are to fund research and development efforts of new drug candidates, sales promotion, working capital, other general corporate purposes. Our cash and cash equivalents are held in RMB, USD, AUD and HKD.

Save as disclosed in this report, during the Reporting Period and until the date of this report, the Company has not made any issue of equity securities for cash.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

Subscription of Wealth Management Products

During the Reporting Period, the Company has purchased certain wealth management products, none of which, individually or on an aggregate basis, has surpassed 5% with respect to the applicable percentage ratios as calculated under Rule 14.07 of the Listing Rules.

Our wealth management products' performance were reflected as such in our profit and loss accounts.

During the Reporting Period, the subscriptions were classified in financial assets measured at amortised cost and financial assets at fair value through profit or loss.

The financial assets at fair value through profit or loss generated (i) an investment income of RMB44.1 million; and (ii) a fair value gain of RMB3.1 million measured at fair value through the Company's profit/loss account. As of 31 December 2025, the aggregated outstanding principal amount of financial assets at fair value through profit or loss was Nil.

The financial assets measured at amortised cost generated investment income of RMB31.1 million. As of 31 December 2025, the aggregated outstanding principal amount of financial assets measured at amortised cost was RMB706.8 million.

Obtained Common Stock as Equity Investment

During the Reporting Period, the Company had entered into an exclusive license agreement with Zenas. According to the License Agreement, Zenas will issue shares of Zenas common stock to InnoCare. As of 31 December 2025, the Company received 5,000,000 shares of Zenas common stock, which was classified in equity investments designated at fair value through other comprehensive income, amounting to RMB1,174.0 million. It generated a fair value gain of RMB507.2 million, RMB400.7 million of which was recorded at fair value through the Company's other comprehensive income and RMB106.5 million was recorded in deferred tax liabilities.

As of 31 December 2025, we did not hold any other significant investments of the Company.

Other Significant Investments, Material Acquisitions and Disposals

For the Reporting Period, we did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures of the Company. We did not have any future plans for material investments and capital assets as of 31 December 2025.

GEARING RATIO

The gearing ratio (calculated as total debt (includes other current liability, loans and borrowings and long term payable) divided by total assets and multiplied by 100%) as of 31 December 2025 was 18.9% (31 December 2024: 21.2%).

The Board and the Audit Committee constantly monitor current and expected liquidity requirements to ensure that the Company maintains sufficient reserves of cash to meet its liquidity requirements in the short and long term.

BANK LOANS AND OTHER BORROWINGS

As of 31 December 2025, we had RMB1,242.9 million of interest-bearing bank borrowings, RMB241.2 million of which are due within a year, RMB322.0 million of long term payable with Beijing Changxin Construction Investment Co., Ltd, RMB48.0 million of which are due within a year, RMB476.3 million of other current liability with Guangzhou Kaide. To obtain the interest-bearing bank borrowings and long term payable mentioned-above, RMB663.5 million of assets were mortgaged. As of 31 December 2025, the unutilized bank facility is RMB644.7 million.

Save as disclosed above, as of 31 December 2025, we did not have any other material mortgages, charges, debentures, loan capital, debt securities, loans, unutilized banking facilities, bank overdrafts or other similar indebtedness, hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees.

CONTINGENT LIABILITIES

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

FOREIGN EXCHANGE RISK

Our financial statements are presented in RMB, but certain of our cash and cash equivalents, other financial assets, trade and other receivables, trade and other payables, unlisted equity investments measured at fair value through profit or loss, equity investments designated at fair value through other comprehensive income are denominated in foreign currencies, and are exposed to foreign currency risk. We currently do not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

LIQUIDITY RISK

In the management of the liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by its management to finance the operations and mitigate the effects of fluctuations in cash flows.

CHARGE ON GROUP ASSETS

Except for the mortgage on assets under the paragraph of "Bank Loans and Other Borrowings", there was no pledge of the Group's assets as of 31 December 2025.

FINAL DIVIDEND

The Board has resolved not to recommend the payment of final dividend for the year ended 31 December 2025 (2024: Nil).

As of 31 December 2025, there was no arrangement under which a shareholder had waived or agreed to waive any dividends.

EMPLOYEES AND REMUNERATION

As of 31 December 2025, the Group had a total of 1,259 employees (2024: 1,146). The following table sets forth the total number of employees by function:

	Number of employees	% of total
Function		
Research and development	530	42.1%
Manufacturing	220	17.47%
Selling and marketing	412	32.72%
General and administrative	97	7.7%
Total Employees	1,259	100%

Our employees' remuneration comprises salaries, bonuses, employee provident fund and social security scheme and other welfare payments. In accordance with applicable Chinese laws, we have provided social security insurance (including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing funds for our employees.

DIRECTORS

Executive Directors

Dr. Jisong Cui, Ph.D. (崔霽松), aged 62, has been a Director since 3 November 2015 and our Chief Executive Officer since 18 August 2016. Dr. Cui was re-designated as an Executive Director and was appointed as the Chairperson of the Board on 27 September 2019. Dr. Cui has been one of the key management members of the Company and has been actively involved in its business, strategy and operational management since its establishment. Dr. Cui is also the chairperson of the Nomination Committee and a member of the Compensation Committee.

Dr. Cui has over 20 years of experience in research and development and company management in the pharmaceutical industry. She began her career at Merck & Co., where she worked from October 1996 to October 2010, and eventually became the head of its Early Development Teams in the U.S.. From August 2011 to August 2015, Dr. Cui served as the CEO and CSO of BioDuro LLC, a PPD® Company. She was also elected the 17th president and first female president of the Sino-American Pharmaceutical Association. Dr. Cui has also published more than 50 articles in peer-reviewed journals including Nature, Blood, Proceedings of the National Academy of Sciences and Journal of Biological Chemistry. Moreover, Dr. Cui is the major patentee of three patents, namely Transgenic mice expressing APC resistance Factor V, cloning and expression of dog gonadotropin releasing hormone receptor and DNA encoding monkey gonadotropin releasing hormone receptor.

Dr. Cui received her Bachelor's degree in microbiology from Shandong University in July 1983. She obtained her Doctor of Philosophy degree in biological sciences from Purdue University in December 1992. She completed her post-doctoral training in cardiovascular research at The Howard Hughes Medical Institute in September 1996.

Dr. Renbin Zhao, Ph.D. (趙仁濱), aged 57, has been a Director since 3 November 2015. Dr. Zhao was re-designated as an Executive Director focusing on biology and clinical development strategy on 27 September 2019. Dr. Zhao has been one of the key management members of the Company and has been actively involved in its business, strategy and operational management since its establishment. Dr. Zhao is the spouse of Dr. Yigong Shi.

From August 2002 to December 2008, Dr. Zhao served in a number of positions, including as a senior scientist, staff scientist and principal scientist at Johnson and Johnson (Discovery). Dr. Zhao joined Shenzhou Tianchen Technology Inc. in March 2010 and served as an investigator from June 2011 to March 2013. From July 2013 to August 2015, Dr. Zhao served as a director of discovery biology at BioDuro. From August 2015 to April 2018, Dr. Zhao served as a senior director of biology in the Company.

Dr. Zhao received her Bachelor's degree in biological sciences and biotechnology from Tsinghua University in July 1991 and obtained her Doctor's degree in the Biochemistry and Molecular Biology program from School of Medicine of Johns Hopkins University in May 1999.

Non-executive Directors

Dr. Yigong Shi, Ph.D. (施一公), aged 58, has been a Director since 28 November 2018. Dr. Shi was re-designated as a Non-executive Director and was appointed as the president of our Scientific Advisory Board on 3 November 2015. Dr. Shi is the spouse of Dr. Renbin Zhao.

Dr. Shi is a globally renowned structural biologist whose research has advanced scientific understanding in the molecular mechanisms behind cell apoptosis. From February 1998 to December 2008, Dr. Shi served in a number of positions, including as an assistant, associate and full professor at Princeton University. Since November 2007, he served in a number of positions at Tsinghua University, including as the dean of the School of Life Sciences, vice president of Tsinghua University and university professor. His drive to enhance global education led him to becoming a founder of Westlake University, at which university he has been serving as the first president since April 2018.

Dr. Shi has received numerous memberships and qualifications as well as awards for his achievements. He has memberships or qualifications from Academician of the Chinese Academy of Sciences, Honorary Foreign Member of the American Academy of Arts and Sciences, Foreign Associate of National Academy of Sciences of the U.S. and Foreign Associate of European Molecular Biology Organisation.

Dr. Shi also received awards and honours including:

- The National Science Fund for Distinguished Young Scholars in 2008, The Irving Sigal Young Investigator Award in 2003;
- The Raymond & Beverly Sackler International Prize in Biophysics, Tel Aviv University, Israel in 2010;
- The Qiu Shi Outstanding Scientist Award, Qiushi Foundation, Hong Kong in 2010;
- The CC Tan Life Science Achievement Award, Shanghai, China in 2010;
- The Gregori Aminoff Prize, Royal Swedish Academy of Sciences in 2014;
- The Ho Leung Ho Lee Award for Achievement in Science and Technology, in 2016;
- The National Innovation Award in 2017; and
- Future Science Prize in Life Sciences in 2017.

The major publications of Dr. Shi in recent years include:

- "Structures of the Human Spliceosomes Before and After Release of the Ligated Exon";
- "Structures of the Catalytically Activated Yeast Spliceosome Reveal the Mechanism of Branching";
- "Recognition of the Amyloid Precursor Protein by Human-Secretase";
- "Structural Basis of Notch Recognition by Human-Secretase";
- "Structure of a Human Catalytic Step I Spliceosome";

- "Structures of the Fully Assembled Saccharomyces Cerevisiae Spliceosome Before Activation";
- "Structure of the Human PKD1/PKD2 Complex"; and
- "Structures of the Human Pre-Catalytic Spliceosome and its Precursor Spliceosome."

Dr. Shi received his Bachelor's degree in biological sciences and biotechnology from Tsinghua University in July 1989 and obtained his Doctor's degree in biophysics and biophysical chemistry at School of Medicine of Johns Hopkins University in May 1995.

Mr. Ronggang Xie (謝榕剛), aged 40, has been serving as a Non-executive Director since 31 March 2021 and a member of the Audit Committee. Mr. Xie has around 10 years of investment experience. He obtained a bachelor's degree and a Master's degree in biomedical engineering from Southeast University, the PRC in 2008 and 2011, respectively. Mr. Xie worked at Oriza Cowin from January 2011 to July 2015. He served as a senior investment manager at Loyal Valley Capital from 2015 and was promoted to managing director and partner in 2016 and 2020, respectively. Mr. Xie has been serving as a director of Shanghai Allist Pharmaceutical Technology Co., Ltd. (a company whose shares are listed on the Shanghai Stock Exchange, stock code: 688578) since 28 November 2019. He also has been serving as a non-executive director of Akeso, Inc. (a company whose shares are listed on the Stock Exchange, stock code: 09926) since 19 August 2020, and has been serving as a non-executive director of CARsgen Therapeutics Holdings Limited (a company whose shares are listed on the Stock Exchange, stock code: 02171) since 18 September 2020.

Independent Non-executive Directors

Ms. Lan Hu (胡蘭), aged 54, was appointed as an Independent Non-executive Director of the Company on 11 March 2020. Ms. Hu is also the chairperson of each of the Audit Committee and Compensation Committee.

Ms. Hu has more than 20 years of experience in accounting. From March 2019 to March 2025, Ms. Hu has served as an independent non-executive director in BioDlink International Company Limited (formerly known as TOT BIOPHARM International Company Limited), a company whose shares are listed on the Hong Kong Stock Exchange (stock code: 1875). Prior to that, Ms. Hu was the partner of the consulting services department of PricewaterhouseCoopers between July 2008 and June 2018, and she worked at PricewaterhouseCoopers from July 2002. Ms. Hu worked at Arthur Andersen from July 1994 to June 2002.

Ms. Hu received her Bachelor's degree in industrial accounting from Beijing Machinery and Industrial Institute in July 1994 and obtained her Master of business administration degree from the University of Buffalo, the State University of New York in February 2005. Ms. Hu gained her CICPA qualification in March 1997.

Dr. Dandan Dong, Ph.D. (董丹丹), aged 42, has been serving as an Independent Non-Executive Director of the Company since 11 October 2023. She currently serves as a Venture Partner of TCG Crossover. Dr. Dong is also a member of each of the Audit Committee, the Nomination Committee, and the Compensation Committee. Dr. Dong worked at Vivo Capital LLC from August 2011 to July 2021, and has held various positions there, including the managing director of Vivo Capital LLC and a managing member of the general partner of Vivo PANDA Fund and Vivo Innovation Fund II. From November 2018 to December 2023, Dr. Dong served as a director of VISEN Pharmaceuticals (a company whose shares are listed on the Hong Kong Stock Exchange with stock code: 2561). From August 2021 to May 2024, Dr. Dong has been serving as the chief business officer of ArriVent Biopharma, Inc.

Dr. Dong obtained her Bachelor's degree in life science from Sichuan University in July 2006. She completed the Pre-doctoral Fellowship program in infectious disease at New York University in July 2008, and obtained her Ph.D. degree in molecular microbiology from Fudan University in July 2011.

Prof. Kunliang Guan (管坤良), aged 62, has been serving as an Independent Non-executive Director of the Company since 21 January 2025. Prof. Guan is also a member of the nomination committee of the Board of the Company. He has has been serving as a chair professor and Ph.D. mentor of School of Life Sciences at Westlake University since August 2023. Prof. Guan was a faculty at the University of Michigan between May 1992 to September 2007; served at University of California San Diego from October 2007 to June 2023 (Distinguished Professor from July 2013). Prof. Guan has been studying signal transduction in cell growth regulation and tumorigenesis for over thirty years. As a postdoctoral fellow, Prof. Guan discovered the dual specific protein phosphatase family and a novel thio-phosphate intermediate in biocatalysis. Early works from his laboratory led to the cloning of human MEK1/2 and elucidation of the mechanism of MEK activation. Over the last twenty years, Prof. Guan's group has been studying mTOR and Hippo pathways. Prof. Guan's group has made major contributions to the establishment of the mTORC1 signaling network, including identification of TSC1/2-Rheb, Rag, and AMPK as mTORC1 upstream regulators in response to growth factor, nutrient, and energy, respectively, as well as elucidation of ULK1 and VPS34 as downstream effectors of mTORC1 in autophagy. As such, Prof. Guan is the second most cited investigator in the mTOR field. Recently, Prof. Guan's group has been focusing on the Hippo pathway and its role in cancer. The group has been playing a leading role in advancing the Hippo field as Prof. Guan is the most cited investigator in the Hippo field. Prof. Guan have co-authored over 300 research papers and is one of the most highly cited researchers in molecular biology and genetics (with over 150,000 academic citations and an h-index of 179). Professor Guan's group's future research will focus on molecular mechanisms of cellular regulation, upstream signals, physiological functions, and their roles in cancer.

Prof. Guan received his bachelor's degree in biology from Zhejiang University (formerly Hangzhou University) in June 1982 and his Ph.D. in biochemistry from Purdue University in December 1989; from December 1989 to September 1991, Prof. Guan conducted postdoctoral research on biochemistry at Purdue University.

SENIOR MANAGEMENT

Our senior management team, in addition to our Directors listed above, is as follows:

Dr. Jisong Cui, Ph.D. (崔霽松), aged 62, is our Executive Director, the Chairperson of the Board and the Chief Executive Officer. Dr. Cui is primarily responsible for the overall strategic planning and business direction of the Group and operational management of the Group. Please see her biography in the part headed "Directors — Executive Directors" in this section.

Dr. Xiangyang Chen, Ph.D. (陳向陽), aged 59, is our Chief Technology Officer. Dr. Chen is primarily responsible for drug discovery and development in therapeutic areas of (immuno-) oncology and autoimmune diseases of the Group. Dr. Chen applies his expertise from therapeutic program selection and execution to medicinal molecule design and candidate deliverable, to process development and IND-enabling, and has played a key role in every important stage of the Company's growth and development. Dr. Chen owns 23 patent applications and 17 peer reviewed publications.

From July 1994 to November 1999, Dr. Chen was a postdoctoral researcher in Biochemistry at Albert Einstein College of Medicine. From December 1999 to March 2010, Dr. Chen served as principal scientist at Pfizer Inc.. Between January 2011 to September 2015, Dr. Chen served as director, senior director and executive director in the department of medicinal chemistry at BioDuro.

Dr. Chen received his Bachelor of Science degree in applied chemistry from Peking University in July 1987 and obtained his Doctor's degree in chemistry from Emory University in August 1994.

Mr. Xin Fu, Ph.D. (傅欣), aged 48, has served as the Chief Financial Officer of the Company since 18 December 2023.

Mr. Xin Fu has over 20 years of financial management experience, including 15 years of experience in healthcare industry. From July 2020 to December 2023, Mr. Xin Fu served as the senior vice president and Chief Financial Officer of JW Therapeutics. Before that, he served various leadership positions at Pfizer China and responsible for finance and compliance. From July 2018 to July 2020, he was the chief financial officer of Pfizer Investment Co., Ltd.; from April 2017 to June 2018, he served as the chief compliance officer; from April 2016 to April 2017, he was the acting chief financial officer; from June 2011 to March 2016, he worked as head of business finance and tax; from September 2008 to May 2011, he served as the China tax leader. Prior to joining Pfizer China, Mr. Xin Fu was a tax manager at KPMG Huazhen LLP from July 2001 to November 2007.

Mr. Xin Fu obtained a bachelor's degree in accounting from Fudan University in July 2001 in the PRC. He has been a Certified Management Accountant since 2015.

PRINCIPAL ACTIVITIES

We are a commercial stage biopharmaceutical company committed to discovering, developing and commercializing potential best-in-class and/or first-in-class drugs for the treatment of cancer and autoimmune diseases. Led by a well-known management team of seasoned industry executives, we have built a biopharmaceutical platform with strong in-house R&D capabilities. Our vision is to become a global biopharmaceutical leader that develops and delivers innovative therapies for patients worldwide.

Leveraging our management team's global vision and local expertise, we have built a differentiated and balanced drug portfolio, and launched three products in the market. Our drug candidates target both novel and evidence-based biological pathways. Our discovery and development efforts are focused on drug candidates with evidence-based targets that have the potential to be best-in-class from a safety and efficacy perspective. We also devote significant efforts in identifying novel targets and developing therapies with global breakthrough potential.

There were no significant changes in the nature of the Group's principal activities during the year ended 31 December 2025. Please refer to note 1 to the consolidated financial statements of the Group on pages 138 to 139 for details of the principal activities of the principal subsidiaries of the Group.

RESULTS

The results of the Group for the year ended 31 December 2025 are set out in the consolidated financial statements of the Group on pages 130 to 137 of this report.

SHARE CAPITAL

Details of the issued shares of the Company during the year ended 31 December 2025 are set out in note 32 to the consolidated financial statements of the Group in this report.

RESERVES AND DISTRIBUTABLE RESERVES

Details of the movements in reserves of the Group during the year ended 31 December 2025 are set out in the Consolidated Statement of Changes in Equity on page 134 of this report.

The Company did not have any reserve available for distribution to Shareholders as of 31 December 2025.

FINANCIAL SUMMARY

The Company's Shares were listed on the Hong Kong Stock Exchange on 23 March 2020 and the RMB Shares were listed on the STAR Market on 21 September 2022. A summary of the published results and of the assets, liabilities and equity of the Group for the last five financial years, as extracted from the published audited financial information and financial statements, is set out on page 20 of this report.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment decreased from RMB784.3 million as of 31 December 2024 to RMB731.7 million as of 31 December 2025, which is mainly caused by the depreciation of buildings, plant and equipment.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this report, based on the information that is publicly available within the Company and to the knowledge of the Directors, the Company's public float complies with the requirements of Rule 13.32B and 19A.28B of the Listing Rules.

PRE-EMPTIVE RIGHTS

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

TAX RELIEF AND EXEMPTION

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

USE OF NET PROCEEDS

Use of Net Proceeds from the IPO

The Shares were listed on the Main Board of the Stock Exchange on the Listing Date. The Group received net proceeds (after deduction of underwriting commissions and related costs and expenses) from the IPO and the exercise of over-allotment option of approximately HK$2,415.67 million (collectively, the "**Net Proceeds**"). Up to 31 December 2025, HKD1,704.59 million, or 70.6% out of the Net Proceeds have been utilized. The remaining proceeds will be used in the timeframe specified in the below table. The completion time for usage of proceeds is determined based on the Company's actual business needs and future business development.

	Use of proceeds as stated in the Prospectus (in HK$'000) (approximate)	Net proceeds unutilized as of 1 January 2025 (in HK$'000) (approximate)	Actual use of proceeds during the Reporting Period (in HK$'000) (approximate)	Net proceeds unutilized as of 31 December 2025 (in HK$'000) (approximate)	Expected timeline for usage of proceeds
50% for ongoing and planned clinical trials, preparation for registration filings and potential commercial launches (including sales and marketing) of Orelabrutinib concurrently in both China and the U.S. *(Note 1)*	1,207,835	209,974	71,007	138,967	The amount is expected to be fully utilized before the second half of 2029*(Note 3)*
40% for our other clinical stage product candidates *(Note 1)*	966,268	616,684	44,566	572,118	The amount is expected to be fully utilized before the second half of 2029 *(Note 3)*
10% for working capital and general corporate purposes *(Note 1&2)*	241,567	6,015	6,015	—	
Total	2,415,670	832,673	121,588	711,085	

Note 1: To the extent that any of such unutilized Net Proceeds are not immediately required for the allocated purpose, or if the Company is unable to put into effect any part of its plans as intended, the Company may temporarily use such funds to invest in wealth management products with terms of maturity not exceeding 12 months so long as it is deemed to be in the best interests of the Company. In such event, the Company will comply with the appropriate disclosure requirements under the Listing Rules. Together with the income to be generated from the investment in wealth management products, the Company will continue to apply the unutilized Net Proceeds in the manner disclosed in the Prospectus. For details, please refer to the Company's announcement dated 11 November 2024.

Note 2: The proceeds used for working capital and general corporate purposes during the Reporting Period, specifically include: (1) HKD4.1 million were used to pay for agency fees, such as lawyer fees, audit fees, assessments fees; (2) HKD0.9 million were used to pay for other service fees, such as consulting fees; (3) HKD1.0 million were used for other purposes such as directors' fees and insurance premiums.

Note 3: As of the end of the Reporting Period, relevant proceeds have not been fully utilized as originally planned. In order to ensure the efficiency of the use of proceeds and the investment benefits of relevant projects, the expected timeline for usage of proceeds has been extended before the second half of 2029, and the purpose, investment amount, and implementing entity of the proceeds remain unchanged.

Use of Net Proceeds from Subscription Agreements in February 2021

On 2 February 2021, the Company and certain investors had entered into two subscription agreements pursuant to which the Company has conditionally agreed to allot and issue and the investors, namely Gaoling Fund L.P., YHG Investment L.P. and Vivo, have conditionally, on a several but not joint basis, agreed to subscribe for an aggregate of 210,508,000 Shares of the Company, representing approximately 16.33% of the then total issued shares of the Company as at the date of the subscription agreements and approximately 14.04% of the total issued shares of the Company as enlarged by the allotment and issue of the subscription shares, at the subscription price of HK$14.45 per subscription share. The aggregate nominal value of the subscription shares under the subscription was US$421.02. The net price of each subscription share based on the net proceeds of approximately HK$3,041.44 million and 210,508,000 subscription shares were estimated to be approximately HK$14.45. The closing price as quoted on the Stock Exchange on 2 February 2021 was HK$15.72 per Share. The gross proceeds and net proceeds from the issued subscription shares were approximately HK$3,041.84 million and HK$3,041.44 million (the "**Subscription Net Proceeds**"), respectively. The above-mentioned subscription was completed on 10 February 2021. Such use of proceeds will be in line with the planned use according to the intentions previously disclosed by the Company and it is expected there will be no significant change or delay.

The table below sets out the planned applications of the Subscription Net Proceeds and actual usage up to 31 December 2025:

Intended use of proceeds	Proceeds from the subscription (in HK$'000) (approximate)	Net proceeds unutilized as of 1 January 2025 (in HK$'000) (approximate)	Actual use of proceeds during the Reporting Period (in HK$'000) (approximate)	Actual use of proceeds as of 31 December 2025 (in HK$'000) (approximate)	Net proceeds unutilized as of 31 December 2025 (in HK$'000) (approximate)	Expected timeline for usage of proceeds
(i) R&D cost, which includes, expanding and accelerating ongoing and planned clinical trials in domestic and international regions, and expanding and accelerating internal discovery stage programs (including the multiple IND-enabling stage candidates in our pipeline)(Note 2)	N/A(Note 1)	N/A(Note 1)	5,724	251,792	N/A(Note 1)	All remaining proceeds are expected to be fully utilized before 2030 in accordance with the intended use of proceeds the respective exact sum of which will depend on the Company's actual business needs with reference to evolving market conditions(Note 3)

Intended use of proceeds		Proceeds from the subscription (in HK$'000) (approximate)	Net proceeds unutilized as of 1 January 2025 (in HK$'000) (approximate)	Actual use of proceeds during the Reporting Period (in HK$'000) (approximate)	Actual use of proceeds as of 31 December 2025 (in HK$'000) (approximate)	Net proceeds unutilized as of 31 December 2025 (in HK$'000) (approximate)	Expected timeline for usage of proceeds
(ii)	Retain and recruiting domestic and international talents to strengthen the Group's capabilities in discovery, clinical, business development and commercialization functions (including commercial team expansion to ensure successful launches of Orelabrutinib and subsequent products)[Note 2]			33,544	712,730		
(iii)	Reserve fund for any potential external collaboration and in-licensing opportunities [Note 2]			623	274,345		
(iv)	To use as working capital and other general corporate purpose[Note 2]			51,530	828,527		
Total		3,041,440	1,065,467	91,421	2,067,394	974,046	

Notes:

1. Pursuant to the subscription agreements dated 2 February 2021, there is no allocation on how the proceeds would be applied to each intended use. Accordingly, there were no numerical value applicable to the relevant columns.

2. To the extent that any of such unutilized Subscription Net Proceeds are not immediately required for the allocated purpose, or if the Company is unable to put into effect any part of its plans as intended, the Company may temporarily use such funds to invest in wealth management products with terms of maturity not exceeding 12 months so long as it is deemed to be in the best interests of the Company. In such event, the Company will comply with the appropriate disclosure requirements under the Listing Rules. Together with the income to be generated from the investment in wealth management products, the Company will continue to apply the unutilized Subscription Net Proceeds in the manner disclosed in the Prospectus. For details, please refer to the Company's announcement dated 11 November 2024.

3. As of the end of the Reporting Period, relevant proceeds have not been fully utilized as originally planned. In order to ensure the efficiency of the use of proceeds and the investment benefits of relevant projects, the expected timeline for usage of proceeds has been extended till the end of 2030, and the purpose, investment amount, and implementing entity of the proceeds remain unchanged.

Use of Net Proceeds from RMB Share Issue

On 21 September 2022, the RMB Shares were listed on the STAR Market. The gross proceeds amounted to approximately RMB2,919.07 million. After deducting issuance expenses of RMB140.25 million in accordance with the related requirements, the net proceeds amounted to approximately RMB2,778.82 million. The net proceeds raised from the RMB Share Issue have been used and will be used in accordance with the intended uses disclosed in the Company's RMB Share prospectus dated 16 September 2022, which has been attached to the overseas regulatory announcement of the Company dated 16 September 2022.

As at 31 December 2025, the net proceeds of the RMB Share Issue had been utilised as follows:

	Proceeds from the subscription (in RMB'000) (approximate)	Net proceeds unutilized as of 1 January 2025 (in RMB'000) (approximate)	Actual use of proceeds during the Reporting Period (in RMB'000) (approximate)	Net proceeds unutilized as of 31 December 2025 (in RMB'000) (approximate)	Expected timeline for usage of proceeds
New drug research and development ("**R&D**") projects	1,494,220.6	1,085,626.7	189,368.2	896,258.5	Expected to be fully utilized by 2027, and subject to, among other things, change of market conditions
Upgrade of drug R&D platform	116,146.6	21,890.1	3,115.0	18,775.1	Expected to be fully utilized by 2027, and subject to, among other things, change of market conditions
Construction of marketing network	273,851.4	113,023.4	5,706.6	107,316.8	Expected to be fully utilized by 2027, and subject to, among other things, change of market conditions
Construction of IT system	60,952.3	28,859.5	8,129.3	20,730.2	Expected to be fully utilized by 2027, and subject to, among other things, change of market conditions
Replenishment of cash flow	833,644.7	101,178.6	53,975.2	47,203.4	Expected to be fully utilized by 2027, and subject to, among other things, change of market conditions
Total	2,778,815.6	1,350,578.3	260,294.3	1,090,284.0	

For further details regarding the use of net proceeds from the RMB Share Issue, please refer to the Company's announcement titled "Update in Use of Proceeds of RMB Share Issue" dated 25 March 2026.

ANNUAL GENERAL MEETING

The forthcoming AGM of the Company will be held on Tuesday, 16 June 2026. The notice of the AGM will be published and dispatched in due course in the manner as required by the Listing Rules.

CLOSURE OF THE REGISTER OF MEMBERS

For the purpose of determining the shareholders' eligibility to attend and vote at the AGM, the register of members of the Company will be closed from Thursday, 11 June 2026 to Tuesday, 16 June 2026, both days inclusive, during which no transfer of shares of the Company will be registered. The shareholders whose names appear on the register of members of the Company on Tuesday, 16 June 2026, the record date of the AGM, will be entitled to attend and vote at the AGM. In order to be eligible to attend and vote at the AGM, all duly completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 10 June 2026.

BUSINESS REVIEW

Overview and Performance of the Year

A fair review of the business of the Group as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), including an analysis of the Group's financial performance and an indication of likely future developments in the Group's business is set out in the sections headed "Chairperson's Statement" and "Management Discussion and Analysis" of this report. These discussions form part of this report. Events affecting the Company that have occurred since the end of the Reporting Period is set out in the section headed "Events After the End of the Reporting Period" in this report.

Key Relationship with Stakeholders

The Group recognizes that various stakeholders including employees, medical experts, patients, suppliers and other business associates are key to the Group's success. The Group strives to achieve corporate sustainability through engaging, collaborating, and cultivating strong relationships with them.

The Group believes that it is vital to attract, recruit and retain quality employees. To maintain the quality, knowledge and skill levels of the Group's workforce, the Group provides the employees with periodic training, including introductory training for new employees, technical training, professional and management training and health and safety training. The Group believes that it maintains a good relationship with its employees and the Group did not experience any significant labor disputes or any difficulty in recruiting staff for its operations.

The Group conducts academic marketing activities to establish and maintain relationships with key opinion leaders in the national medical system. The Group provides these experts with detailed information on its products and helps them make independent comparison among competing products in the market. The Group also maintains long-term cooperative relationships with medical experts to help raise the Group's profile, enhance awareness of Group's products in the medical community and among patients, and provide it with valuable clinical data to improve the Group's products.

For details of an account of the Company's key relationships with its employees, customers and suppliers and others that have a significant impact on the Company is set out in the "Environmental, Social and Governance Report" of the Company which is published on the websites of the Stock Exchange and the Company on 23 April 2026.

Environmental Policies and Performance

The Group is committed to fulfilling social responsibility, promoting employee benefits and development, protecting the environment, and giving back to the community and achieving sustainable growth.

In accordance with Rule 13.91 and the Environmental, Social and Governance Reporting Code contained in Appendix C2 of the Listing Rules, the "Environmental, Social and Governance Report" of the Company is published on the websites of the Stock Exchange and the Company on 23 April 2026.

Compliance with Relevant Laws and Regulations

The Group has complied with the requirements under the Companies Ordinance, the Listing Rules, the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("**SFO**") and the CG Code for, among other things, the disclosure of information and corporate governance. The Group has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in the Model Code. For further details, please refer to the section headed "Compliance with the Corporate Governance Code" in this section. The Group has also complied with other relevant laws and regulations that have a significant impact on the operations of the Group. Please refer to the section headed "Regulatory Environment" in the Prospectus for details.

Key Risks and Uncertainties

There are certain key risks and uncertainties involved in our operations, some of which are beyond our control. Set out below are the material risks and uncertainties that we face:

- our financial position;
- our ability to obtain additional financing to fund our operations;
- our ability to development and commercialize our drug candidates, all of which are in pre-clinical or clinical development;
- our ability to identify additional drug candidates;
- our success in demonstrating safety and efficacy of our drug candidates to the satisfaction of regulatory authorities or produce positive results in our clinical trials;
- material aspects of the research, development and commercialization of our products being heavily regulated;
- in conducting drug discovery and development, we face potential liabilities, in particular, product liability claims, or lawsuits could cause us to incur substantial liabilities;
- lengthy, time-consuming and inherently unpredictable regulatory approval processes of the regulatory authorities for our drug candidates;
- changes in the political and economic policies of the PRC government may materially and adversely affect our business, financial condition and results of operations and may result in our inability to sustain our growth and expansion strategies;
- our business benefits from certain discretionary financial incentives granted by local governments. Expiration of, or changes to, these incentives or policies would have an adverse effect on our results of operations;

- competition in the pharmaceutical industry where the Group serves;
- our ability to obtain and maintain patent protection for our drug candidates;
- Post COVID-19 pandemic still raging and world order crisis unresolved; and
- Our EHS department formulated training system and current mechanism may cover the daily safety inspection and quarterly safety inspection at this stage and may require further development regarding EHS risks.

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.

PROSPECTS

A description of the future development in the Company's future business is provided in the sections headed "Chairperson's Statement" and "Management Discussion and Analysis" of this report.

OUTLOOK: A CATALYST-RICH PHASE OF ACCELERATED GROWTH

Looking forward, management expects 2026 to be a highly catalyst-driven year. Multiple assets across oncology and autoimmune diseases are approaching critical inflection points, including clinical data readouts, regulatory submissions and expanded commercialization. As several programs transition from late-stage development into potential market entry, the Company anticipates accelerating revenue growth, improved operating leverage and enhanced earnings visibility.

With an expanding commercial base, a diversified late-stage pipeline, and sustained globalization efforts, InnoCare is well positioned to accelerate revenue growth, enhance global presence, and deliver long-term value for patients and shareholders alike.

DIRECTORS

The Directors during the year ended 31 December 2025 and up to the date of this report are:

Executive Directors

Dr. Jisong Cui *(Chairperson and Chief Executive Officer)*
Dr. Renbin Zhao

Non-executive Directors

Dr. Yigong Shi
Mr. Ronggang Xie

Independent Non-executive Directors

Ms. Lan Hu
Dr. Dandan Dong
Prof. Kunliang Guan *(appointed with effect from 21 January 2025)*

In accordance with article 114 (a) of the Articles of Association, one-third of the Directors shall retire by rotation at every annual general meeting and, being eligible, offer themselves for re-election.

In accordance with article 118 of the Articles of Association, any Director appointed to fill a casual vacancy or as an addition to the existing Board of Directors will hold office until the first annual general meeting of the Company after his appointment and be eligible for re-election at that meeting.

In accordance with article 117 of the Articles of Association, subject to the provisions of the Articles of Association and the Companies Law (2013 Revision) (as consolidated and revised) of the Cayman Islands, the Company may by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors.

Details of the Directors to be re-elected at the forthcoming AGM will be set out in the circular to Shareholders to be sent in due course in the manner as required by the Listing Rules.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 67 to 71 of this report. Save as disclosed in this report and during the Reporting Period, there are no other changes to the Directors' information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

DIRECTORS' SERVICE CONTRACTS

Each of the Executive Directors and Non-executive Directors has entered into a service agreement with the Company under which the initial term of their service agreement shall commence from the respective date of their appointment until terminated in accordance with the terms and conditions of the service agreement or by either party giving to the other not less than three months' prior notice.

Each of our Independent Non-executive Directors has entered into an appointment letter with the Company under which the initial term of their appointment letters shall commence from the respective date of their appointment for a period of three years (subject always to re-election as and when required under the Articles of Association) until terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other not less than one month's prior notice in writing.

None of the Directors has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

CONFIRMATION OF INDEPENDENCE FROM THE INDEPENDENT NON-EXECUTIVE DIRECTORS

We have received from each of the Independent Non-executive Directors, namely Ms. Lan Hu, Dr. Dandan Dong and Prof. Kunliang Guan, the confirmation of their respective independence pursuant to Rule 3.13 of the Listing Rules. The Company has duly reviewed the confirmation of independence of each of these Directors.

We consider that our Independent Non-executive Directors have been independent during the year ended 31 December 2025 and remain so as of the date of this report.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As far as the Company is aware, as at 31 December 2025, the interests and short positions of our Directors and chief executives of the Company in the shares, underlying shares or debentures of the Company or any of our associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code, were as follows:

Long Positions in the Company's Shares

Name of Director	Nature of Interest	Total Number of Shares/Underlying Shares	Approximate Percentage of Shareholding Interest[1]
Dr. Jisong Cui	Interest in controlled corporation, beneficial owner	104,768,916(L)[2]	5.94%
Dr. Renbin Zhao	Interest in controlled corporation, beneficial owner, interest of spouse	117,839,593(L)[3]	6.68%
Dr. Yigong Shi	Beneficial owner, interest of spouse	117,839,593(L)[4]	6.68%

Notes:

(1) The calculation is based on the total number of 1,764,643,952 Shares issued as at 31 December 2025.

(2) Dr. Jisong Cui (i) held, directly or indirectly, 100,538,916 Hong Kong Shares and 825,000 RMB Shares, and (ii) was interested in 3,405,000 restricted RMB Shares granted to her pursuant to the 2023 RMB Share Incentive Scheme and 2024 RMB Share Incentive Scheme, while relevant underlying RMB Shares have not been issued.

(3) Dr. Renbin Zhao (i) held 112,939,593 Hong Kong Shares and 200,000 RMB Shares, (ii) was instereted in 3,900,000 Hong Kong Shares held by Dr. Yigong Shi, the spouse of Dr. Renbin Zhao, and (iii) was also interested in 800,000 restricted RMB Shares granted to her pursuant to the 2023 RMB Share Incentive Scheme and 2024 RMB Share Incentive Scheme, while relevant underlying RMB Shares have not been issued.

(4) Dr. Yigong Shi (i) held 3,900,000 Hong Kong Shares directly, and (ii) was interested in 112,939,593 Hong Kong Shares, 200,000 RMB Shares, and 800,000 restricted RMB Shares held by Dr. Renbin Zhao.

Save as disclosed above, as at 31 December 2025, none of the Directors or chief executives of the Company had or was deemed to have any interest or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of the Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO); or which were required to be recorded in the register to be kept by the Company pursuant to Section 352 of the SFO; or which were required, pursuant to the Model Code as contained in Appendix C3 to the Listing Rules, to be notified to the Company and the Hong Kong Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2025, to the best of the knowledge of the Company and the Directors, the following are the persons, other than the Directors or chief executives of the Company, who had interests or short positions in the shares and underlying shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be entered in the register of interests required to be kept by the Company pursuant to Section 336 of Part XV of the SFO.

Interests in the Shares and Underlying Shares of the Company

Name of Shareholder	Nature of Interest	Total Number of Shares/Underlying Shares	Approximate Percentage of Shareholding Interest[1]
HHLR Advisors, Ltd.	Investment manager	208,671,222(L)[2]	11.83%
HHLR Fund, L.P.	Beneficial owner	200,475,300(L)[2]	11.36%

Notes:

(1) The calculation is based on the total number of 1,764,643,952 Shares issued as of 31 December 2025.

(2) HHLR Advisors, Ltd. (formerly known as Hillhouse Capital Advisors, Ltd.) is the investment manager and general partner of HHLR Fund, L.P. (formerly known as Gaoling Fund, L.P.) and YHG Investment, L.P., (collectively "**Hillhouse Entities**") of which HHLR Fund, L.P. held 200,475,300 Shares. As such, under the SFO, HHLR Advisors, Ltd. (through its interest in the controlled corporations, i.e. the Hillhouse Entities) is deemed to be interested in 208,671,222 Shares collectively held by the Hillhouse Entities.

Save as disclosed above, as at 31 December 2025, the Directors and the chief executives of the Company were not aware of any other person (other than the Directors or chief executives of the Company) who had an interest or short position in the shares or underlying shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be entered in the register required to be kept by the Company pursuant to Section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this report, at no time during the year ended 31 December 2025 was the Company or any of its subsidiaries, a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouse or children under the age of 18 had any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Each of the Directors confirms that during the year ended 31 December 2025 and up to the date of this report, he or she did not have any interest in a business which competes or is likely to compete, directly or indirectly, with our business and requires disclosure under Rule 8.10 of the Listing Rules. From time to time our Non-executive Directors may serve on the boards of both private and public companies within the broader healthcare and biopharmaceutical industries. However, as these Non-executive Directors are not members of our executive management team, we do not believe that their interests in such companies as directors would render us incapable of carrying on our business independently from the other companies in which these Directors may hold directorships from time to time.

CONNECTED AND CONTINUING CONNECTED TRANSACTIONS

During the year ended 31 December 2025, none of the related party transactions as disclosed in note 38 to the consolidated financial statements of the Group constitute any non-exempt connected transaction or continuing connected transaction which should be disclosed pursuant to the Listing Rules. During the year ended 31 December 2025, we have not entered into any non-exempt connected transaction or continuing connected transaction which should be disclosed pursuant to Rules 14A.49 and 14A.71 of the Listing Rules.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENT AND CONTRACT OF SIGNIFICANCE

Save as disclosed in this report, no Director or an entity connected with a Director was materially interested, either directly or indirectly, in any transaction, arrangement or contract which is significant in relation to the business of the Group to which the Company, or any of its subsidiaries or fellow subsidiaries was a party subsisting during the year ended 31 December 2025 and up to the date of this report.

CONTRACT OF SIGNIFICANCE

None of the controlling shareholders of our Group or their subsidiaries had a material interest, directly or indirectly, in any material contract during the Reporting Period for the provision of services to the Company or the Group to which any of its subsidiaries belongs or other reasons.

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 year and up to the date of this report between the Company and a person other than a Director or any person engaged in the full-time employment of the Company.

DIRECTORS' PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association, the Company shall indemnify out of the assets of the Company, any Director against all losses or liabilities incurred or sustained by him/her as a Director of the Company in defending any proceeding, whether civil or criminal, in which judgment is given in his/her favour, or in which he is acquitted. The Company has arranged appropriate directors' liability insurance coverage for the Directors of the Group as at the end of the Reporting Period.

EMPLOYEES, REMUNERATION POLICY AND DIRECTORS' REMUNERATION

As at 31 December 2025, we had approximately 1,259 employees (as at 31 December 2024: approximately 1,146 employees). Our employees' remuneration comprises salaries, bonuses, employee provident funds and social security contributions and other welfare payments. In accordance with applicable PRC laws, we have made contributions to social security insurance funds (including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing funds for our employees.

Our Directors receive compensation in the form of fees, salaries, bonuses, other allowances, benefits in kind, contribution to the pension scheme and other share-based compensation. We determine the compensation of our Directors based on each Director's responsibilities, qualification, position and seniority. The emolument of Executive Directors and senior management of the Group is determined by the Compensation Committee and the emolument of Non-executive Directors is recommended by the Compensation Committee. Details of the Directors' remuneration during the year are set out in note 8 to the consolidated financial statements of the Group in this report. No amount was paid to any Director, past Director or any of the five highest paid individual disclosed in note 9 to the consolidated financial statements of the Group as an inducement to join or upon joining the Company or as a compensation for loss of office. In addition, there was no arrangement under which a Director waived or agreed to waive any remuneration. No consideration was provided to or received by third parties for making available the services of a person as Director or in any other capacity while Director.

PRE-IPO INCENTIVISATION PLANS

The 2015 Pre-IPO Incentivisation Plan and the 2016 Pre-IPO Incentivisation Plan were adopted and approved by resolutions in writing by the Board and the Shareholders on 6 September 2016. The 2016 Pre-IPO Incentivisation Plan was subsequently amended by resolutions in writing by the Board and Shareholders passed on 5 February 2018. The 2018 Pre-IPO Incentivisation Plan was adopted and approved by resolutions in writing by the Board and the Shareholders on 28 November 2018. The terms of each of the Pre-IPO Incentivisation Plans are substantially similar.

The Pre-IPO Incentivisation Plans provides for awards of options, share purchase rights and RSUs.

1. **Options**. On and subject to the Pre-IPO Incentivisation Plans, the Administrator shall be entitled to make an offer to any eligible participant to take up options in respect of such number of Shares as the Administrator may determine and at the exercise price determined by the Administrator in its sole discretion and disclosed under the award agreement. An option shall be deemed exercised when the Company receives (i) notice in writing from the eligible participant to the Company in the specified form under the award agreement; (ii) full payment for the Shares with respect to which the option is exercised, together with any applicable tax withholding; and (iii) all representations, indemnifications and documents requested by the Administrator.

2. **Share Purchase Rights**. On and subject to the Pre-IPO Incentivisation Plans, each share purchase right shall be evidenced by an award agreement. The purchase price and exercise price (as the case may be) shall be determined by the Administrator in its sole discretion and any Shares awarded or sold pursuant to the share purchase rights shall be subject to such forfeiture conditions, rights of repurchase or redemption, rights of first refusal and other transfer restrictions as the Administrator may determine or as provided in the memorandum of association of the Company and the Articles of Association.

3. **RSUs**. A restricted share unit may be earned in whole or in part upon the passage of time or the attainment of performance criteria established by the Administrator and may be settled for cash, Shares or other securities or a combination of cash, Shares or other securities as established by the Administrator.

Summary of Terms

Purpose. The purpose of the Pre-IPO Incentivisation Plans is to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentives to selected employees, Directors, and consultants and to promote the success of our business.

Eligible participants. Any employee, Director or consultant of the Company who is engaged by the Group to render consulting or advisory services to the Group shall be eligible to participate in the Pre-IPO Incentivisation Plans.

Administration. The Pre-IPO Incentivisation Plans shall be subject to the administration of the Board or a committee appointed by the Board. Each award or option granted under the Pre-IPO Incentivisation Plans shall be evidenced by an award agreement between the Company and a participant, the form of which shall be approved from time to time by the administrator of the Pre-IPO Incentivisation Plans (the "**Administrator**").

Duration. Subject to the termination provisions under the Pre-IPO Incentivisation Plans, the Pre-IPO Incentivisation Plans shall be valid and effective for a period of 10 years commencing on the adoption date after which period no further awards or options will be granted, but the provisions thereof shall in all other respects remain in full force and effect and shall not affect the ability of the Administrator to exercise the powers granted to it under the Pre-IPO Incentivisation Plans with respect to awards granted under the Pre-IPO Incentivisation Plans prior to the date of such termination.

The Administrator shall determine the time or times at which an option may be exercised by the grantee in whole or in part, and vesting period of options or awards granted under the Pre-IPO Incentivisation Plans in whole or in part.

Effective from 31 August 2023, each of the 2015 Pre-IPO Incentivisation Plan, the 2016 Pre-IPO Incentivisation Plan and the 2018 Pre-IPO Incentivisation Plan was terminated and no new grants will be made pursuant to the foregoing plans thereupon. Following such termination, remaining life of each of the 2015 Pre-IPO Incentivisation Plan, the 2016 Pre-IPO Incentivisation Plan and the 2018 Pre-IPO Incentivisation Plan is not applicable.

Maximum number of Shares. Pursuant to the Pre-IPO Incentivisation Plans, the maximum number of Shares in respect of which options and awards may be granted shall not exceed 274,586,514 Shares (183,888,050 Shares for the 2015 Pre-IPO Incentivisation Plan, 22,200,000 Shares for the 2016 Pre-IPO Incentivisation Plan, and 68,498,464 Shares for the 2018 Pre-IPO Incentivisation Plan) which represents approximately 15.56% (10.42% for the 2015 Pre-IPO Incentivisation Plan, 1.26% for the 2016 Pre-IPO Incentivisation Plan, and 3.88% for the 2018 Pre-IPO Incentivisation Plan) of the total issued shares of the Company as at the date of this report.

As at 31 December 2025, an aggregate of 214,516,740 Shares have been issued to directors, senior management and employees of the Group or their affiliates pursuant to share awards already vested, and 12,973,917 Shares have been reserved and are currently held by Golden Autumn Group Limited and Strausberg Group Limited for vesting of awards only under the Pre-IPO Incentivisation Plans and held under trusts to be transferred to individual grantee after they exercise their grants. Such 12,973,917 Shares include (i) a total of 8,588,167 Shares held by the relevant trustees the underlying RSUs of which were lapsed during the Reporting Period; and (ii) a total of 4,385,750 Shares the underlying RSUs of which were granted but not yet vested prior to the termination of the Pre-IPO Incentivization Plans. Each of Golden Autumn Group Limited and Strausberg Group Limited is a special purpose vehicle managed by the trustee of Lakeview Trust and Summit Trust, TMF (Cayman) Ltd., established for the purpose of holding Shares pursuant to the Pre-IPO Incentivisation Plans.

Following the terminations of all the Pre-IPO Incentivisation Plans on 31 August 2023, all remaining number of Shares held by Golden Autumn Group Limited and Strausberg Group Limited in connection thereto, being 51,481,607 Shares in aggregate (that is, excluding a total of 8,588,167 Shares held by the relevant trustees the underlying RSUs of which were lapsed during the Reporting Period), representing approximately 2.92% of the total issued share capital of the Company as at the date of shareholders' approval of the 2023 Share Award Scheme, have been used for further grant or vesting of awards under the 2023 Share Award Scheme. For details, please see the subsection headed "2023 Share Award Scheme" below.

Maximum entitlement of each participant. No employee of the Group shall be granted an award which, if exercised or settled in full, would result in such employee becoming entitled to subscribe for such number of Shares as, when aggregated with the total number of Shares already issued under all the awards previously granted to him which have been exercised, and, issuable or settled under all the awards previously granted to him/her which are for the time being subsisting and unexercised, would exceed ten percent (10%) of the aggregate number of Shares for the time being issued and issuable under the plan.

Consideration. The consideration to be paid for the Shares to be issued under the Pre-IPO Incentivisation Plans, including the method of payment, shall be determined by the Administrator subject to the provisions in the Pre-IPO Incentivisation Plans and applicable law. The tax withholding to be paid for the Shares shall be determined according to the provisions in the Pre-IPO Incentivisation Plans and applicable law. Depending on the specific plan of the Pre-IPO Incentivization Plans under which the underlying RSUs were granted, the relevant consideration for each RSU is US$0.178. The Administrator may determine in its absolute discretion the purchase price of the RSUs, taking into account (including but not limited to) the purpose of the relevant Pre-IPO Incentivisation Plan and the characteristics and profile of the grantee. The Board believes that it is in the best interests of the Company to retain the flexibility to impose appropriate conditions in light of the particular circumstances of each grant, which would then be a more meaningful reward for the grantees' contribution or potential contribution. Such room for discretion provides the Board with flexibility to stipulate, if necessary, a purchase price for the RSUs, while balancing the purpose of the award and the interests of Shareholders. Therefore, the aforesaid term regarding the purchase price aligns with the purpose of the respective Pre-IPO Incentivisation Plan. There is no other payable amount on application or acceptance of the option or award. There is no prescribed period within which payments or calls must or may be made or loans for such purposes must be repaid in respect of the options and/or awards offered under the Pre-IPO Incentivisation Plans.

During the Reporting Period, there were no movements with regard to share options or share purchase rights. As at 31 December 2025, there were no outstanding share options or share purchase rights under the Pre-IPO Incentivisation Plans. Accordingly, there are no discloseable matters with regard to share options or share purchase rights pursuant to Rule 17.07 of the Listing Rules.

Vesting and Exercise period of the share options. All options available under the Pre-IPO Incentivization Plans were granted and exercised prior to the commencement of the Reporting Period.

Vesting period of the RSUs. RSUs granted under the Pre-IPO Incentivization Plans are subject to time based vesting condition of four or five years since the date of the grant and performance milestone vesting conditions.

For further details, please refer to the section headed "Statutory and General Information — Pre-IPO Incentivisation Plans" in Appendix V to the Prospectus and note 34 to the consolidated financial statements of the Group of this report.

Since the adoption of Pre-IPO Incentivisation Plans, and up to 31 December 2025, the Company did not grant or vest any share purchase rights pursuant to the Pre-IPO Incentivisation Plans.

During the year ended 31 December 2025, the movements in the RSUs granted under the Pre-IPO Incentivisation Plans were as follows:

	Number of RSUs										
Name of category of grantee	Unvested as at 1 January 2025	Granted during the Reporting Period	Vested during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Expired during the Reporting Period	Unvested as at 31 December 2025	Under which Pre-IPO Incentivisation Plan	Date of grant of RSUs	Vesting period of RSUs	Weighted average closing price per Share underlying the RSUs vested during the Reporting Period
Five highest paid individuals in aggregate											
	1,350,000	0	405,000	0	0	0	945,000	2018 Plan (RSU)	2021	(I) four years (II) performance-based	HKD7.77
Subtotal	**1,350,000**	**0**	**405,000**	**0**	**0**	**0**	**945,000**				
Other Grantees											
	2,350,000	0	900,000	0	0	0	1,450,000	2015 Plan (RSU)	2016–2021	(I) one to five years (II) performance-based	HKD13.76
	50,000	0	50,000	0	0	0	0	2016 Plan (RSU)	2020–2021	(I) four years (II) performance-based	HKD7.66
	3,778,083	0	1,736,500	50,833	0	0	1,990,750	2018 Plan (RSU)	2019–2023	(I) four to five years (II) performance-based	HKD7.71
Subtotal	**6,178,083**	**0**	**2,686,500**	**50,833**	**0**	**0**	**3,440,750**				
Total	**7,528,083**	**0**	**3,091,500**	**50,833**	**0**	**0**	**4,385,750**				

Note:

(1) Purchase price for RSUs in the table above is nil.

2023 RMB SHARE INCENTIVE SCHEME

The Company adopted the 2023 RMB Share Incentive Scheme upon approval of the Shareholders during the AGM held on 2 June 2023. The 2023 RMB Share Incentive Scheme is a share incentive scheme comprising awards in the form of restricted shares underlined by RMB Shares only, prepared in accordance with the PRC related financial regulations and listing rules and the Hong Kong Listing Rules. For details of the 2023 RMB Share Incentive Scheme, please refer to the circular of the Company dated 3 May 2023.

Summary of Terms

Purpose. The purpose of the 2023 RMB Share Incentive Scheme is to improve the Company's long-term incentive mechanism, attract and retain outstanding personnel, fully mobilise the enthusiasm of the Company's employees, effectively bring together the interests of shareholders, the Company and core teams, enable all parties share a common concern for the long-term development of the Company, and under the premise of fully safeguarding the interests of shareholders.

Eligible participants. The eligible participants include the Directors, senior management, core technicians and other employees of the Group (together, the "**Incentive Participants**").

Administration. The Board, as authorised by the shareholders at the AGM held on 2 June 2023, will administer the 2023 RMB Share Incentive Scheme and be responsible for the implementation of the 2023 RMB Share Incentive Scheme.

Duration/validity period. The validity period of the 2023 RMB Share Incentive Scheme will be from 2 June 2023 and until all restricted shares are granted but in no event shall exceed 72 months since the date of the adoption thereof. The remaining life of the 2023 RMB Share Incentive Scheme is three years and one month.

Maximum number of restricted shares. The number of restricted shares to be granted to the Incentive Participants under the 2023 RMB Share Incentive Scheme is 8,948,750 RMB Shares, representing approximately 0.51% of the total issued shares of the Company as of 2 June 2023, being the date of adoption thereof, and 0.51% of the total issued shares of the Company as of 31 December 2025.

There are no RMB Shares are available for grant under the 2023 RMB Share Incentive Scheme as of 1 January 2025 and 31 December 2025, respectively. As of the date of this annual report, 4,406,250 RMB Shares are available for issue under the 2023 RMB Share Incentive Scheme, representing approximately 0.25% of total issued Shares (excluding treasury Shares).

Maximum entitlement of each participant. Under the 2023 RMB Share Incentive Scheme, the number of issued Shares granted to any Incentive Participants through all share incentive schemes of the Company within the validity period will not exceed 1% of the total issued Shares of the Company as at 2 June 2023. In addition, for the Incentive Participants who are Directors or chief executives of the Company, the grant of share awards to such persons must be approved by the Independent Non-executive Directors, and the grant of share awards to such persons in any 12-month period will be subject to the approval of the Independent Shareholders if such grant exceeds 0.1% of the total issued Shares of the Company. There is no sublimit for a service provider as set out under Chapter 17 of the Listing Rules for the 2023 RMB Share Incentive Scheme.

Consideration. The consideration to be paid for the grants is RMB6.95 per restricted share which was determined with reference to 50% of the average trading price of RMB Shares on the 120 trading days preceding the date of announcement of the 2023 RMB Share Incentive Scheme. In accordance with the relevant provisions of the national tax laws and regulations, the Company shall withhold and pay the individual income tax and other taxes payable by the Incentive Participants for participation in the 2023 RMB Share Incentive Scheme. There is no other payable amount on application or acceptance of the option or award. There is no prescribed period within which payments or calls must or may be made or loans for such purposes must be repaid in respect of the options and/or awards offered under the 2023 RMB Share Incentive Scheme.

Vesting Period and conditions of the restricted shares. Subject to the Incentive Participants fulfilling the vesting conditions, the restricted shares so granted will be vested in equal instalments in the first trading day of the start of each of the four consecutive twelve-month periods since the date of the grant. For details of the vesting conditions, please refer to the circular of the Company dated 3 May 2023.

During the Reporting Period, the movements in the restricted shares granted under the 2023 RMB Share Incentive Scheme were as follows:

	Number of RSUs										
Name and category of grantee	Unvested as at 1 January 2025	Granted during the Reporting Period	Vested during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Expired during the Reporting Period	Unvested as at 31 December 2025	Date of grant of restricted shares	Vesting period of restricted shares[2]	Purchase price per share	Weighted average closing price per Share underlying the restricted shares vested during the Reporting Period
Directors, Senior Management and Core Technicians											
Dr. Jisong Cui	1,237,500	0	412,500	0	0	0	825,000	2 June 2023	12 months to 60 months	RMB6.95	RMB28.60
Dr. Xiangyang Chen	375,000	0	125,000	0	0	0	250,000	2 June 2023	12 months to 60 months	RMB6.95	RMB28.60
Dr. Renbin Zhao	300,000	0	100,000	0	0	0	200,000	2 June 2023	12 months to 60 months	RMB6.95	RMB28.60
Subtotal	1,912,500	0	637,500	0	0	0	1,275,000				
Other Incentive Participants											
Other employees whom the Board considers necessary to be incentivised (47 persons)	3,228,750	0	1,044,750	137,500	0	0	2,046,500	2 June 2023	12 months to 60 months	RMB6.95	RMB28.60
	1,717,000	0	394,500	112,750	0	0	1,209,750	30 May 2024	12 months to 60 months	RMB6.95	RMB28.60
Subtotal	4,945,750	0	1,439,250	250,250	0	0	3,256,250				
Total	6,858,250	0	2,076,750	250,250	0	0	4,531,250				

2023 SHARE AWARD SCHEME

Pursuant to the Company's circular dated 16 August 2023 on, among other things, the proposed adoption of the 2023 Share Award Scheme and the Scheme Mandate Limit, and the poll results announcement on 31 August 2023, the 2023 Share Award Scheme was approved by the Shareholders. Immediately following the successful adoption of the 2023 Share Award Scheme, the Company has terminated all existing share schemes, being the Pre-IPO Incentivization Plans and the Post-IPO RSU Scheme, in accordance with the relevant scheme rules thereof. The 2023 Share Award Scheme has been in operation since the date of the EGM on 31 August 2023, being the adoption date thereof.

Accordingly, the Company is able to make grants under the 2023 Share Award Scheme, a Chapter 17 compliant share scheme, also being the one and only share scheme with respect to Hong Kong Shares, and all underlying shares were issued prior to the Hong Kong IPO and are currently held by the relevant trustee (the "**Trustee Shares**"). These Trustee Shares, taking up 2.92% of the issued share capital as of the date of passing the 2023 Share Award Scheme, is the scheme mandate limit of the 2023 Share Award Scheme. Solely for the purpose of complying with the Listing Rules, the 2023 Share Award Scheme is to be regarded as a share scheme involving issue of new shares with respect of the Trustee Shares and accordingly is subject to the relevant provisions under Chapter 17 of the Listing Rules governing share schemes involving issue of new issues.

Summary of Terms

Purpose. The specific objectives of the 2023 Share Award Scheme are to: (i) recognise the contributions by certain selected participants with an opportunity to acquire a proprietary interest in the Company; (ii) encourage and retain such individuals for the continual operation and development of the Group; (iii) provide additional incentives for them to achieve performance goals; (iv) attract suitable personnel for further development of the Group; and (v) motivate the selected participants to maximise the value of the Company for the benefits of both the selected participants and the Company, with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the selected participants directly to the shareholders of the Company through ownership of Shares.

Eligible participants. The eligible participants include employee participants and service providers, each as defined under the Listing Rules.

Administration. The 2023 Share Award Scheme shall be subject to the administration of the Board and the relevant trustee with respect to their respective functions in accordance with the terms of the 2023 Share Award Scheme and the relevant trust deed. Unless otherwise specified in the terms of the 2023 Share Award Scheme, the decision made in accordance with the trust deed regarding the administration and operation of the 2023 Share Award Scheme shall be final and binding on all parties.

Duration/validity period. Subject to any early termination, the 2023 Share Award Scheme shall be valid and effective for a term of 10 years commencing on the date of adoption on 31 August 2023. The remaining life of the 2023 Share Award Scheme is seven years and five months.

Maximum number of restricted shares. The number of Shares which may be awarded by the Board under the 2023 Share Award Scheme shall not exceed 51,481,607 Shares (that is, excluding a total of 117,000 Shares held by the relevant trustees the underlying RSUs of which were lapsed during the Reporting Period), representing approximately 2.92% of the total number of issued shares of the Company as at the adoption date, all of which were already issued to the relevant trustee in the form of Trustee Shares. Amongst which, the number of Shares that available for grant under the service provider sublimit shall not exceed 1,764,321 Shares, representing not more than 0.1% of the total number of issued Shares as of the adoption date.

41,161,607 and 41,571,607 Shares are underlying awards available for grant under the 2023 Share Award Scheme as of 1 January 2025 and 31 December 2025, respectively, within which 1,764,321 and 1,764,321 Shares are underlying awards available for grant to service providers under the 2023 Share Award Scheme as of 1 January 2025 and 31 December 2025, respectively.

As all Shares to satisfy the awards granted under the 2023 Share Award Scheme have been issued and held by the trustee for the purpose of the 2023 Share Award Scheme, there is no Share available for issue under the 2023 Share Award Scheme.

Maximum entitlement of each participant. No award may be granted to any one eligible participant such that the total number of Shares issued and to be issued in respect of all awards granted to such person (excluding any awards lapsed in accordance with the terms of the scheme) in any twelve (12) month period up to the date of the latest grant exceeds 1% of the total issued shares of the Company from time to time, unless such grant is separately approved by shareholders of the Company in general meeting with such grantee and his/her close associates (with the meaning ascribed thereto under the Listing Rules) (or his/her associates if the grantee is a connected person) abstaining from voting in accordance with Rule 17.03D(1) of the Listing Rules. The maximum number of new Shares which may be awarded to all of the selected participants who are Service Providers (including, where the Service Provider is an entity, its employees, directors, consultants, advisers or agents who provides service to the Group) in aggregate under the 2023 Share Award Scheme shall not exceed 0.1% of the issued Shares as at the adoption date.

Consideration. As the 2023 Share Award Scheme is an attempt for the Company to consolidate and bring the Pre-IPO Incentivization Plans into compliance with Chapter 17 of the Listing Rules, the basis for determination of the purchase price of the Award will follow those of the Existing Plans, that is to be at the Board's sole discretion. Accordingly, the Board has resolved to set the relevant consideration for each award to be within the range of US$0.000002 and US$0.178. In setting the consideration, the Board took into account (including but not limited to) the purpose of the 2023 Share Award Scheme and the characteristics and profile of the grantee. The Board believes that it is in the best interests of the Company to retain the flexibility to impose appropriate conditions in light of the particular circumstances of each grant, which would then be a more meaningful reward commensurate to the grantees' contribution or potential contribution. Such room for discretion provides the Board with flexibility to stipulate a purchase price for the restricted shares, while balancing the purpose of the award and the interests of Shareholders. Therefore, the aforesaid term regarding the purchase price aligns with the purpose of the 2023 Share Award Scheme.

Vesting Period and conditions of the restricted shares. Subject to fulfilling the relevant vesting conditions, the vesting period in respect of an award held by the Employee Participant must be at least 12 months, except a shorter vesting period may be granted to an Employee Participant in the circumstances referred to in Question No. 10 of FAQ No. 092–2022 published by the Hong Kong Stock Exchange. For the avoidance of doubt, the vesting period in respect of an award held by the selected participant that is a Service Provider must be at least 12 months with no exceptions allowing for a shorter vesting period thereof.

For details of the terms of the 2023 Share Award Scheme, see the Company's circular dated 16 August 2023.

During the Reporting Period, the movements in the RSUs granted under the 2023 Share Award Scheme were as follows:

	Number of RSUs										
Name and category of grantee	As at 1 January 2025	Granted during the Reporting Period	Vested during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Expired during the Reporting Period	As at 31 December 2025	Date of grant of restricted shares	Vesting period of restricted shares[2]	Purchase price per share	Weighted average closing price per Share underlying the restricted shares vested during the Reporting Period
Associate of Directors											
Mr. Charles Zhou	0	50,000[1][3]	0	0	0	0	50,000	20 August 2025	Four years	USD0.178	N/A
Employee participants											
Two employee participants	650,000	0	150,000	50,000	0	0	450,000	28 September 2023	(I) Four years (II) performance-based	USD0.178	HKD9.25
Seven employee participants	3,050,000	0	637,500	0	0	0	2,412,500	29 December 2023	(I) Four years (II) performance-based	USD0.178	HKD5.47
Eight employee participants	2,790,000	0	625,000	0	0	0	2,165,000	28 June 2024	(I) Four years (II) performance-based	USD0.178	HKD15.55
Six employee participants	3,830,000	0	0	1,970,000	0	0	1,860,000	31 December 2024	(I) Four years (II) performance-based	USD0.178	N/A
Two employee participants	0	160,000[1][3]	50,000	0	0	0	110,000	20 August 2025	(I) Four years (II) performance-based	USD0.178	HKD12.30
Two employee participants	0	1,400,000[2][3]	0	0	0	0	1,400,000	31 December 2025	(I) Four years (II) performance-based	USD0.178	N/A
Subtotal	10,320,000	1,560,000	1,462,500	2,020,000	0	0	8,397,500				
Total	10,320,000	1,610,000	1,462,500	2,020,000	0	0	8,447,500				

Notes:

(1) The closing price of shares of the Company is HKD19.86 per share on 19 August 2025, being the business day immediately before the date on which the RSUs were granted. The fair value of RSUs at the grant date is HKD18.78. For relevant accounting standards and policy adopted in respect of fair value of RSUs granted, please refer to Note 2.4 to the consolidated financial statements of the Group in this report.

(2) The closing price of shares of the Company is HKD12.35 per share on 30 December 2025, being the business day immediately before the date on which the RSUs were granted. The fair value of RSUs at the grant date is HKD12.30. For relevant accounting standards and policy adopted in respect of fair value of RSUs granted, please refer to Note 2.4 to the consolidated financial statements of the Group in this report.

(3) The vesting of RSUs granted on 20 August 2025 and 31 December 2025, which may be subject to a vesting period of less than 12 months shall be subject to Company-level and individual-level performance targets: (i) at the corporate level, through attaining certain thresholds of, among other things, operating revenue and number of clinical trials, to reflect the Company's commercialization achievement and R&D progress; and (ii) at the individual level, through accurate and comprehensive evaluation of the grantees' individual work performance based on the nature of work tasks they are assigned with, and the functions/departments they belong to, which may vary between the grantees.

2024 SHARE AWARD SCHEME

The Company has adopted the 2024 Share Award Scheme by resolutions passed by the Board of the Company on March 28, 2024. The grant of awards under the 2024 Share Award Scheme will comprise existing Shares purchased or to be purchased by the designated trustee of the Company on-market or off market. There will be no new Shares to be issued to satisfy the grants under the 2024 Share Award Scheme.

The following is a summary of the principal terms of the 2024 Share Award Scheme.

Summary of Terms

Purpose. The objectives of the 2024 Share Award Scheme are to: (i) recognise and reward the contribution of certain eligible participants to the growth and development of the Group and to give incentives thereto in order to retain them for the continual operation and development of the Group; and (ii) to attract suitable personnel for further development of the Group.

Eligible participants. The eligible participants include employee participants, related entity participants and service providers, each as defined under the Listing Rules.

Administration. The 2024 Share Award Scheme shall be subject to the administration of the Board or the committee (as delegated by the Board) whose decisions on all matters arising in relation to the 2024 Share Award Scheme or its interpretation or effect shall be final, conclusive and binding on all persons who may be affected thereby, provided that such administration shall not prejudice the powers of the designated trustee pursuant to the trust deed.

Duration/validity period. Subject to any early termination, the 2024 Share Award Scheme shall be valid and effective for a term of ten (10) years commencing from the date of adoption on March 28, 2024. The remaining life of the 2024 Share Award Scheme is seven years and eleven months.

Maximum number of restricted shares. The number of Shares which may be awarded by the Board under the 2024 Share Award Scheme shall not exceed 176,258,245 Shares, representing approximately 10% of the total number of issued shares of the Company as at the adoption date, all of which were already issued. There is no service provider sublimit adopted under the 2024 Share Award Scheme.

From the date of adoption of the 2024 Share Award Scheme to 31 December 2025, no grants have been made to any Directors, senior management, core technicians and other employees of the Group pursuant to the 2024 Share Award Scheme. Therefore, 8,318,000 Shares are underlying awards available for grant under the 2024 Share Award Scheme as of its adoption date and 31 December 2025 (representing 0.47% of the total issued capital of the Company as of the date of this report).

Maximum entitlement of each participant. No award may be granted to any eligible participant such that the total number of Shares issued and to be issued in respect of all awards granted to such person (excluding any awards lapsed in accordance with the terms of the scheme) in any twelve (12) month period up to the date of the latest grant exceeds 1% of the total issued shares of the Company as at the adoption date.

Consideration. There is no amount payable on application or acceptance of the awards and the purchase price of the awards is nil, and therefore (i) there is no period within which payments or calls must or may be made or loans for such purposes must be repaid under the 2024 Share Award Scheme, and (ii) basis of determining purchase price of Shares awarded is not applicable.

Vesting Period and conditions of the restricted shares. The Shares underlying an award shall vest on the date(s) to be determined by the Board and notified to the relevant grantee in the notice of grant on which the shares underlying such award shall vest (the "**Vesting Date**"). In the event that the Board determines in its absolute discretion that any conditions and/or performance targets to be duly fulfilled by such eligible participants as specified in the related award notice has not been duly fulfilled or has not been waived by the Board, the Board shall be entitled to determine that the award made to such eligible participants shall lapse forthwith and the relevant awarded Shares shall not vest on the relevant Vesting Date.

2024 RMB SHARE INCENTIVE SCHEME

The Company adopted the 2024 RMB Share Incentive Scheme upon approval of the Shareholders during the EGM held on 17 December 2024. The 2024 RMB Share Incentive Scheme is a share incentive scheme comprising awards in the form of restricted shares underlined by RMB Shares only, prepared in accordance with the PRC related financial regulations and listing rules and the Hong Kong Listing Rules. For details of the 2024 RMB Share Incentive Scheme, please refer to the circular of the Company dated 28 November 2024.

Summary of Terms

Purpose. The purpose of the 2024 RMB Share Incentive Scheme is to continue to improve the Company's long-term incentive mechanism, attract and retain outstanding personnel, fully mobilise the enthusiasm of the Company's employees, effectively bring together the interests of shareholders, the Company and core teams, enable all parties share a common concern for the long-term development of the Company, and under the premise of fully safeguarding the interests of shareholders.

Eligible participants. The eligible participants include the Directors, senior management, core technicians and other employees of the Group (together, the "**Incentive Participants**").

Administration. The Board, as authorised by the shareholders at the EGM held on 17 December 2024, will administer the 2024 RMB Share Incentive Scheme and be responsible for the implementation of the 2024 RMB Share Incentive Scheme.

Duration/validity period. The validity period of the 2024 RMB Share Incentive Scheme will be from 17 December 2024 and until all restricted shares are granted but in no event shall exceed 77 months since the date of the adoption thereof. The remaining life of the 2024 RMB Share Incentive Scheme is five years and four months.

Maximum number of restricted shares. The number of restricted shares to be granted to the Incentive Participants under the 2024 RMB Share Incentive Scheme is 12,337,750 RMB Shares, representing approximately 0.70% of the total issued shares of the Company as of 17 December 2024, being the date of adoption thereof, and 0.70% of the total issued shares of the Company as of 31 December 2025.

2,467,550 and 0 RMB Shares are available for grant under the 2024 RMB Share Incentive Scheme as of 1 January 2025 and 31 December 2025, respectively. As of the date of this annual report, 9,635,200 RMB Shares are available for issue under the 2024 RMB Share Incentive Scheme, representing approximately 0.55% of total issued Shares (excluding treasury Shares).

Maximum entitlement of each participant. Under the 2024 RMB Share Incentive Scheme, the number of issued Shares granted to any Incentive Participants through all share incentive schemes of the Company within the validity period will not exceed 1% of the total issued Shares of the Company as at 17 December 2024. In addition, for the Incentive Participants who are Directors or chief executives of the Company, the grant of share awards to such persons must be approved by the Independent Non-executive Directors, and the grant of share awards to such persons in any 12-month period will be subject to the approval of the independent shareholders if such grant exceeds 0.1% of the total issued Shares of the Company. There is no sublimit for a service provider as set out under Chapter 17 of the Listing Rules for the 2024 RMB Share Incentive Scheme.

Consideration. The consideration to be paid for the grants is RMB6.65 per restricted share which was determined with reference to 50% of the average trading price of RMB Shares on the 20 trading days preceding the date of announcement of the 2024 RMB Share Incentive Scheme. In accordance with the relevant provisions of the national tax laws and regulations, the Company shall withhold and pay the individual income tax and other taxes payable by the Incentive Participants for participation in the 2024 RMB Share Incentive Scheme. There is no other payable amount on application or acceptance of the option or award. There is no prescribed period within which payments or calls must or may be made or loans for such purposes must be repaid in respect of the options and/or awards offered under the 2024 RMB Share Incentive Scheme.

Vesting Period and conditions of the restricted shares. Subject to the Incentive Participants fulfilling the vesting conditions, the restricted shares so granted will be vested in equal instalments on the first trading day after 17 months from the date of grant and on each of the three consecutive twelve-month periods thereafter. For details of the vesting conditions, please refer to the circular of the Company dated 28 November 2024.

During the Reporting Period, the movements in the restricted shares granted under the 2024 RMB Share Incentive Scheme were as follows:

	Number of RSUs										
Name and category of grantee	Unvested as at 1 January 2025	Granted during the Reporting Period	Vested during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Expired during the Reporting Period	Unvested as at 31 December 2025	Date of grant of restricted shares	Vesting period of restricted shares[2]	Purchase price per share	Weighted average closing price per Share underlying the restricted shares vested during the Reporting Period
		(0,000 shares)									
Directors, Senior Management and Core Technicians											
Dr. Jisong Cui	2,580,000	0	0	0	0	0	2,580,000	17 December 2024	17 months to 53 months	RMB6.65	N/A
Dr. Renbin Zhao	600,000	0	0	0	0	0	600,000	17 December 2024	17 months to 53 months	RMB6.65	N/A
Dr. Xiangyang Chen	700,000	0	0	0	0	0	700,000	17 December 2024	17 months to 53 months	RMB6.65	N/A
Mr. Xin Fu	100,000	0	0	0	0	0	100,000	17 December 2024	17 months to 53 months	RMB6.65	N/A
Subtotal	3,980,000	0	0	0	0	0	3,980,000				
Other Incentive Participants											
Other employees whom the Board considers necessary to be incentivized (72 persons)	5,890,200	0	0	157,000	0	0	5,733,200	17 December 2024	17 months to 53 months	RMB6.65	N/A
Other employees whom the Board considers necessary to be incentivized (91 persons)	0	2,467,550	0	68,000	0	0	2,399,550	20 August 2025	12 months to 48 months	RMB6.65	N/A
Subtotal	5,890,200	2,467,550	0	225,000	0	0	8,132,750				
Total	9,870,200	2,467,550	0	225,000	0	0	12,112,750				

Note:

(1) The closing price of RMB Shares of the Company is RMB31.81 per share on 19 August 2025, being the business day immediately before the date on which the RSUs were granted. For relevant accounting standards and policy adopted in respect of fair value of RSUs granted, please refer to Note 2.4 to the consolidated financial statements of the Group in this report.

(2) The vesting of RSUs granted on 20 August 2025 is subject to Company-level and individual-level performance assessment targets. Company-level performance assessment targets permit vesting of different proportions of the RSUs based on the Company's cumulative operative revenue or number of clinical trials from 2025 to the year of assessment. Individual-level performance targets permit vesting of different proportions of the RSUs based on three levels of individual assessment grades.

The number of Shares that may be issued in respect of options and awards granted under all share schemes of the Company during the Reporting Period divided by the weighted average number of Shares in issue (excluding treasury shares) for the Reporting Period is 0.23%.

EQUITY-LINKED AGREEMENT

Save as disclosed in this report, there was no equity-linked agreement entered into by the Company during the year ended 31 December 2025.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2025, the respective percentage of purchases attributable to the Group's largest supplier and five largest suppliers in aggregate was 16.6% and 29.0% and the respective percentage of the total sales attributable to the Group's largest customer and five largest customers in aggregate was 35.4% and 80.2%, respectively. The Group's largest customer is an independent third party of the Group.

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

Our major customers comprise retailers of drugs and biotechnology company to whom we provide R&D services. Their credit terms are generally between one to three months, and may be extended for certain customers. No special provisions recognized to the receivables as of 31 December 2025 from such major customers. For sales of orelabrutinib, the Group's major customers are state-owned large-scale drug distributors located in the PRC with whom the Group has been cooperating since 2021. The Group considers that such practice is in line with the unique norm of the bio-pharmaceutical industry in the PRC where primary drug distributors are state-owned enterprises. We have been maintaining strict control over outstanding receivables from all of our customers to minimize any credit risk.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

On 8 September 2023, the Company announced a HK$200 million share repurchase plan of the Shares listed on the Main Board of the Stock Exchange approved by the Board.

During the Reporting Period, the Company repurchased 1,926,000 Shares on-market for a total consideration of HK$18,189,700. As of 31 December 2025, 2,486,000 Shares repurchased were held as treasury shares. Subject to compliance with the Listing Rules, the Company may consider applying such treasury shares for resale, consideration of future acquisitions, or funding existing or new share schemes of the Company.

The Directors are of the view that repurchases of Shares may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share.

Details of the share repurchases during the Reporting Period are as follows:

Month and year of repurchase	Number and method of repurchased	Price paid per Share		Aggregate consideration
		Highest	Lowest	
January 2025	1,126,000 Shares on the Stock Exchange	HK$5.82	HK$5.57	HK$6,421,700
October 2025	800,000 Shares on the Stock Exchange	HK$14.71	HK$14.71	HK$11,768,000
Total	**1,926,000 Shares on the Stock Exchange**	**HK$14.71**	**HK$5.57**	**HK$18,189,700**

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Reporting Period. Save as disclosed above, there was no transaction in the Company's securities, or securities of its subsidiaries (in each case, in the nature of (1) convertible securities, warrants or similar rights issued or granted; (2) exercise of any conversion or subscription rights attached to the aforesaid; or (3) redemption, purchase or cancellation of redeemable securities) during the Reporting Period.

No treasury shares (as defined under Chapter 1 of the Listing Rules) of the Company had been sold during the Reporting Period.

CHARITABLE CONTRIBUTIONS

During the Reporting Period, the Group has donated RMB0.2 million for patients care.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has applied the principles and code provisions as set out in the CG Code. During the Reporting Period, the Board is of the opinion that, save as disclosed in this report, the Company has complied with all applicable code provisions set out in the CG Code apart from the deviation below.

Pursuant to code provision C.2.1 of the CG Code, the responsibilities between the Chairperson and the Chief Executive Officer should be segregated and should not be performed by the same individual. The roles of the Chairperson and Chief Executive Officer of the Company are held by Dr. Jisong Cui who is a co-founder of the Company. The Board believes that this structure will not impair the balance of power and authority between our Board and the management of the Company, given that: (i) a decision to be made by the Board requires approvals by at least a majority of Directors and that the Board comprises three independent non-executive Directors out of seven Directors, and the Board believes there is sufficient check and balance in the Board; (ii) Dr. Jisong Cui and the other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that they act for the benefits and in the best interests of the Company and will make decisions for the Group accordingly; and (iii) the balance of power and authority is ensured by the operations of the Board which 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 Group are made collectively after thorough discussion at both the Board and senior management levels. The Board also believes that the combined role of Chairperson and Chief Executive Officer can promote the effective execution of strategic initiatives and facilitate the flow of information between management and the Board. Further, in view of Dr. Jisong Cui's experience, personal profile and her roles in the Company as mentioned above, Dr. Jisong Cui is the Director best suited to identify strategic opportunities and focus of the Board due to her extensive understanding of our business as the Chief Executive Officer. Finally, as Dr. Jisong Cui is the co-founder of the Company, the Board believes that vesting the roles of both Chairperson and Chief Executive Officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for and communication within the Group. The Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether separation of the roles of Chairperson and Chief Executive Officer is necessary.

The Company will continue to regularly review and monitor the corporate governance practices to ensure the compliance with the CG Code and maintain a high standard of the best practices. We aim to implement a high standard of corporate governance, which is crucial to safeguard the interests of the Shareholders.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

In respect of the year ended 31 December 2025, the Company does not have any disclosure obligations under Rules 13.17 to 13.22 of the Listing Rules.

AUDITOR

The consolidated financial statements of the Group for the year ended 31 December 2025 have been audited by Ernst & Young. As of the date of this report, there was no change in the Company's auditor in any of the preceding three years.

Ernst & Young shall retire and being eligible, offer itself for re-appointment, and a resolution to this effect shall be proposed at the forthcoming AGM.

By order of the Board of Directors
InnoCare Pharma Limited
Dr. Jisong Cui
Chairperson and Executive Director

PRC, 25 March 2026

CORPORATE GOVERNANCE PRACTICES

The Board is committed to achieving good corporate governance standards. The Board believes that good corporate governance standards are essential in providing a framework for the Company to safeguard the interests of Shareholders, enhance corporate value, formulate our business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the principles and code provisions of the CG Code contained in Appendix C1 to the Listing Rules as the basis of the Company's corporate governance practices.

In the opinion of the Directors, for the year ended 31 December 2025, the Company has complied with all the applicable code provisions as set out in the CG Code, except for code provision C.2.1 of the CG Code which provides that the roles of Chairperson and Chief Executive Officer should be separated and should not be performed by the same individual, details of which are set out on page 109 under the section headed "Board of Directors — Chairperson and Chief Executive Officer" of this Corporate Governance Report.

CORPORATE GOVERNANCE CODE COMPLIANCE

Save as disclosed above, up to the date of this report, the Company has complied with all the applicable code provisions as set out in CG Code. In the following corporate governance areas, the Company's practices have exceeded the relevant CG Code/Listing Rules requirements:

Corporate Governance Areas	Details of Exceedance
Number of INED	• The number of INEDs represents more than one-third of the Board, which exceeded the independence requirement under the Listing Rules. • By ensuring the independent view available to corporate governance, in particular, the Company amended and updated four mechanisms in place in order to ensure a strong independent element on the Board which is the key to the Board's effectiveness. Please refer to Section Four in the amended Procedure for Directors Election, which is available on the website of the Company (www.innocarepharma.com) under the Corporate Governance Section.
Number of INED in Audit Committee	The Audit Committee consists of two INEDs, which met the independence requirement under the Listing Rules.
Number of Regular Board Meetings	The Company held ten Board meetings including 4 regular Board meetings and Special Board Meetings in this year are held as and when required, which exceeds the requirement under the CG Code.
Notice of the Regular Board Meetings	The dates of regular Board meetings for the following year are usually fixed in the fourth quarter of the preceding year.
Model Code Confirmation	Confirmation of Compliance with the Model Code is obtained from each Director and Executive Management every half year.
Evaluation of the Effectiveness of Internal Control and Risk Management System	The Company reviews not only the effectiveness of the internal control and risk management of the Company and its subsidiaries, but also that of its key associate operating in Mainland China and overseas.
Board Diversity Policy	The Company has a Board Diversity Policy which sets out the objective and approach to achieve and maintain diversity of our Board in order to enhance the effectiveness of the Board. In particular, there are four female board members, which exceeded the peers' board composition on the gender diversity.
Whistleblowing Policy	The Company adopted the Whistleblowing Policy in 2022 and is committed to maintaining high standards of business ethics and corporate governance. For the details, please refer to the Whistleblowing Policy, which is available on the website of the Company (www.innocarepharma.com) under the Corporate Governance Section.
Anti-corruption and Anti-bribery Policy	The Company adopted the Anti-corruption and Anti-bribery Policy in 2022 and is committed to conduct all its business in an honest and ethical manner. For the details, please refer to the Anti-corruption and Anti-bribery Policy, which is available on the website of the Company (www.innocarepharma.com) under the Corporate Governance Section.

The Company continues to monitor developments in the area of corporate governance externally to ensure the suitability and robustness of its corporate governance framework in light of the evolving business and regulatory environment and to meet the expectations of shareholders and stakeholders.

BOARD OF DIRECTORS

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

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

Board Composition

The Board currently comprises seven Directors, consisting of two Executive Directors, two Non-executive Directors and three Independent Non-executive Directors.

Executive Directors:

Dr. Jisong Cui *(Chairperson and Chief Executive Officer)*
Dr. Renbin Zhao

Non-executive Directors:

Dr. Yigong Shi
Mr. Ronggang Xie

Independent Non-executive Directors:

Ms. Lan Hu
Dr. Dandan Dong
Prof. Kunliang Guan *(appointed with effect from 21 January 2025)*

The biographical information of the Directors is set out in the section headed "Biographies of Directors and Senior Management — Directors" of this report.

Save as disclosed in the Prospectus and in this report, to the best knowledge of the Company, there has been no financial, business, family, or other material/relevant relationships among members of the Board.

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 Directors. The attendance record of each Director at the annual general meeting, extraordinary general meeting, the Board meeting and the Board committee meetings of the Company held during the Reporting Period is set out in the table below:

	Attendance/Number of Meetings[1]				
Name of Directors	**Board**	**Audit Committee**	**Compensation Committee**	**Nomination Committee**	**Annual General Meeting**
Executive Directors					
Dr.Jisong Cui *(Chairperson and Chief Executive Officer)*	10/10	0/0	4/4	3/3	1/1
Dr. Renbin Zhao	10/10	0/0	0/0	0/0	1/1
Non-executive Directors					
Dr. Yigong Shi	10/10	0/0	0/0	0/0	1/1
Mr. Ronggang Xie	10/10	5/5	0/0	0/0	1/1
Independent Non-executive Directors					
Ms. Lan Hu[3]	10/10	5/5	4/4	3/3	1/1
Dr. Dandan Dong	10/10	5/5	4/4	3/3	1/1
Prof. Kunliang Guan *(appointed with effect from 21 January 2025)*[2]	8/8	0/0	0/0	0/0	1/1

Notes:

(1) No attendance was by an alternate of any Director.

(2) Pro. Kunliang Guan appointed as Independent Non-executive Director with effect from 21 January 2025 and appointed as a member of the Nomination Committee with effect from 13 November 2025.

(3) Ms. Lan Hu withdrew from the Nomination Committee with effect from 13 November 2025.

Responsibilities, Accountabilities and Contributions of the Board and Management

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

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

All Directors, including Non-executive Directors and Independent Non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The Independent Non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations. All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company. The Directors shall disclose to the Company details of other offices held by them.

The Board reserves for its decisions 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 coordinating the daily operation and management of the Company are delegated to the management.

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

Independent Non-executive Directors

As announced by the Company on 25 September 2024, Dr. Kaixian Chen resigned as Independent Non-executive Director. Following the resignation of Dr. Kaixian Chen, the number of Independent Non-executive Directors on the Board was less than three, resulting in the Company needing to fulfil the minimum number of Independent Non-executive Directors required under Rule 3.10(1) of the Listing Rules within three months from the date of resignation of Dr. Kaixian Chen under Rule 3.11 of the Listing Rules. The Hong Kong Stock Exchange granted the Company a waiver and extension of time to 24 January 2025 to comply with Rules 3.10(1) and 3.11 of the Listing Rules. Following the appointment of Prof. Kunliang Guan as an Independent Non-executive Director on 21 January 2025, the Company is in compliance with Rules 3.10(1) and 3.11 of the Listing Rules. For further details, please refer to the announcements of the Company dated 25 September 2024, 24 December 2024, 13 January 2025, and 21 January 2025.

Save as disclosed above, for the year ended 31 December 2025, the Board at all times met the requirements of Rules 3.10(1) and (2) and 3.10A of the 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 had remained independent for the year ended 31 December 2025.

Code provision C.2.7 of the CG Code requires that the chairperson should at least annually hold meetings with independent non-executive Directors without the presence of other directors. During the year ended 31 December 2025, the Chairperson held 7 meetings with the Independent Non-executive Directors without the presence of the other directors.

Continuous Professional Development of Directors

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

Every newly appointed Director has received a formal and comprehensive induction before or on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of a Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements. Such induction shall be supplemented by regular meetings with senior management of the Company to understand the Group's businesses, governance policies and regulatory environment.

Prof. Kunliang Guan obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 9 January 2025, and Prof. Guan confirmed that he understood her obligations as a director of the Company.

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

During the year ended 31 December 2025, all of the Directors participated in a training session conducted by professional firm, the legal advisers of the Company, Listed Companies Association or Securities Regulatory Commission. The training session covered a wide range of relevant topics including directors' duties and responsibilities, continuing connected transaction, disclosure of interests and regulatory updates. In addition, relevant reading materials including compliance manual, legal and regulatory updates and seminar handouts have been provided to the Directors for their reference and studying.

The training records of the Directors as provided by the Directors during the year ended 31 December 2025 are summarized as follows:

Directors	**Participated in continuous professional development** *Note 1*
Executive Directors	
Dr. Jisong Cui *(Chairperson and Chief Executive Officer)*	✓
Dr. Renbin Zhao	✓
Non-executive Directors	
Dr. Yigong Shi	✓
Mr. Ronggang Xie	✓
Independent Non-executive Directors	
Ms. Lan Hu	✓
Dr. Dandan Dong	✓
Prof. Kunliang Guan *(appointed with effect from 21 January 2025)*	✓

Note:

1. Attended training/seminar/conference arranged by the Company and conducted by professional firm, the legal advisor of the Company, and studied the relevant reading materials (including anti-corruption training).

Chairperson and Chief Executive Officer

The roles of the Chairperson and Chief Executive Officer of the Company are held by Dr. Jisong Cui who is a co-founder of the Company.

The Board believes that this structure will not impair the balance of power and authority between our Board and the management of the Company, given that: (i) a decision to be made by the Board requires approvals by at least a majority of Directors and that the Board comprises three Independent Non-executive Directors out of seven Directors, and the Board believes there is sufficient check and balance in the Board; (ii) Dr. Jisong Cui and the other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that they act for the benefits and in the best interests of the Company and will make decisions for the Group accordingly; and (iii) the balance of power and authority is ensured by the operations of the Board which 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 Group are made collectively after thorough discussion at both the Board and senior management levels. The Board also believes that the combined role of Chairperson and Chief Executive Officer can promote the effective execution of strategic initiatives and facilitate the flow of information between management and the Board. Further, in view of Dr. Jisong Cui's experience, personal profile and her roles in the Company as mentioned above, Dr. Jisong Cui is the Director best suited to identify strategic opportunities and focus of the Board due to her extensive understanding of our business as the Chief Executive Officer. Finally, as Dr. Jisong Cui is the co-founder of the Company, the Board believes that vesting the roles of both Chairperson and Chief Executive Officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for and communication within the Group. The Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether separation of the roles of Chairperson and Chief Executive Officer is necessary.

Appointment and Re-election of Directors

Each of the Executive Directors and Non-executive Directors has entered into a service agreement with the Company under which the initial term of their service agreement shall commence from the date of their appointment until terminated in accordance with the terms and conditions of the service agreement or by either party giving to the other not less than three months' prior notice. Each of the Independent Non-executive Directors has entered into an appointment letter with the Company under which the initial term of their appointment letters shall commence from the date of their appointment for a period of three years (subject always to re-election as and when required under the Articles of Association) until terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other not less than one month's prior notice in writing. The appointments and re-election of Directors are subject to the provisions of retirement and rotation under the Articles of Association.

Under the Article 114(a) of the Articles of Association, at every AGM of the Company, one-third of the Directors for the time being (or if their number is not three or a multiple of three, then the number nearest to, but not less than one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. The Article 118 of the Articles of Association also provides that any Director appointed to fill a casual vacancy shall hold office until the first annual general meeting the Company after his appointment and be subject to re-election at such meeting and any Director appointed as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election.

BOARD COMMITTEES

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

Audit Committee

The Audit Committee consists of three members, including one Non-executive Director, namely Mr. Ronggang Xie, and two Independent Non-executive Directors, namely Ms. Lan Hu and Dr. Dandan Dong. Ms. Lan Hu, being the chairperson of the Audit Committee, holds the appropriate professional qualification as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code. The main duties of the Audit Committee include assisting the Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of the Group, overseeing the audit process and performing other duties and responsibilities as assigned by the Board of Directors.

During the Reporting Period, the Audit Committee held 5 meetings and all the members of the Audit Committee attended the meeting to, assist our Board of Directors by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of our Group, overseeing the audit process and performing other duties and responsibilities as assigned by our Board of Directors, review the quarter, interim and annual results, review the risk management and internal control systems and the effectiveness of the Company's internal audit function.

Compensation Committee

The Compensation Committee consists of three members, including one Executive Director, namely Dr. Jisong Cui, and two Independent Non-executive Directors, namely Ms. Lan Hu and Dr. Dandan Dong. Ms. Lan Hu is the chairperson of the Compensation Committee.

The terms of reference of the Compensation Committee are of no less exacting terms than those set out in the CG Code. The primary duties of the Compensation Committee include (i) making recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing the policy on such remuneration; (ii) determining the specific remuneration packages of all Directors and senior management; and (iii) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time.

During the Reporting Period, the Compensation Committee held 4 meetings and all the members of the Compensation Committee attended the meeting to, review the remuneration policy and structure for the Directors and senior management, make recommendations to the Board on determining the annual remuneration packages of the Directors and the senior management and other related matters, assess and review performance of the Directors and senior management, approve the terms of the executive director's service contract, and reviewing and approving matters relating to share schemes under Chapter 17.

No material matters relating to the Pre-IPO Incentivisation Plans were reviewed or approved by the Compensation Committee during the year ended 31 December 2025.

No material matters relating to the Post-IPO RSU Scheme were reviewed or approved by the Compensation Committee during the year ended 31 December 2025.

No material matters relating to the 2023 RMB Share Incentive Scheme were reviewed and approved by the Compensation Committee during the year ended 31 December 2025.

Material matters relating to the 2023 Share Award Scheme that were reviewed and approved by the Compensation Committee during the Reporting Period are set out below:

(1) to grant 1,610,000 RSUs to five employee participants under the 2023 Share Award Scheme.

Material matters relating to the 2024 RMB Share Incentive Scheme that were reviewed and approved by the Compensation Committee during the Reporting Period are set out below:

(1) to grant 2,467,550 restricted shares to 91 employees under the 2024 RMB Share Incentive Scheme.

No material matters relating to the 2024 Share Award Scheme were reviewed and approved by the Compensation Committee during the year ended 31 December 2025.

The remuneration payable to the senior management of the Company (who are not the Directors) is shown in the following table by band:

	2025 Number of Individual(s)	2024 Number of Individual(s)
Annual Remuneration		
HK$4,500,001 to HK$5,000,000	—	1
HK$6,000,001 to HK$6,500,000	—	1
HK$6,500,001 to HK$7,000,000	1	—
HK$7,500,001 to HK$8,000,000	1	—
HK$8,000,001 to HK$8,500,000	1	—
HK$8,500,001 to HK$9,000,000	—	1
Total	3	3

Further details of the remuneration payable to the Directors and the five highest paid individuals for the year ended 31 December 2025 are set out in note 8 and note 9, respectively, to the consolidated financial statements of the Group in this report.

Details of the remuneration for the five highest paid employees of the Company are as follows:

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	9,385	9,277
Performance related bonuses	4,131	3,206
Pension scheme contributions	201	192
Share-based payments	7,147	5,584
Total	20,864	18,209

Nomination Committee

The Nomination Committee consists of three members, including one Executive Director, namely Dr. Jisong Cui, and two Independent Non-executive Directors, namely Dr. Dandan Dong and Prof. Kunliang Guan. Dr. Jisong Cui is the chairperson of the Nomination Committee. Ms. Lan Hu was resigned from and Prof. Kunliang Guan was appointed as the member of Nomination Committee with effect from 13 November 2025.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code. The principal duties of the Nomination Committee include without limitation, reviewing the structure, size and composition of the Board, assessing the independence of Independent Non-executive Directors and making recommendations to the Board on matters relating to the appointment of Directors.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning board diversity as set out in the Company's board diversity policy (the "**Board Diversity Policy**"). The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's relevant criteria as set out in the Company's director nomination policy (the "**Director Nomination Policy**") that are necessary to complement the corporate strategy and achieve board diversity, where appropriate, before making recommendation to the Board.

During the Reporting Period, the Nomination Committee held 3 meeting(s) and all the members of the Nomination Committee attended the meeting to, among other things, review the policy for the nomination of Directors and terms of references and recommend to the Board for the nomination, re-appointment of new Directors in accordance with the following procedures and process: (a) the Nomination Committee shall first review and assess factors relating to the diversity of the Board, including but not limited to professional experience, skill, knowledge and length of service, gender, age, cultural and education background, and give consideration to the candidate's willingness to devote adequate time to the Board and independence of each INED based on the requirements of the Listing Rules as amended from time to time; (b) the Nomination Committee shall then nominate suitable candidates to the Audit Committee, Compensation Committee and Nomination Committee based on the then-current and anticipated future leadership needs of the Company, with a view to achieving a sustainable and balanced development of the Company; and (c) the Nomination Committee shall also monitor and review the implementation of the nomination policy, as appropriate from time to time, and will report to the Board annually.

Director Nomination Policy

The Board has delegated its responsibilities and authority for selection and appointment of Directors to the Nomination Committee.

The Company has a Director Nomination Policy which sets out the selection criteria and process and the Board succession planning considerations in relation to nomination and appointment of Directors and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

The Director Nomination Policy sets out the factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

- Reputation for integrity
- Commitment in respect of available time and relevant interest
- Diversity in all its aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge, and length of service

The Director Nomination Policy also sets out the procedures for the selection and appointment of new Directors and re-election of Directors at general meetings.

The Nomination Committee will review the Director Nomination Policy, from time to time and as appropriate, to ensure its effectiveness.

Mechanism to Ensure Independent Views and Input Available to the Board

The Company recognizes the importance of board independence to corporate governance. In particular, the following mechanisms are established during the Reporting Period in order to ensure that there is strong independent element on the Board which is key to the Board's effectiveness:

- In assessing whether a potential candidate is qualified to become an independent non-executive director of the Company, the Nomination Committee and the Board will consider, among others, whether the candidate is able to devote sufficient time on performing his/her duties as an independent non-executive director of the Company, and the background and qualification of the candidate, in order to assess whether such candidates are able to bring independent views to the Board in respect of available time and relevant interest.

- In considering whether an independent non-executive director should be proposed for re-election, the Nomination Committee and the Board will assess and evaluate the independent non-executive director's contribution to the Board during the term, in particular, whether the independent non-executive director was able to bring independent views to the Board.

- The Company will ensure that there are channels (in addition to independent non-executive directors) where independent views are available, including but not limited to availability of access by directors of the Company to external independent professional advice to assist their performance of duties.

- In connection with the preceding paragraphs, the Nomination Committee and the Board will consider a potential candidate's (or, in the case of re-election, a retiring independent non-executive director's) willingness to (i) commit the time required to fully discharge his/her responsibilities to the Board as an independent non-executive director and (ii) advance his/her opinion on matters where independent non-executive directors' views are required, including but not limited to the conflict of interest assessment, etc.

At the end of December, the Company reviewed the mechanism and are satisfied with the effectiveness and efficiency of the current version.

Corporate Governance Functions

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

For the year ended 31 December 2025, the Board had reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code, and the Company's compliance with the CG Code and the disclosure in this Corporate Governance Report.

COMPANY SECRETARY

During the Reporting Period, Ms. Angel Pui Shan Lee, a corporate secretarial executive of SWCS Corporate Services Group (Hong Kong) Limited, as the company secretary of the Company, is responsible for advising the Board on corporate governance matters and ensuring that Board policy and procedures, and applicable laws, rules and regulations are followed. Ms. Bei Yuan, the Investor Relations Director of the Company, is the primary contact person of the company secretary of the Company. Ms. Angel Pui Shan Lee, resigned as the company secretary of the Company with effect from 25 March 2026 and Ms. Lin Sio Ngo appointed as the company secretary of the Company in replacement of Ms. Angel Pui Shan Lee with effect from 25 March 2026.

For the year ended 31 December 2025, Ms. Angel Pui Shan Lee and Ms. Lin Sio Ngo have undertaken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules.

Specific enquiries have been made of all the Directors and they have confirmed that they have complied with the Model Code during the year ended 31 December 2025 or up to the effective time where they ceased to be Director (as the context may be). The Company's employees, who are likely to be in possession of unpublished inside information of the Company, are subject to the Model Code. No incident of non-compliance of the Model Code by the employees was noted by the Company during the year ended 31 December 2025.

MATERIAL LITIGATION

The Company was not involved in any material litigation or arbitration during the Reporting Period. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group as at the end of the Reporting Period.

RISK MANAGEMENT AND INTERNAL CONTROL

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

The internal audit department of the Group was set up on the Listing Date and assists the Board and the Audit Committee in their review of the adequacy and effectiveness of the risk management and internal control systems. The internal audit function examines key issues in relation to the accounting practices and all material controls. The Board had conducted a review of the effectiveness of the risk management and internal control systems of the Company in respect of the Reporting Period and considered the system effective and adequate.

Risk Management

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives and establishing and maintaining appropriate and effective risk management and internal control systems. The Company recognizes that risk management is critical to the success of its business operation. Key operational risks faced by the Company include changes in general market conditions and the regulatory environment of the Chinese and global biologics markets, the Company's ability to develop, manufacture and commercialize its drug candidates, and its ability to compete with other pharmaceutical companies.

The Company has adopted a series of risk management policies which set out a risk management framework to identify, assess, evaluate and monitor significant risks associated with its strategic objectives on an ongoing basis. The following key principles outline the Company's approach to risk management:

- The Audit Committee oversees and manages the overall risks (including ESG risks) associated with the Company's business operations, including (i) reviewing and approving the Company's risk management policies to ensure that it is consistent with its corporate objectives; (ii) reviewing and approving the Company's corporate risk tolerance; (iii) monitoring the most significant risks associated with the Company's business operations and its management's handling of such risks; (iv) reviewing the Company's corporate risk in light of its corporate risk tolerance; and (v) monitoring and ensuring the appropriate application of the Company's risk management framework across the Company.

- The internal control department is responsible for (i) formulating and updating the Company's risk management policy and targets; (ii) reviewing and approving major risk management issues of the Company; (iii) promulgating risk management measures; (iv) providing guidance on the Company's risk management approach to the relevant departments in the Company; (v) reviewing the relevant departments' reporting on key risks and providing feedback; (vi) supervising the implementation of the Company's risk management measures by the relevant departments; (vii) ensuring that the appropriate structure, processes and competencies are in place across the Group; and (viii) reporting to the Audit Committee on the Company's material risks.

- The relevant departments in the Company, including but not limited to the finance department and the human resources department, are responsible for implementing the Company's risk management policy and carrying out our day-to-day risk management practice. In order to standardize risk management across the Group and set a common level of transparency and risk management performance, the relevant departments will (i) gather information about the risks relating to their operation or function; (ii) conduct risk assessments, which include the identification, prioritization, measurement and categorization of all significant risks that could potentially affect their objectives; (iii) prepare a risk management report annually for the Chief Executive Officer's review; (iv) continuously monitor the significant risks relating to their operation or function; (v) implement appropriate risk responses where necessary; and (vi) develop and maintain an appropriate mechanism to facilitate the application of the Company's risk management framework.

During the Reporting Period, the Company has regularly reviewed and enhanced its risk management system, around 2 times per annum. We consider that the Directors and members of the Company's senior management possess the necessary knowledge and experience in providing good corporate governance oversight in connection with risk management and internal control.

Internal Control

The Board is responsible for establishing and ensuring effective internal controls to always safeguard the Shareholder's investment. The Company's internal control policies set out a framework to identify, assess, evaluate, and monitor key risks associated with its strategic objectives on an ongoing basis.

The Company has established internal control function for risk management and internal control systems with relevant policies and procedures that we believe are appropriate for our business operations.

The Company has adopted various measures and procedures regarding each aspect of its business operation, such as protection of intellectual property, environmental protection, and occupational health and safety. The Company provides periodic training on these measures and procedures to its employees as part of its employee training program. The Company also constantly monitors the implementation of those measures and procedures through its on-site internal control team for each stage of the drug development process.

The Directors (who are responsible for monitoring the corporate governance of the Group), with help from the Company's legal advisors, periodically review its compliance status with all relevant laws and regulations. The Audit Committee (i) makes recommendations to the Directors on the appointment and removal of external auditors; and (ii) reviews the financial statements and render advice in respect of financial reporting as well as oversee internal control procedures of the Group.

The Company has engaged a PRC law firm to advise it on and keep it abreast of the PRC laws and regulations. The Company will continue to arrange various trainings sessions to be provided by internal and external legal advisors from time to time when necessary, and/or any appropriate accredited institution to update the Directors, senior management and relevant employees on the latest PRC laws and regulations.

The Company maintains strict Anti-corruption Policies and Anti-bribery Policy on personnel with external communication functions. The Company will also ensure that its commercialization team complies with applicable promotion and advertising requirements, which include restrictions on promoting drugs for unapproved uses or patient populations and limitations on industry-sponsored scientific and educational activities.

During the Reporting Period, the Company has regularly reviewed and enhanced its risk management and internal control system, around 2 times per annum. The Audit Committee and legal department reviewed the adequacy and effectiveness of the Company's policies and procedures and the external auditor and external consultants (i.e. legal counsel) evaluated the risk management and regulatory compliance, and legal matters. In conjunction with the Board's ad-hoc review, the Company's risk management and internal control systems were adequate and effective with satisfaction during the Reporting Period to cover all the aspects of the current fast-paced development of the Company. Besides, the Company has complied satisfactorily with the requirements of the Corporate Governance Code in respect of risk management and internal control system. During the Reporting Period, the Group was not aware of any significant deficiencies or areas of concern in internal control of the Group.

Investment Risk Management

The Company engages in short-term investments with surplus cash on hand. The Company's investment portfolio primarily consists of wealth management products and time deposits. The Company's primary objective of short-term investment is to preserve principal and increase liquidity without significantly increasing risks. Under the supervision of the Company's Chief Financial Officer, the finance department is responsible for managing the Company's short-term investment activities. Before making any investment proposal, the finance department will assess the Company's cash flow levels, operational needs, and capital expenditures. The Company operates under a Board approved investment policy, which provides the guidelines and specific instructions on the investment of the Company's funds. The Company's investment policy is reviewed by the Board on an annual basis.

The Company's investment strategy aims to minimize risks by reasonably and conservatively matching the maturities of the portfolio to anticipated operating cash needs. The Company makes its investment decisions on a case-by-case basis after thoroughly considering several factors, including but not limited to macro-economic environment, general market conditions and the expected profit or potential loss of the investment. The Company's portfolio to date has been required to hold only instruments with an effective final maturity of 12 months or less, with effective final maturity being defined as the obligation of the issuer to repay principal and interest. Under the Company's investment policy, the Company is prohibited from investing in high-risk products and the proposed investment must not interfere with its business operation or capital expenditure. As of the date of this report, the Company's investment decisions did not deviate from its investment policy.

The Company believes that its internal investment policies and the related risk management mechanism are adequate. The Company had invested in wealth management products and time deposits consistent with its investment policy, after consultation with and approval by the Board.

Policy on the Disclosure of Inside Information

The Company has established an internal policy for the handling and disclosure of inside information in compliance with the SFO. The internal policy sets out the procedures and internal controls for the handling and dissemination of inside information in a timely manner and provides the Directors, senior management, and relevant employees a general guide in 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.

Whistleblowing Policy

A whistleblowing policy has been established to deal with concerns relating to fraudulent or unethical acts or non-compliances with laws and the Company's policies that have or could has significant adverse financial, legal, or reputational impacts on the Company. Such policy applies to all employees (including secondees), officers and directors of the Group (together, the "**Relevant Persons**") and external third parties who deal with the Group (including but not limited to customers and suppliers) ("**External Parties**"). The whistleblowing channels are available to all staff, parties who deal with the Company as well as the public. The Company has thoughtfully considered the protection for whistleblowers, confidentiality, malicious allegations, and false reports, etc., which the investigation procedure, anonymous report, and reporting channels have been put in place.

For the details, please refer to the Whistleblowing Policy, which is available on the website of the Company (www.innocarepharma.com) under the Corporate Governance Section.

Anti-corruption and Anti-bribery Policy

Practicing integrity and responsible business ethics is paramount to the Company's continued success. The anti-corruption and anti-bribery policy was adopted during the Reporting Period and lays down the requirements of the Company in term of ethical practices and obliges staff to operate transparently and under the highest principles of professional, fairness, impartiality and integrity in all of the places where the Company does business. The anti-corruption and anti-bribery policy are reviewed and will be updated periodically to ensure appropriateness and compliance with corporate and regulatory requirements.

To ensure our staff live up to the highest ethical standards, the Company encourages the staff to report existing or perceived violations of the policy as well as malpractices. Proper procedures related to the Whistleblowing Policy of the Company is in place, enabling staff to raise their concerns in a safe environment and in complete confidence if they have genuine suspicions about any wrongdoings.

To assist new staff in embracing the Company's values and ethical commitments, briefing on the anti-corruption and anti-bribery policy is introduced during the staff orientation program. For the details, please refer to the anti-corruption and anti-bribery policy, which is available on the website of the Company.

AUDITOR'S REMUNERATION

The remuneration paid to the external auditors of the Company, Ernst & Young, in respect of audit services for the year ended 31 December 2025 is set out below:

Service Category	**Fees Paid/Payable** (RMB'000)
Audit services	5,390
Total	**5,390**

DIVERSITY

Board Diversity Policy

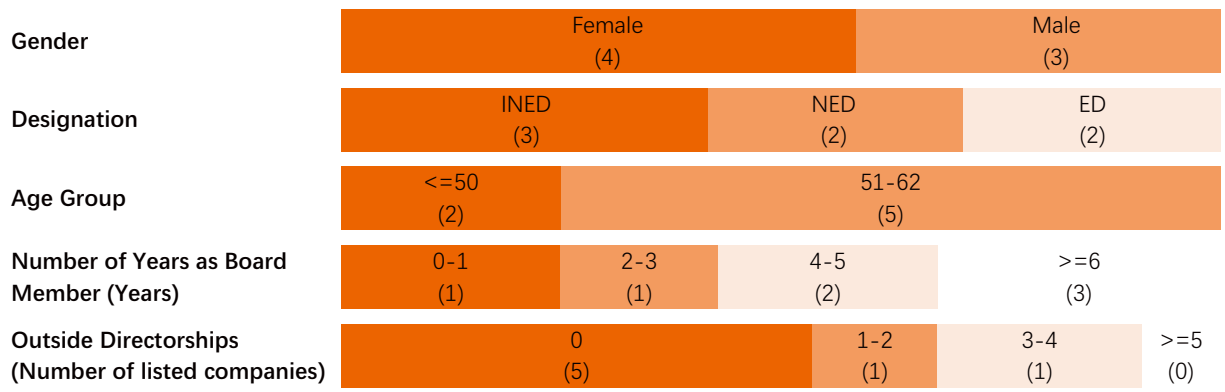
The Company has a Board Diversity Policy which sets out the objective and approach to achieve and maintain diversity of our Board in order to enhance the effectiveness of the Board. Pursuant to the Board Diversity Policy, the Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to professional experience, skills, knowledge, gender, age, cultural and education background, ethnicity and length of service. The Directors have a balanced mix of knowledge and skills, including knowledge and experience in the areas of business management, biotechnology, clinical research, life science, finance, investment, and accounting. They obtained degrees in various areas including microbiology, molecular genetics, biological sciences, biophysics, biophysical chemistry, biotechnology, materials sciences, engineering, management science, genetics, biochemistry, molecular biology, business administration, world economics and accounting. The Board Diversity Policy is well implemented as evidenced by the fact that there are both female and male Directors ranging from 40 years old to 62 years old with experience from different industries and sectors.

The Company is also committed to adopting a similar approach to promote diversity within management (including but not limited to the senior management) of the Company to enhance the effectiveness of corporate governance of the Company as a whole.

The Nomination Committee is delegated by the Board to be responsible for compliance with relevant codes governing board diversity under the Code. Our Nomination Committee reviews the Board Diversity Policy on an annual basis to ensure its continued effectiveness.

The Board currently has four female Directors and as such it is satisfy to achieved gender diversity in respect of the Board. We will continue to strive to maintain our female representation and achieve appropriate balance of gender diversity with reference to the stakeholders' expectation and international and local recommended best practices. We also consider that there is gender diversity when recruiting staff at mid to senior level and we are committed to provide career development opportunities for female staff so that we can have a pipeline of female senior management and potential successor to the Board in the near future.

Corporate Gender Diversity and Objectives



Note: As of 31 December 2025

At present, the Nomination Committee considered that the gender of the Board is sufficiently diverse, and the Board has set out below measurable objective in relation to other aspects.

Measurable objectives during the year include (i) at least one third of the Board shall be Independent Non-executive Directors; (ii) at least two Directors are female; (iii) at least one Director shall have obtained accounting or other professional qualifications; and (iv) at least four Directors shall have relevant healthcare or biotech background. For the year, all items of the above targets have been fulfilled. Whereas the current Board and Executive Management of the Company comprise of 9 members, viewing from the Company's perspective, as at 31 December 2025, the Company had 1,259 employees (including senior management) in total comprising of approximately 653 females and 606 males (that is, a female-to-male ratio of 51.87%: 48.13%), reflecting a gender equality principle generally adhered by the Company from top to the bottom with an extend to the entire company. The Board is mindful of the objectives for the factors as set out in the paragraph headed "Nomination Committee" for assessing the candidacy of the Board members and will ensure that any successors to the Board shall follow the gender diversity policy. Similar considerations shall also be in place to assess the candidacy of the Executive Management team from time to time. The Company is determined to maintain gender diversity and equality in terms of the whole workforce, and to procure the executive management team to achieve gender equality in terms of the gender ratio within an approximately five years' timeframe. The Company expects the above is achievable with suitable effort in promoting the gender diversity culture, which the Company has been advocating for so.

SHAREHOLDERS' RIGHTS AND COMMUNICATIONS

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

Convening an Annual General Meeting

The Company endeavours to maintain an ongoing dialogue with Shareholders and in particular, through AGMs and other general meetings. At the AGMs, Directors (or their delegates as appropriate) should be available to meet Shareholders and answer their enquiries. The forthcoming AGM will be held on Tuesday, 16 June 2026. The notice of the AGM will be published and dispatched in due course in the manner as required by the Listing Rules.

Convening an Extraordinary General Meeting

Pursuant to Article 66 of the Articles of Association, the Board may, whenever it thinks fit, convene an extraordinary general meeting. General meetings shall also be convened on the written requisition of any one or more members to the Board or the secretary of the Company, specifying the objects of the meeting and signed by the requisitionist(s), provided that such requisitionist(s) held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company; on a one vote per share basis in the share capital of the Company, and the foregoing Shareholders shall be able to add resolutions to the meeting agenda. If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves may convene the general meeting in the same manner and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

Putting Forward Proposals at General Meetings

There are no provisions under the Articles of Association or the Companies Law of the Cayman Islands regarding procedures for Shareholders to put forward proposals at general meetings other than a proposal of a person for election as a Director.

Shareholders may follow the procedures set out above to convene an extraordinary general meeting for any business specified in such written requisition.

For proposal of a person for election as Director, pursuant to Article 119 of the Articles of Association, no person, other than a retiring Director, shall, unless proposed by the Board pursuant to the recommendation of the Nomination Committee, be eligible for election to the office of Director at any general meeting unless during the period, which shall be at least seven days, commencing no earlier than the day after the dispatch of the notice of the meeting appointed for such election and ending no later than seven days prior to the date of such meeting, there has been lodged at the principal office or at the registration office of the Company, a notice in writing by a member of the Company (not being the person to be proposed), entitled to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected, and such person has been approved by the Nomination Committee and the Board.

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

In addition, to promote effective communication, the Company has established a two-way relationship and communication policy between the Company and the shareholders and maintaining such policy on the websites of the Company at www.innocarepharma.com where up-to-date information on the Company's business operations and developments, financial information, corporate governance practices and other information is available for public access.

Putting Forward Enquiries to the Board

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

Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: Building 8, No. 8 Life Science Park Road, Zhongguancun Life Science Park, Changping District, Beijing, PRC
Email: ir@innocarepharma.com

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

INVESTOR RELATIONS

The Shareholders' communication policy of the Company is set out in the section headed "Shareholders' Rights and Communications" in this report.

The two-way relationship communication policy is reviewed by the Company on an annual basis to ensure its continued effectiveness. The Company's proactive approach to investor relations has widened and expanded the coverage of the Company by global funds in and outside Hong Kong and Mainland China in 2025 for more than 30 sell-sides and over 30 sell-sides are actively holding investor group meetings and conference for us. A number of local and international sell-side firms and brokers published research reports on the Company, often on a regular basis, and the Company attracts attention of a wide range of institutional investors.

The Company's management and investor relations function take great efforts to maintain an open dialogue with the investment community to ensure a thorough understanding of the Company's business development, core strategies and corporate governance principles. In 2025, the Company participated in investor conferences, roadshows, healthcare summits on virtual basis and in-person. Nearly 400 investor meetings were held with institutional investors and research analysts in Hong Kong and internationally.

The Company has reviewed the implementation and effectiveness of its shareholders' communication policy during the year ended 31 December 2025. The Board confirms that the policy has been properly implemented, with timely dissemination on the websites of the Stock Exchange and the Company. Shareholders were provided with sufficient channels to communicate with the Board and management. The Board considers the policy to be effective throughout the reporting period.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

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

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

The statement of the independent auditors of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 124 to 129.

WHISTLEBLOWING AND ANTI-CORRUPTION POLICIES

The Company has established a whistleblowing policy and system for employees and those who deal with the Company (e.g. the Company's customers and suppliers) to raise concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in any matter related to the Company.

The Company has also established an anti-corruption policy and anti-bribery policy and system to promote and support applicable anti-corruption laws and regulations in jurisdictions where the Company operates its business.

DIVIDEND POLICY

The Company has adopted a dividend policy on payment of dividends. The Company does not have any pre-determined dividend payout ratio. Depending on the financial conditions of the Company and the Group and the conditions and factors, among others, financial results, cash flow situation, business conditions and strategies and future operations and earnings, as set out in the dividend policy, dividends may be proposed and/or declared by the Board during a financial year and any final dividend for a financial year will be subject to Shareholders' approval.

CORPORATE CULTURE

The Company is committed to fostering a positive and progressive culture rooted in our purpose, vision, and values. This culture empowers our employees across the Group to thrive, unlock their full potential, so that enables the Company to deliver long-term sustainable growth and success and to fulfil its role to become a global biopharmaceutical leader that develops and delivers innovative therapies for patients worldwide. Throughout 2025, InnoCare continued to strengthen its cultural framework by focusing on four specific areas: Dedicated & Responsible, Persistent & Perseverant, Creative & Innovative, Collaborative & Team-oriented, and Pursuit of Excellence, through various initiatives set out in the Business Review and the Governance sections of this annual report and the 2025 ESG Report.

The Company has always embraced the principle that "Science Drives Innovation for the Benefit of Patients". We are dedicated to improving the quality of life for patients worldwide through innovation and technology, and we aim to contribute to the advancement of the global pharmaceutical industry. Our core values are "Dedicated & Responsible, Persistent & Perseverant, Creative & Innovative, Collaborative & Team-oriented, and Pursuit of Excellence". These values serve as guiding principles for each of our employees, and the value propositions of our business operation. Dedicated & Responsible means being focused, efficient, dedicated, and responsible for the team and results. Persistent & Perseverant entails always taking initiative, keeping learning to improve problem solving abilities and taking on more responsibilities. Creative & Innovative emphasizes maintaining creative thinking, encouraging innovation and breakthroughs in both scientific research and daily operations. Collaborative & Team-oriented involves achieving common goals through mutual respect, cooperation and collaboration. Pursuit of Excellence means consistently striving for perfection. We consistently integrate our core values into business philosophy, internal management systems, and employee codes of conduct, translating them into practical actions. In embedding the culture of the Group into its operations, all of our new employees are required to attend orientation and training programs so that they have comprehensive understand our corporate culture, structure and policies, learn relevant laws and regulations, and raise their quality awareness. We provide timely recognition and encouragement to outstanding practitioners of our core values, creating a closed-loop management system from advocacy and promotion to implementation and rewards, thus deepening and carrying forward our core values more effectively. In addition to our mission and values, our corporate culture is also reflected in our business policies, ethical standards, talent philosophy, social responsibility, and various other aspects.

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

INDEPENDENT AUDITOR'S REPORT

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To the shareholders of InnoCare Pharma Limited
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of InnoCare Pharma Limited (the "**Company**") and its subsidiaries (the "**Group**") set out on pages 130 to 216, 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, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the "**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**") as issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "**Code**"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

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

Key audit matter

Recognition and measurement of research and development expenses

During the year ended 31 December 2025, the Group recognised research and development ("**R&D**") expenses of approximately RMB951,619,000.

R&D is the Group's major activity and the R&D activities with outsourced service providers are documented in detailed contracts and are typically performed over an extended period. Recording these expenses in the appropriate financial reporting periods based on the progress of the research and development projects involves estimates made by management and we identified the recognition and measurement of research and development expenses as a key audit matter.

Disclosures relating to research and development expenses are included in note 2.4 to the consolidated financial statements.

How our audit addressed the key audit matter

Our procedures in relation to research and development expenses included:

(1) we obtained an understanding, evaluated the design, and tested the operating effectiveness of controls over the accrual of the R&D expenses;

(2) we evaluated the reasonableness of R&D expenses by comparing them with prior year amounts and along with the progress of the R&D projects;

(3) we read the key terms set out in contracts with the Outsourced Service Providers on a sample basis and understood and tested the progress of clinical trial activities developed by management, tested management's estimates by evaluating management's assumptions used in the calculation related to the clinical trial activities and associated timelines, invoicing to date, and the provisions in the contracts;

(4) we performed background research on major service providers and examined the supporting documents to evaluate the commercial substance and the occurrence of the underlying R&D activities;

(5) we evaluated the accrual amounts of R&D expenses by comparing them to the subsequent milestone billings issued by the Outsourced Service Providers on a sample basis; and

(6) we reviewed the accuracy of the disclosures related to R&D expenses in the consolidated financial statements.

Key audit matter

Recognition of business collaboration revenue

The Group entered into several licensing agreements (the "**Agreements**") for the development and commercialisation of candidate drugs. The consideration for the Agreements typically included upfront payments, milestone payments contingent upon the achievement of certain milestone events and royalties based on future sales. Revenue is recognised when the intellectual property rights are transferred to the licensee and the licensee can use and benefit from it. During the year ended 31 December 2025, the Group recognised business collaboration revenue of RMB904,036,000, accounting for 38.1% of the total revenue from contracts with customers.

As part of the accounting for revenue recognition under the Agreements, significant management's judgements and estimations were involved in identifying performance obligations, determining whether each performance obligation is satisfied over time or at a point in time, estimating the variable consideration and allocating the consideration based on the stand-alone selling price of each performance obligation. Accordingly, we identified the recognition of the Group's business collaboration revenue as a key audit matter.

Disclosures relating to business collaboration revenue are included in notes 2.4 and 5 to the consolidated financial statements.

How our audit addressed the key audit matter

Our procedures in relation to the recognition of business collaboration revenue included:

(1) we obtained an understanding, evaluated the design, and tested the operating effectiveness of controls over the revenue recognition;

(2) we reviewed the key terms set out in the agreements and evaluated management's assessment of the identification of performance obligations and the determination of the transaction price;

(3) we obtained and inspected supporting documents for the achievement of contractual milestones, reconciled actual customer payments, and evaluated the reasonableness of management's estimates and judgements concerning variable consideration;

(4) we checked whether the relevant information related to business collaboration in the public information disclosure of authorised partners was consistent with the disclosure by management in the financial statements;

(5) we involved internal valuation specialists to evaluate the reasonableness of the methods and key assumptions used by management in estimating the stand-alone selling prices of the performance obligations;

(6) we reviewed the accuracy and completeness of the disclosures in the consolidated financial statements related to the recognition of business collaboration revenue.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is CHENG, Man (practising certificate number: P05069).

Ernst & Young
Certified Public Accountants
Hong Kong
25 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
REVENUE	5	**2,374,906**	1,009,448
Cost of sales		**(191,113)**	(138,441)
Gross profit		**2,183,793**	871,007
Other income and gains	5	**262,183**	210,828
Selling and distribution expenses		**(579,956)**	(419,961)
Research and development expenses		**(951,619)**	(814,027)
Administrative expenses		**(203,510)**	(183,860)
Other expenses		**(409)**	(46,428)
Fair value change of a convertible loan		**—**	(29,609)
Impairment losses of trade receivables		**(414)**	(1,495)
Share of loss of a joint venture		**(196)**	(5,260)
Finance costs	7	**(54,132)**	(33,788)
PROFIT/(LOSS) BEFORE TAX	6	**655,740**	(452,593)
Income tax expense	10	**(11,558)**	(263)
PROFIT/(LOSS) FOR THE YEAR		**644,182**	(452,856)
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:			
Exchange differences arising from translation of the financial statements into the presentation currency		**(113,548)**	60,761
Changes in fair value of an equity investment at fair value through other comprehensive income ("**FVTOCI**")		**507,187**	—
Income tax effect		**(106,509)**	—
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		**287,130**	60,761
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		**931,312**	(392,095)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Profit/(loss) attributable to:			
Shareholders of the Company		**642,467**	(440,633)
Non-controlling interests		**1,715**	(12,223)
		644,182	(452,856)
Total comprehensive income/(loss) attributable to:			
Shareholders of the Company		**929,597**	(379,872)
Non-controlling interests		**1,715**	(12,223)
		931,312	(392,095)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY			
Basic and diluted	12	**RMB0.38**	(RMB0.26)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	Notes	31 December 2025 RMB'000	31 December 2024 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	13	**731,737**	784,328
Right-of-use assets	14	**266,372**	281,758
Goodwill		**3,125**	3,125
Other intangible assets	15	**30,638**	35,918
Investment in a joint venture	16	**2,704**	400
Unlisted equity investments measured at fair value through profit or loss ("**FVTPL**")	18	**24,803**	—
Equity investments designated at fair value through other comprehensive income	19	**1,173,992**	—
Other financial assets	17	**477,663**	459,187
Other non-current assets	20	**50,444**	22,590
Total non-current assets		**2,761,478**	1,587,306
CURRENT ASSETS			
Inventories	21	**162,869**	95,577
Trade receivables	22	**502,876**	351,002
Prepayments, other receivables and other assets	23	**80,731**	88,084
Other financial assets	17	**264,213**	1,062,899
Cash and bank balances	24	**7,051,433**	6,222,626
Total current assets		**8,062,122**	7,820,188
CURRENT LIABILITIES			
Trade payables	25	**183,699**	128,363
Contract liabilities	26	**105,432**	—
Other payables and accruals	27	**814,350**	695,512
Deferred income	29	**14,025**	11,724
Income tax payable		**11,879**	—
Interest-bearing bank borrowings	28	**241,161**	193,797
Lease liabilities	14	**27,234**	31,608
Total current liabilities		**1,397,780**	1,061,004
NET CURRENT ASSETS		**6,664,342**	6,759,184
TOTAL ASSETS LESS CURRENT LIABILITIES		**9,425,820**	8,346,490

	Notes	31 December 2025 RMB'000	31 December 2024 RMB'000
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	28	**1,001,700**	1,018,700
Lease liabilities	14	**19,026**	27,440
Long term payables	30	**274,016**	303,134
Deferred income	29	**275,397**	251,281
Deferred tax liabilities	31	**106,509**	—
Total non-current liabilities		**1,676,648**	1,600,555
Net assets		**7,749,172**	6,745,935
EQUITY			
Equity attributable to shareholders of the Company			
Issued capital	32	**23**	23
Treasury shares		**(19,754)**	(3,097)
Reserves	33	**7,746,554**	6,728,375
		7,726,823	6,725,301
Non-controlling interests		**22,349**	20,634
Total equity		**7,749,172**	6,745,935

Jisong Cui
Director

Renbin Zhao
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

	Attributable to shareholders of the Company										
	Issued capital RMB'000 (note 32)	Treasury shares RMB'000	Share premium RMB'000 (note 32)	Share-based payment reserve RMB'000 (note 34)	Investment revaluation reserve RMB'000 (note 33)	Foreign exchange reserve RMB'000 (note33)	Other reserve RMB'000 (note 33)	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2025	23	(3,097)	11,947,046	199,797	–	137,992	(61,636)	(5,494,824)	6,725,301	20,634	6,745,935
Profit for the year	–	–	–	–	–	–	–	642,467	642,467	1,715	644,182
Exchange differences arising from translation of the financial statement into the presentation currency	–	–	–	–	–	(113,548)	–	–	(113,548)	–	(113,548)
Changes in fair value of an equity investment at fair value through other comprehensive income	–	–	–	–	400,678	–	–	–	400,678	–	400,678
Total comprehensive income/(loss) for the year	–	–	–	–	400,678	(113,548)	–	642,467	929,597	1,715	931,312
Share-based payments (note 34)	–	–	–	69,606	–	–	–	–	69,606	–	69,606
Exercise of restricted stock units ("**RSUs**") and restricted shares	#	–	61,770	(42,794)	–	–	–	–	18,976	–	18,976
Purchase of own shares	–	(16,657)	–	–	–	–	–	–	(16,657)	–	(16,657)
At 31 December 2025	23	(19,754)	12,008,816*	226,609*	400,678*	24,444*	(61,636)*	(4,852,357)*	7,726,823	22,349	7,749,172

	Attributable to shareholders of the Company									
	Issued capital RMB'000 (note 32)	Treasury shares RMB'000	Share premium RMB'000 (note 32)	Share-based payment reserve RMB'000 (note 34)	Foreign exchange reserve RMB'000 (note33)	Other reserve RMB'000 (note 33)	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2024	23	–	11,867,998	282,115	77,231	(25,328)	(5,054,191)	7,147,848	32,857	7,180,705
Loss for the year	–	–	–	–	–	–	(440,633)	(440,633)	(12,223)	(452,856)
Exchange differences arising from translation of the financial statement into the presentation currency	–	–	–	–	60,761	–	–	60,761	–	60,761
Total comprehensive income/(loss) for the year	–	–	–	–	60,761	–	(440,633)	(379,872)	(12,223)	(392,095)
Share-based payments (note 34)	–	–	–	(10,792)	–	–	–	(10,792)	–	(10,792)
Exercise of restricted stock units ("**RSUs**") and restricted shares	#	–	88,659	(70,880)	–	–	–	17,779	–	17,779
Transfer of share-based payment reserve upon the expiry of restricted shares	–	–	646	(646)	–	–	–	–	–	–
Purchase of own shares	–	(3,097)	(10,257)	–	–	–	–	(13,354)	–	(13,354)
Equity incentive reserve	–	–	–	–	–	(36,308)	–	(36,308)	–	(36,308)
At 31 December 2024	23	(3,097)	11,947,046*	199,797*	137,992*	(61,636)*	(5,494,824)*	6,725,301	20,634	6,745,935

* These reserve accounts comprise the consolidated reserves of RMB7,746,554,000 (2024: RMB6,728,375,000) in the consolidated statement of financial position as at 31 December 2025.

\# Amount less than RMB500.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		**655,740**	(452,593)
Adjustments for:			
Impairment losses of trade receivables	6	**414**	1,495
Write-down of inventories	6	**171**	105
Finance costs	7	**54,132**	33,788
Foreign exchange (gain)/loss, net	5	**(31,853)**	43,652
Interest income	5	**(119,676)**	(171,589)
Investment income of wealth management products	5	**(55,436)**	(12,376)
Share of loss of a joint venture	16	**196**	5,260
Fair value changes of a convertible loan	6	**—**	29,609
Fair value (gain)/loss of wealth management products	5	**(3,136)**	853
Depreciation of property, plant and equipment	6	**74,960**	65,488
Depreciation of right-of-use assets	6	**34,647**	30,873
Amortisation of other intangible assets and other non-current assets		**8,752**	9,899
(Gain)/loss on disposal of property, plant and equipment	6	**(3)**	14
Share-based payment expenses		**69,606**	(10,792)
Revenue settled in non-cash consideration		**(701,682)**	—
		(13,168)	(426,315)
(Increase)/decrease in inventories		**(41,833)**	47,652
Increase in trade receivables		**(153,241)**	(46,047)
Increase in prepayments, other receivables and other assets		**(1,704)**	(17,628)
Increase/(decrease) in trade payables		**55,336**	(6,542)
Increase in other payables and accruals		**176,137**	17,889
Increase/(decrease) in deferred income		**26,418**	(13,391)
Cash from/(used in) operations		**47,945**	(444,381)
Interest received		**36,042**	78,974
Overseas taxes paid		**(86)**	(144)
Net cash flows from/(used in) operating activities		**83,901**	(365,551)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income of time deposits with original maturity of more than three months when acquired and wealth management products		**120,535**	133,751
Purchases of investments and placement of time deposits with original maturity of more than three months when acquired		**(13,472,351)**	(5,804,595)
Proceeds from disposal of investments and upon maturity of time deposits with original maturity of more than three months when acquired		**13,177,438**	6,860,199
Purchases of items of property, plant and equipment and other non-current assets		**(70,077)**	(77,514)
Purchases of other intangible assets		**(58)**	(717)
Capital injection in a joint venture		**(2,500)**	—
Net cash flows (used in)/from investing activities		**(247,013)**	1,111,124

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from exercise of share options		**18,976**	18,500
Proceeds from new bank loans		**260,928**	1,185,321
Placement of pledged bank deposits for loans	24	**—**	(86,421)
Withdrawal of pledged bank deposits for loans	24	**86,421**	—
Repayment of bank loans		**(230,421)**	(5,000)
Repayment of convertible loans		**—**	(930,000)
Repayment of long term payables	30	**—**	(25,000)
Interest paid		**(34,490)**	(365,073)
Principal portion of lease payments		**(32,049)**	(28,260)
Repurchase of shares		**(16,657)**	(13,354)
Payment to a third-party trust		**—**	(36,308)
Net cash flows from/(used in) financing activities		**52,708**	(285,595)
Net (decrease)/increase in cash and cash equivalents		**(110,404)**	459,978
Cash and cash equivalents at beginning of year		**4,679,467**	4,202,564
Effect of foreign exchange rate changes, net		**(62,644)**	16,925
CASH AND CASH EQUIVALENTS AT END OF YEAR	24	**4,506,419**	4,679,467
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances as stated in the consolidated statement of financial position	24	**7,051,433**	6,222,626
Time deposits with original maturity of more than three months when acquired	24	**(2,444,335)**	(1,456,738)
Funds in transit for the purchase of structured deposits	24	**(100,000)**	—
Pledged deposits for letters of guarantee	24	**(679)**	—
Pledged deposits for bank loans	24	**—**	(86,421)
Cash and cash equivalents as stated in the consolidated statement of cash flows	24	**4,506,419**	4,679,467

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands. The Company's ordinary shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") and STAR Market of the Shanghai Stock Exchange.

The Company and its subsidiaries (together referred to as the "**Group**") are principally engaged in the research, development, manufacture and commercialisation of biological products.

Information about the subsidiaries

Particulars of the Company's subsidiaries are as follows:

Name	Place of incorporation/ registration and business	Nominal value of issued ordinary/ registered share capital	Percentage of equity interest attributable to the Company		Principal activities
			Direct	Indirect	
Ocean Prominent Limited	British Virgin Islands	(United States Dollars: "**US$**") US$1	100	—	Investment holding
Sunny Investments Limited	Hong Kong	(Hong Kong Dollars: "**HK$**") HK$1	—	100	Investment holding, research and development and commercialisation of biological products
InnoCare Pharma Inc.	United States of America ("**USA**")	US$3	—	100	Research and development of biological products
InnoCare Pharma Australia Pty Ltd.	Australia	(Australian Dollars: "**AU$**") AU$10	—	100	Research and development of biological products
Beijing InnoCare Pharma Tech Co., Ltd. ("**Beijing InnoCare**")[a]	People's Republic of China ("**PRC**")/ Chinese mainland	US$80,000,000	—	100	Research and development and commercialisation of biological products
Nanjing Tianyin Jian Hua Pharma Tech Co., Ltd. ("**Nanjing InnoCare**")[b]	PRC/Chinese mainland	(Renminbi: "**RMB**") RMB10,000,000	—	100	Research and development of biological products

1. CORPORATE INFORMATION (continued)

Information about the subsidiaries (continued)

Name	Place of incorporation/ registration and business	Nominal value of issued ordinary/ registered share capital	Percentage of equity interest attributable to the Company		Principal activities
			Direct	Indirect	
Beijing Tiancheng Pharma Tech Co., Ltd. ("**Beijing Tiancheng**")[b]	PRC/Chinese mainland	RMB66,474,400	—	93	Research and development of biological products
Shanghai Tianjin Pharma Tech Co., Ltd. ("**Shanghai Tianjin**")[b]	PRC/Chinese mainland	RMB4,000,000	—	100	Research and development of biological products
Guangzhou InnoCare Pharma Tech Co., Ltd. ("**Guangzhou InnoCare**")[b]	PRC/Chinese mainland	RMB1,000,000,000	—	93	Development and manufacturing of biological products
Beijing Tianshi Pharma Tech Co., Ltd. ("**Beijing Tianshi**")[b]	PRC/Chinese mainland	RMB109,000,000	—	100	Commercialisation of biological products

(a) Registered as a wholly-foreign-owned enterprise under PRC law.

(b) Registered as limited liability companies under PRC law.

2. ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards ("**HKFRSs**"), Hong Kong Accounting Standards ("**HKASs**") and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for structured deposits, wealth management products, a convertible loan and equity investments which have been measured at fair value. These financial statements are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

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

2. ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Basis of consolidation (continued)

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

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

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

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

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

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

2.2 Changes in accounting policies and disclosures

The Group has adopted amendments to HKAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The application of these amendments has had no material impact on the Group's results and financial position.

2. ACCOUNTING POLICIES (continued)

2.3 Issued but not yet effective HKFRs accounting standards

The Group has not applied the following new and amended HKFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements.

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

[1] Effective for annual periods beginning on or after 1 January 2026
[2] Effective for annual/reporting periods beginning on or after 1 January 2027
[3] No mandatory effective date yet determined but available for adoption

The Group intends to apply these new and amended HKFRS Accounting Standards, if applicable, when they become effective.

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

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

2. ACCOUNTING POLICIES (continued)

2.3 Issued but not yet effective HKFRs accounting standards (continued)

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

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

2. ACCOUNTING POLICIES (continued)

2.3 Issued but not yet effective HKFRs accounting standards (continued)

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

- HKFRS 7 *Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing HKFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing HKFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKFRS 9 *Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in HKFRS 16 and an extinguishment of a lease liability in accordance with HKFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKFRS 10 *Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKAS 7 *Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of HKAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies

Investment in a joint venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investment in a joint venture is stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of the joint venture is included in consolidated profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its joint venture are eliminated to the extent of the Group's investment in the joint venture, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of the joint venture is included as part of the Group's investment in the joint venture.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or other comprehensive income, as appropriate.

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Business combinations and goodwill (continued)

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

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

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

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Fair value measurement (continued)

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

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

Level 1	—	based on quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2	—	based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
Level 3	—	based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

Impairment of non-financial assets

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

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

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

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

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Related parties

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

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with HKFRS 5. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Property, plant and equipment and depreciation (continued)

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

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

Buildings	5%
Office equipment, plant and machinery	10% to 33⅓%
Devices and servers	10% to 33⅓%
Leasehold improvements	Over the shorter of the lease terms and useful lives

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

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

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

Intangible assets (other than goodwill)

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

Purchased patents and licences are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 10 years.

Software is amortised on the straight-line basis over its useful life of 3 to 10 years.

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Intangible assets (other than goodwill) (continued)

Research and development costs

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

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

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products, commencing from the date when the products are put into commercial production.

Leases

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

Group as a lessee

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

(a) Right-of-use assets

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

Office and laboratory	1.75 to 10 years
Leasehold land	50 years

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

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Leases (continued)

Group as a lessee (continued)

(b) Lease liabilities

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

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

(c) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of buildings, machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

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

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Investments and other financial assets (continued)

Initial recognition and measurement (continued)

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

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

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

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

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

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Investments and other financial assets (continued)

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under HKAS 32 *Financial Instruments*: *Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment occurs if there is a change in the terms of the contract that significantly modifies the cash flows.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Derecognition of financial assets

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

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

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Derecognition of financial assets (continued)

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

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

Impairment of financial assets

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

General approach

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

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

The Group considers a financial asset in default when counterparties go bankrupt. However, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

General approach (continued)

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

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

Simplified approach

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

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

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

The Group's financial liabilities include trade and other payables, long term payables and interest-bearing bank borrowings.

Subsequent measurement

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

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Financial liabilities (continued)

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

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

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

Derecognition of financial liabilities

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

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

Offsetting of financial instruments

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

Treasury shares

Own equity instruments which are reacquired and held by the Company or the Group (treasury shares) are recognised directly in equity at cost. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Inventories

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

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Cash and cash equivalents

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

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

Provisions

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

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

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

Income tax

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

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

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

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Income tax (continued)

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

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business consolidation and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Government grants

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

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

Where the Group receives grants of non-monetary assets, the grants are recorded at a nominal amount.

Where the Group receives government loans granted with no or at a below-market rate of interest for the construction of a qualifying asset, the initial carrying amount of the government loans is determined using the effective interest rate method, as further explained in the accounting policy for "Financial liabilities" above. The benefit of the government loans granted with no or at a below-market rate of interest, which is the difference between the initial carrying value of the loans and the proceeds received, is treated as a government grant and released to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Revenue recognition

Revenue from contracts with customers

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

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

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

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

(a) Business collaboration revenue

The Group enters into licence and collaboration agreements for research, development, manufacture and commercialisation services with customers. The terms of these arrangements typically include: non-refundable upfront fees, milestone payments for development and regulatory application and royalties on net sales of licenced products. Milestone payment is a form of variable consideration which is included in the transaction price to the extent that it is highly probable that a significant reversal of accumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. The contracts generally do not include a significant financing component.

As part of the accounting for this arrangement, the Group must use significant judgement to determine: (a) the performance obligations; and (b) the method to estimate variable consideration.

At contract inception, the Group assesses the goods or services promised within each contract and determines those that are performance obligations, and assesses whether each promised good or service is distinct.

The Group uses judgement to determine whether milestones or other variable consideration, except for royalties, should be included in the transaction price. If it is probable that a significant revenue reversal would not occur, the associated milestone value is included in the transaction price. The transaction price is allocated to each performance obligation on a relative stand-alone selling price basis, for which the Group recognises revenue as or when the performance obligations under the contract are satisfied. If a milestone or other variable consideration relates specifically to the Group's efforts to satisfy a single performance obligation or to a specific outcome from satisfying the performance obligation, the Group generally allocates that milestone amount entirely to that performance obligation once it is probable that a significant revenue reversal would not occur.

The Group recognises revenue only when it satisfies a performance obligation by transferring control of the promised goods or services. The transfer of control can occur over time or at a point in time. A performance obligation is satisfied over time if it meets one of the following criteria.

- The counterparty simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- The Group's performance creates or enhances an asset that the counterparty controls as the asset is created or enhanced;
- The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

(a) Business collaboration revenue (continued)

The portion of the transaction price that is allocated to performance obligations satisfied at a point in time is recognised as revenue when control of the goods or services is transferred to the counterparty. If the performance obligation is satisfied over time, the portion of the transaction price allocated to that performance obligation is recognised as revenue as the performance obligation is satisfied. The Group adopts an appropriate method of measuring progress for the purpose of recognising revenue. The Group evaluates the measure of progress at the end of each reporting period and, if necessary, adjusts the measure of performance and related revenue recognition.

Upfront fees

Upfront payment is allocated to the performance obligations based on the Group's best estimate of their relative stand-alone selling prices.

Milestone payments

At the inception of each arrangement that includes milestone payments, the Group evaluates whether the milestones are considered probable of being achieved and estimates the amount to be included in the transaction price using the most likely amount method. If it is probable that a significant reversal of cumulative revenue would not occur, the associated milestone value is included in the transaction price. Milestone payments that are not within the control of the Group, such as regulatory approvals, are not considered probable of being achieved until those approvals are received. The Group evaluates factors such as the clinical, regulatory, commercial, and other risks that must be overcome to achieve the particular milestone in making this assessment. There is considerable judgement involved in determining whether it is probable that a significant reversal of cumulative revenue would not occur. At the end of each subsequent reporting period, the Group re-evaluates the probability of achievement of all milestones subject to constraint and, if necessary, adjusts its estimate of the overall transaction price. The milestone payments were allocated to the performance obligations based on the Group's best estimate of their relative stand-alone selling prices, unless the criteria under HKFRS 15.85 are met where the milestone payments are allocated entirely to the performance obligations to which the milestone payments are specifically related.

Licences of intellectual property

In assessing whether a licence is distinct from the other promises, the Group considers factors such as the research, development, manufacture and commercialisation capabilities of the collaboration partner and the availability of the associated expertise in the general marketplace. In addition, the Group considers whether the counterparty can benefit from a licence for its intended purpose without the receipt of the remaining promise(s) by considering whether the value of the licence is dependent on the unsatisfied promise(s), whether there are other vendors that could provide the remaining promise(s), and whether it is separately identifiable from the remaining promise(s). The Group evaluates the nature of a promise to grant a licence in order to determine whether the promise is satisfied over time or at a point in time. The Group has evaluated that the licences are separate performance obligations which represent a right to use the Group's licence as it exists at the point in time that the licence is granted. Revenue from licences is recognised when the control of the right to use of the licence is transferred to the customer.

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

(a) Business collaboration revenue (continued)
Research and development services
In assessing whether the research and development service is a promised service in the arrangement, the Group has concluded that the services are capable of being distinct from the intellectual property licences and distinct within the context of the contract based on a careful evaluation of the specific facts and circumstances. The performance obligation is satisfied over time as services are rendered. Revenue from research and development services is recognised on straight-line basis over the period when the research and development services are provided.

(b) Sale of goods
Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

Some contracts for the sale of goods provide customers with rights of return and sales rebates, giving rise to variable consideration.

(i) Rights of return
For contracts which provide a customer with a right to return the goods, the expected value method is used to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in HKFRS 15 on constraining estimates of variable consideration are applied in order to determine the amount of variable consideration that can be included in the transaction price.

(ii) Sales rebates
Sales rebates may be provided to certain customers based on their sales volume and payment days. Rebates are offset against amounts payable by the customer. The requirements on constraining estimates of variable consideration are applied and a refund liability for the expected future rebates is recognised.

Other income

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

Contract liabilities

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

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Share-based payments

The Company operates share option, RSU and restricted share schemes. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("**equity-settled transactions**"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 34 to the financial statements.

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

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

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

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

The dilutive effect of outstanding RSUs and restricted shares is reflected as additional share dilution in the computation of earnings per share.

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Other employee benefits

Pension scheme

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "**MPF Scheme**") under the Mandatory Provident Fund Schemes Ordinance for part of its employees. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund.

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

There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements. Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Foreign currencies

These financial statements are presented in RMB. In the opinion of the directors, as the Group's operations are mainly in the PRC, the use of RMB as the presentation currency is more appropriate for the presentation of the Group's results and financial position. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of the Company and certain overseas subsidiaries are currencies other than RMB. The functional currency of the Company is the United States Dollar ("**US$**"). As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign exchange reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of these entities are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of these entities which arise throughout the year or period are translated into RMB at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

(a) Identifying performance obligations

The Group identifies the performance obligations within the agreement and evaluates which performance obligations are distinct, which requires the use of judgement.

The Group determined that both the licence and research and development services are each capable of being distinct. In assessing whether an item has standalone value, the Group considers factors such as the research, manufacture, and commercialisation capabilities of the collaboration partner and the availability of the associated expertise in the general marketplace, which indicates that the customer can benefit from both the licence and service on their own. The Group also determined that the promises to transfer the license and to provide research and development services are distinct within the context of the contract. The licence is separately identifiable in the contract and will be granted at contract inception. The licence is not an input that will be integrated with the service which represents a combined output. The preparation and attendance of the various steering committees is to assist in conducting clinical trials and obtaining regulatory approval of the technology, but does not modify the technology itself. In addition, the licence and research and development services are not highly interdependent or highly interrelated, because the delivery of the licence is not dependent on the service to be provided in the future, accordingly, it is not interdependent or interrelated with the service. Consequently, the Group has allocated a portion of the transaction price to the licence and research and development services based on relative standalone selling prices.

(b) Determining the timing of satisfaction of research and development services

The Group concluded that revenue from research and development services is recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group. The fact that another entity would not need to re-perform the research and development that the Group has provided to date demonstrates that the customer simultaneously receives and consumes the benefits of the Group's performance as it performs.

The Group determined that the input method is the best method in measuring the progress of the research and development services because there is a direct relationship between the Group's effort (i.e., cost incurred) and the transfer of services to the customer. The Group recognises revenue on the basis of the cost expended relative to the total budget cost to complete the services.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Revenue from contracts with customers (continued)

(c) Determining the method to estimate variable consideration

Certain contract includes milestone payments that give rise to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled. The Group has determined that the most likely amount method is the appropriate method to use in estimating the variable consideration for the milestone payments as this method better predicts the amount of variable consideration to which the Group will be entitled.

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

Estimation uncertainty

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

Variable consideration for returns

The Group estimates variable consideration to be included in the transaction price for the sale of goods with rights of return.

The Group has developed a statistical model for forecasting sales returns. The model used the historical return data of the product to estimate expected return percentages. These percentages are applied to determine the expected value of the variable consideration. Any significant changes in experience as compared to historical return pattern will impact the expected return percentages estimated by the Group. To date, sales returns have not been significant.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The Group has tax losses carried forward. These losses related to subsidiaries that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

Further details on deferred taxes are disclosed in note 31 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Measurement of research and development expenses

The Group has entered into agreements with outsourced service providers, pursuant to which such providers will perform a range of clinical trial activities and pre-clinical testing activities on behalf of the Group to facilitate ongoing product development. Because the clinical trial activities with the outsourced service providers are typically performed over an extended period with several milestones for the services in each agreement. As a result, R&D expenses are allocated to each financial reporting period based upon the progress of the clinical trial activities. Determining the progress of the clinical trial activities requires significant estimates and judgement. These estimates are based on several factors, including management's knowledge of the clinical trial activities associated with timelines, invoicing to date and the provisions in the contracts.

Estimation of the fair value of financial assets and financial liabilities

Certain financial assets and financial liabilities are measured at fair value at the end of each reporting period as disclosed in note 39 to the financial statements.

The fair value of financial investments that are not traded in an active market is determined using valuation techniques. The Group uses its judgement to select methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Changes in these assumptions and estimates could materially affect the fair value of these financial assets. Further details are included in notes 17 and 39 to the financial statements.

Fair value measurement of share-based payments

The Group has set up certain share-based payment schemes and granted restricted stock units and restricted shares to the Company's directors and the Group's employees. The fair value of the restricted stock units is determined by a binomial model at the grant dates. The fair value of the restricted shares is determined by the Black-Scholes option pricing model at the grant dates. Significant estimates on assumptions, including the expected volatility, risk-free interest rate and expected life of restricted stock units, are made by the board of directors of the Company. Further details are included in note 34 to the consolidated financial statements.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Fair value of unlisted equity investments

The unlisted equity investments have been valued based on a market-based valuation technique utilising recent transaction prices, as detailed in note 40 to the financial statements. The Group determines the fair value by reference to the most recent transaction prices of the investee company, as observable inputs are limited. As the valuation relies predominantly on unobservable inputs, the Group classifies the fair value of these investments as Level 3. Further details are included in note 18 to the financial statements.

4. OPERATING SEGMENT INFORMATION

The Group is engaged in biopharmaceutical research and development, manufacture, commercialisation and services, which are regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's senior management for purposes of resource allocation and performance assessment. Therefore, no analysis by operating segment is presented.

Geographical information

(a) Revenue from external customers

	2025 RMB'000	2024 RMB'000
Chinese mainland	**1,439,118**	1,005,209
USA	**925,564**	2,023
Other countries/regions	**10,224**	2,216
Total revenue	**2,374,906**	1,009,448

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	2025 RMB'000	2024 RMB'000
Chinese mainland	**1,073,703**	1,117,909
Other countries/regions	**1,357**	1,791
Total non-current assets	**1,075,060**	1,119,700

The non-current asset information above is based on the locations of the assets and excludes deferred tax assets and financial instruments.

Information about major customers

Revenue from each of the major customers (aggregated if under common control) which accounted for 10% or more of the Group's revenue during the year is set out below:

	2025 RMB'000	2024 RMB'000
Customer A	**841,579**	*
Customer B	**600,953**	421,998
Customer C	**	134,820
	1,442,532	556,818

* During the years ended 31 December 2024 and 2025, the corresponding revenue of individual customers was not separately disclosed as their revenue accounted for less than 10% of the Group's revenue.

5. REVENUE, OTHER INCOME AND GAINS

Revenue of the Group for each of the years ended 31 December 2025 and 2024 wholly represented revenue from contracts with customers.

(a) Disaggregated revenue information

	2025 RMB'000	2024 RMB'000
Types of goods or services		
Sales of goods	**1,442,369**	1,005,621
Business collaboration	**904,036**	—
Research and development services	**26,345**	2,023
Other services	**2,156**	1,804
Total	**2,374,906**	1,009,448
Geographical markets		
Chinese mainland	**1,439,118**	1,005,209
USA	**925,564**	2,023
Other countries/regions	**10,224**	2,216
Total	**2,374,906**	1,009,448
Timing of revenue recognition		
Goods and service transferred at a point in time	**2,348,561**	1,007,425
Services transferred over time	**26,345**	2,023
Total	**2,374,906**	1,009,448

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Business collaboration

The time when the intellectual property licence is delivered is the time when the performance obligation is fulfilled, and the customer obtains the control of the intellectual property licence at this time, can use and benefit from it, and the Group recognises the income for the part of the down payment amount at the time when the control of the intellectual property licence is transferred. Subsequent milestone payments are variable consideration, and their payment depends on future uncertain events and is difficult to estimate reasonably at this stage. The Group will re-estimate the amount of variable consideration that should be included in the transaction price at the end of the reporting period. For the royalties charged, revenue shall be recognised at the later point of time when the customer's subsequent sales or use behaviour occurs and the Company performs the relevant performance obligations.

5. REVENUE, OTHER INCOME AND GAINS (continued)

(b) Performance obligations (continued)

Research and development services

The performance obligation is satisfied over time as the research and development services are provided to the customer, and payment is generally due within 30 days from the date of billing.

Sales of goods

The performance obligation is satisfied upon delivery of the goods and payment is generally due within 30 to 90 days from the date of billing.

Other services

The performance obligation is satisfied upon delivery of the testing service reports and payment is generally due within 30 days from delivery.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	2025	2024
	RMB'000	RMB'000
Amounts expected to be recognised as revenue:		
Within one year	**105,432**	—
Total	**105,432**	—

All the other amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The amounts disclosed above do not include variable consideration which is constrained.

5. REVENUE, OTHER INCOME AND GAINS (continued)

(b) Performance obligations (continued)

Other services (continued)

Other income and gains, net:

	2025 RMB'000	2024 RMB'000
Other income		
Government grants (Note)	**47,288**	21,057
Bank interest income	**119,676**	171,589
Investment income of wealth management products	**55,436**	12,376
Others	**4,279**	5,531
Total other income	**226,679**	210,553
Gains, net		
Fair value gain of financial assets at fair value through profit or loss, net	**3,136**	—
Foreign exchange gain, net	**31,853**	—
Others	**515**	275
Total gains	**35,504**	275
Total other income and gains	**262,183**	210,828

Note: Government grants have been received from the PRC local government authorities to support the subsidiaries' research and development activities and compensate capital expenditures.

6. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

	Notes	2025 RMB'000	2024 RMB'000
Cost of inventories sold		**175,810**	136,894
Cost of services provided		**15,303**	1,547
Depreciation of property, plant and equipment*		**74,960**	65,488
Depreciation of right-of-use assets*		**34,647**	30,873
Amortisation of other intangible assets*	15	**6,875**	6,130
Auditor's remuneration		**5,390**	5,390
Fair value loss of a convertible loan		**—**	29,609
Fair value (gain)/loss of wealth management products, net		**(3,136)**	853
Foreign exchange (gain)/loss, net		**(31,853)**	43,652
(Gain)/loss on disposal of property, plant and equipment		**(3)**	14
Write-down of inventories		**171**	105
Employee benefit expense (excluding directors' and chief executive's remuneration (note 8)):			
Wages and salaries		**577,118**	486,826
Pension scheme contributions		**49,184**	44,013
Staff welfare expenses		**10,655**	9,003
Share-based payment expenses		**54,613**	(22,678)

* Depreciation of property, plant and equipment, depreciation of right-of-use assets and amortisation of other intangible assets are included in "Cost of Sales", "Selling and distribution expenses", "Research and development expenses", and "Administrative expenses" in the consolidated statement of profit or loss.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Note	2025 RMB'000	2024 RMB'000
Interest on bank loans		**32,591**	13,152
Interest on long term payables		**19,976**	18,489
Interest on lease liabilities	14(b)	**1,565**	2,147
Total		**54,132**	33,788

8. DIRECTORS' REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383 (1) (a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2025 RMB'000	2024 RMB'000
Fees	**1,062**	985
Other emoluments:		
Salaries, allowances and benefits in kind	**8,121**	7,479
Performance related bonuses	**5,637**	4,375
Pension scheme contributions	**90**	86
Share-based payment expenses	**14,993**	11,886
Subtotal	**28,841**	23,826
Total	**29,903**	24,811

Certain directors were granted RSUs and restricted shares, in respect of their services to the Group, under the restricted stock units and restricted shares scheme of the Company, further details of which are set out in note 34 to the financial statements. The fair values of such restricted stock units, which have been recognised in profit or loss over the vesting period, were determined as at the date of grant and the amounts included in the financial statements for the current year are included in the above directors' and chief executive's remuneration disclosures.

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2025 RMB'000	2024 RMB'000
Dandan Dong	**361**	360
Kaixian Chen*	**—**	265
Lan Hu	**360**	360
Kunliang Guan**	**341**	—
Total	**1,062**	985

8. DIRECTORS' REMUNERATION (continued)

(b) Executive directors and non-executive directors' remuneration

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Pension scheme contributions RMB'000	Share-based payment expenses RMB'000	Total remuneration RMB'000
2025						
Executive directors:						
Jisong Cui (chief executive)	—	5,113	4,747	16	12,915***	22,791
Renbin Zhao	—	3,008	890	74	2,078****	6,050
Subtotal	—	8,121	5,637	90	14,993	28,841
Non-executive directors:						
Yigong Shi	—	—	—	—	—	—
Ronggang Xie	—	—	—	—	—	—
Subtotal	—	—	—	—	—	—
Total	—	8,121	5,637	90	14,993	28,841

8. DIRECTORS' REMUNERATION (continued)

(b) Executive directors and non-executive directors' remuneration (continued)

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Pension scheme contributions RMB'000	Share-based payment expenses RMB'000	Total remuneration RMB'000
2024						
Executive directors:						
Jisong Cui (chief executive)	—	4,927	3,581	18	10,975***	19,501
Renbin Zhao	—	2,552	794	68	911****	4,325
Subtotal	—	7,479	4,375	86	11,886	23,826
Non-executive directors:						
Yigong Shi	—	—	—	—	—	—
Ronggang Xie	—	—	—	—	—	—
Ming Jin*	—	—	—	—	—	—
Subtotal	—	—	—	—	—	—
Total	—	7,479	4,375	86	11,886	23,826

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year (2024: Nil).

* On 25 September 2024, Ming Jin ceased to be a non-executive director. On 25 September 2024, Kaixian Chen ceased to be an independent non-executive director.

** On 21 January 2025, Kunliang Guan was appointed as a non-executive director.

*** The share-based payment expenses related to one-time RSUs granted in January 2020 as well as restricted shares granted in June 2023 and December 2024 are recognised over the periods in which the service conditions are fulfilled.

**** The share-based payment expenses related to restricted shares granted in June 2023 and December 2024 are recognised over the periods in which the service conditions are fulfilled.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two directors (2024: two directors), details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining three (2024: three) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	**9,385**	9,227
Performance related bonuses	**4,131**	3,206
Pension scheme contributions	**201**	192
Share-based payments	**7,147**	5,584
Total	**20,864**	18,209

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	2025	2024
HK$4,500,001 to HK$5,000,000	**—**	1
HK$6,000,001 to HK$6,500,000	**—**	1
HK$6,500,001 to HK$7,000,000	**1**	—
HK$7,500,001 to HK$8,000,000	**1**	—
HK$8,000,001 to HK$8,500,000	**1**	—
HK$8,500,001 to HK$9,000,000	**—**	1
Total	**3**	3

During the year and in prior years, RSUs and restricted shares were granted under the RSUs and restricted shares scheme to non-director and non-chief executive highest paid employees in respect of their services to the Group, further details of which are included in note 34 to the financial statements. The fair values of such granted RSUs and restricted shares, which have been recognised in profit or loss over the vesting period, were determined as at each of the grant dates and the amounts included in the financial statements for the current year are included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

10. INCOME TAX

	2025 RMB'000	2024 RMB'000
Current — Hong Kong profits tax	**10,268**	—
Current — Taiwan — income taxes	**1,142**	—
Current — USA — income taxes	**148**	263
Total	**11,558**	263

(a) The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Cayman Islands

Under the current laws of the Cayman Islands, the Company is not subject to tax on income or capital gains. In addition, upon payments of dividends by the Company to its shareholders, no Cayman Islands withholding tax is imposed.

British Virgin Islands

Under the current laws of the British Virgin Islands ("**BVI**"), Ocean Prominent Limited is not subject to tax on income or capital gains. In addition, upon payments of dividends by Ocean Prominent Limited to its shareholder, no BVI withholding tax is imposed.

Hong Kong

The subsidiary incorporated in Hong Kong is subject to income tax at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year which is a qualifying entity under the two-tiered profits tax rates regime. The first HK$2,000,000 (2024: HK$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2024: 8.25%) and the remaining assessable profits are taxed at 16.5% (2024: 16.5%).

Chinese mainland

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations (the "**CIT Law**"), subsidiaries which operate in Chinese mainland are subject to CIT at the rate of 25% on the taxable income. Preferential tax rate of 15% is available to entities recognised as High and New Technology Enterprises. Beijing InnoCare, Nanjing InnoCare and Guangzhou InnoCare have been recognised as High and New Technology Enterprises and are therefore each entitled to using the preferential tax rate of 15% (2024: 15%) for CIT assessment in 2025.

Beijing Tianshi was qualified as a small and micro enterprise and was entitled to the preferential CIT rate of 5% during the year ended 31 December 2024. The CIT rate for Beijing Tianshi was 25% for the year ended 31 December 2025.

United States of America

The subsidiary incorporated in the United States is subject to the statutory United States federal corporate income tax of 21% (2024: 21%). It is also subject to the state income tax in relevant states to fulfil compliance requirements.

10. INCOME TAX (continued)

(b) A reconciliation of the tax expense applicable to profit/(loss) before tax using the statutory rate for the jurisdictions in which the Company and its subsidiaries are domiciled and operate to the tax expense at the effective tax rates, is as follows:

	2025 RMB'000	2024 RMB'000
Profit/(loss) before tax	**655,740**	(452,593)
Tax at the statutory tax rate of 25%	**163,935**	(113,148)
Effect of tax rate differences in other jurisdictions	**(37,079)**	(7,285)
Preferential tax rates applicable to certain subsidiaries	**1,349**	35,055
Adjustments in respect of current tax on foreign subsidiary of previous periods	**(66)**	121
Additional deductible allowance for qualified research and development costs	**(130,359)**	(110,846)
Tax losses utilised from previous periods	**(77,444)**	—
Tax losses not recognised	**81,357**	180,501
Expenses not deductible for tax	**9,836**	15,076
Losses attributable to a joint venture	**29**	789
Tax charge at the Group's effective rate	**11,558**	263

11. DIVIDEND

No dividends have been declared and paid by the Company for the year ended 31 December 2025 (2024: Nil).

12. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The calculation of the basic earnings/(loss) per share amounts is based on the profit/(loss) for the year attributable to shareholders of the Company, and the weighted average number of ordinary shares outstanding during the year.

In respect of the diluted loss per share amount for the year ended 31 December 2025, the calculation of the diluted earnings per share amount is based on the profit for the year attributable to shareholders of the Company and the weighted average number of ordinary shares used in the calculation is the total of (i) the number of ordinary shares outstanding during the year, as used in the basic earnings/(loss) per share calculation; and (ii) the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all RSUs and restricted shares into ordinary shares.

In respect of the diluted loss per share amount for the year ended 31 December 2024, no adjustment has been made to the basic loss per share amount presented as the impact of the share options outstanding during that year had either no diluting effect or an anti-dilutive effect on the basic loss per share amount presented.

12. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY (continued)

The calculations of the basic and diluted earnings/(loss) per share amounts attributable to shareholders of the Company are based on the following data:

	2025 RMB'000	2024 RMB'000
Earnings/(loss)		
Profit/(loss) for the year attributable to shareholders of the Company, used in the basic and diluted earnings/(loss) per share calculation	**642,467**	(440,633)

	2025 Number of shares '000	2024 Number of shares '000
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic earnings/(loss) per share calculation	**1,695,807***	1,690,850
Effect of dilution — weighted average number of ordinary shares: RSUs and restricted shares	**16,529**	—
Weighted average number of ordinary shares outstanding during the year, used in the basic earnings/(loss) per share calculation	**1,712,336**	1,690,850

The calculation of basic loss per share for the years ended 31 December 2025 and 2024 excluded the unvested restricted stock units of the Company. Details of these restricted stock units are set out in note 34 to the financial statements.

* The weighted average number of shares was after taking into account the effect of treasury shares held.

13. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Plant and machinery RMB'000	Devices and servers RMB'000	Leasehold improvements RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2025						
At 1 January 2025:						
Cost	422,730	265,713	97,147	45,046	138,863	969,499
Accumulated depreciation	(39,181)	(104,467)	(26,072)	(15,451)	—	(185,171)
Net carrying amount	383,549	161,246	71,075	29,595	138,863	784,328
At 1 January 2025, net of accumulated depreciation	383,549	161,246	71,075	29,595	138,863	784,328
Internal reclassification	—	54,910	(54,910)	—	—	—
Additions	—	2,819	1,030	143	25,480	29,472
Disposals	—	(21)	—	—	—	(21)
Depreciation provided during the year	(21,256)	(47,863)	(5,638)	(5,185)	—	(79,942)
Transfers	2,299	40,135	909	3,889	(49,330)	(2,098)
Exchange realignment	—	—	(2)	—	—	(2)
At 31 December 2025, net of accumulated depreciation	364,592	211,226	12,464	28,442	115,013	731,737
At 31 December 2025:						
Cost	425,028	365,380	40,105	49,078	115,013	994,604
Accumulated depreciation	(60,436)	(154,154)	(27,641)	(20,636)	—	(262,867)
Net carrying amount	364,592	211,226	12,464	28,442	115,013	731,737

13. PROPERTY, PLANT AND EQUIPMENT (continued)

	Buildings RMB'000	Plant and machinery RMB'000	Devices and servers RMB'000	Leasehold improvements RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2024						
At 1 January 2024:						
Cost	364,630	254,176	47,838	39,094	166,909	872,647
Accumulated depreciation	(20,757)	(65,692)	(16,280)	(10,154)	—	(112,883)
Net carrying amount	343,873	188,484	31,558	28,940	166,909	759,764
At 1 January 2024, net of accumulated depreciation	343,873	188,484	31,558	28,940	166,909	759,764
Additions	—	7,581	629	186	90,813	99,209
Disposals	—	(15)	—	—	—	(15)
Depreciation provided during the year	(18,424)	(38,795)	(9,792)	(5,297)	—	(72,308)
Transfers	58,100	3,991	48,678	5,766	(118,859)	(2,324)
Exchange realignment	—	—	2	—	—	2
At 31 December 2024, net of accumulated depreciation	383,549	161,246	71,075	29,595	138,863	784,328
At 31 December 2024:						
Cost	422,730	265,713	97,147	45,046	138,863	969,499
Accumulated depreciation	(39,181)	(104,467)	(26,072)	(15,451)	—	(185,171)
Net carrying amount	383,549	161,246	71,075	29,595	138,863	784,328

At 31 December 2025, certain of Beijing Tiancheng's construction in progress with a net carrying amount of approximately RMB81,539,000 (2024: RMB80,195,000) were mortgaged to secure general banking facilities granted to the Group (note 28 and note 30).

At 31 December 2025, certain of Guangzhou InnoCare's buildings with a net carrying amount of approximately RMB364,592,000 (2024: RMB338,673,000) were mortgaged to secure general banking facilities granted to the Group (note 28).

14. LEASES

The Group as a lessee

The Group has lease contracts for various items of office and laboratory used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of office and laboratory have lease terms between 1.75 and 10 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Office and laboratory RMB'000	**Leasehold land** RMB'000	**Total** RMB'000
As at 1 January 2024	66,809	227,028	293,837
Additions	1,853	—	1,853
Lease modifications	18,557	—	18,557
Depreciation charge	(27,697)	(4,810)	(32,507)
Exchange realignment	18	—	18
As at 31 December 2024 and 1 January 2025	**59,540**	**222,218**	**281,758**
Additions	**4,545**	**—**	**4,545**
Lease modifications	**14,749**	**—**	**14,749**
Depreciation charge	**(29,837)**	**(4,810)**	**(34,647)**
Exchange realignment	**(33)**	**—**	**(33)**
As at 31 December 2025	**48,964**	**217,408**	**266,372**

At 31 December 2025, Beijing Tiancheng's leasehold land with a net carrying amount of approximately RMB150,299,000 (2024: RMB153,566,000) were mortgaged to secure loans granted to the Group (note 28 and note 30).

At 31 December 2025, Guangzhou InnoCare's leasehold land with a net carrying amount of approximately RMB67,109,000 (2024: RMB68,652,000) were mortgaged to secure loans granted to the Group (note 28).

14. LEASES (continued)

The Group as a lessee (continued)

(b) Lease liabilities

	2025 RMB'000	2024 RMB'000
Carrying amount at 1 January	**59,048**	66,880
New leases	**4,545**	1,853
Lease modifications	**14,749**	18,557
Accretion of interest recognised during the year	**1,565**	2,147
Payments	**(33,614)**	(30,407)
Exchange realignment	**(33)**	18
Carrying amount at 31 December	**46,260**	59,048
Analysed into:		
Current portion	**27,234**	31,608
Non-current portion	**19,026**	27,440

The maturity analysis of lease liabilities is disclosed in note 41 to the financial statements.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2025 RMB'000	2024 RMB'000
Interest on lease liabilities	**1,565**	2,147
Depreciation charge of right-of-use assets	**34,647**	32,507
Expense relating to short-term leases	**479**	504
Total amount recognised in profit or loss	**36,691**	35,158

The cash outflow for leases is disclosed in note 35(c) to the financial statements.

15. OTHER INTANGIBLE ASSETS

	Patents and licences RMB'000	Software RMB'000	Total RMB'000
31 December 2025			
At 1 January 2025:			
Cost	**36,580**	**19,381**	**55,961**
Accumulated amortisation	**(14,632)**	**(5,411)**	**(20,043)**
Net carrying amount	**21,948**	**13,970**	**35,918**
Cost at 1 January 2025, net of accumulated amortisation	**21,948**	**13,970**	**35,918**
Addition	**—**	**1,595**	**1,595**
Amortisation provided during the year	**(3,658)**	**(3,217)**	**(6,875)**
At 31 December 2025	**18,290**	**12,348**	**30,638**
At 31 December 2025:			
Cost	**36,580**	**20,976**	**57,556**
Accumulated amortisation	**(18,290)**	**(8,628)**	**(26,918)**
Net carrying amount	**18,290**	**12,348**	**30,638**
31 December 2024			
At 1 January 2024:			
Cost	36,580	16,340	52,920
Accumulated amortisation	(10,974)	(2,939)	(13,913)
Net carrying amount	25,606	13,401	39,007
Cost at 1 January 2024, net of accumulated amortisation	25,606	13,401	39,007
Addition	—	3,041	3,041
Amortisation provided during the year	(3,658)	(2,472)	(6,130)
At 31 December 2024	21,948	13,970	35,918
At 31 December 2024:			
Cost	36,580	19,381	55,961
Accumulated amortisation	(14,632)	(5,411)	(20,043)
Net carrying amount	21,948	13,970	35,918

16. INVESTMENT IN A JOINT VENTURE

	2025 RMB'000	2024 RMB'000
Share of net assets	**2,704**	400

Particulars of the Group's joint venture are as follows:

Name	Particulars of issued shares held	Place of registration and business	Percentage of Ownership interest	Percentage of Voting power	Percentage of Principle sharing	Principal activities
Tiannuo Pharma	RMB2,816,400	PRC/Chinese mainland	50%	50%	50%	Research and development

The following table illustrates the financial information of the Tiannuo Pharma:

	2025 RMB'000	2024 RMB'000
Share of the joint venture loss for the year	**196**	5,260
Share of the joint venture total comprehensive income	**196**	5,260
Carrying amount of the Group's investment in the joint venture	**2,704**	400

17. OTHER FINANCIAL ASSETS

	2025 RMB'000	2024 RMB'000
Financial assets measured at amortised cost (note (i))	**741,876**	762,907
Financial assets at fair value through profit or loss (note (ii))	**—**	759,179
Total	**741,876**	1,522,086
Classified as:		
Current assets	**264,213**	1,062,899
Non-current assets	**477,663**	459,187
Total	**741,876**	1,522,086

Notes:

(i) As of 31 December 2025, the financial assets measured at amortised cost comprised time deposits issued by banks in Chinese mainland and fixed-coupon notes issued by banks overseas, with both types of assets bearing interest at fixed rates.

(ii) As of 31 December 2024, the financial assets at fair value through profit or loss consisted of structured deposits issued by banks in Chinese mainland and Hong Kong, with an original maturity of less than one year. These structured deposits featured floating interest rates linked to either foreign exchange rates or the price of gold. The fair values of these financial assets approximated to their costs plus expected interest.

18. UNLISTED EQUITY INVESTMENT AT FVTPL

	2025 RMB'000	2024 RMB'000
Unlisted equity investment at FVTPL	**24,803**	—

Note: The Group acquired certain equity interests in Prolium Bioscience, Inc. ("**Prolium**") as part of the consideration under the license agreement with Prolium. The Group has elected to measure this investment at FVTPL in accordance with HKFRS 9.

19. EQUITY INVESTMENT DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2025 RMB'000	2024 RMB'000
Listed equity investment, at fair value-Zenas	**1,173,992**	—

Note: The Group acquired 5 million common shares of Zenas BioPharma, Inc. ("**Zenas**") as part of the consideration under the license agreement with Zenas. The Group has irrevocably designated this investment as equity investment measured at FVTOCI in accordance with HKFRS 9 as the Group considers this investment to be strategic in nature.

20. OTHER NON-CURRENT ASSETS

	2025 RMB'000	2024 RMB'000
Prepayment for property, plant and equipment	**29,191**	3,536
Prepayment for database system	**1,866**	2,347
Value-added tax recoverable	**9,427**	8,288
Deposits and others	**9,960**	8,419
Total	**50,444**	22,590

21. INVENTORIES

	2025 RMB'000	2024 RMB'000
Finished goods	**90,309**	35,393
Raw materials	**57,240**	38,468
Work in progress	**15,320**	21,716
Total	**162,869**	95,577

22. TRADE RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables	**505,178**	352,898
Impairment	**(2,302)**	(1,896)
Net carrying amount	**502,876**	351,002

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally one to three months, and expanding up for some customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group's major customers are state-owned large-scale drug distributors located in the PRC with whom the Group has been cooperating since 2021. The Group considers that such practice is in line with the unique norm of the bio-pharmaceutical industry in the PRC where primary drug distributors are state-owned enterprises. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2025 RMB'000	2024 RMB'000
Within 3 months	**477,072**	345,906
3 months to 6 months	**25,804**	5,096
Total	**502,876**	351,002

The movements in the loss allowance for impairment of trade receivables are as follows:

	2025 RMB'000	2024 RMB'000
At beginning of year	**1,896**	401
Impairment losses (note 6)	**414**	1,495
Foreign exchange differences	**(8)**	—
At end of year	**2,302**	1,896

22. TRADE RECEIVABLES (continued)

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision is based on exposure at default, probability of default and loss given default. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2025

	Gross carrying Amount RMB'000	**Expected loss rate**	**Expected credit loss RMB'000**
Trade receivables aged less than 1 year	**505,178**	**0.46%**	**2,302**

As at 31 December 2024

	Gross carrying Amount RMB'000	Expected loss rate	Expected credit loss RMB'000
Trade receivables aged less than 1 year	352,898	0.54%	1,896

23. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2025 RMB'000	2024 RMB'000
Interest receivable	**20,855**	18,199
Prepayments	**55,364**	57,291
Value-added tax recoverable and advance payment of income tax	**3,489**	10,631
Other receivables	**1,023**	1,963
Total	**80,731**	88,084

The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. As at 31 December 2025 and 2024, the loss allowance was assessed to be minimal.

24. CASH AND BANK BALANCES

	2025 RMB'000	2024 RMB'000
Cash and bank balances	**7,051,433**	6,222,626
Less: Time deposits with original maturity of more than three months	**(2,444,335)**	(1,456,738)
Funds in transit for the purchase of structured deposits	**(100,000)**	—
Pledged deposits for letters of guarantee	**(679)**	—
Pledged deposits for bank loans	**—**	(86,421)
Cash and cash equivalents	**4,506,419**	4,679,467
Denominated in:		
RMB	**1,477,477**	3,923,764
US$	**2,996,381**	720,739
Others	**32,561**	34,964
Cash and cash equivalents	**4,506,419**	4,679,467

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between seven days and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

The RMB is not freely convertible into other currencies, however, under Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Time deposits are made for varying periods of between three months and twelve months depending on the immediate cash requirements of the Group and earn interest at the respective short-term time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

25. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year	**174,246**	111,795
1 year to 2 years	**6,848**	13,457
2 years to 3 years	**2,420**	2,990
Over 3 years	**185**	121
Total	**183,699**	128,363

The trade payables are non-interest-bearing.

26. CONTRACT LIABILITIES

	2025 RMB'000	2024 RMB'000
Advance received from a customer	**105,432**	—

As of 31 December 2025, the Group has received an upfront payment from for the out-licensing of IL-17 and TYK2. However, as the related performance obligations have not yet been fulfilled, the associated revenue has not been recognized.

27. OTHER PAYABLES AND ACCRUALS

	2025 RMB'000	2024 RMB'000
Payable for property, plant and equipment	**36,760**	47,848
Payroll payable	**78,489**	62,649
Individual income tax and other taxes	**67,070**	31,113
Sales rebate	**49,206**	19,504
Accruals	**42,676**	39,837
Payable for acquisition of non-controlling interests in the subsidiary (Note)	**476,336**	476,336
Long term payables — current	**48,029**	—
Others	**15,784**	18,225
Total	**814,350**	695,512

Other payables are non-interest-bearing and repayable on demand.

Note: Pursuant to the framework agreement on equity arrangement with GZHT Technology Holding Group Co., Ltd. ("**Guangzhou High-Tech**") in July 2021, the Group agreed to redeem the non-controlling interests held by Guangzhou High-Tech in a subsidiary of the Company within a year of listing on STAR Market of the Shanghai Stock Exchange or at a time otherwise agreed by the two parties. The amounts represented net present value of such payable. On 19 August 2025, the Board of Directors of the Company approved the Minority Shareholder Exit Scheme for Guangzhou InnoCare. Pursuant to the scheme, the Company plans to use its own funds, in an amount not exceeding RMB476.336 million, to acquire the remaining 7% equity interest in its controlling subsidiary, Guangzhou InnoCare, held by Guangzhou Kaide. By mutual agreement of the parties, Guangzhou Kaide will transfer the target equity in two batches — the first transfer will be 50% of the target equity, and the second transfer will be the remaining target equity. If InnoCare and Beijing InnoCare, or their designated qualified domestic subsidiaries, successfully bid for the target equity through the property rights exchange (including both the first and second transfers), upon completion of the transaction, the Company will hold 100% equity interest in Guangzhou InnoCare.

28. INTEREST-BEARING BANK BORROWINGS

	2025			2024		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Current						
Bank loans — unsecured	2.50	2026	176,928	2.45–2.70	2025	51,029
Bank loans — secured	—	—	—	1.15–1.30	2025	86,421
Current portion of long term bank loans — unsecured	2.45–2.50	2026	58,741	2.60–2.85	2025	50,782
Current portion of long term bank loans — secured	2.37–2.85	2026	5,492	2.72–3.30	2025	5,565
Total — current			241,161			193,797
Non-current						
Bank loans — unsecured	2.45–2.50	2027	283,500	2.60–2.85	2026–2027	299,500
Bank loans — secured	2.37–2.85	2028–2032	718,200	2.72–3.30	2026–2032	719,200
Total — non-current			1,001,700			1,018,700
Total			1,242,861			1,212,497

	2025 RMB'000	2024 RMB'000
Analysed into:		
Bank loans repayable:		
Within one year or on demand	241,161	193,797
In the second year	317,300	55,500
In the third year	72,490	283,300
In the fourth year	101,985	67,990
In the fifth year	135,980	101,985
Beyond five years	373,945	509,925
Total	1,242,861	1,212,497

28. INTEREST-BEARING BANK BORROWINGS (continued)

The carrying amounts of borrowings are denominated in the following currencies:

	2025 RMB'000	2024 RMB'000
RMB	**1,242,861**	1,212,497

Notes:

Certain assets of the Group were pledged to secure certain bank loans and their carrying amounts as at the end of the reporting period are as follows:

	Notes	2025 RMB'000	2024 RMB'000
Secured by:			
Restricted cash	24	**—**	86,421
Buildings	13	**364,592**	338,673
Construction in progress	13, 30	**81,539**	80,195
Leasehold land	14, 30	**217,408**	222,218
Total		**663,539**	727,507

(a) The Group's overdraft facilities amounted RMB1,859,900,000 (2024: RMB1,509,900,000), of which RMB1,215,215,000 was utilised as at the end of the reporting period.

(b) Beijing Tiancheng's bank loans are guaranteed by Beijing Changxin Construction Investment Co., Ltd ("**Beijing Changxin**").

In addition, Beijing Tiancheng mortgaged leasehold land and construction in progress with a net carrying value of approximately RMB231,838,000 (2024: RMB233,761,000) to Beijing Changxin. This mortgage was provided to secure the above-mentioned guarantee amounting to RMB38,800,000, and the entrusted loan from Beijing Changxin amounting to RMB300,000,000 as at the end of the reporting period (note 13, note 14 and note 30).

29. DEFERRED INCOME

	2025 RMB'000	2024 RMB'000
Government grants		
Current	**14,025**	11,724
Non-current	**275,397**	251,281
Total	**289,422**	263,005

29. DEFERRED INCOME (continued)

The movements in government grants during the year are as follows:

	2025 RMB'000	2024 RMB'000
At 1 January	**263,005**	280,914
Grants received during the year	**39,933**	7,660
Amount recognised in profit or loss	**(12,207)**	(20,397)
Reassessment of long term payables	**—**	(3,863)
Amount recognised to offset the interest for loans at lower than market interest rate	**(1,309)**	(1,309)
At 31 December	**289,422**	263,005

The grants related to the subsidies from local government authorities and a discount portion of long term payable from a government related entity to support the subsidiaries' research and development activities and capital expenditures. The related expenditures and capital expenditures have not yet been incurred are included in deferred income in the statement of financial position.

30. LONG TERM PAYABLES

The movements in long term payables during the year are as follows:

	2025 RMB'000	2024 RMB'000
At 1 January	**303,134**	305,577
Additions	**19,976**	23,655
Less:		
Repayment	**—**	(25,000)
Interest paid	**(1,065)**	(1,098)
At 31 December	**322,045**	303,134
Analysed into:		
Current portion	**48,029**	—
Non-current portion	**274,016**	303,134

In December 2021, a government-related entity provided a five-year loan amounting to RMB50,000,000 at an interest rate of 0.35% per annual to the Group and nominally holds equity interest. Under the agreement, the Group is required repay the loan either upon the completion of a five-year government investment holding period or at its option within five years from the subscription date, whichever is earlier, with repayment equal to principal plus interest at the People's Bank of China's contemporaneous benchmark deposit rate for demand deposits. In June 2022, the Group received five-year loans from the government related entity amounting to RMB325,000,000 bearing interest at 0.35% per annual. The initial measurement of the loans was based on the market interest rate at the time of receipt of the loans. The rest portions for the discount part were recognised as government grants recorded in deferred income.

The Group's leasehold land and construction in progress were pledged for a long term loan granted to the Group in June 2022 (note 13 and note 14).

31. DEFERRED TAX

The movements in deferred tax liabilities and assets during the year are as follows:

Deferred tax liabilities

	2025			
	Fair value adjustments arising from acquisition of subsidiaries RMB'000	Right-of-use assets RMB'000	Fair value changes of equity investments designated at fair value through other comprehensive income RMB'000	Total RMB'000
At 1 January 2025	3,620	9,066	—	12,686
Deferred tax (credited)/charged to profit or loss during the year	(603)	(1,322)	106,509	104,584
Gross deferred tax liabilities at 31 December 2025	3,017	7,744	106,509	117,270

	2024		
	Fair value adjustments arising from acquisition of subsidiaries RMB'000	Right-of-use assets RMB'000	Total RMB'000
At 1 January 2024	4,224	10,087	14,311
Deferred tax charged/(credited) to profit or loss during the year	(604)	(1,021)	(1,625)
Gross deferred tax liabilities at 31 December 2024	3,620	9,066	12,686

31. DEFERRED TAX (continued)

Deferred tax assets

	2025		
	Losses available for offsetting against future taxable profits RMB'000	Lease liabilities RMB'000	Total RMB'000
At 1 January 2025	**4,102**	**8,584**	**12,686**
Deferred tax (charged)/credited to profit or loss during the year	**(458)**	**(1,467)**	**(1,925)**
Gross deferred tax assets at 31 December 2025	**3,644**	**7,117**	**10,761**

	2024		
	Losses available for offsetting against future taxable profits RMB'000	Lease liabilities RMB'000	Total RMB'000
At 1 January 2024	4,761	9,550	14,311
Deferred tax (charged)/credited to profit or loss during the year	(659)	(966)	(1,625)
Gross deferred tax assets at 31 December 2024	4,102	8,584	12,686

31. DEFERRED TAX (continued)

Deferred tax assets (continued)

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

	2025 RMB'000	2024 RMB'000
Net deferred tax assets recognised in the consolidated statement of financial position	—	—
Net deferred tax liabilities recognised in the consolidated statement of financial position	106,509	—

The Group has tax losses arising in Chinese mainland of RMB3,374,545,000 (2024: RMB3,408,509,000) that will expire in one to ten years for offsetting against future taxable profits.

The Group has tax losses arising in other countries of RMB584,987,000 (2024: RMB493,461,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

32. ISSUED CAPITAL

Shares

The Company was incorporated in the Cayman Islands on 3 November 2015 with initial authorised issued capital of US$50,000 divided into 500,000,000 shares with a par value of US$0.0001 each. In September 2016, the authorised issued capital was further sub-divided into 25,000,000,000 shares with a par value of US$0.000002 each.

	2025 RMB'000	2024 RMB'000
Issued and fully paid:		
1,764,643,952 (2024: 1,762,567,202) ordinary shares of US$0.000002 each	23	23

32. ISSUED CAPITAL (continued)

Shares (continued)

A summary of the movements in the Company's issued capital is as follows:

	Number of shares in issue '000	Issued capital RMB'000	Share premium RMB'000
At 1 January 2024	1,689,851	23	11,867,998
Shares repurchased and cancelled (note (a))	(2,198)	—	(10,257)
Exercise of RSUs and restricted shares	7,367	#	88,659
Transfer of share-based payment reserve upon the expiry of restricted shares	—	—	646
At 31 December 2024 and 1 January 2025	**1,695,020**	**23**	**11,947,046**
Shares repurchased and cancelled (note (a))	**—**	**—**	**—**
Exercise of RSUs and restricted shares	**6,581**	**#**	**61,770**
Transfer of share-based payment reserve upon the expiry of restricted shares	**—**	**—**	**—**
At 31 December 2025	**1,701,601**	**23**	**12,008,816**

Note:

(a) The Company purchased 1,926,000 of its shares on the Hong Kong Stock Exchange at a total consideration of HK$18,189,700 (RMB16,656,000 equivalent). No share purchases were cancelled during the year ended 31 December 2025 (2024: 2,198,000). As at 31 December 2025, the Group had 2,486,000 (2024: 560,000) purchased shares classified as treasury shares held for resale, consideration of future acquisitions, or funding for existing share schemes of the Company.

The increase in issued capital resulting from the exercise of RSUs and restricted shares in the years ended 31 December 2025 and 2024 was less than RMB500 (note 34).

As at 31 December 2025, 63,043,028 shares (31 December 2024: 67,547,028 shares) were reserved under the share-based payment schemes for future share grant or vesting of awards and held under trusts to be transferred to individual grantees after they exercise their rights. Details of the Company's share-based payment schemes are included in note 34 to the consolidated financial statements.

33. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity.

(a) Investment revaluation reserve

This reserve records the portion of equity instruments' fair value changes that are recognised in other comprehensive income and are not reclassified to profit or loss when the investments are sold.

(b) Foreign exchange reserve

The foreign exchange reserve is used to record exchange differences arising from the translation of the financial statements of entities of which the functional currency is not RMB.

(c) Other reserve

The Group's other reserve includes:

i. The excess of the consideration for purchasing the remaining 10% shares of its subsidiary held by a non-controlling shareholder over the proportion of the carrying amounts of the subsidiary's net assets acquired; and

ii. The capital contribution was from a holder of the preferred shares of the Company. The Company obtained and fully settled an interest-free loan of US$6.59 million from King Bridge in previous years. The management of the Company measured the loan at fair value on initial recognition, and the difference between the loan amount and its fair value was treated as a contribution to the Company.

34. SHARE-BASED PAYMENTS

The Company operates one H share-based payment scheme, namely the 2023 Share Award Scheme (the "**H Share Scheme**") and two A share incentive schemes, namely the 2023 STAR Market Restricted Share Incentive Scheme and the 2024 STAR Market Restricted Share Incentive Scheme (the "**A Share Schemes**"), for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the H Share Scheme and A Share Schemes include the Company's directors, the Group's employees and consultants.

2023 Share Award Scheme

The 2023 Share Award Scheme became effective on 31 August 2023 and, unless otherwise cancelled or amended, will continue in effect for a term of 10 years from the date of grant. The maximum aggregate number of shares that may be issued under this plan is 51,481,607 Class B Ordinary Shares. The 2023 Share Award Scheme permits the awards of RSUs, which do not confer rights to the holders to vote or receive dividends or any other rights until the shares are issued.

RSUs

Subject to the achievement of certain milestone conditions, certain performance conditions and the directors and employees' continued status as a service provider through each of the applicable vesting dates, and to the extent permitted by applicable law, the RSUs shall be vested in whole or in part in accordance with the rules and the vesting schedule.

34. SHARE-BASED PAYMENTS (continued)

RSUs (continued)

The following RSUs were outstanding under the Schemes:

	2025		2024	
	Weighted average exercise price US$ per share	Number of RSUs '000	Weighted average exercise price US$ per share	Number of RSUs '000
At 1 January	0.1454	17,848	0.1440	23,748
Granted during the year	0.1780	1,610	0.1780	6,620
Forfeited during the year	0.1780	(2,071)	0.1626	(6,788)
Exercised during the year	0.1411	(4,504)	0.1569	(5,732)
At 31 December	0.1457	12,883	0.1454	17,848

The weighted average share price at the date of exercise for RSUs exercised during the year was US$1.8811 per share (2024: US$0.6158).

The exercise prices and exercise periods of the RSUs outstanding as at the end of the reporting period are as follows:

2025

Number of RSUs '000	Exercise price US$ Per share	Exercise period
1,450	0.000002	31 December 2025 to 1 August 2029
11,433	0.178	16 September 2022 to 30 December 2035
12,883		

2024

Number of RSUs '000	Exercise price US$ Per share	Exercise period
2,350	0.000002	1 August 2024 to 1 August 2029
50	0.055	16 March 2025 to 15 March 2031
15,448	0.178	16 September 2022 to 30 December 2034
17,848		

34. SHARE-BASED PAYMENTS (continued)

RSUs (continued)

The fair value of each RSU at the respective grant dates is determined by using the binomial method, taking into account the terms and conditions upon which the RSUs were granted. The following table lists the key assumptions that the model used.

	2025	2024
Expected volatility (%)	**61.85–62.22**	61.24–62.17
Risk-free interest rate (%)	**3.41–3.83**	4.08–4.96
Expected life (years)	**10**	10
Closing price of grant dates (US$ per share)	**1.5806–2.4066**	0.6173–0.7884

The Group recognised share-based payment expenses of RSU of RMB24.30 million for the year ended 31 December 2025 (2024: RMB(27.23) million).

The 4,504,000 RSUs exercised during the year resulted in the increase of 4,504,000 shares in issue of the Company and increase of issued capital of less than RMB500, as further detailed in note 32 to the consolidated financial statements.

At the end of the reporting period, the Company had 12,883,000 RSUs outstanding under the schemes. The exercise in full of the outstanding RSUs would, under the present capital structure of the Company, result in the increase of 12,883,000 shares in issue of the Company and increase of issued capital of less than RMB500.

Subsequent to the end of the reporting period, no RSUs were granted under the H Share Scheme. At the date of approval of the consolidated financial statements, the Company had 50,159,774 shares which have been reserved for further grant or vesting under the schemes, representing approximately 2.84% of the Company's shares in issue.

2023 STAR Market Restricted Share Incentive Scheme

2023 STAR Market Restricted Share Incentive Scheme ("**2023 A Share Scheme**") became effective on 2 June 2023 and the validity period of this scheme is from 2 June 2023 to the date when all the restricted shares granted to the incentive objects are vested or invalidated, and the maximum period is not more than 72 months. 2023 A Share Scheme permits the awards of restricted shares, which do not confer rights to the holders to vote or receive dividends or any other rights until the shares are issued. As of 30 May 2024, the remaining 2,750 restricted shares under the 2023 A Share Scheme were no longer granted, and the Company forfeited them in 2024.

34. SHARE-BASED PAYMENTS (continued)

2024 STAR Market Restricted Share Incentive Scheme

2024 STAR Market Restricted Share Incentive Scheme ("**2024 A Share Scheme**") became effective on 17 December 2024 and the validity period of this scheme is from 17 December 2024 to the date when all the restricted shares granted to the incentive objects are vested or invalidated, and the maximum period is not more than 77 months. 2024 A Share Scheme permits the awards of restricted shares, which do not confer rights to the holders to vote, receive dividends or any other rights until the shares are issued.

The Group recognised share-based payment expenses of A Share Schemes of RMB45.31 million for the years ended 31 December 2025 (2024: RMB16.44 million).

The 2,077,000 restricted shares exercised during the year resulted in the increase of 2,077,000 shares in issue of the Company and the increase of issued capital of less than RMB500, as further detailed in note 32 to the consolidated financial statements.

The following restricted shares were outstanding under the A Share Schemes during the period:

	2025		2024	
	Weighted average exercise price RMB per share	**Number of restricted shares '000**	Weighted average exercise price RMB per share	Number of restricted shares '000
At 1 January	**6.77**	**16,728**	6.95	7,090
Granted during the year	**6.65**	**2,468**	6.69	11,607
Forfeited during the year	**6.81**	**(475)**	6.95	(334)
Exercised during the year	**6.95**	**(2,077)**	6.95	(1,635)
At 31 December	**6.73**	**16,644**	6.77	16,728

The share price at the date of exercise for restricted shares exercised during the year was RMB28.60 (2024: RMB8.88).

34. SHARE-BASED PAYMENTS (continued)

2024 STAR Market Restricted Share Incentive Scheme (continued)

The exercise prices and exercise periods of the restricted shares outstanding as at the end of the reporting period are as follows:

2025

Number of restricted shares '000	Exercise price RMB per share	Exercise period
4,531	**6.95**	**30 May 2026 to 30 May 2029**
12,113	**6.65**	**17 May 2026 to 20 August 2030**
16,644		

2024

Number of restricted shares '000	Exercise price RMB per share	Exercise period
6,858	6.95	30 May 2025 to 30 May 2029
9,870	6.65	17 May 2026 to 17 May 2030
16,728		

The fair value of the equity-settled incentive granted on the grant date is estimated using the Black-Scholes option pricing model, in combination with the terms and conditions of the equity incentive granted. The following table lists the inputs to the model used:

	2025	2024
Expected volatility (%)	**38.65–41.96**	32.48–35.60
Risk-free interest rate (%)	**1.39–1.56**	1.12–2.01
Expected life (years)	**2.00–5.42**	2.00–5.42
Closing price of grant dates (RMB per share)	**30.30**	7.44–13.15

35. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB19,294,000 and RMB19,294,000 respectively, in respect of lease arrangements for office and laboratory (2024: RMB20,410,000 and RMB20,410,000, respectively).

During the year, the Group had non-cash settlement of variable consideration in revenue from contracts with customers and other payables of RMB49,584,000 (2024: RMB31,476,000).

During the year, the Group recognized licensing revenue in exchange for equity interests of RMB701,682,000(2024:Nil).

(b) Changes in 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.

	Payable for acquisition of non-controlling interests in a subsidiary RMB'000	Long term payables RMB'000	Lease liabilities RMB'000	Bank loans RMB'000	Total RMB'000
At 1 January 2025	476,336	303,134	59,048	1,212,497	2,051,015
Changes from financing cash flow	—	(1,065)	(33,614)	(1,353)	(36,032)
Currency translation differences	—	—	(33)	—	(33)
New leases and lease modifications	—	—	19,294	—	19,294
Accretion of interest (included both-finance cost and capitalisation)	—	19,976	1,565	31,717	53,258
At 31 December 2025	476,336	322,045	46,260	1,242,861	2,087,502

35. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(b) Changes in liabilities arising from financing activities (continued)

	Payable for acquisition of non-controlling interests in a subsidiary RMB'000	Convertible loan RMB'000	Long term payables RMB'000	Lease liabilities RMB'000	Bank loans RMB'000	Total RMB'000
At 1 January 2024	476,336	1,251,131	305,577	66,880	31,300	2,131,224
Changes from financing cash flow	—	(1,280,740)	(26,098)	(30,407)	1,169,233	(168,012)
Changes in fair value	—	29,609	—	—	—	29,609
Currency translation differences	—	—	—	18	—	18
New leases and lease modifications	—	—	—	20,410	—	20,410
Reassessment of long term payables	—	—	3,863	—	—	3,863
Accretion of interest (included both-finance cost and capitalisation)	—	—	19,792	2,147	11,964	33,903
At 31 December 2024	476,336	—	303,134	59,048	1,212,497	2,051,015

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2025 RMB'000	2024 RMB'000
Within operating activities	**479**	504
Within financing activities	**33,614**	30,407
Total	**34,093**	30,911

36. PLEDGE OF ASSETS

Details of the Group's assets mortgaged for the Group's bank loans and overdrafts, and for the loans from a government related entity are included in note 13, note 14, note 24, note 28 and note 30 to the financial statements.

37. COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

	2025 RMB'000	2024 RMB'000
Plant and machinery	**64,465**	34,378

38. RELATED PARTY TRANSACTIONS

(a) Compensation of key management personnel of the Group:

	2025 RMB'000	2024 RMB'000
Short-term employee benefits	**18,651**	20,760
Pension scheme contributions	**166**	280
Share-based payment expenses	**17,130**	(35,365)
Total compensation paid to key management personnel	**35,947**	(14,325)

(b) Name and relationships of the related parties:

Name	Relationship
Nanjing Bowang Pharmaceutical Technology Co., Ltd. ("**Nanjing Bowang**")	Director of the entity acts as an executive director of the Company and controlled by their immediate family members
Westlake University	Organisation in which the entity's non-executive director acts as president
Shi Yigong	Non-executive director of the Company

(c) Transactions with related parties:

	2025 RMB'000	2024 RMB'000
Service from Nanjing Bowang	**114**	230
Payments on behalf of Nanjing Bowang (note (i))	**107**	107

Notes:

(i) As mutually agreed between the Group and Nanjing Bowang, the Group pays to the lessor on behalf of Nanjing Bowang for using certain of machinery and equipment.

38. RELATED PARTY TRANSACTIONS (continued)

(c) Transactions with related parties: (continued)

Notes: (continued)

(ii) On 4 January 2016, Beijing InnoCare signed the strategic cooperation agreement with Shi Yigong. On 8 August 2018, Beijing InnoCare signed the strategic cooperation agreement with Shi Yigong, Shi Yigong Tsinghua University Laboratory (Shi Yigong is the principal of the scientific research laboratory), which refined and replaced the above strategic cooperation agreement signed on 4 January 2016. On 10 July 2020, Beijing InnoCare and its subsidiaries signed the strategic cooperation agreement with Shi Yigong and Shi Yigong Tsinghua University Laboratory, which refined and replaced the previously signed strategic cooperation agreement. The main content of the above strategic cooperation agreement is that Shi Yigong or Shi Yigong Tsinghua University Laboratory provide diversified services to the Group, such as assisting the Group to solve specific problems in protein crystal screening, protein structure analysis, protein function analysis, combination optimisation of target protein and candidate compounds encountered in the process of new drug research and development and provide in-depth guidance on the selection of drug targets by using existing technology and platform. During the reporting period, no specific cooperation projects were carried out under the above strategic cooperation agreement.

(d) Outstanding balances with related parties:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Prepayments to Nanjing Bowang (note (iii))	500	—
Prepayments to Westlake University (note (iv))	2,000	—

Notes:

(iii) On 29 September 2025, Beijing InnoCare entered into a patent licensing agreement with Nanjing Bowang, under which the total contract consideration amounted to RMB2,000,000. Beijing InnoCare paid an upfront payment of RMB500,000 to Nanjing Bowang. Pursuant to the terms and conditions of the agreement, Beijing InnoCare obtained the antibody sequences developed by Nanjing Bowang as well as the proprietary technology related to the subject matter.

(iv) On 13 May 2025, Beijing InnoCare and Westlake University entered into the Strategic Cooperation Framework Agreement and the Scientific Research Cooperation Agreement (collectively, the "**2025 Agreement**"). Under 2025 Agreement, the parties will collaborate on innovative drug research and development, platform co-construction, talent cultivation, and achievement transformation. Beijing InnoCare will provide initial financial support for the joint research and development project and make milestone payments based on project progress. The 2025 Agreement became effective upon execution by both parties and will remain in force for three years.

39. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2025

Financial assets

	Financial assets at amortised cost RMB'000	Financial assets at fair value through profit or loss RMB'000	Financial assets at fair value through other comprehensive income RMB'000	Total RMB'000
Trade receivables	502,876	—	—	502,876
Financial assets included in prepayments, other receivables and other assets	21,878	—	—	21,878
Other financial assets	741,876	—	—	741,876
Financial assets included in other non-current assets	9,960	—	—	9,960
Unlisted equity investments measured at FVTPL	—	24,803	—	24,803
Equity investments designated at fair value through other comprehensive income	—	—	1,173,992	1,173,992
Cash and bank balances	7,051,433	—	—	7,051,433
Total	8,328,023	24,803	1,173,992	9,526,818

Financial liabilities

	Financial liabilities at amortised cost RMB'000	Financial liabilities at fair value through profit or loss RMB'000	Total RMB'000
Trade payables	183,699	—	183,699
Long term payables	322,045	—	322,045
Financial liabilities included in other payables and accruals	571,556	—	571,556
Interest-bearing bank borrowings	1,242,861	—	1,242,861
Total	2,320,161	—	2,320,161

39. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

2024

Financial assets

	Financial assets at amortised cost RMB'000	Financial assets at fair value through profit or loss RMB'000	Total RMB'000
Trade receivables	351,002	—	351,002
Financial assets included in prepayments, other receivables and other assets	20,162	—	20,162
Other financial assets	762,907	759,179	1,522,086
Financial assets included in other non-current assets	8,419	—	8,419
Cash and bank balances	6,222,626	—	6,222,626
Total	7,365,116	759,179	8,124,295

Financial liabilities

	Financial liabilities at amortised cost RMB'000	Financial liabilities at fair value through profit or loss RMB'000	Total RMB'000
Trade payables	128,363	—	128,363
Long term payables	303,134	—	303,134
Financial liabilities included in other payables and accruals	601,750	—	601,750
Interest-bearing bank borrowings	1,212,497	—	1,212,497
Total	2,245,744	—	2,245,744

40. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and bank balances, trade receivables, financial assets included in prepayments, other receivables and other assets, trade payables, loans and borrowings, and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the finance head and the audit committee. At each reporting date, the finance department analysed the movements in the values of financial instruments and determined the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	**Significant observable inputs (Level 2)** RMB'000	**Significant unobservable inputs (Level 3)** RMB'000	**Total** RMB'000
As at 31 December 2025				
Financial assets at fair value through profit or loss:	—	—	**24,803**	**24,803**
Equity investments designated at fair value through other comprehensive income:	—	—	**1,173,992**	**1,173,992**
As at 31 December 2024				
Financial assets at fair value through profit or loss:	—	759,179	—	759,179

40. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

(i) Fair values of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Financial instruments in Level 3

For the fair value of the unlisted equity investment at FVTPL and equity investment at fair value through other comprehensive income, management has estimated the potential effect of using reasonably possible alternatives as inputs to the valuation model.

Below is a summary of significant unobservable inputs to the valuation of the unlisted equity investment and equity investment with a quantitative sensitivity analysis as at the end of the reporting period.

	Valuation technique	**Significant unobservable inputs**	**Range**	**Sensitivity of fair value to the input** RMB'000
Unlisted equity investment at FVTPL	Backward valuation based on recent transactions	Risk-free interest rate	3.47%	1% increase/(decrease) would result in an increase/ (decrease) in fair value by 119/(127)
		Volatility	74.71%	1% increase/(decrease) would result in an increase/ (decrease) in fair value by 7/ (7)
Equity investments designated at fair value through other comprehensive income	Adjusted quoted price in an active market	Discount for lack of marketability	8%	1% increase/(decrease) would result in a (decrease)/ increase in fair value by (12,761)/12,761

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and bank balances, financial assets at fair value through profit or loss, loans and borrowings and a convertible loan. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and other receivables, trade payables and other payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. To keep the Group's exposure to these risks at a minimum, the Group has not used any derivatives and other instruments for hedging purposes. The directors of the Company review and agree policies for managing each of these risks and they are summarised below.

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations with a floating interest rate.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings) and the Group's equity.

	Increase/ (decrease) in basis points	Increase/ (decrease) in profit before tax RMB'000	Increase/ (decrease) in equity RMB'000
2025			
RMB	**50**	**(2,517)**	**(2,517)**
RMB	**(50)**	**2,517**	**2,517**

Foreign currency risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which the Group conducts business may affect the Group's financial condition and results of operations. The Group seeks to limit its exposure to foreign currency risk by minimising its net foreign currency position.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in foreign currency exchange rates, with all other variables held constant, of the Group's loss before tax (due to changes in the fair value of monetary assets and liabilities).

	Increase/ (decrease) in the rate of foreign currency %	Increase/ (decrease) in profit before tax RMB'000
2025		
If RMB weakens against US$	**5**	**8,166**
If RMB strengthens against US$	**(5)**	**(8,166)**
2024		
If RMB weakens against US$	5	5,849
If RMB strengthens against US$	(5)	(5,849)

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

The carrying amounts of cash and bank balances, financial assets at fair value through profit or loss, trade receivables, other receivables and other financial assets represent the Group's maximum exposure equal to credit risk in relation to the financial assets.

The Group expects that there is no significant credit risk associated with cash and bank balances and financial assets at fair value through profit or loss since they are substantially held in reputable state-owned banks and other medium or large-sized listed banks. Management does not expect that there will be any significant losses from no-performance by these counterparties.

At the end of the reporting period, the Group had certain concentrations of credit risk as 42.17% (2024: 39.68%) and 79.32% (2024: 80.07%) of the Group's trade receivables were due from the Group's largest customer (aggregated if under common control) and five largest customers (aggregated if under common control), respectively.

The Group also expects that there is no significant credit risk associated with other receivables and other financial assets since counterparties to these financial assets have no history of default.

As at 31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Trade receivables	—	—	—	505,178	505,178
Financial assets included in prepayments, other receivables and other assets	21,878	—	—	—	21,878
Other financial assets	741,876	—	—	—	741,876
Financial assets included in other non-current assets	9,960	—	—	—	9,960
Cash and bank balances	7,051,433	—	—	—	7,051,433
Total	7,825,147	—	—	505,178	8,330,325

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management of the Group to finance the operations and mitigate the effects of fluctuations in cash flows.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	As at 31 December 2025			
	On demand and less than 1 year RMB'000	**1 to 5 years RMB'000**	**Over 5 years RMB'000**	**Total RMB'000**
Trade payables	**183,699**	**—**	**—**	**183,699**
Financial liabilities included in other payables and accruals	**571,556**	**—**	**—**	**571,556**
Interest-bearing loans and borrowings	**265,251**	**683,792**	**381,756**	**1,330,799**
Lease liabilities	**28,546**	**19,930**	**—**	**48,476**
Long term payables	**51,925**	**300,525**	**—**	**352,450**
Total	**1,100,977**	**1,004,247**	**381,756**	**2,486,980**

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	As at 31 December 2024			
	On demand and less than 1 year RMB'000	1 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Trade payables	128,363	—	—	128,363
Financial liabilities included in other payables and accruals	601,750	—	—	601,750
Interest-bearing loans and borrowings	222,506	591,639	530,768	1,344,913
Lease liabilities	33,013	27,156	1,852	62,021
Long term payables	1,050	352,449	—	353,499
Total	986,682	971,244	532,620	2,490,546

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 31 December 2024.

The Group monitors capital using a gearing ratio, which is calculated as total debt divided by total assets. The total debt includes Interest-bearing bank borrowings, long term payables and payable for acquisition of non-controlling interests in the subsidiary. The gearing ratios as at the end of the reporting periods were as follows:

	2025	2024
	RMB'000	RMB'000
Current and non-current liabilities:		
Interest-bearing bank borrowings	**1,242,861**	1,212,497
Long term payables	**322,045**	303,134
Payable for acquisition of non-controlling interests in the subsidiary	**476,336**	476,336
Total debt	**2,041,242**	1,991,967
Total assets	**10,823,600**	9,407,494
Gearing ratio	**19%**	21%

42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS		
Long-term receivables from subsidiaries	**2,205,694**	2,205,693
Total non-current assets	**2,205,694**	2,205,693
CURRENT ASSETS		
Due from subsidiaries	**3,201,050**	3,117,273
Cash and bank balances	**4,214,362**	3,682,483
Other financial assets	**155,946**	752,568
Prepayments, other receivables and other assets	**1,065**	897
Total current assets	**7,572,423**	7,553,221
CURRENT LIABILITIES		
Income tax payable	**10,125**	—
Other payables and accruals	**5,466**	7,909
Total current liabilities	**15,591**	7,909
NET CURRENT ASSETS	**7,556,832**	7,545,312
TOTAL ASSETS LESS CURRENT LIABILITIES	**9,762,526**	9,751,005
Net assets	**9,762,526**	9,751,005
EQUITY		
Issued capital	**23**	23
Treasury shares	**(19,754)**	(3,097)
Reserves (note)	**9,782,257**	9,754,079
TOTAL EQUITY	**9,762,526**	9,751,005

42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

A summary of the Company's reserves is as follows:

	31 December 2025					
	Share premium RMB'000	Share-based payment reserve RMB'000	Foreign exchange reserve RMB'000	Other reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2025	**12,400,746**	**199,797**	**380,326**	**(35,706)**	**(3,191,084)**	**9,754,079**
Profit for the year	—	—	—	—	**159,694**	**159,694**
Exchange differences arising from translation of the financial statement into the presentation currency	—	—	**(220,098)**	—	—	**(220,098)**
Total comprehensive income for the year	—	—	**(220,098)**	—	**159,694**	**(60,404)**
Share-based payments	—	**69,606**	—	—	—	**69,606**
Exercise of RSUs and restricted shares	**61,770**	**(42,794)**	—	—	—	**18,976**
Transfer of share-based payment reserve upon the expiry of restricted shares	—	—	—	—	—	—
Purchase of own shares	—	—	—	—	—	—
Equity incentive reserve	—	—	—	—	—	—
At 31 December 2025	**12,462,516**	**226,609**	**160,228**	**(35,706)**	**(3,031,390)**	**9,782,257**

	31 December 2024					
	Share premium RMB'000	Share-based payment reserve RMB'000	Foreign exchange reserve RMB'000	Other reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2024	12,321,698	282,115	236,959	602	(3,219,866)	9,621,508
Profit for the year	—	—	—	—	28,782	28,782
Exchange differences arising from translation of the financial statement into the presentation currency	—	—	143,367	—	—	143,367
Total comprehensive income for the year	—	—	143,367	—	28,782	172,149
Share-based payments	—	(10,792)	—	—	—	(10,792)
Exercise of RSUs and restricted shares	88,659	(70,880)	—	—	—	17,779
Transfer of share-based payment reserve upon the expiry of restricted shares	646	(646)	—	—	—	—
Purchase of own shares	(10,257)	—	—	—	—	(10,257)
Equity incentive reserve	—	—	—	(36,308)	—	(36,308)
At 31 December 2024	12,400,746	199,797	380,326	(35,706)	(3,191,084)	9,754,079

43. EVENTS AFTER THE REPORTING PERIOD

No important events affecting the Company occurred since the end of the reporting period and up to the date of this annual report.

44. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 25 March 2026.

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