邁博藥業
MABPHARM LIMITED
迈博药业有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 2181

2025
ANNUAL REPORT

CONTENTS

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Dr. Wang Hao *(Chief Executive Officer)*
Mr. Li Yunfeng
Mr. Tao Jing
Dr. Hou Sheng
Dr. Qian Weizhu

Non-executive Directors

Mr. Jiao Shuge *(Chairman)*
Mr. Cen Jialin

Independent Non-executive Directors

Dr. Zhang Yanyun *(designated as lead independent non-executive director on October 31, 2025)*
Mr. Guo Liangzhong
Mr. Leung, Louis Ho Ming
Dr. Tao Qian

AUDIT COMMITTEE

Mr. Leung, Louis Ho Ming *(Chairman)*
Mr Jiao Shuge
Mr. Guo Liangzhong

REMUNERATION COMMITTEE

Dr. Zhang Yanyun *(Chairman)*
Dr. Wang Hao
Mr. Guo Liangzhong

NOMINATION COMMITTEE

Mr. Guo Liangzhong *(Chairman)*
Dr. Qian Weizhu *(appointed as a member with effect from October 31, 2025)*
Mr. Tao Jing *(ceased to be a member with effect from October 31, 2025)*
Dr. Zhang Yanyun

JOINT COMPANY SECRETARIES

Mr. Li Yunfeng
Mr. Tsang Ho Yin

AUTHORIZED REPRESENTATIVES

Mr. Li Yunfeng
Mr. Tsang Ho Yin

REGISTERED OFFICE IN CAYMAN ISLANDS

Walkers Corporate Limited
190 Elgin Avenue
George Town
Grand Cayman KY1-9008
Cayman Islands

PRINCIPAL PLACE OF BUSINESS AND HEAD OFFICE IN THE PRC

Block G79
Lujia Road East
Koutai Road West
China Medical City Taizhou
PRC
225300

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1401 of 14th Floor of Chuang's Tower
Nos. 30-32 Connaught Road Central
Central
Hong Kong

AUDITOR

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

LEGAL ADVISORS

As to Hong Kong law

Cleary Gottlieb Steen & Hamilton (Hong Kong)
37/F Hysan Place
500 Hennessy Road
Causeway Bay
Hong Kong

As to PRC law

Shanghai Allbright (Shenzhen) Law Offices
23rd Floor, Tower 1
Excellence Century Centre
Fu Hua 3rd Road
Futian District Shenzhen
PRC

HONG KONG SHARE REGISTRAR

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Walkers Corporate Limited
190 Elgin Avenue
George Town
Grand Cayman KY1-9008
Cayman Islands

PRINCIPAL BANK

Shanghai Pudong Development Bank
(Medical High-Tech Zone Branch)
1/F, Data Building, Taizhou Avenue
Medical High-Tech Zone
Taizhou, Jiangsu
PRC

STOCK CODE

2181

COMPANY WEBSITE

www.mabpharm.cn

Financial Highlights

	For the year ended December 31,		
	2025	2024	Change
	RMB'000	*RMB'000*	*(%)*
Revenue	**646,095**	258,228	150.2
Cost of sales	**(72,444)**	(38,834)	86.5
Gross profit	**573,651**	219,394	161.5
Other income	**9,243**	7,991	15.7
Other gains and losses, net	**923**	(5,714)	(116.2)
Selling and distribution expenses	**(400,821)**	(151,566)	164.5
Research and development expenses	**(57,529)**	(75,212)	(23.5)
Administrative expenses	**(110,373)**	(110,409)	–
Accrual of impairment loss on financial assets	**(125)**	(1,879)	(93.3)
Finance costs	**(10,809)**	(10,552)	2.4
Profit/(loss) before tax	**4,160**	(127,947)	(103.3)
Income tax credit	**52,973**	–	100.0
Profit/(loss) and total comprehensive income/(expense) for the year	**57,133**	(127,947)	(144.7)
Attributable to:			
Owners of the Company	**57,133**	(127,947)	(144.7)
	RMB	*RMB*	
Earnings/(loss) per share attributable to ordinary equity holders of the Company			
– Basic	**0.01**	(0.03)	(133.3)
– Diluted	**0.01**	(0.03)	(133.3)

	At December 31, 2025	At December 31, 2024	Change
	RMB'000	*RMB'000*	*(%)*
Non-current assets	**719,160**	650,444	10.6
Current assets	**434,300**	365,774	18.7
Current liabilities	**534,044**	312,125	71.1
Net current (liabilities)/assets	**(99,744)**	53,649	(285.9)
Non-current liabilities	**462,112**	615,159	(24.9)
Net assets	**157,304**	88,934	76.9

Chairman's Statement

Dear Shareholders,

I would like to express sincere gratitude to all shareholders for your consistent and strong support to Mabpharm Limited ("**Mabpharm**"). The recognition and support from our shareholders represent the greatest driving force for the Company's sustained high-speed innovative development. Leveraging our competitive innovative products, Mabpharm achieved outstanding pharmaceutical sales growth in 2025. We recorded sales revenue of approximately RMB646.1 million, representing an increase of 150.2% compared with the same period last year, and delivered profit for the first time. Looking ahead, with the successive launch of our innovative drug products, further development of the sales network and deepening global layout, Mabpharm will continue to achieve rapid growth in sales and profitability, and fully reward the recognition, support and assistance of Shareholders and all sectors.

Mabpharm has long been committed to the research and development as well as industrialisation of biological drugs for the treatment of cancer and autoimmune diseases. Since the approval and launch of its first commercial product, CMAB008類停®, the Company has successfully launched three core antibody novel drugs. Among them, CMAB009恩立妥® and CMAB007奧邁舒®, as exclusive products, have been successfully included in the NRDL as exclusive varieties following negotiations with the National Healthcare Security Administration. We have established a sales network nationwide, extending to thousands of hospitals at all levels, primary medical institutions and pharmacies across all provinces. Mabpharm achieved rapid sales growth in 2025, driven primarily by CMAB009恩立妥®, an innovative novel drug developed by the Company. This validates the correctness of the Company's long-term strategy focused on innovative drug research and development, as well as the strength of its R&D team. The Company will continue to pursue steady innovation in the future, providing more breakthrough momentum for its long-term development.

Against the trend of accelerating global accessibility of biopharmaceuticals, Mabpharm is fully positioning and expanding its overseas markets. We have conducted registration and commercialisation activities for our products in more than 30 countries and regions globally. As of December 31, 2025, CMAB008類停® has been approved by the drug regulatory authorities of Peru, Indonesia, Pakistan, Bangladesh, Malaysia and other countries for local launch and sales. Going forward, we will join hands with more strong partners to drive the overseas expansion of multiple pipeline products, and focus on the registration and clinical development of competitive products in the European Union and the United States. Against the backdrop of accelerating reforms in global biopharmaceutical regulatory policies and broad accessibility of innovative biologic drugs worldwide, the biopharmaceutical industry has entered a period of rapid global growth. Mabpharm is well positioned to seize the significant opportunity.

Chairman's Statement

We have deeply engaged in R&D and innovation in the biopharmaceutical sector for many years and built a high-standard integrated platform for R&D, innovation and industrialisation. We master and continuously enhance the full-chain core technologies for innovative biologic drug development, and possess a large-scale, high-quality and low-cost manufacturing system for antibody-based novel drugs. Coupled with our strong preclinical and clinical development capabilities accumulated over the long term, we ensure the commercial launch of a series of drug candidates including CMAB807/CMAB807X, CMAB015 and the fully innovative drug CMAB017. Leveraging our increasingly strengthened robust antibody R&D technology platform and well-established bispecific antibody platform, we are developing multiple highly competitive innovative biologic drugs targeting unmet medical indications and undiscovered targets, securing sustained and explosive growth momentum for Mabpharm. Our total cell reactor capacity has exceeded 40,000 liters. Combined with our solid equipment, technical and quality foundations in antibody drug manufacturing, as well as economies of scale generated by domestic sales, we will maintain outstanding competitive advantages in national Medical Insurance negotiations, potential centralized procurement tenders and overseas competition.

The biopharmaceutical industry is one of the fastest-growing industries worldwide. To optimise industrial structure and safeguard public well-being, the Chinese government has implemented sustained healthcare reforms, which have significantly enhanced efficiency in China's pharmaceutical market. As a representative of modern pharmaceutical innovation, biological products, especially antibody drugs, are experiencing rapid growth in market penetration. Enterprises with competitive advantages in product quality and pricing have greatly benefited from negotiations with the NHSA and local healthcare security authorities over Medical Insurance pricing and centralized procurement. This trend will drive the development of China's biopharmaceutical market for a long period to come. In line with the overall healthcare policy reforms, we focus on high-unmet-demand segments including oncology, allergic diseases, respiratory diseases, gastrointestinal diseases and autoimmune diseases. We pursue innovation by targeting under-served market areas and establish comprehensive and flexible partnerships with leading domestic pharmaceutical commercialisation companies to drive rapid sales growth of our products and deliver value to society.

There is a booming demand for innovative biologic drugs in global markets, particularly in developed markets such as Europe and the United States, as well as in developing markets including the Gulf Cooperation Council countries and South America. In recent years, the penetration rate of biologic drugs worldwide has risen substantially year by year. Against the backdrop of global reforms and accelerated approval processes for biologic products, the economies of scale generated by China's pharmaceutical policy reforms have significantly strengthened the global competitiveness of China's antibody drugs. The reputation for high quality and strict compliance has driven growing global acceptance of China's innovative biologic drugs. In view of the above, we are proactively expanding overseas markets on a full-scale and all-round basis. We work closely with overseas partners to flexibly conduct new drug registration, research and development, and commercialisation for multiple products across various countries and regions, with a view to achieving explosive global sales growth of our products.

The booming global biopharmaceutical market, the technological upgrading of China's pharmaceutical industry, as well as reforms of healthcare and medical insurance systems worldwide have jointly created a golden era of opportunity for the development of the global biopharmaceutical industry. A large volume of previously unmet potential demand is being transformed into actual market demand. We will maintain a long-term focus on the innovation of highly competitive innovative biologic drugs and proactively engage in the development of the global biopharmaceutical market in all dimensions. With our significant product quality advantages and established economies of scale, we will surely seize the golden opportunities brought by policy reforms and market expansion. We are committed to satisfying massive global market demand with high-quality biologic drugs and benefiting patients worldwide.

Mabpharm is poised to lead the evolving landscape of the global biopharmaceutical industry, underpinned by quality, inspired by innovation, and committed to sustainable progress!

Mabpharm Limited
Jiao Shuge
Chairman of the Board

March 26, 2026

Corporate Profile

We are a leading biopharmaceutical company in China, focusing on the research, development and commercialization of new drugs and biosimilars for cancers and autoimmune diseases. We strive to bring to the global market high quality and affordable innovative biologics through our efficient research and development ("**R&D**") system and low-cost pharmaceutical production capabilities, and develop differentiated therapeutic products by fully utilizing our extensive R&D experience. With the successive launch of newly developed drugs and the deepening of sales promotions, our industrialization business has entered a period of rapid growth. During the Reporting Period, we achieved sales revenue of approximately RMB646.1 million, representing a year-on-year increase of 150.2%, and the Company has achieved profitability of RMB57.1 million, representing a year-on-year increase of 144.7%. In the future, with the rapid development of industrialization and R&D, coupled with our active expansion into overseas markets, we will achieve even more outstanding results. Our drug pipeline currently consists of 9 monoclonal antibody drugs and 1 strong antibody drug, 3 of which approved for marketing are our core products:

- ✓ **CMAB009 恩立妥® (cetuximab β injection):** CMAB009 恩立妥® is a recombinant anti-EGFR chimeric monoclonal antibody innovative drug which has been approved by the NMPA for marketing in June 2024 (Guo Yao Zhun Zi S20240025). It is an exclusive product in the negotiation list under the Medical Insurance. The indication of CMAB009 恩立妥® is first-line therapy for RAS/BRAF wild-type mCRC in combination with the FOLFIRI regimen. CMAB009 恩立妥® was developed and prepared using a specific CHO expression process of the Company with an international PCT patent (PCT patent number: PCT/CN2016/070024), which has achieved significant therapeutic efficacy and clear safety advantage, and has been fully substantiated by the results of two completed clinical trials. CMAB009 恩立妥® is the third product of the Company approved for marketing, and is the first domestically produced anti-EGFR monoclonal antibody innovative drug with independent intellectual property for the first-line treatment of mCRC approved by the NMPA. CMAB009 恩立妥® is also expected to expand its indications to pancreatic cancer, head and neck squamous cell carcinomas, cervical squamous cell carcinoma and other cancers, as its administration together with a variety of small molecule drugs has tremendous potential for research and development and application in various other indications such as non-small cell lung cancer. The Group is propelling the clinical and registration work of CMAB009 恩立妥® targeting the aforesaid indications. For more details of the NMPA approval, please refer to the announcement of the Company dated June 25, 2024.

In August 2023, Taizhou Pharmaceutical, a subsidiary of the Company, entered into a business cooperation agreement in relation to CMAB009 恩立妥® with Jiangsu Simcere Zaiming Pharmaceutical Co., Ltd.* (江蘇先聲再明醫藥有限公司) ("**Jiangsu Simcere Zaiming**"), a company with remarkable tumor drug sales capability and proven track record, pursuant to which Taizhou Pharmaceutical granted to Jiangsu Simcere Zaiming exclusive commercial rights in respect of CMAB009 恩立妥® (including but not limited to sales management, marketing and promotion, formulation and adjustment of related strategies and the rights to obtain relevant benefits) in the Chinese Mainland.

According to relevant data published by the National Cancer Center, colorectal cancer, also known as colon cancer, has significant incidence in China with approximately 500,000 newly diagnosed cases per annum, ranking 2nd in terms of prevalence among malignant tumors. In relatively developed regions, the morbidity of colorectal cancer even exceeds that of hepatitis B. So far, patients with colorectal cancer in China are overly dependent on imported anti-EGFR antibodies, of which major products are often highly priced and may lead to severe hypersensitivity reactions among over 2% patient population as evidenced in clinical studies. Accordingly, the first page of drug instructions approved by each country always bears a black box warning against severe adverse reactions. As the first domestically produced anti-EGFR monoclonal antibody innovative drug with independent intellectual property for the first-line treatment of mCRC approved by the NMPA in nearly two decades, CMAB009 恩立妥® has remarkable clinical efficacy and has a better safety profile without black box warnings as compared with imported drugs carrying black box warnings indicating severe adverse reactions, and it has received wide acclaim among doctors and patients. We delivered the first order of CMAB009 恩立妥® and the products were administrated to its first batch of patients within the same month during which it was approved for marketing. Besides, we have established an efficient and extensive marketing network. In November 2024, we conducted negotiations with the National Healthcare Security Administration of the PRC (the "**NHSA**") over the pricing of CMAB009 恩立妥®, an exclusive innovative drug, allowing it to be successfully covered by the pharmaceuticals catalogue for reimbursement under the Medical Insurance, which has started to benefit a wide population of patients suffering from colorectal cancer in China. In 2025, we continued to expand our market presence and achieved high-quality breakthroughs, with our market coverage reaching thousands of hospitals, pharmacies, and other terminals nationwide. We conducted over a thousand academic events, precisely reaching thousands of academic experts, and initiated numerous specific clinical research projects to empower the long-term development of product sales with sound medical evidence. The sales volume of CMAB009 恩立妥® surged during the Reporting Period. In pace with the expansion of hospital coverage, the development of prescribing habits among healthcare professionals and patients, and the addition of new indications, CMAB009 恩立妥® is expected to enter a sustained period of explosive growth.

✓ **CMAB007 奧邁舒® (Omalizumab α for Injection):** It was approved for marketing by the NMPA in May 2023 (Guo Yao Zhun Zi S20230030 for specification of 75mg/vial and Guo Yao Zhun Zi S20230031 for specification of 150mg/vial) for the treatment of patients diagnosed with IgE mediated asthma, which is the first domestic allergic asthma therapeutic antibody new drug in China approved by the NMPA. In August 2023, CMAB007 奧邁舒® was also approved by the NMPA to launch clinical trials for indications relating to chronic spontaneous urticaria in adults and adolescents (aged 12 and above) who still show symptoms after treatment with H1 antihistamines. We are close to finishing the phase III clinical trial of CMAB007 奧邁舒® for treatment of urticaria. As an anti-IgE monoclonal antibody, CMAB007 奧邁舒® is also expected to expand its indications to chronic idiopathic urticarial, seasonal allergic rhinitis and food allergies. In the future, we will actively carry out various studies to rapidly expand the R&D and therapeutic applications of CMAB007 奧邁舒® in multiple allergic disease areas.

In 2023, Taizhou Pharmaceutical entered into an exclusive commercialization cooperation agreement in relation to CMAB007 奧邁舒® in China with Jiangxi Jemincare Pharmaceutical Co., Ltd.* (江西濟民可信醫藥有限公司) ("**Jemincare**"), a pharmaceutical company with remarkable market promotion capability and proven track record. CMAB007 奧邁舒® was included as an exclusive product in the negotiation list under the NRDL, and we successfully negotiated for its renewal and continued inclusion in the NRDL in 2025. As of the date of this annual report, we have put up our CMAB007 奧邁舒® for sale on all provincial pharmaceutical product procurement and GPO platforms across the Chinese Mainland, covering thousands of hospitals, primary medical institutions and pharmacies. During the Reporting Period, CMAB007 奧邁舒® recorded a rapid increase in sales volume as compared with the previous year. As an exclusive product included in the NRDL, we adopted a strategy that centered on peak leadership, regional deep cultivation, and practical focus to conduct nearly a thousand academic events. These activities reached nearly ten thousand academic experts across various levels, including core national academic experts, regional academic leaders, and key clinical practitioners, and we are implementing data analysis and studies on the efficacy and safety of CMAB007 奧邁舒® in the real world. Dozens of projects have been successively established by the asthma scientific research fund for CMAB007 奧邁舒® to study and broaden its evidence-based medicine information.

✓ **CMAB008 類停® (infliximab for injection):** It was approved for marketing by the NMPA in July 2021 (Guo Yao Zhun Zi S20210025) for the treatment of 1) ulcerative colitis in adults, 2) ankylosing spondylitis, 3) rheumatoid arthritis, 4) Crohn's disease in adults and pediatric patients aged above 6 years old, 5) fistula Crohn's disease, and 6) psoriasis, which have huge long-term unmet market demand (with more than 10 million patients in the PRC which is still growing). According to the regulations of the Medical Insurance, CMAB008 類停® has also been automatically included in the Medical Insurance.

In March 2022, Taizhou Pharmaceutical entered into an exclusive promotion service agreement with Kexing Biopharm Co., Ltd.* (科興生物製藥股份有限公司) ("**Kexing Biopharm**"), a company listed on the Science and Technology Innovation Board of Shanghai Stock Exchange (stock code: 688136), pursuant to which Taizhou Pharmaceutical granted an exclusive licence to promote CMAB008 類停® in the Chinese Mainland (excluding Hong Kong, Macau and Taiwan regions) to Kexing Biopharm.

CMAB008 類停® has been marketed on the procurement platform across all the provinces within China and extended its footprints to thousands of hospitals of different levels, primary medical institutions and pharmacies. During the Reporting Period, CMAB008 類停® recorded a rapid increase in sales volume as compared with the previous year. We also launched multifaceted brand building activities for CMAB008 類停®, organizing over 1,000 market promotion activities including the "Care for Rheumatoid Arthritis" programme within professional academic platforms such as the Gastroenterology Branch and Rheumatology Branch of the Chinese Medical Association, and the Chinese Medical Doctor Association, reaching nearly 10,000 medical professionals. We fully demonstrated the clinical advantages of CMAB008 類停® as a "classic, potent, and economically preferred option", and established a national network of experts specializing in inflammatory bowel disease (IBD). We are also working with medical experts to explore the application of CMAB008 類停® in systemic inflammatory response and cardiac injury after cardiac arrest, intestinal behcet, Takayasu's arteritis and adult still's disease.

With the progress in both academic fields and contributions to society, CMAB008 類停® has secured remarkable market recognition, which set the solid foundation for its continued rapid growth in sales volume. The Company has also initiated cooperation with partners who have accumulated abundant overseas market resources over a long period of time to rapidly expand to overseas markets. At present, the Company has launched registration and market exploration in more than 30 countries and/or regions, completed GMP inspections in three countries, and has passed the GMP inspection certification in Brazil, a PIC/S member country. The new drug application of CMAB008 類停® was also approved by the medical products regulatory authorities of Peru, Indonesia, Pakistan, Bangladesh and Malaysia where we have finished product delivery for sales, and imminent approvals for market launch in multiple countries are also expected. For further details, please refer to the announcements of the Company dated July 2, 2024, December 27, 2024 and January 2, 2025 respectively.

(All the above products are collectively referred to as "**Core Products**").

Among our other drug candidates, CMAB015 (secukinumab) possesses remarkable efficacy advantages in the treatment of autoimmune diseases such as psoriasis, and has become one of the most rapidly growing biological agents in the treatment of psoriasis in China. We have completed the phase I clinical trials for CMAB015, completed enrollment for the phase III clinical trials during the Reporting Period and will soon complete the phase III clinical trials. CMAB807/ CMAB807X (denosumab) has completed phase III clinical trials for osteoporosis, and has been under application and registration for full indication with reference to international precedents. The "strong antibody" new drug CMAB017 has obtained approval from the NMPA for clinical trial for the treatment of advanced solid tumors, including but not limited to colorectal cancer, head and neck squamous cell carcinomas and esophageal squamous cell carcinoma. We have initiated phase I clinical study for CMAB017. Compared with marketed EGFR antibody drugs, CMAB017 has better efficacy and is safer. We have also developed CMAB022 (ustekinumab), a biosimilar, which promises sound market prospect for the treatment of psoriasis, psoriatic arthritis, Crohn's disease and ulcerative colitis, etc. We have enhanced our focus on the development of innovative drugs with differentiated advantages in our core therapeutic areas. Through sustained, medium-to-long-term strategic deployment, we aim to achieve breakthroughs in the research and development of new drug candidates with global competitiveness.

We have strong in-house capabilities in pharmaceutical research, manufacturing, pre-clinical and clinical development. We promote the global commercialization of drugs developed by us through business cooperation with leading and progressive domestic and overseas enterprises engaged in sales of pharmaceutical products. This approach enables us to capitalize on the economies of scale arising from the substantial sales channels and expert resources and experience of our business partners accumulated throughout the years in disease-specific fields, and to build up and enhance our own distinctive and efficient sales system with a focus on specific indications. We focus on the R&D of monoclonal antibodies. Our core R&D team members have more than 22 years of experience in this area, and have led three major projects under the "863" Program, also called the State High-Tech Development Plan, among other national-level scientific research projects.

We have five antibody drug production lines in operation in Taizhou, including the constructed production lines in the new R&D and industrial base in Taizhou, one of which, i.e., the 7,500L new GMP drug substance production line has completed the production of the validation batches for registration purposes, and a new preparation line with greater capacity has also passed GMP certification, bringing the aggregate scale of our cell reactor to reach 40,000 liters. In view of the rapid growth in product sales and the accelerated expansion into overseas markets, we are planning to initiate the construction of additional production lines to ensure market demand can be satisfied.

The solid equipment, technology and quality foundation we have in the field of antibody drug preparation will enable us to possess an excellent competitive advantage in future Medical Insurance exclusive negotiation and potential centralized procurement negotiations. Leveraging the competitive advantages in the R&D and mass production capacity in antibody drugs in the PRC, we also proactively engage in CDMO business without compromising our independent product R&D, and in 2025, we executed contracts for and implemented commercial-scale CDMO contract manufacture service.

We have seized and will continue to seize the tremendous market opportunities in the global biomedical industry, in particular those resulting from China's recent healthcare regulatory reforms, including new Medical Insurance measures and the reform of biological product approval guidelines in Europe and the United States. The primary focus of our R&D – monoclonal antibody drugs targeting cancers and autoimmune diseases – has substantial untapped clinical demand in China and around the globe.

Further, during the rapid growth of the pharmaceutical market in China, the central procurement under the Medical Insurance that may be extended to cover biological drugs in the future and the increased effort in national negotiations of exclusive products on Medical Insurance will restructure the pharmaceutical market in China to a large extent. We will actively participate in the national medical reform with our advantages in terms of advanced technology, quality and cost, as well as aggressive and flexible product cooperation model, and capture the opportunities presented during the policy reform so as to capture the huge unmet market demand in China.

With the popularization of biological agents, especially antibody drugs, in the global medical field, we have launched our global market expansion, successfully passed the GMP inspection certification in PIC/S member countries, been approved for marketing and sales in multiple overseas countries, and will further accelerate the registration and launching of our drugs in the international market. In 2025, with the clarification of biologics registration guidelines in various countries, we collaborated with partners to initiate market access efforts for multiple drugs targeting tiered markets, including the Europe and the United States, and expect that the registration activities for new drugs in Europe and the United States will be formally initiated in 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Research and development of our drug candidates

Set out below is an overview of our drug candidates and their R&D status as of December 31, 2025:

Field	Target	Indication	Drug candidate code	Classification	Pre-clinical	Phase I	Phase II or Phase II/III	Phase III	Expected time to reach the next regulatory milestone	Anticipated completion of regulatory review	Commercial rights	Competitive marketed drugs
Cancer	EGFR	Colorectal Cancer	CMAB009 (INN name: Cetuximab β)	New Drug/ Core Product						Approved for marketing in June 2024	PRC and overseas (excluding Japan, North America and Europe)	Erbitux®
Respiratory Disease	IgE	Asthma	CMAB007 (INN name: Omalizumab α)	New Drug/ Core Product						Approved for marketing in May 2023	PRC and overseas (excluding Japan, North America and Europe)	Xolair®
		Urticaria	CMAB007 (INN name: Omalizumab α)	New Drug/ Core Product					Pending new drug marketing application submission (Quarter 3, 2026)	Quarter 4, 2027	PRC and overseas (excluding Japan, North America and Europe)	Xolair®

Field	Target	Indication	Drug candidate code	Classification	Pre-clinical	Phase I	Phase II or Phase II/III	Phase III	Expected time to reach the next regulatory milestone	Anticipated completion of regulatory review	Commercial rights	Competitive marketed drugs
Autoimmune Disease	TNFα	Rheumatoid Arthritis Ulcerative colitis in adults Ankylosing spondylitis Crohn's disease in adults and pediatric patients aged above 6 years old Fistula Crohn's disease Psoriasis	CMAB008 (INN name: Infliximab)	Biosimilar/ Core Product						Approved for marketing in July 2021	PRC and overseas (excluding Japan, North America and Europe)	Remicade®, Humira®, Enbrel®, Simponi®, Yisaipu®, Anbainuo®
Bone-related diseases	RANKL	Osteoporosis, tumor bone metastasis and giant-cell tumor of bone	CMAB807/ CMAB807X (INN name: Denosumab)	Biosimilar					Submitted new drug marketing application in January 2025	Quarter 2, 2026	Global	Prolia®, Boyoubei® (博優倍®), Lukexin® (魯可欣®), Mailishu (邁利舒®) XGEVA®
Cancer	PD1	Non-small cell lung cancer, hepatocellular carcinoma and squamous cell carcinoma of the head and neck	CMAB819 (INN name: Nivolumab)	Biosimilar					International Registration Clinical (Quarter 3, 2026)	Quarter 3, 2029	Global	Opdivo®, Keytruda®, Tyvyt®, JS001
Cancer	EGFR	Colorectal cancer, head and neck squamous cell carcinomas and esophageal squamous cell carcinoma	CMAB017	Innovative drug					Phase II (Quarter 4, 2026)	Quarter 2, 2030	Global	Vectibix®

Field	Target	Indication	Drug candidate code	Classification	Pre-clinical	Phase I	Phase II or Phase II/III	Phase III	Expected time to reach the next regulatory milestone	Anticipated completion of regulatory review	Commercial rights	Competitive marketed drugs
Autoimmune Disease	IL-17A	Plaque psoriasis, psoriatic arthritis and ankylosing spondylitis	CMAB015 (INN name: Secukinumab)	Biosimilar					Pending new drug marketing application submission (Quarter 3, 2026)	Quarter 1, 2028	Global	Cosentyx®
Inflammatory Diseases	IL-12 & IL-23	Psoriasis, psoriatic arthritis, Crohn's disease, ulcerative colitis	CMAB022 (INN name: Ustekinumab)	Biosimilar					Pending submission of clinical trial application (Quarter 4, 2026)	Quarter 1, 2031	Global	Stelara®
Allergic diseases such as asthma	TSLP	Severe asthma in adults and children aged above 12	CMAB023 (INN name: Tezepelumab)	Biosimilar					Pending submission of clinical trial application (Quarter 2, 2027)	Quarter 4, 2030	Global	TEZSPIRE®
Autoimmune Disease	IL-4Rα	Atopic dermatitis, asthma, chronic rhinosinusitis with nasal polyps, eosinophilic esophagitis, chronic obstructive pulmonary disease and prurigo nodularis	CMAB016 (INN name: Dupilumab)	Biosimilar					Pending submission of clinical trial application (Quarter 4, 2026)	Quarter 3, 2029	Global	Dupixent®

Cautionary Statement required by Rule 18A.08(3) of the Listing Rules: We may not be able to ultimately develop and market our drug candidates (including Core Products) successfully.

Core Products

恩立妥® – CMAB009 (cetuximab β injection)

CMAB009 恩立妥® is a recombinant anti-EGFR chimeric monoclonal antibody innovative drug which has been approved by the NMPA for marketing in June 2024 (Guo Yao Zhun Zi S20240025). It is an exclusive product approved in the negotiation list under the Medical Insurance. The indication of CMAB009 恩立妥® is first-line therapy for RAS/BRAF wild-type mCRC in combination with the FOLFIRI regimen. CMAB009 恩立妥® was developed and prepared using a specific CHO expression process of the Company with an international PCT patent (PCT patent number: PCT/CN2016/070024), which has achieved significant therapeutic efficacy and clear safety advantage, and has been fully substantiated by the results of two completed clinical trials. CMAB009 恩立妥® is the third product of the Company approved for marketing, and is the first domestically produced anti-EGFR monoclonal antibody innovative drug with independent intellectual property for the first-line treatment of mCRC approved by the NMPA. CMAB009 恩立妥® is also expected to expand its indications to pancreatic cancer, head and neck squamous cell carcinomas, cervical squamous cell carcinoma and other cancers, as its administration together with a variety of small molecule drugs has tremendous potential for research and development and application in various other indications such as non-small cell lung cancer. The Group is propelling the clinical and registration work of CMAB009 恩立妥® targeting the aforesaid indications. For more details of the NMPA approval, please refer to the announcement of the Company dated June 25, 2024.

In August 2023, Taizhou Pharmaceutical has entered into a business cooperation agreement in relation to CMAB009 恩立妥® with Jiangsu Simcere Zaiming, a company with remarkable tumor drug sales capability and proven track record, pursuant to which Taizhou Pharmaceutical granted to Jiangsu Simcere Zaiming exclusive commercial rights in respect of CMAB009 恩立妥® (including but not limited to sales management, marketing and promotion, formulation and adjustment of related strategies and the rights to obtain relevant benefits) in the Chinese Mainland.

According to relevant data published by the National Cancer Center, colorectal cancer, also known as colon cancer, has significant incidence in China with approximately 500,000 newly diagnosed cases per annum, ranking 2nd in terms of prevalence among malignant tumors. In relatively developed regions, the morbidity of colorectal cancer even exceeds that of hepatitis B. So far, patients with colorectal cancer in China are overly dependent on imported anti-EGFR antibodies, of which major products are often highly priced and may lead to severe hypersensitivity reactions among over 2% patient population as evidenced in clinical studies. Accordingly, the first page of drug instructions approved by each country always bears a black box warning against severe adverse reactions. As the first domestically produced anti-EGFR monoclonal antibody innovative drug with independent intellectual property for the first-line treatment of mCRC approved by the NMPA in nearly two decades, CMAB009 恩立妥® has remarkable clinical efficacy and has a better safety profile without black box warnings as compared with imported drugs carrying black box warnings indicating severe adverse reactions, and it has received wide acclaim among doctors and patients. We delivered the first order of CMAB009 恩立妥® and the products were administered to its first batch of patients within the same month during which it was approved for marketing. Besides, we have established an efficient and extensive marketing network. In November 2024, we conducted negotiations with the NHSA over the pricing of CMAB009 恩立妥®, an exclusive innovative drug, allowing it to be successfully covered by the pharmaceuticals catalogue for reimbursement under the Medical Insurance, which has started to benefit a wide population of patients suffering from colorectal cancer in China. In 2025, we continued to expand our market presence and achieved high-quality breakthroughs, with our market coverage reaching thousands of hospitals, pharmacies, and other terminals nationwide. We conducted over a thousand academic events, precisely reaching thousands of academic experts, and initiated numerous specific clinical research projects to empower the long-term development of product sales with sound medical evidence. The sales volume of CMAB009 恩立妥® surged during the Reporting Period. In pace with the expansion of hospital coverage, the development of prescribing habits among healthcare professionals and patients, and the addition of new indications, CMAB009 恩立妥® is expected to enter a sustained period of explosive growth.

奧邁舒® – CMAB007 (Omalizumab α for Injection)

CMAB007 奧邁舒®, a recombinant humanized anti-IgE monoclonal antibody, is our new monoclonal antibody drug for treatment of patients diagnosed with IgE-mediated asthma. CMAB007 奧邁舒® combines with free IgE to form an anti-IgE complex that inhibits the high affinity IgE receptor and thereby prevents the allergic response. The safety and efficacy of CMAB007 奧邁舒® have been confirmed by the results of four clinical trials on a total of 824 subjects who have been administered CMAB007 奧邁舒®, which were the largest clinical trials of mAb treating asthma in China. Based on our clinical trial results, CMAB007 奧邁舒® can improve asthma patients' conditions with lower-dose inhaled corticosteroids and reduce the incidence of acute asthma attacks.

CMAB007 奧邁舒® has been approved for marketing by the NMPA in May 2023 (Guo Yao Zhun Zi S20230030 for specification of 75mg/vial and Guo Yao Zhun Zi S20230031 for specification of 150mg/vial) for the treatment of patients diagnosed with IgE-mediated asthma, which is the first domestic allergic asthma therapeutic antibody new drug in China approved by the NMPA. CMAB007 奧邁舒® was also approved by the NMPA in August 2023 to launch clinical trials for indications relating to chronic spontaneous urticaria in adults and adolescents (aged 12 and above) who still show symptoms after treatment with H1 antihistamines (acceptance number: CXSL2300377 for specification of 75mg/vial and acceptance number: CXSL2300378 for specification of 150mg/vial). We are close to finishing the Phase III clinical trial of CMAB007 奧邁舒® for the treatment of urticaria. As an anti-IgE monoclonal antibody, the indications for CMAB007 奧邁舒® are also expected to expand to chronic idiopathic urticaria, seasonal allergic rhinitis, and food allergies. In the future, we will actively conduct various studies to rapidly expand the research, development, and therapeutic applications of CMAB007 奧邁舒® across multiple allergic disease areas. We expect to file the NDA of CMAB007 奧邁舒® for the indications of chronic spontaneous urticaria with the NMPA in the third quarter of 2026, and expect to obtain NMPA approval for marketing in the fourth quarter of 2027.

In 2023, Taizhou Pharmaceutical entered into an exclusive commercialization cooperation agreement in relation to CMAB007 奧邁舒® in China with Jemincare, pursuant to which Taizhou Pharmaceutical granted an exclusive promotion right in respect of CMAB007 奧邁舒® in China (including the Chinese Mainland, Hong Kong, Macau and Taiwan) to Jemincare. Taizhou Pharmaceutical will continue to possess all the rights and interests in respect of CMAB007 奧邁舒® in China (including the Chinese Mainland, Hong Kong, Macau and Taiwan) other than promotion rights. CMAB007 奧邁舒® was included as an exclusive product in the negotiation list under the Medical Insurance, and we successfully negotiated for its renewal and continued inclusion in the drug list under NRDL in 2025. As of the date of this annual report, we have put up our CMAB007 奧邁舒® for sale on all provincial pharmaceutical product procurement and GPO platforms across the Chinese Mainland, covering thousands of hospitals, primary medical institutions and pharmacies. During the Reporting Period, CMAB007 奧邁舒® recorded a rapid increase in sales volume as compared with the previous year. As an exclusive product included in the NRDL, we adopted a strategy that centered on peak leadership, regional deep cultivation, and practical focus to conduct nearly a thousand academic events. These activities reached nearly ten thousand academic experts across various levels, including core national academic experts, regional academic leaders, and key clinical practitioners. We are implementing data analysis and studies on the efficacy and safety of CMAB007 奧邁舒® in the real world. Multiple projects have been successively established by the asthma scientific research fund for CMAB007 奧邁舒® to study and broaden its evidence-based medicine information. We anticipate that CMAB007 奧邁舒®, as an exclusive product included in the NRDL, will continually experience rapid market penetration and substantial sales growth.

類停® – CMAB008 (infliximab for injection)

CMAB008類停®, is a recombinant anti-TNFα chimeric monoclonal antibody that was approved by the NMPA (Guo Yao Zhun Zi S20210025) on July 12, 2021 for the treatment of: 1) ulcerative colitis in adults, 2) ankylosing spondylitis, 3) rheumatoid arthritis, 4) Crohn's disease in adults and pediatric patients aged above 6 years old, 5) fistula Crohn's disease, and 6) psoriasis, which have huge long-term unmet market demand (with more than 10 million patients in the PRC which is still growing). According to the regulations of the Medical Insurance, CMAB008類停® has also been automatically included in the Medical Insurance.

CMAB008類停® is the first China-made infliximab approved for marketing, which is a monoclonal antibody biosimilar independently developed by the Company and one of the core products of the Company. CMAB008 類停® uses the CHO expression system, and is a monoclonal antibody targeting TNFα that specifically binds to TNFα and blocks the inflammatory cascade response caused by TNFα. The research we have completed has shown that, compared to other anti-TNFα drugs on the market, CMAB008 類停® has a stronger affinity for TNFα and a stronger glycosylation character, with rapid onset of effect, long-lasting efficacy, long dosing intervals and no hypersensitivity reactions. The results of our completed research including, clinical trials, non-clinical comparative studies and pharmacological comparisons of CMAB008 類停® have also shown that CMAB008類停® is identical to the original infliximab in terms of efficacy, safety, pharmacological profile and quality.

CMAB008 類停® is the first infliximab launched in the domestic market following "Remicade", the original drug imported and sold by Xi'an Janssen Pharmaceutical Limited (西安楊森製藥有限公司). During the past few years, following the inclusion in the Medical Insurance and shift in habit towards adopting biological agents, the overall market share of infliximab witnessed a rapid increase, especially in the field of IBD, for which infliximab has become the key biological agent for treatment due to its rapid onset of effect and obvious curative effect.

In March 2022, Taizhou Pharmaceutical entered into an exclusive promotion service agreement with Kexing Biopharm, pursuant to which Taizhou Pharmaceutical granted an exclusive licence to promote CMAB008類停® in the Chinese Mainland (excluding Hong Kong, Macau and Taiwan regions) to Kexing Biopharm.

CMAB008 類停® has been marketed on the procurement platform across all the provinces within China and extended its footprints to thousands of hospitals of different levels, primary medical institutions and pharmacies. During the Reporting Period, CMAB008 類停® recorded a significant increase in sales volume as compared with the previous year. We also launched multifaceted brand building activities for CMAB008 類停®, organizing over 1,000 market promotion activities including the "Care for Rheumatoid Arthritis" programme within professional academic platforms such as the Gastroenterology Branch and Rheumatology Branch of the Chinese Medical Association, and the Chinese Medical Doctor Association, reaching nearly 10,000 medical professionals. We fully demonstrated the clinical advantages of CMAB008 類停® as a "classic, potent, and economically preferred option", and established a national network of experts specializing in IBD. We are also working with medical experts to explore the application of CMAB008 類停® in systemic inflammatory response and cardiac injury after cardiac arrest, intestinal behcet, Takayasu's arteritis and adult still's disease.

With the progress in both academic fields and contributions to society, CMAB008類停® has secured remarkable market recognition, which set the solid foundation for its continued rapid growth in sales volume. The Company has also initiated cooperation with partners who have accumulated abundant overseas market resources over a long period of time to rapidly expand to overseas markets. At present, the Company has launched registration and market exploration in more than 30 countries and/or regions, completed GMP inspections in three countries, and has passed the GMP inspection certification in Brazil, a PIC/S member country. The new drug application of CMAB008類停® was also approved by the medical products regulatory authorities of Peru, Indonesia, Pakistan, Bangladesh and Malaysia where we have finished product delivery for sales, and imminent approvals for market launch in multiple countries are also expected. For further details, please refer to the announcements of the Company dated July 2, 2024, December 27, 2024 and January 2, 2025 respectively.

CMAB008類停® has been automatically included in the Medical Insurance in accordance with the regulations of the NHSA. As a biosimilar, its inclusion in Medical Insurance will help accelerate market penetration and sales growth, with no adjustment plans for the time being. Both CMAB007 奧邁舒® and CMAB009 恩立妥® are exclusive products in the negotiation list under the Medical Insurance of the NHSA. CMAB007 奧邁舒® completed its renewal negotiation on Medical Insurance in 2025. In response to patient needs, we further lowered its price to better benefit patients and accelerate the improvement of market penetration. The year of 2025 marked the first year of the inclusion of CMAB009 恩立妥® in Medical Insurance, which has played a significant role in the rapid growth of its market share and is expected to continue to deliver an outstanding effect in the long run.

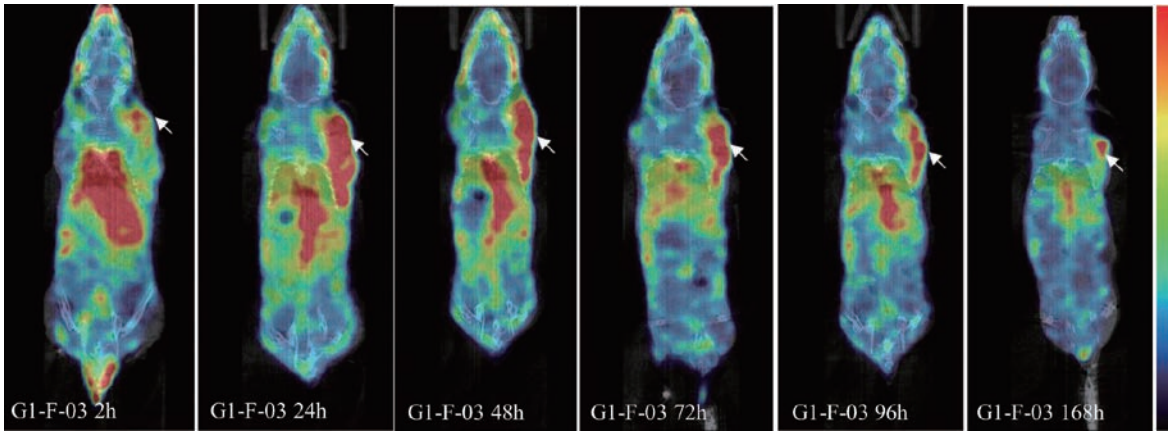
Other Product Candidates

CMAB807/CMAB807X (denosumab) is a human immunoglobulin G2 ("**IgG2**") monoclonal antibody with affinity and specificity for human RANKL (receptor activator of nuclear factor kappa-B ligand), which is a transmembrane or soluble protein essential for the formation, function, and survival of osteoclasts, the cells responsible for bone resorption. CMAB807/CMAB807X prevents RANKL from activating its receptor, RANK, on the surface of osteoclasts and their precursors. Prevention of the RANKL/RANK interaction inhibits osteoclast formation, function, and survival, thereby decreasing bone resorption and increasing bone mass and strength in both cortical and trabecular bones.

The increased osteoclast activity stimulated by RANKL is the medium of bone pathology in solid tumor with bone metastasis. Similarly, giant cell tumor of bone is composed of stromal cells expressing RANKL and osteoclast-like giant cells expressing RANK receptor. RANK receptor signaling promotes osteolysis and tumor growth. CMAB807/CMAB807X prevents RANKL from activating osteoclasts, their precursors and receptor RANK on the surface of osteoclast-like giant cells.

CMAB807/CMAB807X has completed phase III clinical trials for osteoporosis and applied to the NMPA for NDA regarding full indication application. The NDA of CMAB807/CMAB807X had been accepted by the NMPA in January 2025. We expect that CMAB807/CMAB807X will be approved by the NMPA for marketing in the second quarter of 2026 for the indications of osteoporosis, tumor bone metastasis and giant cell tumor of bone. We have also reached an agreement with our partner, under which the partner will be responsible for their commercialization in China and several other countries.

CMAB017 (anti-EGFR probody) is an innovative probody drug. Regarding CMAB017, the design of blocking peptide is expected to significantly reduce adverse skin reactions, gastrointestinal mucosa, etc. The selection of human immunoglobulin G1 ("**IgG1**") constant region can enhance the effect mediated by Fc fragment of antibody and thus improve the curative effect. CMAB017 is a biological class I new drug with better efficacy and safety than other EGFR antibodies available on the market, and it is expected that more new probody drugs will be developed by leveraging the research and development platform of CMAB017. CMAB017 is indicated for the treatment of advanced solid tumors, including but not limited to colorectal cancer, head and neck squamous cell carcinomas and esophageal squamous cell carcinoma. CMAB017 has been approved by the NMPA for clinical trials for the treatment of advanced solid tumors, including but not limited to colorectal cancer, head and neck squamous cell carcinomas and esophageal squamous cell carcinoma. Results of the completed experimental study on tissue distribution of tumor-bearing mice show that CMAB017 concentrates locally in tumor 24-72 hours after administration. We have launched phase I clinical trials for CMAB017. We are formulating the initiation plan for the phase II clinical trials, selecting the tumor types that best suit its competitiveness and offer superior efficacy for phase II and phase III clinical trials. It is expected to be approved by the NMPA for marketing in the second quarter of 2030.



CMAB015 (secukinumab) is a biosimilar candidate for secukinumab. Secukinumab is a fully humanized monoclonal IgG1 antibody. It mainly functions by selectively binding interleukin 17A ("**IL-17A**"), a key factor in the inflammatory pathway, and inhibiting it from binding with interleukin 17 ("**IL-17**") receptor, so as to alleviate the inflammatory reaction. Its indications include moderate and severe plaque psoriasis, psoriatic arthritis and ankylosing spondylitis. Secukinumab demonstrated significant therapeutic effect. Overall, as an IL-17A inhibitor, secukinumab demonstrated efficacy and safety in moderate and severe psoriasis and other related indications, providing patients with new treatment options. CMAB015 targets IL-17A for treating plaque psoriasis, psoriatic arthritis and ankylosing spondylitis. Secukinumab is the most effective cure for psoriasis at present, which offers significant efficacy and guarantees much more stable condition after drug withdrawal compared with peers, and has become one of the most rapidly growing biological agents in the treatment of psoriasis in China. CMAB015 has been approved by the NMPA for clinical trials of the treatment of plaque psoriasis, psoriatic arthritis and ankylosing spondylitis. We have completed the phase I clinical trial for CMAB015, completed enrollment for the phase III clinical trials during the Reporting Period and will soon complete the phase III clinical trial. We expect to file NDA for CMAB015 in the third quarter of 2026 and expect that CMAB015 may be approved by the NMPA for marketing in the first quarter of 2028.

CMAB819 (nivolumab) is our biosimilar drug candidate. CMAB819 has been approved by the NMPA for clinical trial. The phase I clinical trials have been completed. We expect that CMAB819 may be approved by the NMPA for marketing in the third quarter of 2029. Due to adjustments in biosimilar registration policies in Europe and the United States, the relevant clinical timelines and costs are expected to be significantly accelerated and reduced. We are in discussions with multiple potential partners to initiate a national multi-center phase I clinical trial to ensure rapid global market entry of the product. CMAB819 is indicated for the treatment of metastatic non-small cell lung cancer, hepatocellular carcinoma and head and neck squamous cell carcinomas.

CMAB022 is a candidate biosimilar product of stelara® (ustekinumab), targeting and binding interleukin-12 ("**IL-12**") and interleukin-23 ("**IL-23**"). It inhibits these two proinflammatory cytokines by binding to the P40 subunit shared by IL-12 and IL-23 and preventing them from binding to the cell surface IL-12 receptor β1. IL-12 and IL-23 play a key role in immune-mediated inflammatory diseases. FDA approved its use for treatment of psoriasis, psoriatic arthritis, Crohn's disease and ulcerative colitis. According to the results of several large-scale randomized controlled trials conducted abroad (UNITI-1, UNITI-2 and IM-UNITI), ustekinumab has significant clinical remission and clinical response rate for patients with moderately to severely active Crohn's disease, as well as a high healing rate of intestinal mucosa. Not only can ustekinumab be used as an induction therapy, it can also be continued as a subcutaneous injection for maintenance therapy after a single intravenous injection, with good efficacy and safety during maintenance therapy. In addition, ustekinumab can also be used as a salvage therapy, and in the case of failure or intolerance of other biologics (e.g., anti-TNFα drugs), the use of ustekinumab can still achieve favourable results. CMAB022 has completed engineering cell construction, screening and laboratory scale process studies, and is undergoing pilot process scale-up. We expect to complete all preclinical studies and submit a clinical trial application in the fourth quarter of 2026; and obtain NMPA approval for marketing (for the psoriasis indication, and to apply for expansion to other approved indications) in the first quarter of 2031.

CMAB023 is an anti-TSLP IgG2-lambda monoclonal antibody, and a biosimilar drug candidate for TEZSPIRE (Tezepelumab). TSLP is a key epithelial cytokine in response to pro-inflammatory stimuli (such as lung allergens, viruses and other pathogens), which can be found at the top of multiple inflammatory cascades and will trigger excessive and sustained immune response to airway inflammation relating to severe asthma such as eosinophilia. Therefore, the early upstream activity of TSLP in the inflammatory cascade has been identified as a potential target in a wide range of asthma patients. Blocking TSLP can prevent immune cells from releasing pro-inflammatory cytokines, thus preventing asthma from deterioration and enhancing control over asthma. We have successfully developed CMAB023, which has completed cell line construction and is under process development. It is expected that CMAB023 will obtain marketing approval from the NMPA in the fourth quarter of 2030. As a broad-spectrum anti-allergic antibody drug, it covers broader scope of allergic patients, offers a better curative effect, and contributes significantly to mitigating the condition aggravation among patients with severe asthma.

CMAB016 is a candidate biosimilar product of Dupixent® (dupilumab) and a monoclonal antibody of the human immunoglobulin G4 ("**IgG4**") subtype. CMAB016 targets and binds to the alpha subunit of the interleukin 4 ("**IL-4**") receptor, blocking the signaling pathway of IL-4 and interleukin 13 ("**IL-13**"), and is approved by FDA for the treatment of atopic dermatitis, asthma, chronic rhinosinusitis with nasal polyps, eosinophilic esophagitis, chronic obstructive pulmonary disease ("**COPD**") and prurigo nodularis. In the BOREAS and NOTUS trials: the incidence of acute exacerbations of moderate-to-severe COPD at week 52 was significantly reduced by 30% and 34%, respectively, in the dupilumab-treated group compared to the placebo group. Both trials demonstrated rapid and significant improvement in lung function with dupilumab compared to placebo, and the benefit was sustained through week 52. CMAB016 has completed engineering cell construction, screening and laboratory scale process studies, and we expect to complete all preclinical studies and file a clinical trial application in the fourth quarter of 2026; and obtain NMPA approval for marketing in the third quarter of 2029. Due to adjustments in the biosimilar registration policies in Europe and the United States, the relevant clinical timelines and costs are expected to be significantly accelerated and reduced. We are in discussions with multiple potential partners to initiate a national multi-center phase I clinical trial to ensure the rapid global market entry of the product.

Research and development of new drug candidates

We have launched a series of follow-up R&D on new antibody drugs for the treatment of autoimmune diseases and tumor diseases as well as bispecific antibodies and bispecific proteins. We expect to successfully complete the screening of several new antibody drugs, cell banking and even start pre-clinical animal experiments and clinical trials, thus further expanding our product line and providing sufficient drug candidate pipeline expansion for our long-term development. We have enhanced our focus on the development of innovative drugs with differentiated advantages in our core therapeutic areas. Through sustained, medium-to-long-term strategic deployment, we aim to achieve breakthroughs in the research and development of new drug candidates with global competitiveness.

Research and development system

We have developed efficient R&D capabilities, broad and advanced preparation technologies, and low-cost drug production capabilities that will allow us to offer high quality and affordable innovative biopharmaceutical products to patients in China and other emerging markets. Within our product pipeline, CMAB008, CMAB007 and CMAB009 have been marketed and commercialized, while NDA has been filed for CMAB807/CMAB807X, and phase III clinical trials will soon be completed for CMAB015. We also own a number of patents for our core technologies, including antibody engineering and humanization technologies, efficient expression vector construction technologies, efficient clone screening technologies, as well as a proprietary R&D animal model. Our R&D activities are carried out by three core teams: basic R&D, clinical trials, and product preparation in compliance with cGMP. The operations, design, and construction needs of these three core teams are supported by an assisting engineering team. Our R&D teams consist of professionals who have extensive industry experience in biologics R&D and have gained valuable work experience at global pharmaceutical companies. Employees in our R&D teams possess strong academic backgrounds from leading institutions in immunology, molecular biology, oncology or monoclonal antibody development.

DRUG CANDIDATES COMMERCIALIZATION AND PRODUCTION FACILITIES CONSTRUCTION

Existing production facilities

We have two production bases in Taizhou, one of which, i.e., the G79 production base, has a floor area of 30,000 square meters, and is equipped with: (i) four 3×1,500L antibody bioreactor systems and related purification lines, (ii) an injection vial filling line capable of manufacturing four million units per annum, and (iii) a pre-filled syringes production line capable of manufacturing one million units per annum. Our production facilities have successfully passed the GMP compliance inspection for CMAB008, CMAB007 and CMAB009 by the Jiangsu Provincial Drug Administration and have commenced commercial production, and one of our production lines has passed the GMP compliance inspection by Brazil, a PIC/S member and other overseas countries.

Our Xiangtai Road production base located on a parcel of industrial land of approximately 100,746 square meters in the Taizhou Hi-tech Zone accommodates: (i) large-scale monoclonal antibody drug substance production lines with the scale of each operating cell reactor reaching 7,500L and planned scale of each cell reactor to reach 18,000L, respectively, (ii) an injection vial production line capable of manufacturing 10 million units per annum, and (iii) two drug product filling lines, one of which, i.e., the 7,500L new GMP drug substance production line has been under commissioning and trial production, process validation and GMP registration, and a new preparation line with greater capacity has also passed GMP certification. Our operating cell reactor has reached a total capacity of 40,000 liters.

In view of the rapid growth in product sales and the accelerated expansion into overseas markets, we are planning to initiate the construction of additional production lines to ensure market demand is satisfied. We believe our current production capacity is sufficient to meet sales demand in the market. Given the Company's overall high-speed sales growth and the increased production capacity requirements resulting from the shortened overseas registration cycles now underway, we have launched further production capacity expansion projects to prevent production capacity bottlenecks. The relevant funding will come from internal resources and partially from bank loans. The construction and GMP registration phase is expected to take three to four years. The overall construction plan is prudent and rational to avoid resource waste caused by excessive expansion of production capacity.

Marketing and distribution

Further, during the rapid growth of the pharmaceutical market in China, the Medical Insurance exclusive negotiation and potential centralized procurement negotiations may be extended to cover biological drugs in the future and the increased effort in national negotiations of exclusive products on Medical Insurance will restructure the pharmaceutical market in China to a large extent. We will actively participate in the national medical reform with our advantages in advanced technology, quality and cost, as well as the strong sales teams of our partners who possess profound experience in fields of specific diseases, and capture the opportunities presented during the policy reform so as to capture the huge unmet market demand in China. Leveraging China's strong capabilities in antibody drug development and industrialization, we have actively expanded our CDMO business without compromising our in-house product development. In 2025, we signed contract for and delivered commercial-scale CDMO contract manufacture service. Based on global market conditions and the drug registration and regulatory rules of various countries, the Company's core business is still the R&D and production of proprietary drugs of the Company, with the CDMO business serving as a supplementary business with a limited total sales proportion.

At the same time, with the growing global adoption of biologics, particularly antibody-based therapies, in healthcare, we have fully embarked on global market expansion. We have also started cooperating with partners with long-standing and profound resources in the overseas market to initiate the marketing registration process of CMAB008 類停® in more than 30 countries and/or regions, completed GMP inspections in three countries, passed the GMP inspection certification of CMAB008 in Brazil, a PIC/S member country and obtained the marketing approval for CMAB008 from the drugs regulatory authorities in Peru, Indonesia, Pakistan, Bangladesh and Malaysia. CMAB008 is on the verge of receiving marketing approval in multiple countries. In 2025, capitalizing on emerging opportunities from potential regulatory facilitation in the global biologics market, we launched comprehensive overseas market expansion and access initiatives for multiple drug candidates. In response to policy changes in Europe and the United States regarding the facilitation of biological product registration, we will accelerate the registration progress of our drugs in these regions. It is expected that in 2026, we will submit the first IND application to regulatory authorities in Europe and the United States. Currently, the Company's CMAB008 is undergoing registration in multiple countries, and overseas sales contributions are expected to gradually increase starting from 2027. As overseas registered products are progressively launching and covering more countries and regions, overseas sales are expected to gradually increase to account for more than 20% of the Company's total sales and profit after 2028. The Company's overseas market strategy is as follows: (i) adopt a co-development model with partners, under which the Company does not bear overseas sales and marketing expenses; (ii) for small and medium-sized countries and regions outside Europe and the United States, conduct direct overseas registration based on research data completed in China, with minimal investment; (iii) for drug registration in Europe and the United States, the Company also adopts a collaborative approach to avoid large-scale overseas clinical research investment as much as possible.

We sell our products to: (i) distributors that sell our products to hospitals, and (ii) direct-to-patient pharmacies and others. We have established our network of distributors in accordance with the national drug sales regulations. Our distribution model is consistent with industry practice and serves to ensure efficient coverage of our sales network while controlling our cost of distribution and account receivables. We intend to select sales providers and distributors according to their qualification, reputation, market coverage and sale experience. Sales service providers are expected to have long-term experience in prescription drug sales and a proven track record, while a distributor must maintain its business license and other requisite licenses and permits. A distributor must also maintain extensive hospital coverage in the designated region. A distributor must be capable of delivering our products to covered hospitals in a safe and timely manner. We plan to actively monitor the inventory levels of our distributors to increase the efficiency of our distribution network.

China's pharmaceutical market is highly specialized, and new drug access is subject to strict hospital administration regulations. The adoption of biological products still requires long-term market education and academic promotion, while effective commercialization of biological products relies on professional teams focused on specific subsectors. As the Company's products cover multiple distinct therapeutic areas, including oncology, respiratory diseases and rheumatology, building an in-house marketing team independently would entail substantial long-term investment and high uncertainty. We have therefore adopted a collaborative model with partners, leveraging their academic promotion teams with years of experience in the specific fields of each of our products to rapidly achieve market access and sales growth for all products. This represents our optimal choice in the current environment of refined social division of labor. Building on the Company's strengths in R&D and manufacturing of biological products, the Company will continue to focus on the development of a large portfolio of differentiated biological new drugs with diverse indications in the future. Collaborating with commercial partners with strong resources and experience is our long-term strategy to leverage strengths and avoid weaknesses of different market players across the biological products sector as a whole. This strategy has been proven effectively since the launch of our first product. We will also proactively apply this strategy to the expansion in international markets in the future.

Quality assurance

We believe that an effective quality management system for our raw materials, equipment and finished products is critical to ensure the quality of our services and maintain our reputation and success. To ensure that our products and services consistently meet high industry standards and requirements, we have also established a company-level quality assurance department to inspect the quality of our products and services. It is also responsible for the approval, organization and coordination of quality control and quality assurance procedures within each subsidiary. Facilities and equipment are subject to inspection measures such as united registrar systems, factory acceptance testing, site acceptance testing, installation qualification, operator qualification, performance qualification, and regular maintenance throughout their entire life cycles. Our manufacturing business lines are inspected in accordance with the PRC national laboratory quality control standard and the GMP management requirements; our research and development business lines are also inspected in accordance with the GMP management requirements.

FUTURE AND OUTLOOK

We have seized and will continue to seize the tremendous market opportunities in the global biomedical industry, in particular those resulting from China's recent healthcare regulatory reforms, including new Medical Insurance measures and the reform of biological product approval guidelines in Europe and the United States. The primary focus of our R&D – monoclonal antibody drugs targeting cancers and autoimmune diseases – has substantial untapped clinical demand in China and around the globe.

Under the implementation of the new Medical Insurance policy in recent years, the pharmaceutical market in China is undergoing significant market restructuring. Companies with more competitive advantages in quality and pricing have benefited greatly from the negotiations on Medical Insurance price between the NHSA and regional healthcare security administrative bodies at all levels and negotiations in relation to central procurement for drugs covered under the Medical Insurance. As a result, the overall market penetration has increased significantly during the reformation. This trend will drive the development of the pharmaceutical market in China for a long time into the future. Riding on the trend of the overall pharmaceutical policy reform, we will join forces with our partners to build a sales team in China with high efficiency and academic promotion as its core strategy, focusing on niche markets, such as gastroenterology, respiratory, rheumatology and oncology, with an aim to promote our products and cultivate the practice of antibody drugs application. We will actively monitor, and participate in, the negotiations of Medical Insurance, especially focusing on capturing the huge potentials brought by the negotiations of central procurement for biological products under the Medical Insurance. Relying on the significant advantages of our drugs in terms of quality and cost, we will capture opportunities presented in the significant increase in market penetration caused by the policy reform, effectively satisfying the unmet market demand in China in respect of biological agents with high quality products and ultimately benefiting patients.

The antibody drugs development in overseas markets has shown a rapid increase, and in recent years, there has been a growing trend toward increased regulatory facilitation for international biologics registration resulting in a huge unmet global market demand for antibody drugs, especially for those with PIC/S members as the core, and the Europe and the United States has long been plagued by the high prices of originator drugs. In light of the policy reform in China, the economies of scale of antibody drugs will greatly enhance the global competitiveness of Chinese antibody drugs. In view of this, we are actively expanding close cooperation with overseas partners to initiate new drug registration and launching new drugs in different countries and regions in a comprehensive and flexible manner with multiple products, with an aim to promote our products' global presence and accelerate their growth in the global market. We are confident that we will secure an advantageous position in the upcoming global biomedical market boom.

Continue to advance the clinical research and commercialization of our drug candidates

Over the short-term, we intend to focus on market exploration and sales of CMAB008, CMAB007 and CMAB009, and completing clinical trials and the eventual commercialization of our current pipeline of other drug candidates, including, in particular, CMAB807/CMAB807X and CMAB015. To bring our products to market, we aim to reinforce our R&D teams, particularly the clinical medicine team, through the provision of regular professional training and pushing ahead with the clinical trials for product candidates. We are working with partners to build a sales team composed of professionals with extensive academic promotion experience and strong competence. Our goal is to generate stable revenue stream and profitability through cooperation with leading enterprises in China and cultivating our in-house sales team to enhance our commercialization capacity.

Continue to maintain investments in advanced technologies and product development

We believe R&D is the key element to support our future growth and our ability to maintain our competitiveness in a global biopharmaceutical market. We plan to upgrade the development of our integrated technological platforms from molecular design to commercialized production, and focus on the R&D of biologics with huge clinical demand and the potential for sustained and rapid growth in China. In order to capture new opportunities in the biopharmaceutical market, we plan to continue increasing our investment in innovative technologies for the development of drugs with improved curative effects and less toxic side effects in order to maintain our industry leading position. We also expect to invest in talent to expand and enhance our R&D team. We focus on the development of innovative antibody drugs, particularly bispecific antibodies, where we can establish a competitive edge in specific therapeutic areas, with the development of new drug candidates possessing global competitiveness as the key to our medium-to-long-term growth.

Continue to attract and nurture high quality talent to support our rapid growth

Recruiting and retaining high quality scientific and technological talent as well as other leaders in R&D technology will be key to our success. We plan to leverage our close cooperation with elite universities in China and internationally to recruit and develop outstanding R&D personnel. We also plan to provide systematic and sophisticated training and development programs to our research teams in order to enhance and optimize their scientific and technical abilities to benefit our Company. Part of this strategy involves the creation of an incentive scheme to retain and motivate high-performing team members.

Establish global brand awareness and foster deeper and more extensive cooperative relationship with domestic and overseas renowned pharmaceutical companies

To build our brand internationally and to support our sustainable growth, we plan to in-license products from global pharmaceutical companies for sales in China and/or to transfer or out-license overseas product rights of certain of our drug candidates to other pharmaceutical companies. We have established collaborative partnerships with domestic and foreign pharmaceutical companies with overseas channel resources, and constantly seek more opportunities to cooperate with potential partners with sales resources, in order to enter and expand our market share in markets outside of China and to further broaden the geographic coverage of our business. As part of this strategy, we may take advantage of strategic opportunities for cooperation and mergers and acquisitions internationally to expand our pipeline of products for R&D development and sales in overseas markets.

FINANCIAL REVIEW

The following table summarizes our results of operations for the year ended December 31, 2025 and 2024:

	For the year ended December 31,			
	2025	2024	Change	Change
	RMB'000	*RMB'000*	*RMB'000*	*(%)*
Revenue	**646,095**	258,228	387,867	150.2
Cost of sales	**(72,444)**	(38,834)	(33,610)	86.5
Gross profit	**573,651**	219,394	354,257	161.5
Other income	**9,243**	7,991	1,252	15.7
Other gains and losses, net	**923**	(5,714)	6,637	(116.2)
Selling and distribution expenses	**(400,821)**	(151,566)	(249,255)	164.5
Research and development expenses	**(57,529)**	(75,212)	17,683	(23.5)
Administrative expenses	**(110,373)**	(110,409)	36	–
Accrual of impairment loss on financial assets	**(125)**	(1,879)	1,754	(93.3)
Finance costs	**(10,809)**	(10,552)	(257)	2.4
Profit/(loss) before tax	**4,160**	(127,947)	132,107	(103.3)
Income tax credit	**52,973**	–	52,973	100.0
Profit/(loss) and total comprehensive income/(expense) for the year	**57,133**	(127,947)	185,080	(144.7)
Attributable to:				
Owners of the Company	**57,133**	(127,947)	185,080	(144.7)
	RMB	*RMB*	*RMB*	*(%)*
Earnings/(loss) per share attributable to ordinary equity holders of the Company				
– Basic	**0.01**	(0.03)	0.04	(133.3)
– Diluted	**0.01**	(0.03)	0.04	(133.3)

REVENUE

The Group's revenue increased from RMB258.2 million for the year ended December 31, 2024 to RMB646.1 million for the year ended December 31, 2025, primarily because the Group's revenue from the sale of pharmaceutical products recorded steady growth, coupled with an increase in revenue from the exclusive right for the commercialization of CMAB009 恩立妥® in the Chinese Mainland during the Reporting Period.

During the Reporting Period, the Group generated revenue from the sale of materials of RMB3.2 million, primarily from the sale of high-value consumables such as chromatography media to a third-party customer. This business represents a temporary transitional activity for the Group.

Set out below are the components of revenue for the periods indicated:

	For the year ended December 31,	
	2025	2024
	RMB'000	*RMB'000*
Revenue from the sale of pharmaceutical products	**598,154**	215,195
Revenue from the exclusive right for the commercialization	**43,621**	30,525
Revenue from the contract development and manufacturing agreements	**943**	12,437
Revenue from the sale of materials	**3,186**	–
Revenue from the rendering of contract services	**191**	71
Total	**646,095**	258,228

COST OF SALES

The Group's cost of sales increased by 86.5% from RMB38.8 million for the year ended December 31, 2024 to RMB72.4 million for the year ended December 31, 2025, primarily due to the increase in sales of pharmaceutical products during the Reporting Period.

SELLING AND DISTRIBUTION EXPENSES

The Group's selling and distribution expenses increased by 164.5% from RMB151.6 million for the year ended December 31, 2024 to RMB400.8 million for the year ended December 31, 2025, primarily due to an increase in the sales volume of pharmaceutical products by the Group during the Reporting Period.

GROSS PROFIT AND GROSS PROFIT MARGIN

Our gross profit increased by 161.5% from RMB219.4 million for the year ended December 31, 2024 to RMB573.7 million for the year ended December 31, 2025, primarily due to the exponential growth in our sales volume. Our gross profit margin increased from 85.0% for the year ended December 31, 2024 to 88.8% for the year ended December 31, 2025, primarily due to a decrease in the Group's production costs during the Reporting Period compared with the previous year as process changes were implemented to enhance product expression levels.

OTHER INCOME

Other income of the Group increased from RMB8.0 million for the year ended December 31, 2024 to RMB9.2 million for the year ended December 31, 2025, which was primarily due to the increase in the VAT super deduction benefit during the Reporting Period compared with the previous year. Set out below are the components of other income for the periods indicated:

	For the year ended December 31,	
	2025	2024
	RMB'000	*RMB'000*
Bank interest income	**433**	513
Government grants and subsidies related to income	**5,105**	7,478
VAT super deduction benefit	**3,033**	–
Others	**672**	–
Total	**9,243**	7,991

OTHER GAINS AND LOSSES, NET

Other gains and losses of the Group changed from a loss of RMB5.7 million for the year ended December 31, 2024 to a gain of RMB0.9 million for the year ended December 31, 2025, which was primarily due to the exchange gains recognized by the Group during the Reporting Period, as well as the losses on rental deposits and irrecoverable prepayments for equipment purchases. Set out below are the components of other gains and losses for the periods indicated:

	For the year ended December 31,	
	2025	2024
	RMB'000	*RMB'000*
Loss on deposit for construction	**–**	(3,000)
Donations	**–**	(1,664)
Gains on termination of a lease contract	**–**	155
Net foreign exchange gains/(losses)	**1,406**	(1,195)
Fair value gains on financial assets at FVTPL	**66**	115
Loss on prepayments and other receivables	**(546)**	–
Others	**(3)**	(125)
Total	**923**	(5,714)

RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses of pipelines of the Group decreased by 23.5% from RMB75.2 million for the year ended December 31, 2024 to RMB57.5 million for the year ended December 31, 2025, mainly due to the capitalization of four research and development products by the Group during the Reporting Period.

The Group's research and development expenses mainly include contracting costs, raw materials and consumables, staff costs, depreciation and others. Set out below are the components of research and development expenses for the periods indicated:

	For the year ended December 31,	
	2025	2024
	RMB'000	*RMB'000*
Contracting costs	**4,595**	18,013
Raw materials and consumables	**21,240**	15,136
Staff costs	**18,136**	29,165
Depreciation	**6,948**	8,734
Others	**6,610**	4,164
Total	**57,529**	75,212

ADMINISTRATIVE EXPENSES

The Group's administrative expenses for the year ended December 31, 2025 were RMB110.4 million, remaining flat from the previous year.

Administrative expenses of the Group primarily comprise of staff salary and benefit costs of our administrative personnel, depreciation and others.

Set out below are the components of administrative expenses for the periods indicated:

	For the year ended December 31,	
	2025	2024
	RMB'000	*RMB'000*
Staff costs	**43,905**	42,759
Depreciation	**31,300**	38,721
Others	**35,168**	28,929
Total	**110,373**	110,409

FINANCE COSTS

Finance costs of the Group increased by 2.4% from RMB10.6 million for the year ended December 31, 2024 to RMB10.8 million for the year ended December 31, 2025, which was primarily due to the Group's repayment of loans from related parties and the drawdown of new bank loans during the Reporting Period.

The Group's finance costs mainly include interests on loans from a related party, bank and other borrowings and lease liabilities.

Set out below are the components of finance costs for the periods indicated:

	For the year ended December 31,	
	2025	2024
	RMB'000	*RMB'000*
Interest on loans from a related party	**205**	912
Interest on bank and other borrowings	**8,388**	7,090
Interest on lease liabilities	**2,216**	2,550
Total	**10,809**	10,552

PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY

Our profit/(loss) and total comprehensive income/(expense) for the year attributable to owners of the Company changed from a loss of RMB127.9 million for the year ended December 31, 2024 to a profit of RMB57.1 million for the year ended December 31, 2025, primarily due to the increase in the Company's gross profit and the recognition of income tax deductible within one year as deferred income tax expense.

LIQUIDITY AND CAPITAL RESOURCES

Our trade and bills receivables increased by 64.0% from RMB94.5 million as at December 31, 2024 to RMB155.1 million as at December 31, 2025, which was primarily due to the significant growth in sales volume of pharmaceutical products during the Reporting Period.

Our cash and bank balances increased by 22.3% from RMB89.3 million as at December 31, 2024 to RMB109.3 million as at December 31, 2025 due to net cash inflow generated from the Group's operating activities during the Reporting Period.

Set out below is an analysis of the liquidity and capital resources at the dates indicated:

	As at December 31,		
	2025	2024	Change
	RMB'000	*RMB'000*	*(%)*
Trade and bills receivables	**155,059**	94,526	64.0
Prepayments and other receivables	**28,099**	31,554	(10.9)
Inventories	**136,564**	111,009	23.0
Contract costs	**5,320**	–	100.0
Cash and bank balances	**109,258**	89,344	22.3
Restricted bank deposits	**–**	39,341	(100.0)
Total	**434,300**	365,774	18.7

INDEBTEDNESS

As at December 31, 2025, we had lease liabilities of RMB50.3 million, and interest-bearing bank and other borrowings of RMB276.4 million. As at the same date, none of our existing indebtedness included any material covenants or covenants that could potentially limit our ability to incur new indebtedness.

Set out below is a breakdown of our outstanding lease liabilities, interest-bearing bank and other borrowings and loans from a related party at the dates indicated:

	As at December 31,	
	2025	2024
	RMB'000	*RMB'000*
Lease liabilities	**50,315**	47,501
Interest-bearing bank and other borrowings	**276,424**	245,591
Loans from Biomabs	**–**	18,500
Total	**326,739**	311,592

As at December 31, 2025, we, as a lessee, had outstanding lease liabilities for the remaining terms of relevant lease agreements (excluding our contingent rental agreements) in an aggregate amount of RMB59.2 million.

CONTINGENT LIABILITIES, CHARGE OF ASSETS AND GUARANTEES

As at December 31, 2025, right-of-use assets and property, plant and equipment with carrying amount of RMB32,776,000 (2024: RMB33,547,000) and RMB152,278,000 (2024: RMB168,903,000), respectively, were pledged to a bank to secure the bank borrowings of the Group. Certain property, plant and equipment with carrying amount of RMB180,843,000 (2024: RMB195,164,000) were pledged to an independent third-party customer to secure the entrusted bank borrowings of the Group.

Save as disclosed, we did not have any other outstanding debt securities, charges, mortgages, or other similar indebtedness, hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are guaranteed, unguaranteed, secured or unsecured, any guarantees or other material contingent liabilities.

CAPITAL STRUCTURE

There were no changes in the capital structure of the Group during the Reporting Period. The share capital of the Group only comprises ordinary Shares. As at December 31, 2025, the total issued share capital of the Company was US$412,408 divided into 4,124,080,000 shares.

The capital structure of the Group was 86.4% debt and 13.6% equity as at December 31, 2025, compared with 91.2% debt and 8.8% equity as at December 31, 2024.

FOREIGN EXCHANGE

Foreign currency risk refers to the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which our Group conducts business may affect our financial condition and results of operation. The Group mainly operates in the PRC and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Hong Kong dollars and the U.S. dollars. The conversion of foreign currencies into RMB, including Hong Kong dollars and the U.S. dollars, has been based on rates set by the People's Bank of China. The Group primarily limits our exposure to foreign currency risk by closely monitoring the foreign exchange market. During the Reporting Period, the Group did not enter into any currency hedging transactions.

GEARING RATIO

Gearing ratio is calculated using total liabilities divided by total assets and multiplied by 100%. As at December 31, 2025, the gearing ratio of the Group was 86.4% (as at December 31, 2024: 91.2%).

The following table sets forth our other key financial ratios as of the dates indicated.

	At December 31,	
	2025	2024
Current ratio[(1)]	**0.8**	1.2
Quick ratio[(2)]	**0.6**	0.8

Notes:

(1) Current ratio represents current assets divided by current liabilities as of the same date.

(2) Quick ratio represents current assets less inventories and divided by current liabilities as of the same date.

Our current ratio decreased from 1.2 as at December 31, 2024 to 0.8 as at December 31, 2025; our quick ratio decreased from 0.8 as at December 31, 2024 to 0.6 as at December 31, 2025, mainly due to the maturity of long-term loans within one year and the increase in short-term borrowings during the Reporting Period.

Environmental, Social and Governance Report

ABOUT THE REPORT

The Environmental, Social and Governance Report (the "**Report**" or "**ESG Report**") is designated to give an objective and true view of the strategies, policies, measures and achievements of Mabpharm Limited ("**Mabpharm**", "**we/us**" or the "**Company**") in terms of sustainable development, and focuses on the disclosure of the Company's information in environmental, social and governance ("**ESG**") aspects.

Basis of Preparation

The Report has been prepared pursuant to the Environmental, Social and Governance Reporting Code (the "**ESG Code**") as set out in Appendix C2 to the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Reporting Cycle

From January 1, 2025 to December 31, 2025 (the "**Reporting Period**", "**2025**" or the "**Year**"), certain information may relate to periods beyond the Reporting Period.

Reporting Scope

The reporting scope of the Report covers Mabpharm Limited (02181.HK) and its subsidiaries, which is in line with the 2025 annual report of the Company.

Source of Information and Guarantee for Reliability

Save as otherwise indicated, data contained herein are derived from the internal information, investigation and interview records and relevant documents of the Company. The Board of the Company undertakes that the Report does not contain any false information or misleading statement, and is responsible for its truthfulness, accuracy and completeness.

Confirmation and Approval

The Report has been approved by the Board on March 26, 2026 upon confirmation by the management.

Availability of Report

The Report is incorporated in the 2025 annual report of the Company. Out of concern for environmental protection, we recommend you to read the electronic version, which is available on the website of the Stock Exchange (www.hkexnews.hk) and the official website of the Company (www.mabpharm.cn).

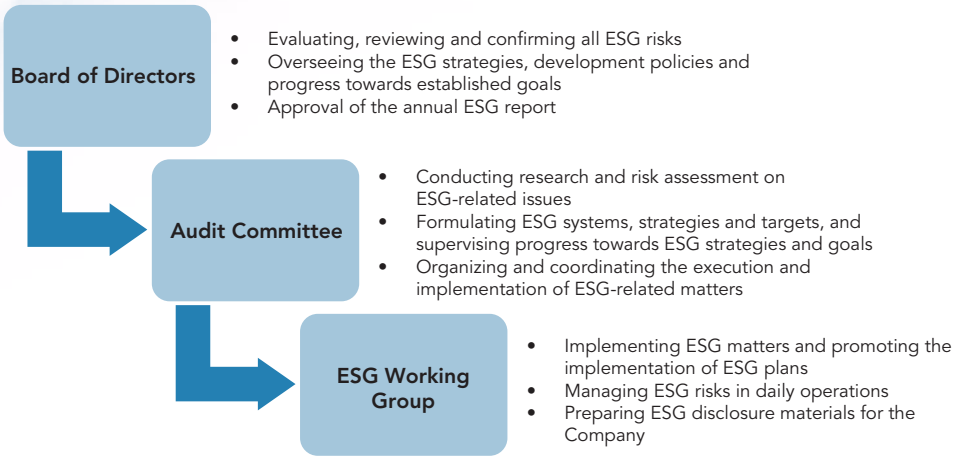
1. ENHANCING ESG GOVERNANCE

Mabpharm fully recognizes the pivotal role of ESG in driving its long-term development, and has embedded the ESG philosophy into the Company's strategic vision and day-to-day operations. The Company has been steadily strengthening its ESG governance framework, proactively engaging with and addressing the concerns of stakeholders, upholding its social responsibilities alongside sound business operations, and advancing the sustainable and mutual development of the Company and society.

1.1 ESG Governance Structure

Mabpharm strictly complies with the relevant requirements of the Environmental, Social and Governance Reporting Code of The Stock Exchange of Hong Kong Limited. It has progressively established and enhanced its ESG management system and formulated the ESG Working Group Management System, providing institutional safeguards for the Company's ESG management. This ensures that relevant practices align with sustainable development goals, stakeholders' expectations, and applicable laws, regulations and international standards.

In alignment with the Company's development needs, Mabpharm has established a multi-tiered governance structure comprising the Board of Directors, the Audit Committee and the ESG Working Group. The Board of Directors, as the supreme decision-making body for ESG governance, is responsible for overseeing and steering the Company's ESG strategy. Under the delegation of the Board, the Audit Committee manages ESG-related matters and provides regular reports. The ESG Working Group, composed of representatives from key functional departments, undertakes the implementation and follow-through of specific initiatives, ensuring the orderly execution of all ESG measures.



Mabpharm's ESG Governance Structure and Functions

Board Statement

Board responsibilities	As the ultimate authority and decision-making body for the Company's ESG affairs, the Board of Directors of Mabpharm exercises overall oversight of ESG strategic planning, risk management and the decision-making and implementation of major matters. It reviews and approves the Company's key ESG-related policies, medium-to-long-term development plans and annual ESG reports, ensuring that the ESG philosophy is effectively integrated into the Company's overall development direction and operational management.
Implementation of ESG matters	The Audit Committee, established under the Board of Directors, assists the Board in overseeing the Company's key ESG issues and the implementation of relevant plans, and provides management and supervisory oversight over the work of the ESG Working Group. The Audit Committee reports regularly to the Board on ESG progress, enabling the Board to maintain ongoing visibility into the implementation of ESG initiatives and the achievement of established objectives.

Analysis of material issues	Mabpharm has established a diversified communication mechanism with internal and external stakeholders to sustain engagement and feedback collection, fully absorbing views and suggestions from all parties. On this basis, the Company systematically identifies and assesses material ESG topics, ensuring alignment with the Company's development direction and stakeholders' priorities, thereby supporting the steady advancement of the ESG strategy and the achievement of sustainable development goals.
ESG risk governance	Mabpharm closely monitors international ESG trends and industry developments, systematically identifying and managing ESG risks relevant to the Company's operations. The Board conducts an annual analysis of the Company's ESG risks to provide decision support, while continuously overseeing the implementation of risk mitigation measures. Drawing on the practical effectiveness of risk management, the Board dynamically reviews and adjusts the Company's sustainable development direction as appropriate, safeguarding the Company's long-term and steady growth.
Release of ESG report	The Report systematically discloses Mabpharm's ESG progress and performance in 2025, and was approved by the Board of Directors on March 26, 2026.

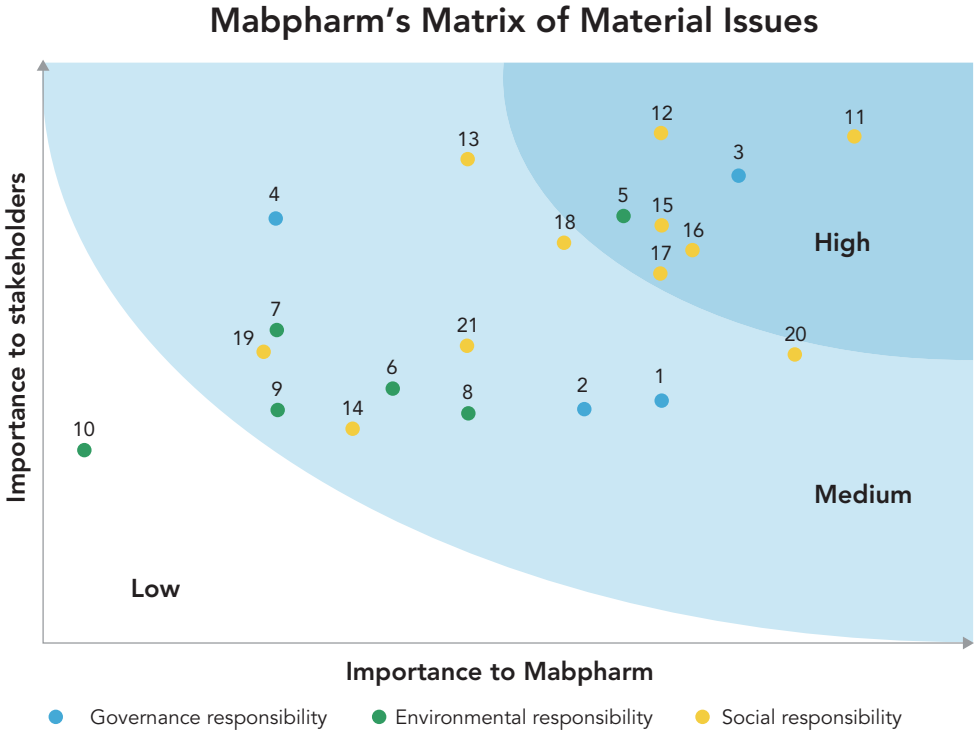
1.2 Stakeholder Communication

Mabpharm attaches great importance to sustained communication with stakeholders. By establishing diversified and regular communication channels, the Company promptly obtains views and suggestions from all parties and responds proactively to relevant concerns. In this process, the Company has gradually developed a stable and trust-based cooperative relationship with stakeholders. In 2025, building on ongoing communication, Mabpharm systematically reviewed the needs and feedback of various parties and integrated them into the Company's ESG management and planning process. The Company timely optimized relevant work priorities to ensure that ESG practices remain aligned with stakeholders' expectations, supporting the long-term sustainable development of the Company.

Stakeholders	Major issues of concern	Communication method
Shareholders/ investors	• ESG governance • Risk management • R&D innovation • Product quality and safety • Business ethics and anti-corruption	• Information disclosure • General meetings • Performance conference • Company announcements • Investor survey
Government/ regulatory authorities	• ESG governance • Risk management • Business ethics and anti-corruption • Product quality and safety • R&D innovation • Environmental management • Response to climate change	• Regular communication • News media • Exchange and cooperation
Clients	• Inclusive healthcare • Responsible marketing • Business ethics and anti-corruption • Data security and privacy protection	• Customer complaint handling • Customer satisfaction survey • Pharmacovigilance hotline
Suppliers	• Industrial communication and cooperation	• Industry associations • Industry exchange and cooperation • Industry-university-research cooperation
Cooperative partners	• Supply chain management • Business ethics and anti-corruption	• Supplier conference • Supplier communication • Supplier training • Supplier audit
Employees	• Employee health and safety • Employee rights and interests • Staff development	• Employee activities • Employee satisfaction survey • Employee interviews • Anonymous e-mail box

1.3 Analysis of Material Issues

Materiality analysis is an important component of the Company's sustainable development management. In 2025, Mabpharm, in light of its business characteristics and development stage, adopted a systematic approach to identify key ESG topics closely related to the Company's operations and various stakeholders. While addressing stakeholders' concerns, this supports the Company in proactively identifying potential risks and development opportunities, and refining the focus of ESG management and resource allocation priorities. During the Reporting Period, the Company conducted its annual materiality assessment and formulated a materiality matrix accordingly. The key findings of the analysis are as follows:



	Material Issues[1]	
Governance responsibilities	1.	ESG management system
	2.	Risk management
	3.	**Business ethics and anti-corruption**
	4.	Supply chain management
Environmental responsibilities	**5.**	**Environmental management and compliance**
	6.	Energy consumption
	7.	Water resource management
	8.	Emission management
	9.	Packaging materials
	10.	Climate change response and adaptation
Social responsibilities	**11.**	**Product quality and safety**
	12.	**Technology and innovation**
	13.	Intellectual property rights
	14.	Responsible marketing
	15.	**Privacy protection**
	16.	**Employee health and safety**
	17.	**Employee rights and interests**
	18.	Employee Promotion and Training
	19.	Community Contribution
	20.	Access to Medicine
	21.	Industry Collaboration

2. STRENGTHENING RESPONSIBLE GOVERNANCE

Mabpharm has always regarded sound governance as a fundamental pillar of the Company's sustainable development. Guided by responsible governance, the Company continuously enhances its corporate governance structure, standardizes operational and management processes, and systematically identifies and manages various risks. While ensuring compliant operations, the Company improves management efficiency, providing strong support for the long-term and steady development of the Company.

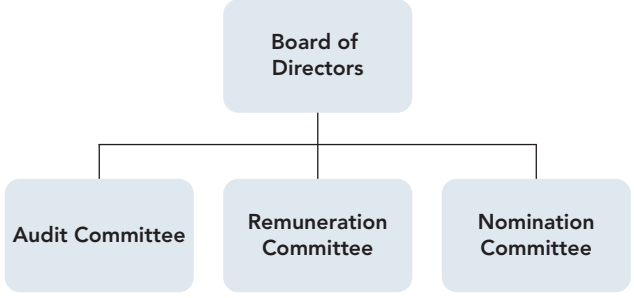
[1] The bolded issues in the table represent the issues of high materiality to Mabpharm in 2025.

2.1 Corporate Governance

Mabpharm continuously improves and optimizes its corporate governance structure in accordance with the Company Law of the People's Republic of China（《中華人民共和國公司法》）, the Securities Law of the People's Republic of China（《中華人民共和國證券法》） and other relevant laws and regulations, as well as regulatory requirements including the Code of Corporate Governance for Listed Companies（《上市公司治理準則》） of the Stock Exchange. By establishing a diversified Board composition and a scientific and effective governance mechanism, the Company enhances the standardization, transparency and execution efficiency of decision-making, safeguarding the steady development and long-term sustainable growth of the Company on the basis of compliant operations.

2.1.1 Governance Structure

Mabpharm upholds the management philosophy of "rational decision-making, standardized operation and effective checks and balances", and has established a corporate governance structure with clear rights and responsibilities and efficient operation. In strict compliance with relevant laws and regulations, the Company has set up the Audit Committee, Remuneration Committee and Nomination Committee with the Board of Directors as the core, forming a governance system with clear division of labor, mutual checks and balances, and coordinated operation, providing institutional safeguards for the Company's steady operation and sustainable development.



Mabpharm's Governance Structure

2.1.2 Board Independence and Diversity

Mabpharm attaches great importance to the development of Board diversity. Guided by the governance philosophy of "diversity and inclusion, professional complementarity and experience sharing", the Company continuously optimizes its Board structure and member composition. During the Reporting Period, to further implement the relevant requirements of the Stock Exchange on Board diversity, Mabpharm optimized the composition of the Board committees by appointing a female Director as a member of the Nomination Committee, further strengthening the diversity, standardization and effectiveness of the Company's governance structure.

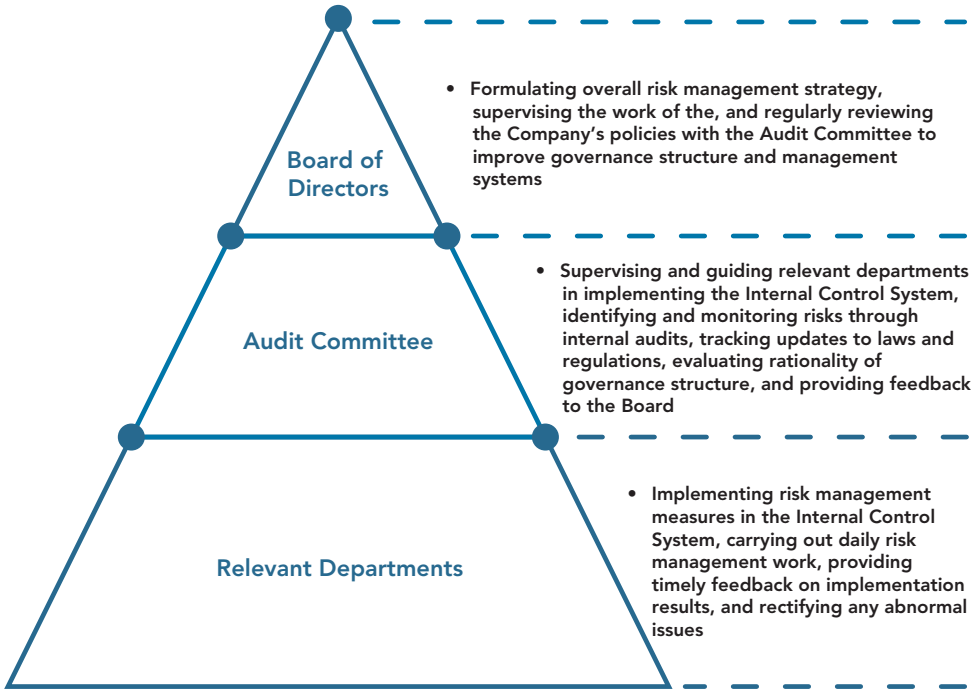
In addition, the Company has cultivated a multi-dimensional decision-making framework by appointing Directors with varied professional expertise and industry experience, which underpins the Company's sound operations and sustainable long-term growth. Board members bring together expertise from medicine, pharmacy, management, finance and law, with a well-balanced structure in terms of gender, age and professional tenure. Such diversity enables the Board to assess corporate development matters from comprehensive viewpoints, fostering more robust and forward-looking decisions. As at the end of the Reporting Period, Mabpharm's Board consisted of 11 Directors, including one female Director.

2.2 Responsible Operation

Standardized operation serves as a cornerstone for the steady development of an enterprise in corporate governance and management, and compliance is a fundamental principle that Mabpharm has always upheld. The Company integrates compliance into daily operations and decision-making, ensuring orderly progress of all businesses amid a complex and evolving market environment through systematic risk management arrangements, stringent anti-corruption policies and prudent, regulated marketing practices. Mabpharm remains committed to the belief that compliance with laws and regulations is not only a prerequisite for sound corporate operations, but also essential for achieving long-term sustainable development and earning the trust of stakeholders.

2.2.1 Risk Identification and Management

Mabpharm integrates risk management as a key foundation of its regulated operations and continuously enhances its risk management and control system. The Company has formulated and implemented the Internal Control System (《內控制度》), establishing a three-tier risk governance structure overseen by the Board of Directors, supervised by the Audit Committee, and implemented collaboratively by relevant functional departments. This structure achieves full coverage of risk management across all aspects of the Company's operations and management, providing strong support for the stable operation and long-term development of the Company.



Mabpharm's Risk Governance Structure

During the Reporting Period, the Company conducted internal audit procedures covering its financial revenue and expenditure and the implementation of internal control systems for the first half of 2025. The audit results indicated that there were instances of inadequate oversight over payment milestones during the performance of individual supplier contracts. In response to such issues, the Company has further improved its contract payment tracking and monitoring mechanism, strengthened the standardized management and supervision of payment procedures, and continuously enhanced the compliance of contract execution and internal control standards.

2.2.2 Business Ethics and Integrity Management

Mabpharm places great emphasis on ethical and compliant operations, and maintains a zero-tolerance policy towards corruption, fraud, bribery and other illegal or non-compliant conduct in any form. The Company strictly complies with applicable national laws and regulations, including the Anti-Unfair Competition Law of the People's Republic of China（《中華人民共和國反不正當競爭法》）, the Anti-Money Laundering Law of the People's Republic of China（《中華人民共和國反洗錢法》）, and the Interim Provisions on Prohibiting Commercial Bribery（《關於禁止商業賄賂行為的暫行規定》）. It has also formulated and implemented the Anti-Fraud Management System（《反舞弊管理制度》）, which systematically sets out the basic principles, scope of application, responsible parties and accountability mechanisms for anti-fraud efforts, thereby providing institutional safeguards for integrity-based operations.

In terms of system implementation, the Company has established an internal control management department as a permanent body responsible for anti-fraud management. In accordance with relevant regulations, the department conducts regular audits and oversight over key business areas such as financial revenues and expenditures, procurement and sales, and project construction, promptly identifying and addressing potential risks to safeguard the compliance and transparency of operational activities. Through ongoing internal control audits and routine anti-corruption measures, the Company has effectively prevented the occurrence of various irregularities. No incidents involving breaches of business ethics were recorded during the Reporting Period.

Anti-corruption whistle-blowing
• The Company has established open and standardized reporting channels and formulated the Regulations on Anti-Fraud and Whistle-blowing Mechanism（《反舞弊與舉報機制條例》） to encourage employees to report acts of corruption and fraud. The Company maintains strict confidentiality of whistleblowers' information, conducts thorough investigations into reported leads, and publicly discloses the outcomes in accordance with applicable regulations upon completion of verification, thereby ensuring the fairness and effectiveness of the reporting mechanism.
Integrity cooperation
• The Company requires its suppliers and partners to sign anti-corruption commitment clauses, clarifying the rights and obligations of both parties in relation to ethical cooperation. It integrates integrity requirements into the entire process of partnership management, and jointly fosters a fair, transparent and law-abiding business environment.
Construction of clean culture
• The Company continuously advances the development of a culture of integrity and accountability. Through a variety of initiatives such as anti-fraud training and business ethics promotion for Directors and all employees, it embeds the concept of integrity into corporate governance and daily operations, fostering a deep-seated and practice-oriented culture of integrity. During the Reporting Period, the Company issued the updated Mabpharm's 2025 Anti-Corruption Training Materials（《迈博药业二零二五年度反貪腐培訓材料》） for all employees' reference, further strengthening their awareness of ethical conduct and compliant operations.

Normalized Management Measures for Anti-corruption and Integrity

2.2.3 Responsible Marketing

Mabpharm regards responsible marketing as an integral part of its standardized operations. Adhering to the marketing principles of "code-compliant publicity, honest marketing, and committed to serving patients", the Company exercises strict oversight over the compliance and professionalism of product promotion. The Company has formulated and implemented the Standard Operating Procedures for Promotion Material Management (《推廣材料管理標準操作流程》), which sets clear requirements for the regulation of marketing practices, review of promotional content and release procedures, thereby providing a systematic basis for the implementation of responsible marketing.

The Company entrusts the marketing promotion and sales of its products to third parties, which independently conduct the relevant sales activities. To ensure compliant operations throughout the cooperation, Mabpharm includes explicit compliant sales provisions in its cooperation agreements, requiring partners to carry out promotional activities strictly in accordance with the promotional content and marketing standards approved by the Company. Meanwhile, the Company conducts regular supervision and inspection over the marketing practices of outsourced marketing service providers, promptly identifying and rectifying non-standard behaviors to ensure that all marketing activities comply with applicable laws, regulations and the Company's management requirements.

3. DELIVERING ON OUR HEALTHCARE MISSION

Mabpharm regards R&D and innovation as the cornerstone of its sustainable development. The Company is committed to delivering high-quality and affordable innovative biopharmaceuticals to the market through an efficient R&D system and low-cost drug manufacturing capabilities, thereby contributing to the health and well-being of more patients. We embed strict quality requirements into the entire product lifecycle, continuously enhance independent R&D, actively engage in external communication and cooperation, enrich our innovative product pipeline, refine product quality, and strengthen intellectual property protection. We strive to provide premium and effective products and services to patients and customers worldwide.

3.1 Product Innovation

Building on its high-quality innovative pharmaceuticals, Mabpharm continues to expand its footprint in independent research and development, advancing a diversified product pipeline for launch both domestically and internationally. The Company strives to deliver superior drug supply solutions and more affordable options to patients worldwide.

3.1.1 R&D and Innovation System

We firmly believe that high-quality R&D and innovation constitute the core of our competitiveness. We are committed to building a sound and robust R&D and innovation mechanism, and establishing a high-caliber R&D team to provide solid support for the Company's innovation vitality and research capabilities.

Our R&D activities are collaboratively advanced by three core teams: the basic R&D team, the clinical trial team, and the GMP[2]-compliant product manufacturing team. The core members of Mabpharm's R&D team possess extensive experience in biopharmaceutical research and development, with previous tenures at globally renowned pharmaceutical companies, combining solid research capabilities with profound industry expertise. Other team members also boast strong academic foundations and professional skills, jointly laying a robust professional foundation for the core competitiveness of product R&D. Meanwhile, the Company consistently upholds the philosophy of innovation-driven development and continuously increases investment in R&D, providing sufficient and stable resource support for product development and facilitating the Company's continuous breakthroughs in the biopharmaceutical sector.

The Company continuously advances its digital development to empower R&D and innovation management. Our LIMS[3] has achieved full lifecycle online management of test items, covering planning, inspection requests, sample receipt, distribution, testing, result reporting and approval. Integrated with the EMS[4], BMS[5] and other computerized systems, we have implemented digital control over production quality inspection, consistently strengthening our capabilities in R&D and innovation management.

2 Good Manufacturing Practice of Medical Product
3 Laboratory Information Management System
4 Environmental Monitoring System
5 Building Management System

As at the end of the Reporting Period, the Company had 265 R&D personnel (including our management), among whom 199 held a bachelor's degree or above. R&D personnel accounted for 75% of the Company's total employees, and total R&D investment amounted to RMB57,529,000.

Product Pipeline

Mabpharm focuses on the research, development and manufacture of innovative drugs and biosimilars for the treatment of cancer and autoimmune diseases. We have established a rich product pipeline comprising a variety of monoclonal antibody drugs and potent antibody drugs. Among them, our core products CMAB008類停® (infliximab for injection), CMAB007奧邁舒® (Omalizumab α for Injection) and CMAB009恩立妥® (cetuximab β injection) have been approved for marketing. New drug marketing applications for CMAB807/CMAB807X have been submitted, and several other drug candidates are in clinical research/preclinical research stage.

Core Products	
Product overview	**R&D status**
CMAB009恩立妥® (Cetuximab β Injection) A recombinant anti-EGFR chimeric monoclonal antibody innovative drug indicated for first-line therapy for RAS/BRAF wild-type metastatic colorectal cancer ("**mCRC**") in combination with the FOLFIRI regimen.	CMAB009恩立妥® has been approved by the NMPA for marketing in June 2024 (Guo Yao Zhun Zi S20240025). It is an exclusive variety and has been approved for inclusion in the National Negotiation Catalog for Exclusive Varieties of Medical Insurance. CMAB009恩立妥® is the third product of the Company approved for marketing, and is the first domestically produced anti-EGFR monoclonal antibody innovative drug with independent intellectual property for the first-line treatment of mCRC approved by the NMPA. CMAB009恩立妥® is also expected to expand its indications to pancreatic cancer, head and neck squamous cell carcinomas, cervical squamous cell carcinoma and other cancers, as its administration together with a variety of small molecule drugs has tremendous potential for research and development and application in various other indications such as non-small cell lung cancer. The Group is propelling the clinical and registration work of CMAB009恩立妥® targeting the aforesaid indications.

Core Products	
Product overview	**R&D status**
CMAB007奧邁舒® (Omalizumab α for Injection) The first domestic allergic asthma therapeutic antibody new drug in China approved by the NMPA for the treatment of patients diagnosed with IgE mediated asthma.	CMAB007奧邁舒® was approved for marketing by the NMPA in May 2023 (Guo Yao Zhun Zi S20230030 for specification of 75mg/vial and Guo Yao Zhun Zi S20230031 for specification of 150mg/vial). We are about to finish the phase III clinical trial of CMAB007奧邁舒® for treatment of urticaria. As an anti-IgE monoclonal antibody, CMAB007奧邁舒® is also expected to expand its indications to chronic idiopathic urticaria, seasonal allergic rhinitis and food allergies. In the future, we will actively carry out various studies to rapidly expand the R&D and therapeutic applications of CMAB007奧邁舒® in multiple allergic disease areas. CMAB007奧邁舒® was included as an exclusive product in the negotiation list under the Medical Insurance, and successfully negotiated for renewal and continued inclusion in the Medical Insurance catalog in 2025.

Core Products	
Product overview	**R&D status**
CMAB008類停® (infliximab for injection) It was approved for the treatment of: 1) ulcerative colitis in adults; 2) ankylosing spondylitis; 3) rheumatoid arthritis; 4) Crohn's disease in adults and pediatric patients aged above 6 years old; 5) fistula Crohn's disease; and 6) psoriasis.	CMAB008類停® was approved for marketing by the NMPA in July 2021 (Guo Yao Zhun Zi S20210025), targeting indications which have huge long-term unmet market demand (with more than 10 million patients in the PRC which is still growing). According to the regulations of the Medical Insurance, CMAB008類停® has also been automatically included in the Medical Insurance. CMAB008類停® has been marketed on the procurement platform across all the provinces within China and extended its footprints to thousands of hospitals of different levels, primary medical institutions and pharmacies. We also launched multifaceted brand building activities for CMAB008類停®, including over 1,000 market promotion activities including "Care for Rheumatoid Arthritis" within professional academic platforms such as the Gastroenterology Branch and Rheumatology Branch of the Chinese Medical Association, and the Chinese Medical Doctor Association, covering nearly 10,000 medical professionals, and established a national network of experts specializing in IBD. We are also working with medical experts to explore the application of CMAB008類停® in systemic inflammatory response and cardiac injury after cardiac arrest, intestinal Behcet, Takayasu's arteritis and adult Still's disease.

Other Product Candidates	
Product overview	**R&D progress**
CMAB807/CMAB807X (Denosumab) A human immunoglobulin G2 ("**IgG2**") monoclonal antibody with affinity and specificity for human RANKL (receptor activator of nuclear factor kappa-B ligand) for the indications of osteoporosis, tumor bone metastasis and giant cell tumor of bone.	CMAB807/CMAB807X has completed phase III clinical trials for osteoporosis and applied to the NMPA for NDA regarding full indication application. The NDA of CMAB807/CMAB807X had been accepted by the NMPA in January 2025. We expect that CMAB807/CMAB807X will be approved by the NMPA for marketing in the second quarter of 2026 for the indications of osteoporosis, tumor bone metastasis and giant cell tumor of bone. We have also reached an agreement with our partner, under which the partner will be responsible for the commercialization of CMAB807/CMAB807X in China and several other countries.
CMAB017 (Anti-EGFR Probody) An innovative probody drug for the treatment of advanced solid tumors, including but not limited to colorectal cancer, head and neck squamous cell carcinomas and esophageal squamous cell carcinoma.	CMAB017 has been approved by the NMPA for clinical trials for the treatment of advanced solid tumors, including but not limited to colorectal cancer, head and neck squamous cell carcinomas and esophageal squamous cell carcinoma. The experimental study on tissue distribution of tumor-bearing mice has been completed. We have launched phase I clinical trials for CMAB017. It is expected to be approved by the NMPA for marketing in the second quarter of 2030.

Other Product Candidates	
Product overview	**R&D progress**
CMAB015 (Secukinumab) A biosimilar candidate for secukinumab. Secukinumab is a fully humanized monoclonal IgG1 antibody. Its indications include moderate and severe plaque psoriasis, psoriatic arthritis and ankylosing spondylitis. Secukinumab has become one of the most rapidly growing biological agents in the treatment of psoriasis in China.	CMAB015 has been approved by the NMPA for clinical trials of the treatment of plaque psoriasis, psoriatic arthritis and ankylosing spondylitis. We have completed the phase I clinical trial for CMAB015, and will soon complete the phase III clinical trial. We expect to file NDA for CMAB015 in the third quarter of 2026 and expect that CMAB015 may be approved by the NMPA for marketing in the first quarter of 2028.
CMAB819 (Nivolumab) Our biosimilar drug candidate indicated for the treatment of metastatic non-small cell lung cancer, hepatocellular carcinoma and head and neck squamous cell carcinomas.	CMAB819 has been approved by the NMPA for clinical trial. The phase I clinical trials have been completed. We expect that CMAB819 may be approved by the NMPA for marketing in the third quarter of 2029.
CMAB022 A candidate biosimilar product of stelara® (ustekinumab) approved by FDA for treatment of psoriasis, psoriatic arthritis, Crohn's disease and ulcerative colitis.	CMAB022 has completed engineering cell construction, screening and laboratory scale process studies, and is undergoing pilot process scale-up. We expect to complete all preclinical studies and submit a clinical trial application in the fourth quarter of 2026; and obtain NMPA approval for marketing (for the psoriasis indication, and to apply for expansion to other approved indications) in the first quarter of 2031.

Other Product Candidates	
Product overview	**R&D progress**
CMAB023 An anti-TSLP IgG2-lambda monoclonal antibody, and a biosimilar drug candidate for TEZSPIRE (Tezepelumab).	We have successfully developed CMAB023, which has completed cell line construction and is under process development. It is expected that CMAB023 will obtain marketing approval from the NMPA in the fourth quarter of 2030. As a broad-spectrum anti-allergic antibody drug, it covers broader scope of allergic patients, offers a better curative effect, and contributes significantly to mitigating the condition aggravation among patients with severe asthma.
CMAB016 A candidate biosimilar product of Dupixent® (dupilumab) and a monoclonal antibody of the human immunoglobulin G4 ("**IgG4**") subtype. It is approved by FDA for the treatment of atopic dermatitis, asthma, chronic rhinosinusitis with nasal polyps, eosinophilic esophagitis, chronic obstructive pulmonary disease ("**COPD**") and prurigo nodularis.	CMAB016 has completed engineering cell construction, screening and laboratory scale process studies, and we expect to complete all preclinical studies and file a clinical trial application in the fourth quarter of 2026; and obtain NMPA approval for marketing in the third quarter of 2029.

Innovation in R&D Process

The Company adheres to the core R&D principle of "Striving for Excellence", deeply integrates cutting-edge technologies and intelligent systems, and continuously optimizes production processes and quality testing systems. On the premise of ensuring product quality, it has significantly enhanced R&D and production efficiency. During the Reporting Period, the Company successfully built two innovative systems: the Upstream Process Development and Characterization Platform and the Quality Characterization and Analysis Platform. The former realizes efficient protein expression through cell culture and automated monitoring technologies, significantly reducing the consumption of raw materials such as culture media, as well as energy consumption and pollutant emissions. The latter integrates various automated analysis and multi-dimensional characterization technologies, effectively shortening project cycles and reducing trial-and-error frequency and resource waste. The two platforms work synergistically to drive the Company's comprehensive upgrading in energy conservation, emission reduction and efficient resource utilization, ultimately achieving dual enhancement of operational efficiency and environmental friendliness.

R&D Training

The Company has always regarded a high-caliber R&D team as the core source of innovation-driven momentum, and ensures the continuous improvement of the team's professional capabilities and comprehensive qualities through a systematic talent development mechanism. To strengthen the core competitiveness in R&D, the Company has established a sound training system and formulated customized annual training plans according to the actual needs of R&D personnel. It clearly requires all employees to participate in at least one professional training session per month covering industry regulations, technical specifications, safety protection and occupational health, so as to ensure the compliance and professionalism of daily operations. For new employees, in addition to basic pre-service training, the Company provides specialized training on professional skills, and arranges training and assessment on quality system documents to ensure that they can quickly adapt to position requirements and proficiently master work processes, so as to achieve continuous optimization of the overall capability of the R&D team.

During the Reporting Period, the Company continuously implemented a systematic training system covering the entire R&D process, and carried out specialized capacity-building for the five core platforms, including molecular biology, cell screening, upstream process development and characterization, downstream protein purification process, and quality research. The training program aims to connect the key technical chain from the construction of macromolecular therapeutic proteins to quality characterization, comprehensively enhance the cross-platform R&D capabilities of the team, and provide solid talent and technical support for scientific research innovation and product pipeline expansion.

University-industry Cooperation Launched with Liaocheng University and Wenzhou Medical University

In 2025, Mabpharm continued to deepen industry-university-research collaborative innovation, and jointly launched talent development programs with Liaocheng University and Wenzhou Medical University to establish a closed-loop system of "technical breakthroughs – achievement transformation – joint talent cultivation". Relying on the academic advantages of Liaocheng University in intelligent optimization algorithms, machine learning and other fields, and combining with the Company's industrial demands in biopharmaceutical research and development and process optimization, an interdisciplinary AI research team has been formed. The team focuses on three major directions: experimental data governance, intelligent process optimization, and cost reduction and efficiency enhancement in research and development, so as to promote the transformation of theoretical achievements into industrial applications.

The project adopts the "dual-tutor joint guidance mechanism" as the core and implements full-chain management covering "selection – cultivation – practice – evaluation". Postgraduate students majoring in biomedicine and related disciplines are selected by universities and enrolled in the joint cultivation program upon passing the Company's interviews. Students are required to complete theoretical courses at universities and customized practical training provided by the Company, including modules such as GMP standards and antibody drug research and development, and participate in-depth in R&D projects of targeted tumor drugs under the joint supervision of university and enterprise supervisors. As at the end of the Reporting Period, more than ten students have completed the program. Among them, the research achievements of four students have been transformed into our technical optimization plans, and one SCI paper has been published. Such achievements have not only improved students' industrial practice capabilities, but also equipped the Company with a reserve of interdisciplinary R&D talents with both academic literacy and industrial experience.

R&D Standards Formulation

During the Reporting Period, Mabpharm participated extensively in the development of the national pharmaceutical standard system and jointly completed two major standardization projects with the National Institutes for Food and Drug Control (the "**NIFDC**"). In the field of infliximab, the two parties jointly developed, calibrated and conducted stability studies on the candidate national standard substance for infliximab, which represents the first fully independently established monoclonal antibody standard substance in China. This achievement provides an authoritative basis for the potency evaluation and traceability of infliximab, significantly enhances domestic pharmaceutical regulation and research and development capabilities, lays a technical foundation for the subsequent research and development of monoclonal antibody standard substances, and effectively promotes the standardized application of infliximab and related monoclonal antibody drugs in China as well as the safety of medication for patients. In the field of denosumab, Mabpharm and NIFDC jointly carried out standard formulation work. Through full-method validation and cross-laboratory data mutual recognition, the standards are ensured to be scientific, compliant and feasible. The project aims to establish a unified quality control system covering the entire product life cycle, safeguard the safety and efficacy of medication, unify industrial quality control criteria, support regulation and registration, facilitate process optimization and international alignment, and ultimately achieve standardized clinical medication and maximized benefits for patients.

The achievements mentioned above demonstrate our commitment to actively integrating into the national pharmaceutical regulatory system and promoting high-quality development of the industry. Going forward, Mabpharm will continue to deepen industry-university-research-application collaboration, empower full life cycle management of pharmaceuticals through standardization initiatives, protect patient medication safety, and support China's biopharmaceutical industry in moving toward the high-end segment of the global value chain.

3.1.2 Intellectual Property Protection

Intellectual property constitutes a core strategic resource for Mabpharm to achieve sustainable development. The Company strictly abides by laws and regulations including the Patent Law of the People's Republic of China（《中華人民共和國專利法》）, the Copyright Law of the People's Republic of China（《中華人民共和國著作權法》） and the Trademark Law of the People's Republic of China（《中華人民共和國商標法》）, and has established a sound internal intellectual property management system. The system standardizes the whole process of achievement transformation such as technology development, transfer, consultation and services, and clearly defines the responsibilities of various departments and dispute resolution mechanisms, so as to ensure the protection of innovative achievements follows established rules with clear rights and obligations, and continuously enhance the standardization and systematization of intellectual property management.

The Company has always regarded intellectual property protection as a key instrument to enhance its innovative competitiveness, and fostered a corporate culture in which all employees attach importance to intellectual property through multi-pronged measures. During the Reporting Period, the Intellectual Property Department conducted special training sessions on patent mining for the R&D team, holding a total of four lectures and assisting R&D staff in filing nine invention patent applications. In addition, the Company enhanced patent search capabilities and strengthened employees' intellectual property risk management capabilities through authoritative third-party training. Freedom to Operate (FTO) analysis is carried out prior to the R&D or commercialization of the Company's products to systematically assess whether the products may infringe upon existing third-party patents, so as to mitigate infringement risks in advance through means such as licensing, design-around or patent invalidation. In the supplier management process, we strictly implement a patent background review mechanism to prevent third-party intellectual property disputes at the source. To stimulate innovation vitality, the Company has implemented a tiered reward policy, providing differentiated incentives to inventors based on patent value, so as to effectively consolidate technological advantages.

During the Reporting Period, there were no intellectual property infringement incidents involving Mabpharm. The applications for and grants of patents, copyrights and trademarks are set out below:

Indicator	Unit	2025	2024	2023
Patent applications filed during the Reporting Period	number	12	10	12
Patents granted during the Reporting Period	number	3	8	4
Total number of patents granted	number	36	35	28
Total copyrights granted	number	2	2	2
Total trademarks granted	number	114	111	111

3.2 Quality First

Mabpharm is deeply aware that pharmaceutical quality concerns the life and health of patients and serves as the fundamental guarantee of the Company's core reputation. Adhering to the principle of "Quality Leadership, Technology Excellence, Continuous Improvement and Pursuit of Excellence", the Company integrates quality management throughout the full product life cycle, always places the rights and safety of clinical participants first, and is committed to providing patients and customers with products and services of superior quality with humanistic care, so as to consolidate the cornerstone of the Company's high-quality development.

3.2.1 Product Quality and Safety

Mabpharm regards drug safety and quality management as the lifeblood of the Company and has established a quality management system covering the entire product life cycle. Through continuous improvement of the quality assurance mechanism, strengthened post-marketing quality monitoring, optimized customer service processes and other measures, the Company builds a solid line of defense for patients' health with strict control standards and earnestly fulfills the social responsibilities of a pharmaceutical enterprise.

We strictly comply with the relevant laws and regulations including the Drug Administration Law of the People's Republic of China（《中華人民共和國藥品管理法》）, the Regulations for the Implementation of the Drug Administration Law of the People's Republic of China（《中華人民共和國藥品管理法實施條例》）, the Quality Management Standard for Drug Clinical Trials（《藥物臨床試驗質量管理規範》）, the Good Manufacturing Practice (Revision 2010)（《藥品生產質量管理規範（二零一零年修訂）》）, the Measures for the Administration of Drug Registration（《藥品註冊管理辦法》） and the Quality Management Standard for Non-clinical Research of Drugs（《藥品非臨床研究質量管理規範》）, and fully implement drug quality management. We actively benchmark against international advanced standards, conduct gap analysis on various regulatory systems and pharmacopoeial standards in accordance with the regulations and guidelines such as EMA[6], PIC/S[7], EP[8], USP[9], as well as the technical reports issued by authoritative organizations and associations including WHO[10], PDA[11] and ISPE[12], implement CAPA[13] measures in phases, improve the gaps in the Company's existing drug quality management, and comprehensively enhance the level of the drug quality management system. During the Reporting Period, based on ICH Q12, we established a quality management system underpinned by the Quality Manual, covering the full product life cycle from drug research and development, technology transfer, commercial production to product discontinuation, aiming to systematically integrate quality management and control responsibilities throughout the entire product life cycle.

The Company has established a full life cycle management system covering clinical research, manufacturing, material control and finished product testing, ensuring quality and safety are controllable in all links. At the clinical stage, hierarchical management is implemented for trial risks to ensure process compliance; in the production process, strict compliance with GMP standards is observed to realize full-process quality monitoring; at the material and product stage, testing is carried out in accordance with standards, and supply chain management is strengthened to ensure material stability and product safety, thus building a comprehensive quality defense line.

6 European Medicines Agency
7 Pharmaceutical Inspection Convention and Pharmaceutical Inspection Co-operation Scheme
8 European Pharmacopoeia
9 United States Pharmacopoeia
10 World Health Organization
11 Parenteral Drug Association
12 International Society for Pharmaceutical Engineering
13 Corrective Action and Prevention Action

Quality Management of Clinical Research	• Implement full-process quality management over the design, implementation, documentation, evaluation, result reporting and document archiving of clinical trials • Assign monitors who possess the necessary knowledge of clinical research, receive professional training and are capable of effectively performing monitoring duties to conduct regular routine monitoring; meanwhile, assign independent auditors to carry out audits, and engage external suppliers to provide third-party audit services when necessary • Formulate standard operating procedures and monitoring plans for clinical trial monitoring to ensure the authenticity of data, enhance the capability to address various risks in clinical trials, and guarantee the compliance of key data and processes • Formulate audit procedures for the clinical research quality management system to ensure the implementation of audit protocols in clinical trials

Production Quality Management	• In accordance with the requirements of GMP and relevant regulations, comprehensive self-inspections on production management and quality management are conducted on a regular basis. The inspection items cover organization and personnel, premises and facilities, equipment, materials and products, product distribution and recall, etc., so as to continuously and effectively manage various risks in the pharmaceutical production process • In reference to the requirements of EU GMP and ICH[14] guidelines, the Company has established management review requirements and conducted such reviews on a regular basis. Through the review and analysis of changes, deviations, OOS[15]/OOT[16], CAPA and other relevant matters, the Company comprehensively audits and evaluates the operation of its quality management system • Product quality review and analysis are conducted on a regular basis to timely identify potential adverse trends and implement improvements and preventive measures where necessary • Inspection reports are prepared by the QA[17] department on a weekly basis, and professional third-party institutions are engaged to conduct gap analysis audits on the Company's production and quality management system

[14] The International Council for Harmonization of Technical Requirements for Pharmaceuticals for Human Use
[15] Out of Specification
[16] Out of Trend
[17] Quality Assurance

Product/Material Quality Management	• Procedures for sampling, quality testing, evaluation and release have been established. Testing is performed in accordance with the nationally approved quality standards and methods. Following review and confirmation by the QA department, products that meet the quality standards and relevant requirements are released by designated personnel • Stability studies are conducted on the products. Retention samples of materials and products are maintained in accordance with relevant regulations, and regular quality verification of such retention samples is performed • A management procedure for outsourced testing has been established to fully manage the outsourced testing of materials and products • Audits are conducted on materials and their respective suppliers, with a coverage rate of 100% • We give priority to suppliers that have long served the world's leading biopharmaceutical companies and possess advanced technologies and exclusive capabilities

During the Reporting Period, Mabpharm continued to promote the optimization and certification renewal of its quality management system to ensure that the Company's production activities consistently comply with the highest regulatory standards at home and abroad. We successfully passed three critical on-site Good Manufacturing Practice (GMP) compliance inspections covering Infliximab for Injection and Cetuximab β Injection, marking the authoritative recognition of the maturity and expansion capability of the Company's quality management system.

We have always regarded the quality and safety of pharmaceutical products as the lifeline of the Company's development. To continuously enhance the standardization and professional competence of the testing team, the Company actively participates in proficiency testing activities organized by drug regulatory authorities at all levels, which serves as a crucial touchstone for evaluating the competency of the testing team, so as to ensure that the testing procedures, operational specifications and accuracy of results fully comply with the stringent standards of the national drug regulatory authorities. During the Reporting Period, we voluntarily enrolled in a number of proficiency testing programs organized by authoritative institutions, including the Proficiency Testing Program for Total Aerobic Microbial Count in Pharmaceuticals（《藥品中需氧菌總數計數能力驗證計劃》） implemented by the National Institutes for Food and Drug Control (NIFDC), as well as the JSIFDC-PT-005 Proficiency Testing for Infrared Identification of Pharmaceuticals（《JSIFDC-PT-005藥品紅外鑒別能力驗證》） and JSIFDC-PT-006 Proficiency Testing for Specific Rotation Determination of Pharmaceuticals（《JSIFDC-PT-006藥品比旋度測定能力驗證》） conducted by Jiangsu Institute for Food and Drug Control. With solid technical expertise, rigorous operational procedures and an efficient quality management system, the team delivered outstanding performance and achieved satisfactory results in all the aforementioned proficiency tests. This not only demonstrates the professional strength of Mabpharm in the field of pharmaceutical testing, but also lays a solid technical foundation for the Company to continuously provide safe, effective and high-quality pharmaceutical products.

能力验证证书

兹证明 泰州迈博太科药业有限公司 参加了“JSIFDC-PT-006 药品比旋度测定”能力验证计划，取得满意结果。

江苏省药品监督检验研究院

2025 年 11 月 12 日

关联结果通知单编号：JSIFDC-PT-006-0177

证书模板受控号：PTP-JL053-7.4-2025/3

能力验证证书

兹证明 泰州迈博太科药业有限公司 参加了“JSIFDC-PT-005 药品红外鉴别”能力验证计划，取得满意结果。

江苏省药品监督检验研究院

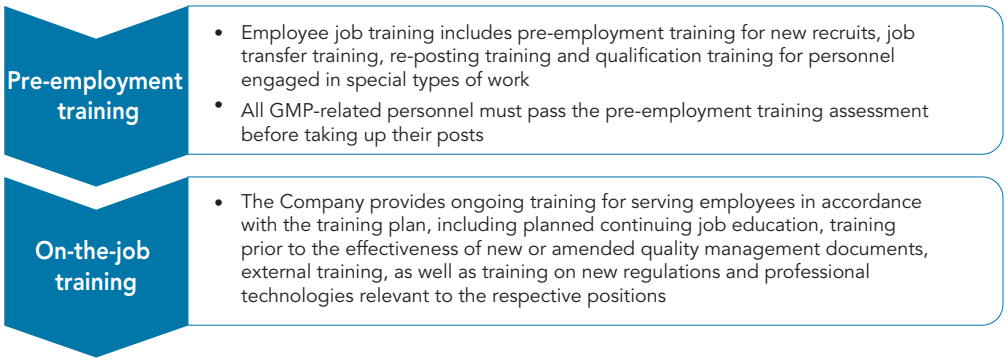
2025 年 11 月 12 日

关联结果通知单编号：JSIFDC-PT-005-0203

证书模板受控号：PTP-JL053-7.4-2025/3

Quality Culture Development

The Company regards quality culture development as the core support of its quality management system, and strengthens the quality awareness and professional competence of all employees through systematic training. For personnel in GMP-related positions, specialized pre-employment training is implemented to ensure they fully grasp regulatory requirements and operational specifications. Meanwhile, a customized annual training matrix is established, and various forms of training including hands-on training and guidance from external experts are conducted based on job responsibilities, industry updates and system operation needs. This fosters a corporate culture where "quality is valued by everyone and upheld by all staff", providing solid support for the implementation of GMP standards.



Quality Training System for Employees

The Company has established the Training Standard Management Regulations (《培訓標準管理規程》) to standardize and enhance the training programs for GMP-related personnel. Centered on job responsibilities, the procedure sets out the principles of "structured, planned and targeted" training, with clear requirements governing critical areas including trainer qualifications and training effectiveness. Trainers are categorized as corporate-level or department-level, and are required to obtain formal qualification approval prior to delivering training. The Human Resources Department maintains and regularly reviews the list of qualified trainers to ensure a high-caliber training team. At the end of each year, the Quality Assurance Department collaborates with training specialists from the Human Resources Department to conduct an annual training review. The review focuses on evaluating the progress and quality of training implementation, ensuring that training initiatives deliver tangible and sustainable results.

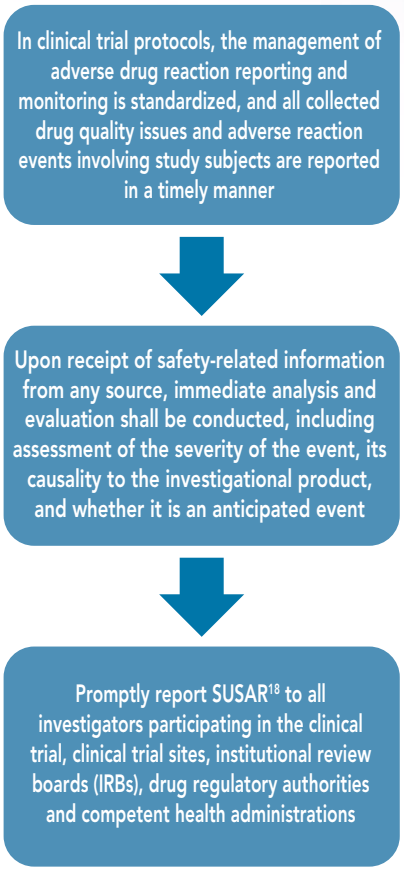
During the Reporting Period, the Company organized several rounds of specialized regulatory training sessions to systematically strengthen quality awareness among all employees and deepen their understanding of Good Manufacturing Practices for pharmaceuticals. This has laid a solid foundation for the continuous optimization of the quality management system and the overall enhancement of management and control capabilities.

Product Recall and Adverse Events

Mabpharm maintains close oversight over the safety risks of its pharmaceutical products and continuously enhances its emergency response capacity for drug safety incidents to safeguard the health and safety of patients. The Company strictly complies with applicable regulations including the Good Manufacturing Practice (Revision 2010)（《藥品生產質量管理規範（二零一零年修訂）》）, the Measures for the Supervision and Administration of Drug Production (Order No. 28)（《藥品生產監督管理辦法（局令第28號）》）, the Guidelines for Composing Master Documents of Pharmacovigilance System (No. 65 of 2021)（《藥物警戒質量管理規範（二零二一年第65號）》）, and the Guidelines for Composing Master Documents of Pharmacovigilance System（《藥物警戒體系主文件撰寫指南》）. It has continuously updated and improved its standard operating procedures for pharmacovigilance, including the Standard Management Regulations for Pharmacovigilance（《藥物警戒標準管理規程》）, the Standard Management Regulations for the Drug Safety Committee（《藥品安全委員會標準管理規程》）, and the Standard Management Regulations for the Organizational Structure, Functions and Responsibilities of the Department of Pharmacovigilance（《藥物警戒部組織結構、職能與各崗位職責標準管理規程》）. These documents clarify the internal pharmacovigilance functional structure and management specifications, ensuring the effective operation of the pharmacovigilance system.

For adverse drug reaction reports relating to products marketed overseas, the Company has formulated the Standard Operating Procedures for Handling Serious Adverse Reactions (SAR) Overseas（《境外發生的嚴重不良反應(SAR)處理標準操作規程》）. This procedure aims to align the Company's handling of adverse reactions for overseas-marketed products with the regulatory requirements of both overseas and domestic authorities, thereby better safeguarding the safety and health of patients worldwide. We have continuously refined a range of adverse drug reaction management systems, including the Standard Operating Procedures for Medical Coding of Post-market Drug Adverse Reaction Case Reports（《上市後個例藥品不良反應報告醫學編碼標準操作規程》） and the Standard Operating Procedures for Handling Adverse Drug Reaction Cluster Events（《藥品不良反應聚集性事件處理標準操作規程》）. These efforts further enhance the Company's efficiency in responding to relevant incidents and ensure compliance with regulatory requirements.

We have established a dedicated Pharmacovigilance Department, which takes full responsibility for the monitoring, collection, evaluation and reporting of adverse drug reactions. For products in the clinical research stage, we comply with the relevant provisions of the Quality Management Standard for Drug Clinical Trials（《藥物臨床試驗質量管理規範》） and the Quality Management Standards for Pharmacovigilance（《藥物警戒質量管理規範》）. Our pharmacovigilance team works jointly with personnel from the Clinical Department and Medical Department to manage, report and handle suspected individual adverse drug reactions occurring during clinical trials. For marketed products, we have set up multiple channels for adverse reaction reporting, including telephone hotlines and email addresses, to protect patient safety. We have also continuously updated our adverse drug reaction reporting policies and streamlined related processes to ensure timely and unobstructed reporting of adverse drug reactions. We have further optimized our channels for collecting adverse reaction feedback by adding a fixed-line telephone with recording functionality. We direct callers to the dedicated extension number (8000) for adverse reaction/adverse event reporting, enabling round-the-clock collection and documentation of calls from patients, thereby ensuring unimpeded communication channels.



Adverse Event Reporting and Handling Process

In addition, we have established a dedicated handling process for individual case adverse reaction reports for marketed products to ensure the timely detection, evaluation and response to potential risks, and to continuously safeguard patient safety.

18 Suspected Unexpected Serious Adverse Reaction

Handling Process for Suspected Individual Adverse Reaction Reports of Marketed Products

During the Reporting Period, we collected a total of 286 adverse reaction reports, including 136 for CMAB008類停®, 7 for CMAB007奧邁舒®, and 143 for CMAB009恩立妥®. We conducted signal detection and evaluation on the reported adverse reactions, performing a total of 72 signal detections and drafting five signal detection and evaluation reports. We also completed 36 clustered event monitoring activities and 36 literature searches. No new safety signals or risks were identified. All adverse reactions were attributable to pharmacological effects and the patients' underlying medical conditions, with no adverse reaction events related to drug quality issues.

To ensure the rapid, efficient and orderly response to sudden drug quality and safety incidents, the Company has formulated a series of management procedures for drug safety issues covering both clinical research stage and marketed products. Such measures aim to strengthen the emergency response capacity for drug safety incidents and ensure the standardization of emergency handling operations.

Test Drug Management	• The preparation of investigational products must comply with the relevant quality management requirements for the manufacture of clinical trial materials. The packaging and labels of investigational products shall clearly state "For Clinical Trial Use Only", as well as key details including clinical trial information and product-specific information • Training shall be provided to all relevant personnel, including monitors, investigators and pharmacists, covering key contents such as the storage temperature, transportation conditions and storage expiry period of investigational products, the preparation methods and procedures for drug solutions, and the device requirements for drug infusion
SAE[19]/SUSAR Management During Clinical Trials	• During clinical trials, SAEs and SUSARs occurring in study participants will be actively collected and reported in a timely manner in accordance with regulatory requirements • Conduct aggregate evaluations of adverse medical events, and take necessary and timely measures to mitigate potential drug safety risks
Management of General Adverse Drug Reactions During Clinical Trials	• During clinical trials, we collect, document and evaluate the occurrence of general adverse reactions or events. We conduct thorough investigation, analysis, handling and risk assessment of adverse reactions/events potentially related to the investigational product to identify any underlying risks, and implement corresponding control measures to minimize the occurrence of such adverse reactions or events

Measures for Adverse Drug Reaction Management During Clinical Studies

19 Serious Adverse Event

During the Reporting Period, for marketed products, we formulated the Standard Management Process for Product Recall（《召回標準管理流程》）and organized regular simulated recall exercises. This ensures that any batch of distributed and sold products can be recalled promptly when necessary. We promptly identify areas for improvement based on the specific circumstances of adverse reactions or events, and ensure that all relevant personnel are familiar with all procedures throughout the entire recall process. In addition, we have actively established a comprehensive drug traceability system and corresponding management process, enabling informatized traceability of marketed drugs through the traceability code system, thereby enhancing the overall level of product quality and safety assurance.

Quality and Safety Complaints

Mabpharm has established the Standard Operating Procedures for Product Complaint Handling（《產品投訴處理標準操作規程》）, which clarifies the responsibilities of all relevant departments in the product complaint handling process, optimizes the product complaint handling workflow, and incorporates provisions on complaint handling timelines and CAPA measures to ensure effective resolution of complaint issues.

Procedures for Handling Product Quality and Safety Complaints

During the Reporting Period, Mabpharm did not receive any complaints relating to product safety and quality.

Pharmacovigilance Training

The Company is committed to continuous pharmacovigilance training, aiming to comprehensively enhance the handling capabilities and vigilance of relevant personnel with regard to adverse drug reaction events, further optimise service quality and ensure patient safety. During the Reporting Period, we participated in a total of 51 training sessions, covering core contents including domestic and overseas regulatory laws and regulations, the Company's management protocols, standard operating procedures and industry skill improvement. Among these, there were two national-level training sessions (including the 2025 Special Training Course on Pharmacovigilance Risk Management by the National Medical Products Administration and the 2025 Training on Capacity Improvement for Marketing Authorization Holders of Pharmaceuticals in Jiangsu Province), 18 company-level training sessions and 31 department-level training sessions, forming a hierarchical and classified training matrix. The pharmacovigilance department strictly followed the training plan and achieved 100% participation of all relevant personnel, laying a solid talent foundation for risk management and control throughout the entire life cycle of pharmaceutical products.

Training Site

During the Reporting Period, Mabpharm did not experience any incidents of non-compliance or penalties in relation to its products and services.

3.2.2 Data Security and Privacy Protection

Safeguarding the rights and safety of participants is the paramount principle for Mabpharm in conducting clinical trials. The Company strictly complies with the Personal Information Protection Law of the People's Republic of China（《中華人民共和國個人信息保護法》）, the Data Security Law of the People's Republic of China（《中華人民共和國數據安全法》） and other relevant laws and regulations, formulates and implements various standard operating procedures as well as the Employee Manual（《員工手冊》）, effectively protects the legitimate rights and interests of participants and the security of their personal information, and ensures the lawful and compliant conduct of clinical trials.

The Company strictly adheres to the ethical review standards for clinical research and places the protection of participants' rights and interests as the top priority. All clinical trial protocols and supporting documents have completed the full review process of the institutional ethics committees. In respect of the protection of participants' rights and interests, the Company implements standardized operating procedures: ensuring that informed consent documents, participant recruitment materials and other relevant information comply with privacy protection standards; establishing a hierarchical information disclosure mechanism to fully disclose trial objectives, implementation approaches, potential risks and expected benefits to participants through a structured communication process; and explicitly granting participants the right to voluntary choice, including the right to withdraw consent prior to participation and the right to exit the trial unconditionally during the trial period. All operations strictly follow the ethical principle of "prior informed consent followed by enrolment". A verification mechanism is adopted to ensure the rigor and traceability of the informed consent signing process.

To ensure the standardization and effectiveness of privacy protection, Mabpharm has established a comprehensive standardized management mechanism. In terms of personnel access standards, the Company implements a strict compliance access process for new employees. New recruits engaged in research-related positions must complete the special training on the Privacy Protection and Compliance Operations (《隱私保護與合規操作》 and pass a standardized assessment and certification before obtaining qualification for duty. Authorized new employees are required to sign a legally binding confidentiality agreement. For external cooperation institutions associated with clinical research projects, all their personnel involved in the projects are required to complete the confidentiality agreement signing process prior to project commencement. The agreement clearly defines the scope of data use and liability for breach of contract, so as to safeguard the security of external collaboration.

In respect of continuous education on privacy management, the Company has established a training mechanism combining annual mandatory training and quarterly intensive training. It regularly conducts practical operation training covering regulatory interpretation, data desensitization techniques, privacy risk assessment and other relevant areas, to ensure that all employees keep abreast of the latest compliance requirements, enhance data security awareness of personnel in research positions, and strengthen privacy risk prevention and control capabilities.

To further prevent harm and risks arising from the disclosure of participants' privacy, we have adopted a full range of information security protection measures. Through document management, equipment management and various daily management measures, we minimize the risk of privacy leakage.

Document Management

- Access to client and subject information is restricted to authorized personnel only. Any other personnel requiring access to relevant information shall obtain approval from superior management prior to access
- Personnel involved in different phases and with different responsibilities in the drug clinical research process are strictly differentiated to ensure that each person may only access professional information specific to their respective phase

Equipment Management

- Security software is installed on all work computers and updated regularly to prevent computer viruses and external malicious attacks. Employees may only use work computers for daily work activities
- Files on work computers of key personnel are encrypted. Relevant personnel may only obtain decrypted files upon strict approval from superior management

Daily Management

- The importance of data protection and document confidentiality is further emphasized during daily management meetings and regular training to enhance employees' information security awareness
- A subject identification code is used to identify the clinical trial data of each subject, and a monitoring plan is formulated to ensure data authenticity and strengthen risk management in clinical research

During the Reporting Period, Mabpharm did not receive any complaints relating to infringement of customers' privacy rights.

4. CONSOLIDATING THE INDUSTRIAL FOUNDATION

Mabpharm adheres to the development philosophy of win-win cooperation, and actively promotes strategic synergy with partners to jointly drive value enhancement in the biomedical industry. The Company has built a resilient and sustainable supply chain system. Through its exemplary role, Mabpharm guides supplier partners to practice the principles of sustainable development, facilitates collaborative optimization of the upstream and downstream supply chain, and achieves a sound cycle of the industrial ecosystem.

4.1 Sustainable Supply Chain

Mabpharm is committed to integrating the concept of sustainable development into supply chain management, building a fair and impartial cooperation platform featuring win-win collaboration. The Company continuously promotes the standardization of supply chain management, conducts procurement management in a responsible manner, and safeguards the continuity and stability of business operations.

4.1.1 Supplier Management

Mabpharm strictly complies with the Tendering and Bidding Law of the People's Republic of China（《中華人民共和國招標投標法》） and other relevant laws and regulations, and has established a management system covering the entire life cycle of suppliers, fully standardizing all links including supplier access, change, cancellation, complaint and evaluation, so as to ensure the standardization of supplier management. During the Reporting Period, we continuously implemented the Standard Management Regulations on Suppliers（《供應商標準管理規程》）, and classified suppliers into raw and auxiliary material and packaging suppliers, consumable suppliers, reagent suppliers and service suppliers, clarifying the management standards for different types of suppliers and improving the effectiveness and comprehensive management level of supply chain management.

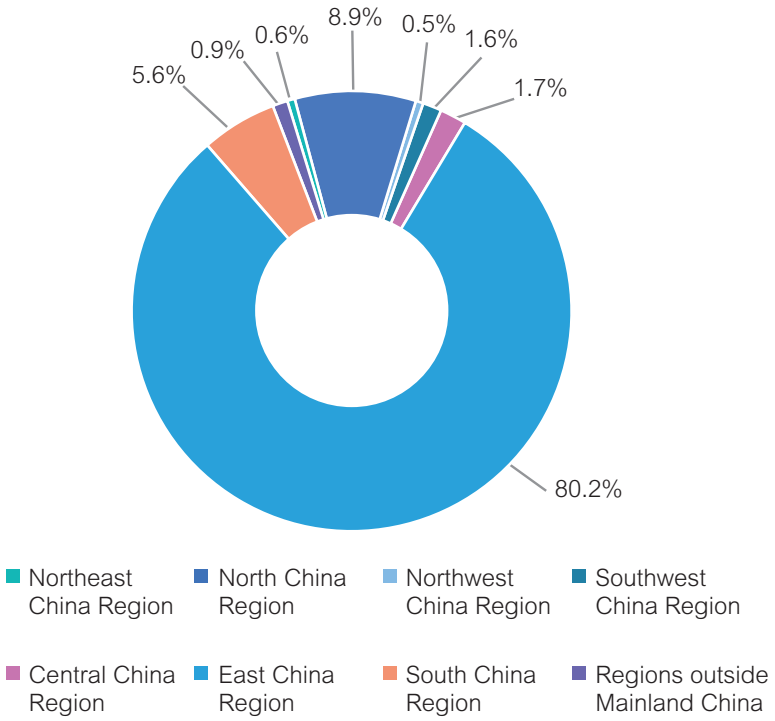
We have set stringent supplier admission criteria. In accordance with the List of Qualified Suppliers（《合格供應商清單》） and relevant assessment standards and systems, we require suppliers of controlled materials to provide materials that meet internationally leading quality standards and the Company's requirements. For suppliers of non-controlled materials, we comprehensively consider factors including price, service, delivery schedule, quality, labor management and business ethics, and refrain from establishing cooperation with suppliers with poor credit records, administrative punishment records or management negligence.

We have established a systematic supplier audit mechanism and formulated differentiated audit standards based on supplier classification, with a focus on examining their operational compliance and the quality of products and services. In accordance with the risk impact of materials on product quality, the Company has built a hierarchical supplier management and control system, classifying suppliers and their materials into three categories for differentiated supervision. For new suppliers with whom we initiate cooperation for the first time, we conduct comprehensive audits and overall evaluations; for existing suppliers, we carry out annual audits based on their differentiated characteristics and supply performance to achieve dynamic management. Targeted key nodes such as regulatory updates and supplier changes, we implement special key audits, and integrate audit results and improvement measures into the overall supplier evaluation system to ensure continuous improvement of the supply chain quality control level. For problems identified in audits, the Company puts forward clear rectification requirements to suppliers and sets a time limit for rectification; we maintain close communication during the rectification process, provide necessary guidance and support, assist suppliers in continuously optimizing operational performance, and ensure the steady improvement of the overall quality and compliance level of the supply chain. During the Reporting Period, we conducted audits on 5 suppliers in accordance with the annual plan.

We have always regarded supply chain partners as an important support for common growth, and promoted the steady development of the industrial chain through a multi-dimensional communication mechanism. The Company maintains regular communication with suppliers through various means such as face-to-face meetings, instant messaging, telephone calls and emails, timely solves practical problems in the cooperation process, continuously deepens mutual trust and collaboration, and is committed to building long-term and stable strategic partnerships to provide solid support for the innovation and upgrading of the industrial chain. During the Reporting Period, we launched a series of supplier exchange activities, held in-depth consultations with numerous suppliers on key topics including supply chain collaboration, technology upgrading and quality control, and jointly discussed industry development trends and coping strategies through on-site communication and online seminars. These exchanges have not only effectively improved information symmetry between the supply and demand sides, but also further clarified the direction of cooperation optimization, laying a solid foundation for building a more resilient and sustainable supply chain system.

As of December 31, 2025, we had a total of 1,526 suppliers. The breakdown of suppliers by region[20] is as follows:

Proportion of Suppliers by Region



[20] By region:
North China Region: Beijing, Tianjin, Hebei, Shanxi, Inner Mongolia
East China Region: Shanghai, Jiangsu, Zhejiang, Shandong, Anhui
Northeast China Region: Liaoning, Jilin, Heilongjiang
Central China Region: Hubei, Hunan, Henan, Jiangxi
South China Region: Guangdong, Guangxi, Hainan, Fujian
Southwest China Region: Sichuan, Chongqing, Guizhou, Yunnan, Xizang
Northwest China Region: Shaanxi, Gansu, Xinjiang, Qinghai, Ningxia
Regions outside Mainland China: Hong Kong, Macao, Taiwan of China and overseas

4.1.2 Sustainable Procurement

In its cooperation with suppliers, Mabpharm not only focuses on the quality of suppliers' products and services, but also takes into account suppliers' management capabilities and performance in environmental, social and governance (ESG) aspects. Under equivalent conditions, the Group gives priority to suppliers with better overall ESG performance, assists suppliers in enhancing their ESG management capabilities, and promotes the development of a sustainable supply chain.

The Company has established a full-chain anti-corruption mechanism covering the entire supply chain through contractual management and institutional constraints. During the supplier admission phase, the Company conducts systematic background checks by relying on the National Enterprise Credit Information Publicity System, focusing on verifying key compliance indicators such as business registration status, employee size, social insurance contributions and labor disputes. Suppliers with administrative penalties, unsatisfactory credit ratings or material management negligence shall not be included, thereby mitigating compliance risks at the source. Meanwhile, the Company continuously improves its procurement management systems and contract clauses, clarifies the compliance responsibilities and business ethics standards for internal procurement personnel and external suppliers, strictly prohibits all forms of corruption, and safeguards a fair and honest cooperation environment. At the procurement implementation level, hierarchical management is implemented based on project value: for high-value procurement projects, third-party bidding agencies are engaged to conduct open tendering with strict process supervision to prevent conflicts of interest; for low-value procurement projects, a price comparison mechanism involving at least three suppliers is adopted to ensure the optimal solution in terms of price, quality, service and other dimensions, building a comprehensive safeguard for procurement compliance.

In terms of environmental management, the Company actively promotes the development of a green supply chain by incorporating suppliers' environmental performance into its procurement evaluation system, and gives priority to suppliers of eco-friendly packaging and clean production equipment. For the supply of critical consumables, the Company introduces local suppliers to shorten transportation radius and reduce logistics carbon emissions, while enhancing the stability and environmental friendliness of raw material supply, achieving the coordinated development of greening and efficiency in the supply chain.

The Company actively responds to the domestic substitution strategy for materials and optimizes the procurement strategies for virus removal membrane kits and depth filter plates. Multiple domestic brands have replaced the original imported products as the core suppliers for large-scale production in the Xiangtai Road new factory site. At present, the operation after substitution remains stable. Going forward, the Company will dynamically adjust its procurement plan based on the product performance of various suppliers and fluctuations in market prices, so as to continuously optimize supply chain costs and resilience while ensuring production stability.

4.2 Industry Collaboration

Mabpharm actively engages in industry exchange platforms. Drawing on its extensive practical experience, the Company shares professional insights in the formulation of technical standards[21], supply chain coordination, quality management and other areas, and fosters collaborative innovation between upstream and downstream participants in the biomedical industry chain, thereby contributing to the standardized, regulated and high-quality development of the sector.

[21] For further details, please refer to section "3.1.1 R&D and Innovation System" of this report.

During the Reporting Period, Mabpharm deeply engaged in the academic conference "Excellence for Optimal Care, Rapid Recovery for New Life • National Forum on Standardized Diagnosis and Treatment of IBD". The Company actively participated in the special symposium organized by China Medical Information Herald and chaired by Professor Chen Minhu. Held in Shenzhen in August 2025, the forum gathered around 50 leading national experts in the IBD field and successfully established a high-level platform for academic exchange. Through this forum, the Company effectively elevated the brand influence of CMAB008類停® (infliximab for injection), articulated its core clinical advantages with precision, delivered practical guidance on standardized diagnosis and treatment for clinicians, and enabled the product to better serve patients.

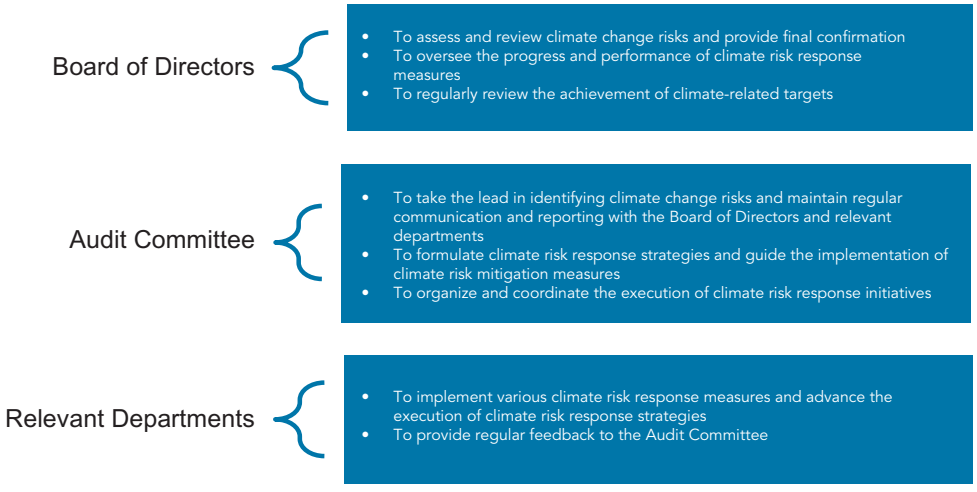
5. SAFEGUARDING A GREEN HOMELAND

Mabpharm is keenly aware of the global implications of climate change and fully embeds the "dual carbon" strategic objectives into its corporate operations. The Company consistently monitors climate change developments and systematically optimizes its environmental management practices. Through low-carbon and emission-reduction initiatives as well as enhanced efficiency in energy and resource utilization, the Company substantially mitigates the environmental impact arising from its production and operation activities. With tangible actions, the Company fulfills its environmental protection responsibilities and supports the establishment of a green, low-carbon and sustainable development model.

5.1 Climate Change

5.1.1 Governance

Mabpharm has established a sound governance structure and work procedures for addressing issues relating to climate change, with the Board of Directors, Audit Committee and relevant departments performing their respective duties and collaborating effectively to advance the implementation of climate risk-related initiatives.



Governance Structure for Addressing Climate Change Issues

5.1.2 Strategy

During the Reporting Period, with reference to the Environmental, Social and Governance Reporting Code issued by the Stock Exchange and International Financial Reporting Sustainability Disclosure Standard No. 2 – Climate-related Disclosures issued by the International Sustainability Standards Board (ISSB), the Company comprehensively considered the characteristics of the industry, policy orientations of the places of operation, combined with its own operating conditions and with reference to the best practices of peers, sorted out and identified climate change risks relevant to the Company, and formulated targeted response plans to strengthen the effective management of climate change risks.

Categories of Risks and Opportunities		Description	Anticipated Financial Impact[22]	Countermeasures
Transition Risk	Policies and Laws	Government policies and laws related to carbon emissions are becoming increasingly stringent, and the development of the national carbon emissions trading market is being actively advanced	Increase in operating costs	Closely monitor the latest developments in environmental protection policies and regulations in the regions where the Company operates, and strengthen compliance management in light of its own operational conditions
	Technology	Requirements for various low-carbon and environmental protection technologies are continuously increasing	Increase in capital expenditure	In the course of daily operations and production, promote low-carbon technology innovation and advance greenhouse gas emission reduction efforts in R&D, production and other processes

[22] The expected financial impact of climate change risks and opportunities is subject to the combined influence of various factors, including the volatility of costs associated with response measures, the maturity of technical routes, and the transformation speed of supply chain partners. This results in low referential value of the quantitative analysis of expected financial impacts, which meets the requirements for the reasonable exemption from disclosure of relevant information. Accordingly, we only disclose qualitative information on climate-related financial impacts.

Categories of Risks and Opportunities		Description	Anticipated Financial Impact	Countermeasures
	Reputation	Stakeholders both internal and external maintain continuous attention to the Company's ESG information. Should the Company fail to take timely actions on climate change or provide inadequate information disclosure, its reputation will be adversely affected to a certain extent	Decrease in revenue Increase in operating costs	Strengthen the focus on disclosure requirements relating to sustainable development and climate change, fully disclose ESG-related information and ensure the comprehensiveness and accuracy of information disclosure
	Market	Uncertainty in market signals	Decrease in revenue Increase in production costs	Monitor market developments and analyze trends in the market environment
Physical Risk	Acute	Extreme weather conditions (including heavy rain, typhoons, heavy snow, floods, high temperatures and severe cold) may have an impact on the health and safety of employees and the normal operations of the Company	Capital loss Increase in administrative expenses	Closely monitor weather forecasts, formulate emergency response plans to address the impact of sudden weather events, and improve the maintenance and inspection of facilities and equipment to mitigate losses caused by extreme weather
	Chronic	The Company's normal R&D, production, operations and other activities are susceptible to changes in temperature and rainfall	Increase in production costs Increase in operating costs	Timely assess the impact of changes in temperature, rainfall and other factors on production and transportation, and adopt corresponding measures to ensure the stability of production and transportation
Opportunities	Resource Efficiency	With the gradual improvement of policies and incentive mechanisms related to renewable energy, development opportunities have been created for the Company to advance the transformation of its energy structure and optimize its operating model	Decrease in production costs Decrease in operating costs	Through equipment renovation, technological upgrading and process optimization, we will enhance energy efficiency in product R&D and production processes, reduce energy consumption intensity and lower operating costs

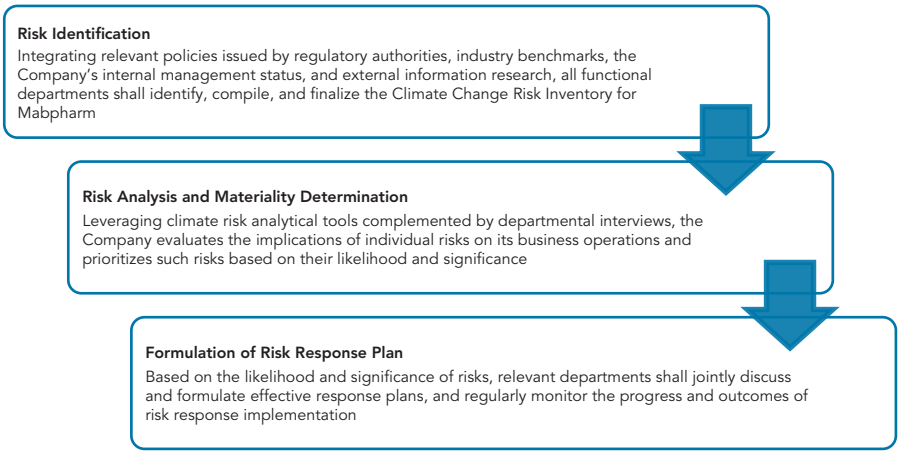
To further clarify the potential impact of climate change on the sustainable development of Mabpharm, we have referred to the recommendations in the Guidance for Climate Disclosures published by The Stock Exchange of Hong Kong Limited. We have adopted the scenarios of RCP2.6 and NZE under the not more than 2℃ assumption, as well as RCP8.5 and STEPS under the above 2℃ assumption, to conduct a preliminary qualitative climate scenario analysis. This analysis identifies material climate-related risks in the short, medium and long terms, providing a scientific basis for advancing climate risk management and formulating response strategies.

Scenario Assumption	Climate Scenarios		Scenario Description
2℃ or below	Physical Scenarios	RCP2.6	This scenario aims to limit the increase in global average temperature to within 2℃ above pre-industrial levels by the end of the 21st century and pursue efforts to limit the temperature increase to 1.5℃. It requires the global adoption of stringent climate policies and measures to reduce greenhouse gas emissions.
	Transition Scenarios	NZE	The International Energy Agency (IEA) has put forward its Net Zero by 2050 roadmap, which sets out recommendations on technologies and emission reduction solutions, international cooperation, and energy sector transformation. This roadmap is projected to limit the increase in global average temperature to 1.5℃.

Scenario Assumption	Climate Scenarios		Scenario Description
Above 2℃	Physical Scenarios	RCP8.5	Under the baseline scenario without climate change policy intervention and effective mitigation measures, greenhouse gas emissions will continue to grow. By the end of this century, the global concentration of carbon dioxide will rise significantly, reaching three to four times that of pre-industrial levels.
	Transition Scenarios	STEPS	Based on existing policies and measures as well as those under development, an assessment was conducted of the effectiveness and feasibility of current policies and the likely future direction of energy policy.

5.1.3 Risk Management

Mabpharm has initially established a climate risk management process to ensure timely and effective strategies and actions can be taken in response to climate change-related risks, so as to minimize the impact of climate risks on the Group's business operations.



Mabpharm's Climate Risk Management Process

5.1.4 Performance and Objectives

Mabpharm has established environmental targets related to carbon emission management. The Company is striving to promote greenhouse gas emission reduction by improving its carbon emission management system, implementing energy conservation measures, and enhancing employees' low-carbon awareness.

Carbon Emission Management Objectives and Improvement Initiatives
Gradually establish a low-carbon system
Implement energy conservation measures to reduce greenhouse gas emissions
Strengthen the advocacy and implementation of employees' low-carbon awareness

Meanwhile, Mabpharm regularly discloses climate-related performance indicators to ensure the effective implementation of climate change actions and risk management measures. During the Reporting Period, Mabpharm's Scope 1 and Scope 2 greenhouse gas emissions amounted to 7,778.91 tons, and the Scope 1 and Scope 2 greenhouse gas emission intensity was 12.04 tons per million RMB of revenue.

Indicators	Unit	2025	2024	2023
Total Greenhouse Gas Emissions[23] (Scope 1 & Scope 2)	ton	**7,778.91**	8,940.76[24]	8,076.56
Scope 1 Greenhouse Gas Emissions	ton	**373.64[25]**	11.20	6.54
Scope 2 Greenhouse Gas Emissions	ton	**7,405.27**	8,929.56	8,070.02
Scope 3 Greenhouse Gas Emissions[26]	ton	**41,001.76**	/	/
Greenhouse Gas Emission Intensity (Scope 1 & Scope 2)	ton/million RMB of revenue	**12.04**	34.36	92.66
Total Energy Consumption[27]	MWh	**30,061.33**	21,570.01	18,934.79
Gasoline	MWh	**54.71**	44.06	25.74
Electricity	MWh	**13,956.40**	10,619.54	9,006.11
Steam	MWh	**14,337.50**	10,906.41	9,902.93
Liquefied Natural Gas	MWh	**1,712.72**	/	/
Energy Consumption Intensity	MWh/million RMB of revenue	**46.53**	82.90	217.24

23 The Company's Scope 1 greenhouse gas emissions originate from gasoline consumption in company-owned vehicles and natural gas consumption in boilers. Scope 2 greenhouse gas emissions result from the use of purchased electricity and purchased steam. The calculation of Group's Scope 2 emissions for 2025 was based on the location-based method, in accordance with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (2024). The emission factors were sourced from the 2023 Electricity CO_2 Emission Factors, as published in the 2025 Announcement No. 47 jointly issued by the Ministry of Ecology and Environment and the National Bureau of Statistics.

24 The increase in total greenhouse gas emissions in 2024 was mainly attributable to the growth in production volume.

25 During the Reporting Period, we introduced one natural gas boiler.

26 During the Year, we calculated Scope 3 greenhouse gas emissions from two categories: employee business travel and waste generated during operations.

27 Energy consumption is calculated in accordance with the General Principles for Calculation of Comprehensive Energy Consumption (GB2589-2020).

5.2 Environmental Governance

Mabpharm is committed to integrating the concept of green development into all aspects of production and operations. We strictly comply with national laws, regulations and industry standards, including the Law of the People's Republic of China on Environmental Protection (《中華人民共和國環境保護法》), the Law of the People's Republic of China on Energy Conservation (《中華人民共和國節約能源法》), the Law of the People's Republic of China on Water Pollution Prevention and Control (《中華人民共和國污染防治法》), the Law of the People's Republic of China on Air Pollution Prevention and Control (《中華人民共和國大氣污染防治法》), the Law of the People's Republic of China on Prevention and Control of Solid Waste Pollution (《中華人民共和國固體廢物污染環境防治法》), the Law of the People's Republic of China on Prevention and Control of Soil Pollution (《中華人民共和國土壤污染防治法》), and the Water Law of the People's Republic of China (《中華人民共和國水法》). We will continue to improve our environmental management system and enhance the Company's environmental management performance and level.

The Company's environmental management is coordinated by the EHS[28] department, which formulates a rational and scientific environmental management policy. Based on the Company's environmental management objectives, it clarifies environmental management tasks and responsibilities to ensure the effective operation of the Company's environmental management system and improve the Company's overall environmental performance. We have established an environmental management system covering the Standard Management Regulations for Wastes (《廢棄物標準管理規程》), the Hazardous Chemicals Management System (《危險化學品管理制度》) and the Sewage Treatment and Disposal Regulations (《污水處理處置規程》), providing standardized guidelines for various environmental protection activities to ensure full compliance with environmental requirements throughout operations. In terms of system implementation, through regular environmental protection knowledge training and the setting of green office publicity signs, we continue to strengthen employees' awareness of energy conservation and environmental protection, promote all employees to consciously fulfill environmental protection responsibilities in daily work, and achieve the coordinated improvement of standardized environmental management and green employee behavior.

[28] Environment, Health and Safety

Water Resource Management	Energy Management	Emissions Management
• Establish water intensity management targets and gradually reduce water intensity • Formulate and strictly implement water recycling plans • Strengthen the tracking of water resource consumption and its abnormal conditions	• Online energy management platform, gradually promote the digitalization of energy management • Promote energy-saving optimization of equipment and achieve negative growth in energy consumption intensity • Promote energy-saving technical renovation projects	• Improve the recycling and utilization rate of wastewater and solid waste • Strengthen the monitoring and treatment of waste gas • Reduce waste generation

Environmental Objectives and Performance Improvement Directions

During the Reporting Period, our factory was included in the List of Green Factories in Jiangsu Province 2025 issued by the Department of Industry and Information Technology of Jiangsu Province, and obtained the ISO 14001 Environmental Management System Certification and ISO 50001 Energy Management System Certification.

环境管理体系认证证书

证书编号：4422025E0273R0S

兹证明

泰州迈博太科药业有限公司

统一社会信用代码：91321291329546324S

注 册 地 址：泰州市中国医药城口泰路西侧、陆家路东侧G79幢

生产/经营地址：泰州市中国医药城口泰路西侧、陆家路东侧G79幢

已通过山西领拓认证有限公司评审，其建立的环境管理体系符合

GB/T24001-2016/ISO14001：2015标准

认证覆盖范围

资质许可范围内治疗用生物制品[西妥昔单抗β注射液、注射用奥马珠单抗α、注射用英夫利西单抗]的生产（仅限泰州市中国医药城口泰路西侧、陆家路东侧G79幢）及其相关的环境管理活动

颁证日期：2025年07月24日　　有效期：2028年07月23日

本证书由山西领拓认证有限公司注册颁发，获证组织必须在证书有效期内每年至少接受一次监督审核，本证书需与《保持认证注册资格通知书》一并使用，此证书方持续有效。认证证书是否有效可在国家认证认可监督管理委员会(http://cx.cnca.cn)官网查询。

签发人：

山西领拓认证有限公司

地址：山西转型综合改革示范区唐槐产业园唐槐路100号数谷U谷太原科技创新中心B区13-1幢二层

ISO 14001 Certificate

Guang Hui

能源管理体系认证证书

标　准：GB/T 23331-2020/ISO 50001:2018 &RB/T 114-2023

证书编号：GH003-2025En1640

兹证明：

证书持有者：泰州迈博太科药业有限公司

社会统一信用代码：91321291329546324S

注册地址：泰州市中国医药城口泰路西侧、陆家路东侧 G79 幢

经营地址/审核地址：泰州市中国医药城口泰路西侧、陆家路东侧 G79 幢

认证范围：生产许可范围内的治疗用生物制品的生产所涉及的能源管理活动

有 效 期：本次发证日期：2025-07-19

本次有效日期：2026-07-18

首次注册日期：2025-07-19

注册有效日期：2028-07-18

注册号内证书有效性应通过国家市场监督管理总局 www.cnca.gov.cn 官网查询，也可在广汇联合（北京）认证服务有限公司官网（www.dhlsr9000.com）查询。

地址：北京市通州区新广场座 44 号楼 5 层 509

ISO 50001 Certificate

5.3 Management of Wastewater, Waste Gas and Solid Waste

Mabpharm integrates emissions management into the core system of corporate operation compliance. We strictly abide by local laws, regulations and emission standards, and formulate internal norms including the Standard Management Regulations for Wastes (《廢棄物標準管理規程》) and the Hazardous Chemicals Management System (《危險化學品管理制度》), clarifying the full-process management requirements for emissions disposal. In daily operations, the Company practices the principle of "reduction of wastewater, waste gas and solid waste". Through technological optimization and management innovation, we continuously reduce the discharge of waste, wastewater and waste gas, ensure that all emissions are disposed of in a compliant manner, and earnestly fulfill our responsibilities for green and low-carbon development.

5.3.1 Waste Water Management

Mabpharm strictly complies with the Standard Operating Procedure for Sewage Treatment Equipment (SOP-ED-EQ-012G79). It classifies wastewater according to its properties and adopts corresponding treatment methods to ensure compliant treatment and discharge of wastewater up to standards. The company has carried out pipeline renovation for clean wastewater generated from purified water production, which is uniformly collected into the company's wastewater outlet and discharged to a special sewage treatment plant through a connected pipeline. For wastewater generated in the production and testing stages, the company is equipped with an online monitoring system that has passed acceptance and is connected to the environmental protection department. The system conducts multiple real-time monitorings daily on four core indicators, namely flow rate, total phosphorus, ammonia nitrogen, and COD[29], and fully records the whole-process data of wastewater treatment. Wastewater is only discharged after all parameters meet the Integrated Waste Water Discharge Standard (《污水綜合排放標準》) (GB8978) and the Pollutant Discharge Standard for Urban Sewage Treatment Plants (《城鎮污水處理廠污染物排放標準》) (GB18918). For the indicator of suspended solids, the company entrusts a qualified third-party testing institution to conduct special monitoring monthly, ensuring all discharge indicators are strictly controlled within the permitted range.

[29] Chemical Oxygen Demand

In addition, the Company engages a third-party institution to test its wastewater monitoring equipment to verify the validity of monitoring data. During the Reporting Period, in accordance with the wastewater discharge reports issued by such third-party institution, all of the Company's discharge indicators were within the standard limits.

5.3.2 Waste Gas Management

The waste gas pollutants generated during the production and operation of Mabpharm primarily include hydrogen chloride, non-methane total hydrocarbons, ammonia, particulate matter and other pollutants. To strengthen waste gas treatment and achieve emission reduction, the Company implements full-process management measures focusing on source control: for key waste gas generation areas such as the sewage station, waste temporary storage room and laboratory, combined treatment processes including water spray, acid scrubbing and alkali scrubbing are adopted to remove pollutants, ensuring that treated waste gas meets emission standards and is discharged compliantly through a 20-meter-high exhaust chimney. In terms of operation and management, the Company strictly implements a daily inspection system for waste gas treatment facilities, with a focus on verifying chemical dosing status to ensure efficient operation of such facilities; meanwhile, the Company engages a qualified third-party institution to conduct waste gas pollutant testing on an annual basis. The test results confirm that the emission concentration of all pollutants is significantly lower than the statutory limits, effectively safeguarding atmospheric environmental safety.

In accordance with the national air pollution control policies, the Company continues to increase investment in environmental protection, and adds activated carbon filters to the end-of-pipe processes of existing waste gas treatment facilities. By enhancing adsorption efficiency, the Company further improves waste gas treatment efficiency, effectively reduces the potential environmental impact of waste gas generated during production, and earnestly fulfills its responsibility for reducing air pollutant emissions.

5.3.3 Waste Management

In strict compliance with regulatory requirements including the Guidelines for Safety Risk Prevention and Control of Hazardous Chemicals Production and Construction Projects (《危險化學品生產建設項目安全風險防控指南》) and the Guidelines for Safety Management of Hazardous Chemicals in Industrial Enterprises (《工業企業危險化學品安全管理指南》), the Company has established internal management systems such as the Standard Management Regulations for Wastes (《廢棄物標準管理規程》) and the Hazardous Chemicals Management System (《危險化學品管理制度》). These systems set out clear norms for the classification, collection, storage and disposal of all types of waste generated in the course of production and operation, ensuring that all waste is disposed of in a compliant and safe manner, and that the Company duly fulfills its corporate environmental safety responsibilities.

Non-hazardous Waste	• Temporarily stored in the storage area, and regularly transported and disposed of by a qualified third-party institution
Hazardous Waste	• The waste generated from the Company's production and operation mainly consists of waste pharmaceuticals, waste chemical reagents, waste packaging containers and waste resin, among others; • For hazardous waste, the Company adopts classified storage and pre-treatment measures, and affixes hazardous waste labels thereto. Qualified disposal entities are engaged to regularly transfer such waste from the generation sites to the hazardous waste warehouse, and the generation status of hazardous waste is reported through the Jiangsu Province Hazardous Waste Dynamic Management System; • The Company has formulated various forms including the Hazardous Waste Generation Process Record Form (《危險廢物產生環節記錄表》), Hazardous Waste Storage Record Form (《危險廢物貯存環節記錄表》), the Hazardous Waste Generation Monthly Report (《危險廢物產生情況月報表》) and the Hazardous Waste Generation List to strictly record the transfer of hazardous wastes (《危險廢物產生情況一覽表》), which strictly document the transfer of hazardous waste and enhance the transparency and accuracy of hazardous waste management; • The Company regularly cleans and tidies the temporary storage sites for hazardous waste to prevent environmental risks arising from the long-term accumulation of hazardous waste

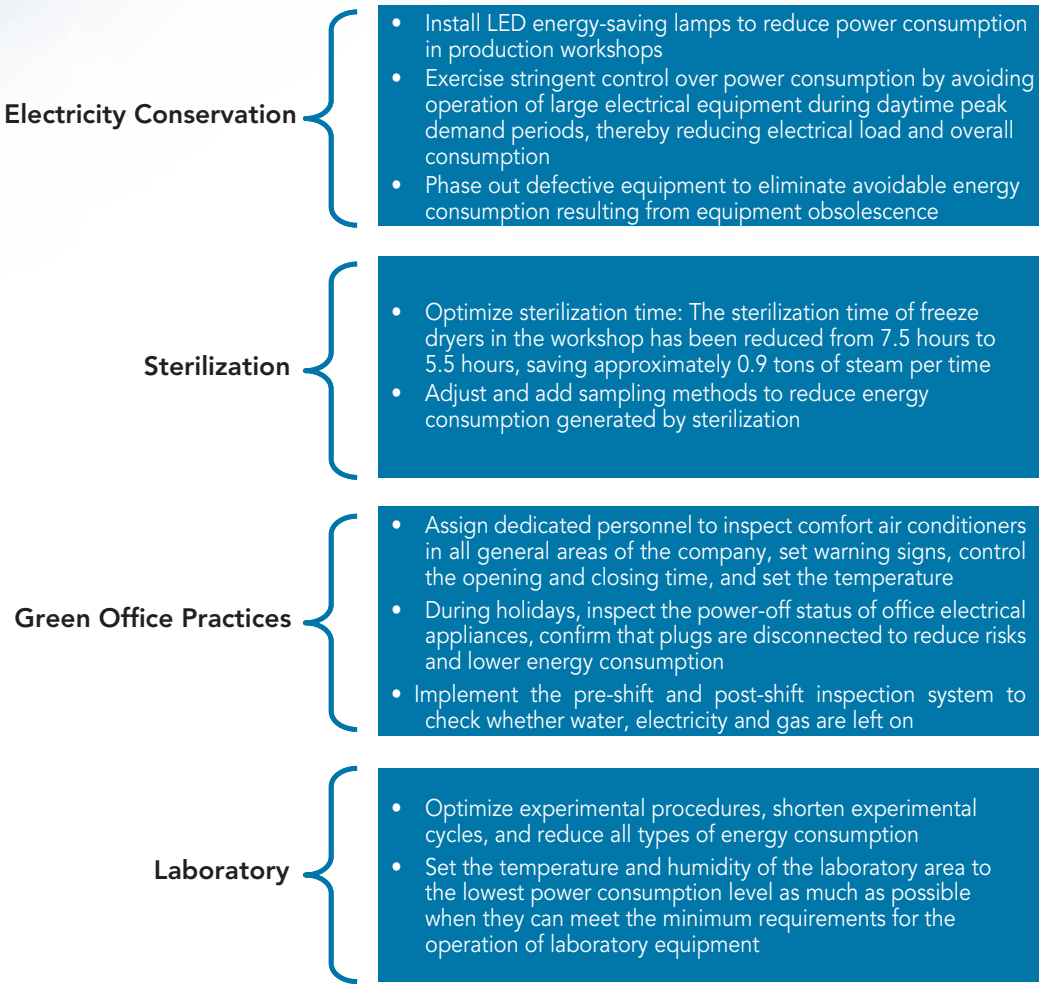
We uphold the principles of harmless treatment, reduction and resource utilization, and actively explore ways to improve the comprehensive utilization rate of waste, so as to continuously reduce waste emissions during production and operation. During the Reporting Period, to address the increase in total wastewater volume and peak discharge pressure brought about by expanded production, the Company added three 10-ton wastewater collection tanks at the sewage treatment station, which significantly enhanced buffer storage capacity. Meanwhile, the Company completed bacteria cultivation in the biochemical tank to ensure that the sludge activity meets the required standards. Given the shortened sludge aging cycle that requires daily sludge pressing to maintain normal growth, the Company relocated the sludge dewatering machine from the South Building to the North Building and completed commissioning, achieving stable operation of the equipment. This measure has effectively replaced outsourced sludge dewatering services, significantly improving treatment efficiency while substantially reducing operating costs.

5.4 Sustainable Operations

Mabpharm integrates the concept of green development deeply into its corporate operation strategy and continuously promotes the optimization of energy structure and the improvement of resource utilization efficiency. Through technological innovation and process upgrading, the Company implements multi-dimensional energy conservation measures and integrates energy conservation and emission reduction requirements into the entire production and operation process. It has established an efficient operation model that is resource-conserving and environmentally friendly, effectively advancing the sustainable development of the Company.

5.4.1 Energy Management

Mabpharm strictly complies with laws and regulations including the Energy Conservation Law of the People's Republic of China（《中華人民共和國節約能源法》）, and continuously explores opportunities for energy conservation and consumption reduction to promote a production and operation model featuring energy efficiency and effectiveness. The Company has established a regular energy consumption supervision mechanism, conducts monthly analysis on energy usage, compares variances in energy consumption data for the same periods, taps the potential for energy conservation and consumption reduction, and periodically reviews the effectiveness of relevant measures.



Energy Conservation and Consumption Reduction Initiatives

During the Reporting Period, we further implemented refined energy management and reduced energy consumption by optimizing equipment operating parameters. With respect to chilled water system regulation, we scientifically adjusted the operating quantity and frequency of multiple key pieces of equipment in summer while meeting cooling requirements, thereby significantly lowering power consumption. For clean air conditioning management, we optimized the operating mode for non-production areas by setting temperature and humidity parameters at the lower limits of standard operating procedures, ensuring that heating valves and humidification valves remained at the minimum opening, which effectively reduced steam consumption and achieved continuous improvement in energy utilization efficiency.

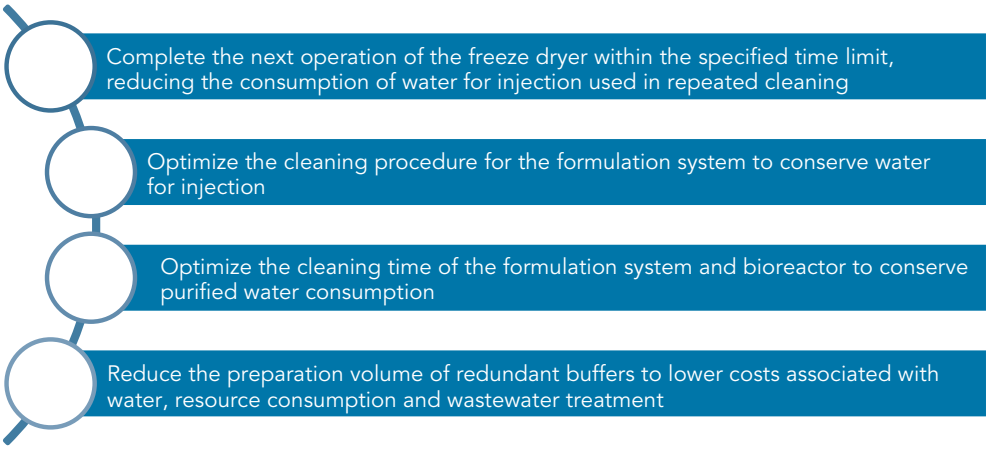
Furthermore, we have continuously improved resource utilization efficiency in production through a series of process improvements and optimizations.

Optimize the structure of the CMAB009 filling receiving drum	• In response to the issue of drug solution residue caused by the original receiving drum being higher than the filtration pipeline, the transformation has enabled approximately five additional products to be filled per batch, reducing material loss.
Simplify the feeding process for the CC5 production line	• Optimize the harvest buffer flow from "formulation tank→ feeding tank→bioreactor" to direct transfer to the bioreactor, reducing the frequency of clean-in-place operations and saving working hours and energy consumption.

5.4.2 Water Resources Utilization

Mabpharm attaches great importance to the conservation and utilization of water resources, and continuously reduces water consumption through water recycling and the optimization of production processes. During the Reporting Period, the Company's water consumption mainly arose from daily operation and office activities, laboratories and production. Water was sourced from the municipal water supply, and no difficulties were encountered in securing water sources for operational purposes.

Our water consumption is mainly concentrated in the production process. The Company has established a dynamic monitoring mechanism for water consumption at production bases, generates month-on-month analysis reports and conducts gap assessments on a monthly basis, and implements targeted management and control over bases with abnormally increased or persistently high water consumption. For bases with high water consumption, the Company formulates hierarchical management and control plans by installing metering devices and analyzing water consumption peak and valley patterns, so as to achieve data-driven refined and scientific water resources management and effectively enhance water consumption efficiency.



Water Resource Management Initiatives

During the Reporting Period, we systematically promoted water conservation in production through technological upgrades and resource recycling. We retrofitted the reuse of steam condensate and reverse osmosis concentrate, and installed additional time controllers to enable timed water replenishment for cooling towers, achieving a daily water saving of 15 tons upon commissioning. During winter, the Xiangtai Road Plant replaced tap water with steam condensate for cooling tower makeup, realizing wastewater reuse while reducing unit load by raising cooling water temperature, with a monthly average tap water saving of 169 tons, effectively improving water resource utilization efficiency.

5.4.3 Packaging Materials Management

Mabpharm has formulated packaging materials management systems including the Standard Management Procedure for Material Balance (《物料平衡標準管理規程》), the Standard Operating Regulations for Packaging Post of Penicillin Bottle Line (《西林瓶線包裝崗位標準操作規程》), and the Process Flow of Infliximab Preparation for Injection (《注射用英夫利西單抗製劑工藝流程》), thereby establishing a management mechanism for packaging materials usage and implementing strict management over the entire life cycle of packaging materials covering usage, recycling and destruction.

On the premise of ensuring compliance with pharmaceutical safety regulations, the Company has continuously promoted the reduction and green transformation of packaging materials. Through the implementation of precise distribution of packaging materials and a counting and destruction mechanism for non-conforming products, the material balance rate and recovery rate per batch are strictly controlled within standard ranges, effectively reducing resource waste. Meanwhile, the Company actively procures eco-friendly materials such as renewable paper and degradable packaging boxes, and replaces disposable packaging with recyclable turnaround containers to enhance the environmental friendliness of the packaging process. For waste packaging materials, recyclable packaging materials are recovered and reused, while special wastes such as active plastics are subject to professional and harmless disposal by qualified third parties, so as to minimize the adverse environmental impacts of the packaging process and earnestly fulfill its green packaging responsibilities.

6. CULTIVATING A STRONG TALENT FOUNDATION

Mabpharm has always regarded human resource management as the core support for the sustainable development of the Company, adhering to the basic principle of "selecting talents, utilizing talents and retaining talents". In 2025, the Company continuously optimized its management mechanisms in employee recruitment, training and development, compensation and benefits, safety and health, communication mechanisms and employee care, strengthened system implementation and process control, and ensured the effective implementation of various initiatives.

6.1 Standardized Employment

Mabpharm strictly complies with applicable national and local labour laws and regulations, including the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) and the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》). The Company has established an internal regulatory system with the Employee Manual (《員工手冊》) as the core guideline, supplemented by detailed implementation rules including the Salary Management Regulations (《薪酬管理辦法》), Overtime Management Regulations (《加班管理規定》), the Travel Expenses Management Regulations (《差旅費管理制度》), the Attendance Management Regulations (《考勤管理辦法》) and the Training Management System (《培訓管理制度》), which provides clear institutional basis and code of conduct for employee employment, management and development. The Company firmly opposes all forms of employment discrimination based on gender, age, race, religious belief or regional background, and strictly prohibits the use of child labour and any form of forced labour, ensuring that all employment practices are fair, lawful and transparent.

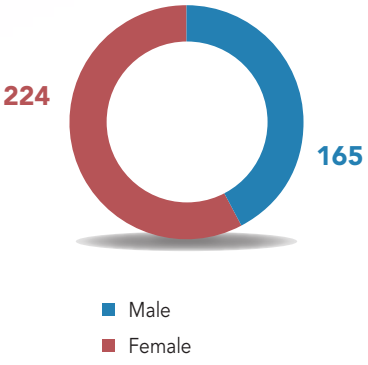
6.1.1 Employment

The Company follows the recruitment principles of "fair competition and merit-based selection". All positions are open to internal and external candidates, ensuring transparency in recruitment information and standardization of the recruitment process. The Company complies with legal provisions governing the execution, performance, modification, release and termination of labor contracts, safeguarding employees' basic labor rights and interests. Should any non-compliance be identified, the Company will terminate the employment contract in strict accordance with relevant procedures and promptly notify the relevant authorities.

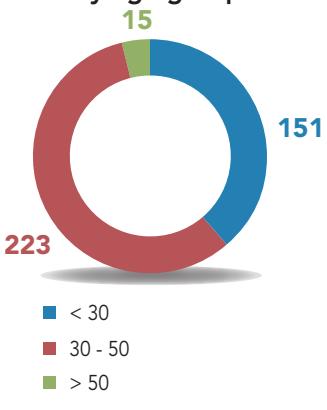
During the Reporting Period, to address the human resource needs arising from business growth, the Company implemented a diversified and multi-dimensional recruitment strategy. For campus recruitment, the Company deepened its cooperation with institutions of higher education. Building on existing collaborations with Guizhou Medical University, Taizhou University and other universities, the Company established a university-enterprise partnership with Jiangsu Vocational College of Medicine for the first time. It recruited young talents through targeted internships, campus presentations and other initiatives, replenishing the R&D and frontline production teams with fresh talents. For social recruitment, the Company focused on key technical and core management positions, attracting senior professionals with work experience at leading industry players to enhance the professional competence of the team. Through multi-channel online and offline recruitment, a total of 167 regular employees were recruited during the Reporting Period, including 36 engineers and above who met the high-end talent criteria, effectively supporting the advancement of the Company's key projects.

Employment Information

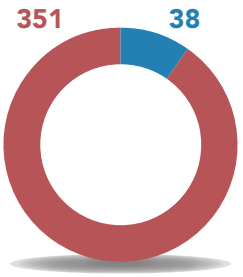
Number of employees by gender



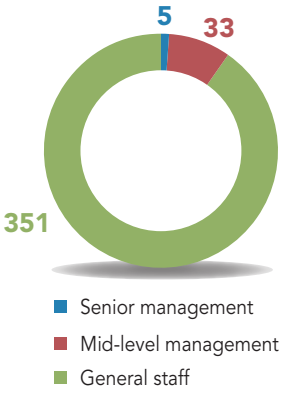
Number of employees by age group



Number of employees by geographical region

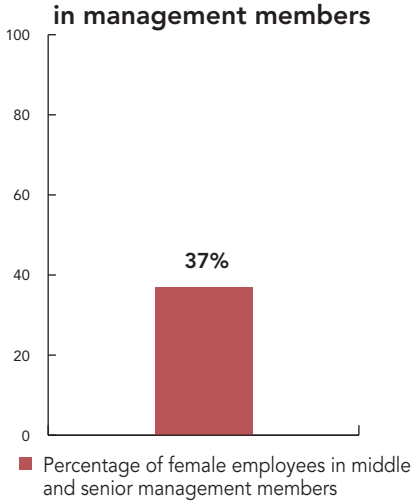


Number of employees by professional rank



Employee Diversity Information

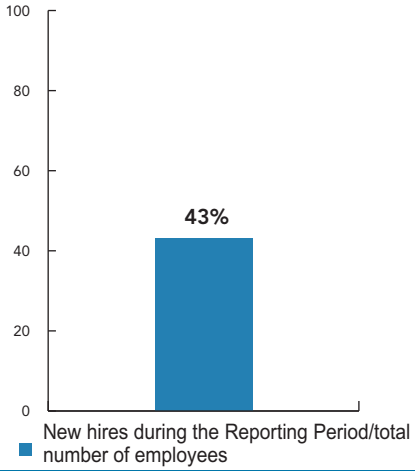
Percentage of female employees in management members



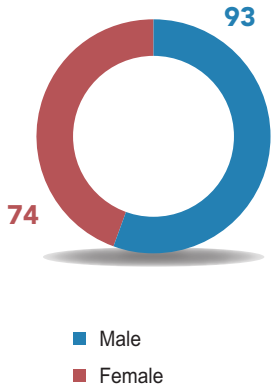
Number of employees by ethnic groups

Information of New Employees

Percentage of New Hires During the Reporting Period

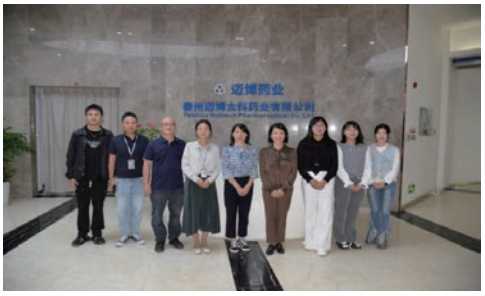


Gender Profile of New Hires



University-Enterprise Cooperation Programs

During the Reporting Period, Mabpharm maintained long-term cooperation with Guizhou Medical University, Taizhou University and other institutions. Through on-site visits and the provision of internship platforms, the Company enhanced the awareness of its employer brand and improved the efficiency of talent recruitment.



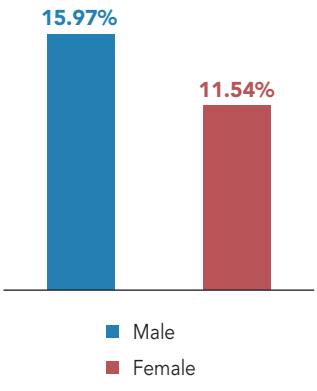
Guizhou Medical University

Taizhou University

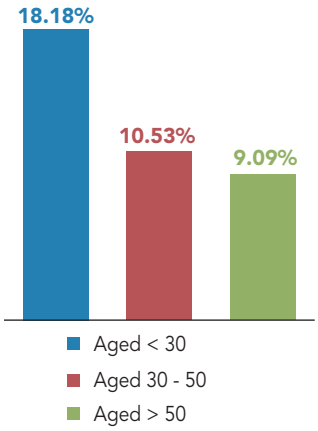
We attach great importance to talent stability and organizational cohesion. The Company has been consistently conducting in-depth exit interviews to conduct a thorough analysis of the causes of talent turnover and formulate targeted improvement measures. During the Reporting Period, the overall turnover rate of Mabpharm stood at 12%, and the turnover rates categorized by different standards are set out in the table below:

Employee Turnover Rate

Employee turnover rate by gender



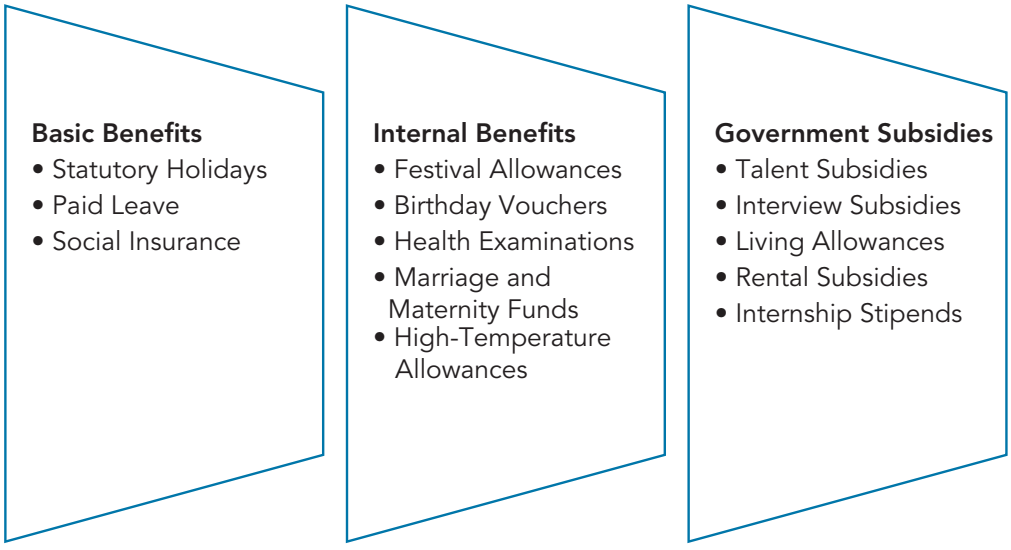
Employee turnover rate by age group



6.1.2 Remuneration and Benefits

Mabpharm upholds the principle of "Sharing value creation on a fair basis", and is committed to establishing a comprehensive remuneration system featuring external competitiveness and internal fairness. We have developed a scientific job evaluation model and performance management system, ensuring that remuneration is closely aligned with employees' job value and competency-based contributions, thereby effectively implementing equal pay for equal work and performance-based remuneration. We make full statutory contributions of social insurance and housing provident fund for all employees, and provide statutory and supplementary benefits including paid annual leave, holiday benefits and regular physical examinations, so as to safeguard employees' well-being and enhance their sense of security.

In addition to competitive remuneration and statutory benefits, Mabpharm attaches paramount importance to the role of non-monetary benefits in enhancing employees' sense of well-being and belonging. The Company provides supplementary benefits including health check-ups, high-temperature allowances, marriage and maternity grants, and proactively assists employees in applying for eligible local government talent subsidies and policy incentives, demonstrating the Company's investment in and care for employees' long-term development.



Benefit System of Mabpharm

6.2 Cultivation of Talents and Foundation Building

Mabpharm has established a talent development and training system that is aligned with the Group's corporate strategy and business objectives. Pursuant to a series of internal regulatory systems including the Employee Manual (《員工手冊》), the Salary Management Measures (《薪酬管理辦法》) and the Training Management System (《培訓管理制度》), the Company enhances the overall competence and core competitiveness of its workforce through continuous knowledge dissemination, skills training and potential development, thereby fostering a sustainable talent pipeline for the Group.

6.2.1 Talent Development

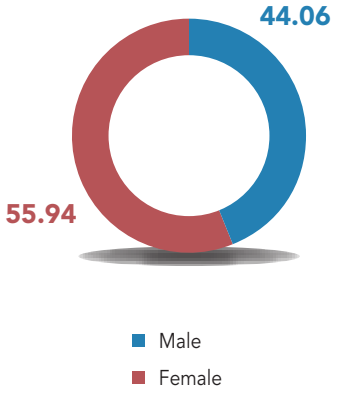
Mabpharm updated the Employee Training Management System（《員工培訓管理制度》） in 2025 to implement talent development in a systematic manner. Training is provided to all employees, with differentiated programs designed for specific groups such as new hires, reassigned employees and employees in key positions.

We solicit employee input through an annual training needs assessment and finalize an enterprise-wide training plan for the following calendar year, ensuring training content is rigorously tailored to actual operational demands. Detailed training programs are formulated for all departments in accordance with the official training matrix. To satisfy the multifaceted and layered learning requirements of our employees, our training curriculum encompasses critical domains including compliance and quality systems, professional technical competencies, occupational safety and health, as well as core leadership capabilities. In parallel, the Company strategically leverages specialized external resources to arrange employee participation in a series of high-caliber industry training programs, including the Training on Post-Approval Changes for Drugs, the Specialized Training Program on Pharmacovigilance Risk Management, the Interpretation of the Standards in the Chinese Pharmacopoeia 2025 Edition, and the Training on Computerized System Validation and Data Integrity Management, enabling core technical and managerial personnel to stay abreast of evolving regulatory requirements and cutting-edge industry advancements.

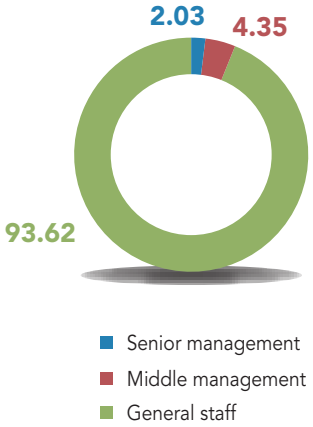
During the Reporting Period, the Company conducted a total of 2,806 training sessions, amounting to 2,276 training hours. A total of 16,707 participant attendances were recorded, with aggregate employee training hours reaching 28,899, representing an average of 74 training hours per employee.

Employee Training Information

Percentage of employees trained by gender



Percentage of employees trained by professional rank



Regulatory Seminars and Training for the Quality Department

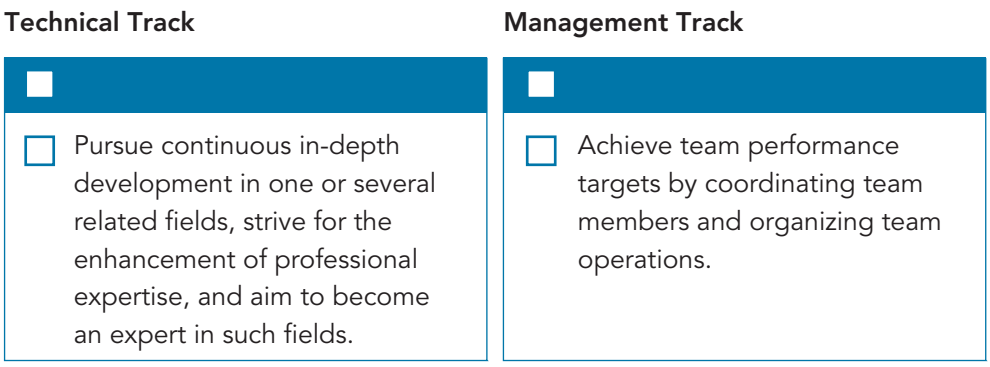
In 2025, the Quality Department organized a series of key domestic and international regulatory training programs within the Company, including the Drug Administration Law (《藥品管理法》), the Quality Manual (《質量手冊》), the RDC N.658-2022 Drug Products GMP, and the ICH Guidelines Q5, Q9 and Q10. Through focused lectures and case workshops, the Company effectively strengthened employees' in-depth comprehension and practical application of complex regulatory provisions, laying a solid foundation for the Company's compliant operations and continuous optimization of its quality system under the global regulatory framework.

Training on the Drug Administration Law

Training on the ICH Guidelines Q5, Q9 and Q10

6.2.2 Talent Development

Mabpharm has developed a dual-channel career progression framework for employees that features parallel tracks for management and professional development. Employees may pursue a career path tailored to their individual attributes and career aspirations, supported by a flexible conversion mechanism between the two tracks. The Company has implemented differentiated performance evaluation metrics, with the personal performance assessment of department heads closely tied to the overall performance of their departments, thereby strengthening team accountability and collaborative effectiveness. In respect of post adjustments, the Company takes a holistic approach by considering employees' performance, competencies and operational needs, and facilitates internal talent mobility and optimized staffing through lateral transfers, job rotations, promotions and other diversified measures.



Dual-Track Promotion Mechanism

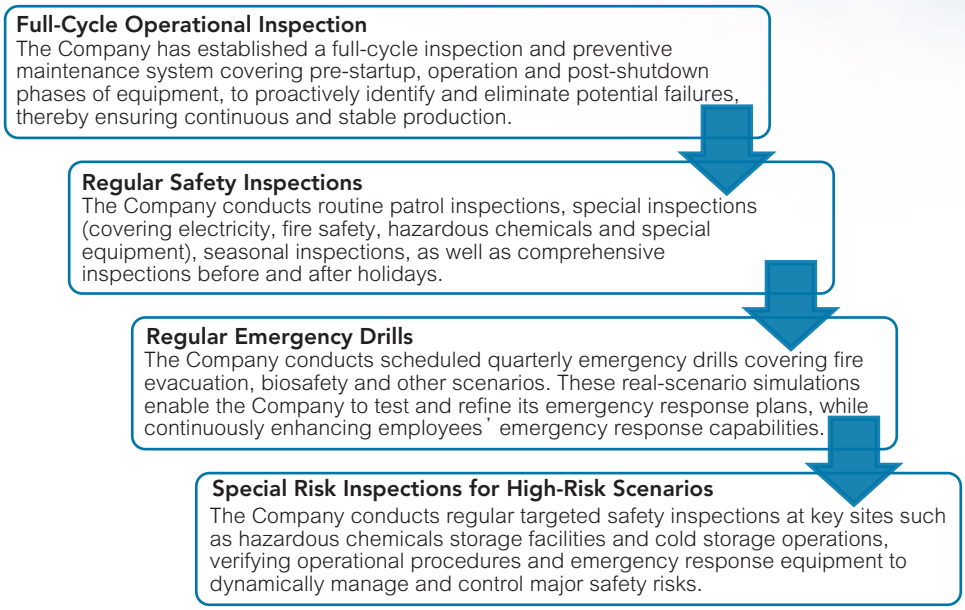
The Company conducts an annual comprehensive performance appraisal, the results of which are directly linked to salary adjustments, bonus distributions, promotion and appointment, as well as training and development opportunities. For key positions and high-potential employees, department heads and the human resources department jointly formulate personalized development programs, which may include project experience, job rotation assignments, mentorship coaching, participation in high-level external courses, and other initiatives.

During the Reporting Period, the Company optimized and adjusted its production organization structure to meet the needs of business development. In this process, the Company smoothly completed internal job reassignment involving 96 person-times based on employees' capabilities, experience and personal preferences, combined with the position requirements of the newly established departments. The Company provided necessary job transfer training for reassigned employees to ensure they could quickly meet the requirements of their new positions. Such efforts not only optimized human resource allocation but also provided employees with new opportunities for cross-functional learning and growth.

6.3 Health and Safety Protection

Mabpharm places the highest priority on safeguarding employees' occupational health and work safety. The Company strictly complies with the Work Safety Law of the People's Republic of China (《中華人民共和國安全生產法》), the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》) and other laws and regulations, and has formulated a series of rules and regulations, including the Work Safety Responsibility System (《安全生產責任制》), the Management System for Hazardous Chemicals (《危險化學品管理制度》), the Control System for Safety Risk Hierarchical Management (《安全風險分級管控制度》), and the Hidden Danger Investigation and Management System (《隱患排查治理制度》).

The Company has established the safety management objective of "All-Round Coverage, Full-Process Management and Full-Staff Engagement". To this end, the Company has set up an EHS department, with the General Manager assuming overall responsibility. Safety hazard inspections are conducted on a weekly basis, with irregularities promptly identified, summarized and rectified. Through a series of initiatives, the Company provides a safe and healthy working environment for all employees. No work-related injuries or fatal accidents occurred during the Reporting Period.



6.4 People-Oriented Philosophy

Mabpharm believes that respect, trust and effective communication form the foundation for fostering harmonious labor relations and enhancing organizational effectiveness. The Company has established a multi-channel, two-way and transparent communication mechanism, and implements a diverse range of employee care programs to strengthen employees' sense of belonging, identification and cohesion.

6.4.1 Employee Communication

The Company values and upholds employees' rights to information, participation, expression, and supervision. It has established institutionalized and diverse communication channels to encourage employees to actively provide feedback on work-related matters, management improvements, or personal needs. Through regular satisfaction surveys and anonymous suggestion boxes, we actively listen to employees' voices.

During the Reporting Period, the Company officially launched the dedicated "Employee Direct Access to HR" channel, through which employees may communicate directly with the human resources department via designated email or contact methods regarding human resources policies, personal development, work-related challenges and other matters, providing a more convenient and confidential feedback channel for employees. For interns, the Company implemented a regular performance communication mechanism whereby supervisors conduct face-to-face discussions with interns to promptly understand their development progress and support needs, facilitating their smooth integration and capability enhancement. In addition, the Company carried out a special intern satisfaction survey; through collecting and analyzing feedback, the Company continuously optimizes its intern development programs to enhance their work experience and growth value. The above mechanisms collectively form an important foundation for the Company's two-way communication and continuous improvement, effectively facilitating the collaborative development of the organization and its employees.

6.4.2 Employee Wellbeing

Mabpharm places enduring emphasis on the work-life integration of its employees. A compassionate and supportive work environment not only underpins employees' sense of belonging and fulfillment, but also constitutes a critical driver in galvanizing organizational dynamism and elevating team performance. In this context, we have systematically formulated and rolled out a holistic array of employee wellbeing programs, committed to striking a judicious balance between institutional safeguards and human-centric experiences, thereby enabling every employee to experience respect, support and developmental growth in the course of their work.

Employee Birthday Celebrations

In 2025, the Company organized quarterly collective birthday celebrations, with each session catering to approximately 50 employee celebrants. Through engaging group activities and ceremonial collective celebrations, the Company cultivated a warm and congenial festive ambiance for employees. Such regularized wellbeing initiatives have effectively strengthened employees' sense of belonging and fostered deeper emotional bonding within the team.

Routine Recreational and Cultural Activities

The Company regularly organizes themed team-building activities, with event destinations determined through employee voting. During the Reporting Period, nearly 300 employees participated in batches in off-site activities at destinations including Jiuhua Mountain, Rizhao and Wuhan. These initiatives have enriched employees' leisure lives, facilitated cross-departmental interaction and enhanced collaborative capabilities across teams.

Support for Female Employees

During the International Women's Day observance, the Company provided holiday benefits to all female employees and hosted exclusive events including health seminars. This annual dedicated initiative embodies the Company's respect and high regard for its female workforce, and serves to enhance job satisfaction and work engagement among women employees.

Assistance for Employees in Need

The Company has instituted a structured support framework for employees encountering hardship or adversity. Illustrative of this commitment, the Company extends substantive care and indispensable assistance to employees requiring hospitalization due to illness. This mechanism affords employees profound solace and organizational support during periods of difficulty, epitomizes the Company's people-centric managerial ethos, and fortifies employees' sense of affiliation with the enterprise.

Employee Birthday Celebrations

Mountain Hiking Team-Building Activities

7. FULFILLING RESPONSIBILITIES TO CO-CREATE VALUE

Mabpharm holds the view that corporate value manifests itself not merely in commercial success, but more profoundly in its proactive contributions to healthcare advancement and societal well-being. To this end, we consistently deliver tangible societal benefits and uphold our commitment to universal healthcare by enhancing the accessibility and affordability of core pharmaceuticals, supporting cutting-edge clinical research, implementing patient-centric care initiatives, and conducting public health education programs. Presently, all of the Company's commercially launched core products have been incorporated into the NRDL, substantially reducing out-of-pocket expenditures for patients.

Bridging Clinical Research to Expand Professional Frontiers and Deliver Universal Benefits to Patients

Mabpharm has systematically advanced this philosophy through the conduct of a diverse portfolio of phase I to III clinical trials and real-world studies, including the trial of CMAB007奧邁舒® for the treatment of chronic idiopathic urticaria and the clinical study of CMAB015 for the treatment of plaque psoriasis, psoriatic arthritis and ankylosing spondylitis. These studies offer cutting-edge therapeutic opportunities to substantial patient populations. Throughout trial implementation, the Company adheres rigorously to ethical principles. It provides all investigational products and relevant medical examinations free of charge, while proactively organizing educational initiatives on fundamental disease knowledge to enhance scientific understanding among participants and their families. Concurrently, the Company offers travel stipends for study visits and phlebotomy subsidies to all participants, alleviating the financial burdens associated with trial participation. Commercial insurance is procured, with a commitment to cover medical expenses and provide corresponding compensation for trial-related adverse events, ensuring comprehensive protection of participants' rights and interests. Through these initiatives, the Company's clinical research endeavors transcend mere scientific exploration, establishing an integrated platform that unites professional innovation, patient-centric care, and societal support, thereby aligning scientific value with social impact.

APPENDIX I KEY PERFORMANCE INDICATORS

Indicator	Unit	2025	2024	2023
Total greenhouse gas emissions (scope 1 & scope 2)	ton	**7,778.91**	8,940.76	8,076.56
Scope 1 greenhouse gas emissions	ton	**373.64**	11.20	6.54
Scope 2 greenhouse gas emissions	ton	**7,405.27**	8,929.56	8,070.02
Scope 3 greenhouse gas emissions	ton	**41,001.76**	/	/
Greenhouse gas emissions intensity (scope 1 & scope 2)	ton/per RMB million of revenue	**12.04**	34.62	92.66
Sulfur dioxide	ton	**0.00**	0.00	0.00
Nitrogen oxides	ton	**0.00**	0.00	0.00
Non-methane hydrocarbons	ton	**0.003**	0.002	0.001
Total hazardous waste emissions	ton	**33.03**	19.57	22.01
Hazardous waste emissions intensity	ton/per RMB million of revenue	**0.05**	0.08	0.25
Total non-hazardous waste emissions	ton	**57.72**	52.10	46.20
Non-hazardous waste emissions intensity	ton/per RMB million of revenue	**0.09**	0.20	0.53
Water consumption	m^3	**98,304.00**	106,257.00	118,051.00
Fresh water	m^3	**92,829.00**	104,929.00	116,870.00
Recycled water	m^3	**5,475.00**	1,328.00	1,181.00
Water consumption intensity	m^3/per RMB million of revenue	**152.15**	411.49	1,354.40

Indicator	Unit	2025	2024	2023
Total energy consumption	MWh	**30,061.33**	21,570.01	18,934.79
Gasoline	MWh	**54.71**	44.06	25.74
Electricity	MWh	**13,956.40**	10,619.54	9,006.11
Steam	MWh	**14,337.50**	10,906.41	9,902.93
Liquefied natural gas	MWh	**1,712.72**	/	/
Energy consumption intensity	MWh/per RMB million of revenue	**46.53**	83.53	217.24
Total packaging materials consumed for finished products	ton	**24.00**	5.50	3.20
Packaging materials consumed per production unit	kg/per RMB million of revenue	**0.04**	0.02	0.04
Social performance indicators				
Employees of contractors	total number	**0**	0	0
Employees (excluding contractors)	total number	**389**	315	347
By gender	Female	**224**	192	212
	Male	**165**	123	135
By employment type	Full-time	**389**	315	347
	Part-time	**0**	0	0
By age group	Aged under 30	**151**	113	116
	Aged 30-50	**223**	195	221
	Aged over 50	**15**	7	10
By region	Shanghai	**38**	43	102
	Taizhou	**351**	272	245
By employee category	Senior management	**5**	5	4
	Middle management	**33**	39	45
	General staff	**351**	271	298

Indicator	Unit	2025	2024	2023
Employee turnover rate[30]		**13.35%**	16.92%	29.32%
By gender	Female	**11.54%**	11.39%	24.34%
	Male	**15.97%**	25.58%	36.54%
By age group	Aged under 30	**18.18%**	20.09%	34.53%
	Aged 30-50	**10.53%**	14.42%	25.85%
	Aged over 50	**9.09%**	35.29%	25.00%
By region	China	**13.37%**	16.92%	29.32%
Work-related fatalities	person	**0**	0	0
Work-related fatality rate	%	**0**	0	0
Lost days due to work injury	day	**0**	56	0
Average lost days due to work injury per employee	day/employee	**0**	0.18	0
Percentage of trained employees	%	**88.69**	84.44	71.76
By gender	Female	**55.94%**	59.40%	57.43%
	Male	**44.06%**	40.60%	42.57%
By employee category	Senior management	**2.03%**	1.88%	0.40%
	Middle management	**4.35%**	8.27%	9.24%
	General staff	**93.62%**	89.85%	90.36%
Average training hours completed per employee	hour	**74**	110	110

[30] The employee turnover rate is calculated as the number of employees who left divided by (the number of employees at the beginning of the period + the number of employees at the end of the period) / 2.

Indicator	Unit	2025	2024	2023
Total number of suppliers	number	1,526	1,386	756
Number of suppliers by geographical region				
China	number	1512	1,372	751
Hong Kong, Macao and Taiwan and overseas	number	14	14	5
Percentage of total products sold or shipped subject to recalls for safety and health reasons	%	0	0	0
Number of products and service related complaints received	case	Not applicable	Not applicable	Not applicable
Number of concluded legal cases regarding corrupt practices brought against the Company or our employees	case	0	0	0

APPENDIX II HKEX INDEX

INDEX OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE

Subject areas, aspects, general disclosure and key performance indicators			Section
Environmental			
A1: Emissions	General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Safeguarding a Green Homeland – Environmental Governance
	A1.1	The types of emissions and respective emissions data.	Appendix I: Key Performance Indicators
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions in total and intensity.	Appendix I: Key Performance Indicators
	A1.3	Total hazardous waste produced and intensity.	Appendix I: Key Performance Indicators
	A1.4	Total non-hazardous waste produced and intensity.	Appendix I: Key Performance Indicators
	A1.5	Description of emission target(s) set and steps taken to achieve them.	Safeguarding a Green Homeland – Environmental Governance
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Safeguarding a Green Homeland – Environmental Governance

Subject areas, aspects, general disclosure and key performance indicators			Section
A2: Use of Resources	General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Safeguarding a Green Homeland – Environmental Governance
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total and intensity.	Appendix I: Key Performance Indicators
	A2.2	Water consumption in total and intensity.	Appendix I: Key Performance Indicators
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Safeguarding a Green Homeland – Sustainable Operations
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Safeguarding a Green Homeland – Sustainable Operations
	A2.5	Total packaging material used for finished products and with reference to per unit produced.	Appendix I: Key Performance Indicators
A3: Environment and Natural Resources	General disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Safeguarding a Green Homeland – Environmental Governance
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Safeguarding a Green Homeland – Environmental Governance

Subject areas, aspects, general disclosure and key performance indicators			Section
Social			
B1: Employment	General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Cultivating a Strong Talent Foundation – Standardized Employment
	B1.1	Total workforce by gender, employment type, age group and geographical region.	Cultivating a Strong Talent Foundation – Standardized Employment Appendix I: Key Performance Indicators
	B1.2	Employee turnover rate by gender, age group and geographical region.	Cultivating a Strong Talent Foundation – Standardized Employment Appendix I: Key Performance Indicators

Subject areas, aspects, general disclosure and key performance indicators			Section
B2: Health and Safety	General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Cultivating a Strong Talent Foundation – Health and Safety Protection
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Cultivating a Strong Talent Foundation – Health and Safety Protection Appendix I: Key Performance Indicators
	B2.2	Lost days due to work injury.	Appendix I: Key Performance Indicators
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Cultivating a Strong Talent Foundation – Health and Safety Protection

Subject areas, aspects, general disclosure and key performance indicators			Section
B3: Development and Training	General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Cultivating a Strong Talent Foundation – Cultivation of Talents and Foundation Building
	B3.1	The percentage of employees trained by gender and employee category.	Cultivating a Strong Talent Foundation – Cultivation of Talents and Foundation Building Appendix I: Key Performance Indicators
	B3.2	The average training hours completed per employee by gender and employee category.	Cultivating a Strong Talent Foundation – Cultivation of Talents and Foundation Building Appendix I: Key Performance Indicators

Subject areas, aspects, general disclosure and key performance indicators			Section
B4: Labor Standards	General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	Cultivating a Strong Talent Foundation – Standardized Employment
	B4.1	Description of measures to review employment practices to avoid child and forced labor.	Cultivating a Strong Talent Foundation – Standardized Employment
	B4.2	Description of steps taken to eliminate such practices when discovered.	Cultivating a Strong Talent Foundation – Standardized Employment

Subject areas, aspects, general disclosure and key performance indicators			Section
B5: Supply Chain Management	General disclosure	Policies on managing environmental and social risks of the supply chain.	Consolidating the Industrial Foundation – Supplier Management
	B5.1	Number of suppliers by geographical region.	Consolidating the Industrial Foundation – Supplier Management
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Consolidating the Industrial Foundation – Sustainable Procurement
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Consolidating the Industrial Foundation – Sustainable Procurement
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Consolidating the Industrial Foundation – Sustainable Procurement

Subject areas, aspects, general disclosure and key performance indicators			Section
B6: Product Responsibility	General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Delivering on our Healthcare Mission – Quality First
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Delivering on our Healthcare Mission – Quality First
	B6.2	Number of products and service related complaints received and how they are dealt with.	Delivering on our Healthcare Mission – Quality First
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Delivering on our Healthcare Mission – Quality First
	B6.4	Description of quality assurance process and recall procedures.	Delivering on our Healthcare Mission – Quality First
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Delivering on our Healthcare Mission – Quality First

Subject areas, aspects, general disclosure and key performance indicators			Section
B7: Anti-corruption	General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Strengthening Responsible Governance – Responsible Operation
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Appendix I: Key Performance Indicators
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Appendix I: Key Performance Indicators
	B7.3	Description of anti-corruption training provided to directors and staff.	Appendix I: Key Performance Indicators
B8: Community Investment	General disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Fulfilling Responsibilities to Co-create Value
	B8.1	Focus areas of contribution.	Fulfilling Responsibilities to Co-create Value
	B8.2	Resources contributed to the focus area.	Fulfilling Responsibilities to Co-create Value

Subject areas, aspects, general disclosure and key performance indicators			Section
Climate-related Disclosures			
Governance	19. An issuer shall disclose information about: (a) Governance body (which may include the board of directors, committee or equivalent body responsible for governance) or individual responsible for overseeing climate-related risks and opportunities. Specifically, the issuer shall identify such body or individual and disclose the following information:		
		(i) How the body or individual determines whether it possesses appropriate skills and capabilities, or how it will develop such skills and capabilities, to oversee strategies designed to address climate-related risks and opportunities.	Safeguarding a Green Homeland – Climate Change
		(ii) How and how often climate-related risks and opportunities are communicated to the body or individual.	Safeguarding a Green Homeland – Climate Change
		(iii) In overseeing the issuer's strategies, material transaction decisions, risk management processes and relevant policies, how the body or individual takes climate-related risks and opportunities into account, including whether it considers the trade-offs associated with such risks and opportunities.	Safeguarding a Green Homeland – Climate Change
		(iv) How the body or individual oversees the setting of targets relating to climate-related risks and opportunities and monitors progress towards achieving such targets (see paragraphs 37 to 40), including whether and how relevant performance indicators are incorporated into remuneration policies (see paragraph 35).	Safeguarding a Green Homeland – Climate Change

Subject areas, aspects, general disclosure and key performance indicators			Section
	(b)	The role of management in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including the following information:	Safeguarding a Green Homeland – Climate Change
		(i) Whether such role is assigned to specific management positions or a management committee, and how such position or committee is overseen.	Safeguarding a Green Homeland – Climate Change
		(ii) Whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how such controls and procedures are integrated with other internal functions.	Safeguarding a Green Homeland – Climate Change

Subject areas, aspects, general disclosure and key performance indicators		Section
Strategy	**Climate-related Risks and Opportunities** 20. The issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, access to financing, or cost of capital in the short, medium, or long term.	
	(a) Describe the climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, access to financing, or cost of capital in the short, medium, or long term.	Safeguarding a Green Homeland – Climate Change
	(b) For each climate-related risk identified by the issuer, state whether the issuer considers the risk to be a climate-related physical risk or a climate-related transition risk.	Safeguarding a Green Homeland – Climate Change

Subject areas, aspects, general disclosure and key performance indicators		Section
	(c) For each climate-related risk and opportunity identified by the issuer, specify the time horizon(s) (short term, medium term or long term) within which the impact of each such risk and opportunity is reasonably expected to manifest.	Safeguarding a Green Homeland – Climate Change
	(d) Explain how the issuer defines "short term", "medium term" and "long term", and how such definitions relate to the planning horizons used by the issuer for strategic decision-making.	Safeguarding a Green Homeland – Climate Change
	Business Model and Value Chain 21. The issuer shall disclose information that enables an understanding of the current and expected impacts of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:	
	(a) Describe the current and expected impacts of climate-related risks and opportunities on the issuer's business model and value chain.	Safeguarding a Green Homeland – Climate Change
	(b) Describe where climate-related risks and opportunities are concentrated in the issuer's business model and value chain (e.g., geographical regions, facilities and asset types).	Safeguarding a Green Homeland – Climate Change

Subject areas, aspects, general disclosure and key performance indicators		Section
	Strategy and Decision-Making 22. The issuer shall disclose information that enables an understanding of the impacts of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:	
	(a) Information on how the issuer addresses and plans to address climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve the climate-related targets it has set and the targets required by laws and regulations. Specifically, the issuer shall disclose the following information:	Safeguarding a Green Homeland – Climate Change
	(i) Current and anticipated changes to the issuer's business model (including resource allocation) to address climate-related risks and opportunities.	Safeguarding a Green Homeland – Climate Change
	(ii) Current and anticipated adaptation and mitigation efforts (whether direct or indirect).	Safeguarding a Green Homeland – Climate Change
	(iii) Any climate-related transition plans that the issuer has (including information on the key assumptions used in formulating the transition plans and the dependencies on which the issuer's transition plans rely), or an appropriate negative statement if the issuer does not have any climate-related transition plans.	Safeguarding a Green Homeland – Climate Change
	(iv) How the issuer plans to achieve any climate-related goals (including any greenhouse gas emission targets, if applicable).	Safeguarding a Green Homeland – Climate Change

Subject areas, aspects, general disclosure and key performance indicators		Section
	(b) Information on how the issuer provides resources for the activities disclosed in paragraph 22(a), as well as plans for providing such resources.	Safeguarding a Green Homeland – Climate Change
	23. The issuer shall disclose the progress of the plans disclosed in the previous reporting period in accordance with the provisions of paragraph 22(a).	Safeguarding a Green Homeland – Climate Change
	Financial Condition, Financial Performance and Cash Flows Current Period Financial Impact 24. The issuer shall disclose the following qualitative and quantitative information:	
	(a) How climate-related risks and opportunities affected the financial position, financial performance and cash flows during the reporting period.	Safeguarding a Green Homeland – Climate Change
	(b) For the climate-related risks and opportunities identified in paragraph 24(a), the risk of material adjustments to the carrying amounts of assets and liabilities reported in the relevant financial statements in the next reporting period.	Safeguarding a Green Homeland – Climate Change

Subject areas, aspects, general disclosure and key performance indicators		Section
	Financial Condition, Financial Performance and Cash Flows Expected Financial Impact 25. The issuer shall provide qualitative and quantitative disclosures on the following matters:	
	(a) In light of the issuer's strategy for managing climate-related risks and opportunities, considering the following factors, how the issuer expects its financial condition to change in the short, medium, and long term:	Safeguarding a Green Homeland – Climate Change
	(i) Its investment and disposal plans	Safeguarding a Green Homeland – Climate Change
	(ii) The planned funding sources for implementing its strategy	Safeguarding a Green Homeland – Climate Change
	(b) In light of the issuer's strategy for managing climate-related risks and opportunities, how the issuer expects its financial performance and cash flows to change in the short term, medium term, and long term.	Safeguarding a Green Homeland – Climate Change

Subject areas, aspects, general disclosure and key performance indicators		Section
	Climate Resilience 26. The issuer shall disclose information to enable an understanding of the adaptability of its strategy and business model to climate-related changes, developments and uncertainties, taking into account the climate-related risks and opportunities identified by the issuer. The issuer shall use climate-related scenario analysis and adopt an approach appropriate to its circumstances to assess its climate resilience. When providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose the following:	
	(a) The issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:	Safeguarding a Green Homeland – Climate Change
	(i) The impact of the issuer's assessment on its strategy and business model (if any), including how the issuer needs to address the identified impacts in the climate context.	Safeguarding a Green Homeland – Climate Change
	(ii) The significant areas of uncertainty considered by the issuer when assessing its climate resilience.	Safeguarding a Green Homeland – Climate Change
	(iii) The issuer's ability to adjust or adapt its strategy and business model to adapt to short-term, medium-term or long-term climate changes.	Safeguarding a Green Homeland – Climate Change

Subject areas, aspects, general disclosure and key performance indicators		Section
	(b) The method and timing of climate-related scenario analysis, including:	Safeguarding a Green Homeland – Climate Change
	(i) Information about the inputs used, including:	Safeguarding a Green Homeland – Climate Change
	(1) The climate-related scenarios used by the issuer for analysis and the sources of these scenarios.	Safeguarding a Green Homeland – Climate Change
	(2) Whether the analysis includes a range of climate-related scenarios.	Safeguarding a Green Homeland – Climate Change
	(3) Whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks.	Safeguarding a Green Homeland – Climate Change
	(4) Whether the issuer has used climate-related scenarios consistent with the latest international climate agreements.	Safeguarding a Green Homeland – Climate Change
	(5) Why the issuer has determined that the selected climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties.	Safeguarding a Green Homeland – Climate Change
	(6) The time horizons used by the issuer in the analysis.	Safeguarding a Green Homeland – Climate Change

Subject areas, aspects, general disclosure and key performance indicators		Section
	(7) The scope of operations used by the issuer in the analysis (e.g., the operations, locations and business units used in the analysis).	Safeguarding a Green Homeland – Climate Change
	(i) The key assumptions made by the issuer in the analysis.	Safeguarding a Green Homeland – Climate Change
	(ii) The reporting periods in which climate-related scenario analysis was performed.	Safeguarding a Green Homeland – Climate Change
Risk Management	27. The issuer shall disclose the following information:	
	(a) The processes and related policies used to identify, assess, prioritize and monitor climate-related risks, including the following information:	Safeguarding a Green Homeland – Climate Change
	(i) The inputs and parameters used by the issuer (e.g., information regarding data sources and the scope of operations involved in the process).	Safeguarding a Green Homeland – Climate Change
	(ii) Whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks.	Safeguarding a Green Homeland – Climate Change
	(iii) How the issuer assesses the nature, likelihood and magnitude of the impacts of those risks (e.g., whether the issuer considers qualitative factors, quantitative thresholds or other criteria).	Safeguarding a Green Homeland – Climate Change

Subject areas, aspects, general disclosure and key performance indicators		Section
	(iv) Whether and how the issuer prioritizes climate-related risks relative to other types of risks.	Safeguarding a Green Homeland – Climate Change
	(v) How the issuer monitors climate-related risks.	Safeguarding a Green Homeland – Climate Change
	(vi) Whether and how the issuer has changed the processes it uses compared with the previous reporting period.	Safeguarding a Green Homeland – Climate Change
	(b) The processes used by the issuer to identify, assess, prioritize and monitor climate-related opportunities, including information on whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities.	Safeguarding a Green Homeland – Climate Change
	(c) The extent to which and how the processes for identifying, assessing, prioritizing and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management processes.	Safeguarding a Green Homeland – Climate Change
Indicators and Targets	**Greenhouse Gas Emissions** 28. The issuer shall disclose its total absolute emissions of greenhouse gases generated during the reporting period, expressed in metric tons of carbon dioxide equivalent, classified into:	
	(a) Scope 1 greenhouse gas emissions	Key Performance Indicators
	(b) Scope 2 greenhouse gas emissions	Key Performance Indicators
	(c) Scope 3 greenhouse gas emissions	Key Performance Indicators

Subject areas, aspects, general disclosure and key performance indicators			Section
	29.	The issuer shall:	
		(a) Measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (2004), unless a different methodology for measuring greenhouse gas emissions is required by the relevant authority or the exchange on which the issuer is listed.	Safeguarding a Green Homeland – Climate Change
		(b) Disclose the methodology it uses to measure greenhouse gas emissions, including:	Safeguarding a Green Homeland – Climate Change
		(i) The measurement methods, inputs and assumptions used by the issuer to measure its greenhouse gas emissions.	Safeguarding a Green Homeland – Climate Change
		(ii) The reasons for the measurement methods, inputs and assumptions chosen by the issuer to measure its greenhouse gas emissions.	Safeguarding a Green Homeland – Climate Change
		(iii) Any changes made by the issuer to the measurement methods, inputs and assumptions during the reporting period, and the reasons for those changes.	Safeguarding a Green Homeland – Climate Change

Subject areas, aspects, general disclosure and key performance indicators		Section
	(c) For Scope 2 greenhouse gas emissions disclosed under paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions and provide information on any contractual instruments necessary to understand the issuer's Scope 2 greenhouse gas emissions.	Safeguarding a Green Homeland – Climate Change
	(d) For Scope 3 greenhouse gas emissions disclosed under paragraph 28(c), disclose the categories included in the measurement of the issuer's Scope 3 greenhouse gas emissions in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	Safeguarding a Green Homeland – Climate Change
	Climate-Related Transition Risks 30. The issuer shall disclose the amount and proportion of assets or business activities exposed to climate-related transition risks.	Safeguarding a Green Homeland – Climate Change
	Climate-Related Physical Risks 31. The issuer shall disclose the amount and proportion of assets or business activities exposed to climate-related physical risks.	Safeguarding a Green Homeland – Climate Change
	Climate-Related Opportunities 32. The issuer shall disclose the amount and percentage of assets or business activities associated with climate-related opportunities.	Safeguarding a Green Homeland – Climate Change

Subject areas, aspects, general disclosure and key performance indicators		Section
	Financial Allocation 33. The issuer shall disclose the amount of capital expenditure, financing or investment made to address climate-related risks and opportunities.	Safeguarding a Green Homeland – Climate Change
	Internal Carbon Price 34. The issuer shall disclose:	Internal Carbon Price not currently applicable
	(a) An explanation of whether and how the issuer applies a carbon price in its decision-making (e.g., investment decisions, transfer pricing and scenario analysis).	Internal Carbon Price not currently applicable
	(b) The price per metric ton of greenhouse gas emissions used by the issuer to assess the cost of its greenhouse gas emissions.	Internal Carbon Price not currently applicable
	Remuneration 35. The issuer shall disclose whether and how climate-related considerations are integrated into its remuneration policy, or an appropriate negative statement. This may form part of the disclosure required under paragraph 19(a)(iv).	Safeguarding a Green Homeland – Climate Change
	Industry-Based Metrics 36. An issuer is encouraged to disclose industry-based metrics that relate to one or more specific business models, activities or other common characteristics that are representative of participation in the industry. In determining the industry-based metrics that the issuer discloses, the issuer is encouraged to reference and consider the applicability of industry-based metrics relating to the implementation of climate-related disclosures and other industry disclosure topics set out in IFRS 2 – Industry-Based Guidance.	Industry-Based Metrics not currently applicable

Subject areas, aspects, general disclosure and key performance indicators		Section
	Climate-Related Targets 37. The issuer shall disclose (a) the climate-related qualitative and quantitative targets set by the issuer to monitor progress towards the achievement of strategic objectives; and (b) any targets required of the issuer by laws or regulations, including any greenhouse gas emission targets. For each target, the issuer shall disclose:	
	(a) The metrics used to set the targets.	Safeguarding a Green Homeland – Climate Change
	(b) The objective of the target (e.g., mitigation, adaptation or alignment with the Science Based Targets initiative).	Safeguarding a Green Homeland – Climate Change
	(c) The part of the issuer to which the target applies (e.g., whether the target applies to the issuer as a whole or only to a part of the issuer, such as a particular business segment or geographic area).	Safeguarding a Green Homeland – Climate Change
	(d) The period to which the target applies.	Safeguarding a Green Homeland – Climate Change
	(e) The baseline period against which progress is measured.	Safeguarding a Green Homeland – Climate Change
	(f) Milestones or intermediate targets (if any).	Safeguarding a Green Homeland – Climate Change

Subject areas, aspects, general disclosure and key performance indicators		Section
	(g) If the target is quantitative, whether the target is an absolute target or an intensity target.	Safeguarding a Green Homeland – Climate Change
	(h) How the latest international agreements on climate change, including jurisdictional commitments arising from such agreements, have informed the target.	Safeguarding a Green Homeland – Climate Change
	38. The issuer shall disclose its methodology for setting and reviewing each target and how progress against each target is monitored, including:	
	(a) Whether the target and the methodology used to set the target have been validated by a third party.	Safeguarding a Green Homeland – Climate Change
	(b) The issuer's processes for reviewing the target.	Safeguarding a Green Homeland – Climate Change
	(c) The metrics used to monitor progress towards achieving the target.	Safeguarding a Green Homeland – Climate Change
	(d) Any revisions to the target and an explanation of those revisions.	Safeguarding a Green Homeland – Climate Change
	39. The issuer shall disclose the performance against each climate-related target and an analysis of trends in or changes to the issuer's performance.	

Subject areas, aspects, general disclosure and key performance indicators			Section
	40.	For each greenhouse gas emission target disclosed in accordance with paragraphs 37 to 39, the issuer shall disclose:	
		(a) Which greenhouse gases are covered by the target.	Safeguarding a Green Homeland – Climate Change
		(b) Whether the target covers Scope 1, Scope 2 or Scope 3 greenhouse gas emissions.	Safeguarding a Green Homeland – Climate Change
		(c) Whether the target is a gross greenhouse gas emission target or a net greenhouse gas emission target. If the issuer discloses a net greenhouse gas emission target, the issuer shall also separately disclose its associated gross greenhouse gas emission target.	Safeguarding a Green Homeland – Climate Change
		(d) Whether the target has been derived using an industry decarbonization approach.	Safeguarding a Green Homeland – Climate Change

Subject areas, aspects, general disclosure and key performance indicators		Section
	(e) The issuer's plan to use carbon credits to offset greenhouse gas emissions in order to achieve any net greenhouse gas emission target. When disclosing its plan to use carbon credits, the issuer shall disclose:	Carbon credit scheme not currently utilized
	(i) The extent to which, and how, the achievement of any net greenhouse gas emission target is dependent on the use of carbon credits.	Carbon credit scheme not currently utilized
	(ii) Which third-party programs will validate or certify the carbon credits.	Carbon credit scheme not currently utilized
	(iii) The type of carbon credits, including whether the underlying offsets are nature-based or technology-based carbon removals, and whether the underlying offsets are achieved through emission reductions or carbon removals.	Carbon credit scheme not currently utilized
	(iv) Any other factors necessary to understand the credibility and integrity of the carbon credits that the issuer plans to use (e.g., assumptions regarding the permanence of carbon offsets).	Carbon credit scheme not currently utilized
	Applicability of Cross-Industry and Sector-Based Metrics 41. In preparing disclosures that comply with the requirements in paragraphs 21 to 26 and paragraphs 37 to 38, the issuer shall reference and consider the applicability of (i) cross-industry metrics (see paragraphs 28 to 35) and (ii) sector-based metrics (see paragraph 36).	Industry-Based Metrics not currently applicable

Report of Directors

The Board of the Company is pleased to present this report of Directors together with the Consolidated Financial Statements of the Group for the year ended December 31, 2025.

PRINCIPAL ACTIVITIES

We are a leading biopharmaceutical company in China, focusing on the research, development and production of new drugs and biosimilars for cancers and autoimmune diseases. We strive to bring to market high quality and affordable innovative biologics through our efficient R&D system and low-cost pharmaceutical production capability, and develop differentiated therapeutic products by fully utilizing our extensive R&D experience.

There was no significant change in the nature of the Group's principal activities during the Reporting Period and up to the date of this annual report.

Particulars of the Company's principal subsidiaries as at December 31, 2025 are set out in Note 1 "CORPORATE AND GROUP INFORMATION" to the Consolidated Financial Statements.

BUSINESS REVIEW

A fair review of the business of the Group, the outlook of future development of the business of the Group as well as a discussion and analysis of the Group's performance during the Reporting Period and the material factors underlying its financial performance and financial position as required by section 388 (2) and Schedule 5 to the Companies Ordinance can be found in the section headed "Management Discussion and Analysis" of this annual report.

The financial risk management objectives and policies of the Group are set out in Note 37 "FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES" to the Consolidated Financial Statements.

Further details relating to the Group's relationships with its key stakeholders, the Group's environmental policies and performance, as well as the compliance with the relevant laws and regulations that have a significant impact on the Group can be found in the Environmental, Social and Governance Report on pages 44 to 157. The "Management Discussion and Analysis" and the "Environmental, Social and Governance Report" form part of this report of Directors.

RESULTS

Details of the consolidated loss and total comprehensive expense of the Group for the Reporting Period and the Group's financial position as at December 31, 2025 are set out in the Consolidated Financial Statements on pages 219 to 221.

FINAL DIVIDENDS

The Board does not recommend payment of a final dividend for the year ended December 31, 2025.

ENVIRONMENTAL POLICIES AND PERFORMANCE

We are committed to promoting a sustainable and environmental friendly environment. We endeavour to comply with the relevant laws and regulations regarding environmental protection and implement effective measures to achieve efficient use of resources, waste reduction and energy saving. For instance, we utilize the waste water generated in RO reverse purification process, and the recycled waste water is mainly used for supplementing water to equipment units and as domestic water, etc. We also review our environmental policies on a regular basis.

In accordance with Rule 13.91 and the Environmental, Social and Governance Reporting Guide contained in Appendix C2 of the Listing Rules, the Company's Environmental, Social and Governance Report can be found on pages 44 to 157.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties that may cause our financial conditions or results to be materially different from the expected or historical results can be summarized as follows, some of which are beyond our control:

1. risks related to financial prospects and funding

    - ability to raise additional capital to fund our operations in a timely manner on acceptable terms

    - risk of obsolescence for our inventory, which may adversely impact our financial condition and results of operations

2. risks related to product development and commercialization

    - ability to develop, obtain approval for or commercialize any of our drug candidates or incur significant delays in doing so

3. risks related to governmental regulation

    - changes in government regulations or in practices relating to the pharmaceutical and biotechnology industries, including healthcare reform in the PRC

4. risks related to intellectual property

    - be successful in protecting our own intellectual property

5. other risks related to our industry and business

    - competition in the biopharmaceuticals market, in particular for therapeutic antibody drugs

6. risks related to doing business in the PRC

    - adverse changes in political, economic and other policies of the Chinese government could have a material adverse effect on the overall economic growth of China

    - government control of currency conversion of and regulations on loans to, and direct investment in, PRC entities by offshore holding companies may delay or prevent us from making loans or additional contributions to our PRC subsidiaries

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.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

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

BOARD COMMITTEES

Please refer to pages 196 to 200 of the Corporate Governance Report for further details in relation to (1) Remuneration Committee, (2) Audit Committee, and (3) Nomination Committee as established by the Board.

DIRECTORS

The Directors during the Reporting Period and up to the date of this annual report were:

Executive Directors
Dr. Wang Hao *(Chief Executive Officer)*
Mr. Li Yunfeng
Mr. Tao Jing
Dr. Hou Sheng
Dr. Qian Weizhu

Non-executive Directors
Mr. Jiao Shuge *(Chairman)*
Mr. Cen Jialin

Independent Non-executive Directors
Dr. Zhang Yanyun *(designated as a lead Independent Non-executive Director on October 31, 2025)*
Mr. Guo Liangzhong
Mr. Leung, Louis Ho Ming
Dr. Tao Qian

In accordance with article 108 of the Articles of Association, Mr. Li Yunfeng, Mr. Tao Jing, Dr. Hou Sheng and Mr. Leung, Louis Ho Ming will retire from office by rotation at the forthcoming AGM, among whom Mr. Li Yunfeng, Mr. Tao Jing, Dr. Hou Sheng and Mr. Leung, Louis Ho Ming are eligible and will offer themselves for re-election.

DIRECTORS AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and senior management are set out in the section headed "Directors and Senior Management" of this annual report.

CHANGES IN INFORMATION OF DIRECTORS

So far as the Directors are aware and save as disclosed in this report, there has been no other change of information of Directors during the Reporting Period.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

The Company has received from each of the independent non-executive Directors an annual confirmation in writing of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that, as at the date of this annual report, all of the independent non-executive Directors are independent. The Nomination Committee has conducted an annual review and considers that all independent non-executive Directors are independent, taking into account the independence guidelines set out in Rule 3.13 of the Listing Rules in the context of the length of service of each independent non-executive Director. The Board believes that the balance between the executive Directors and the independent non-executive Directors is reasonable and adequate to provide sufficient checks and balances that safeguard the interests of the Shareholders and the Group.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service contract with us under which they agreed to act as executive Directors for an initial term of three years, which may be terminated by not less than three months' notice in writing served by either the executive Director or us.

Each of the non-executive Directors and the independent non-executive Directors has signed an appointment letter with us for a term of three years and two years, respectively. Under their respective appointment letters, each of the independent non-executive Directors is entitled to a fixed Director's fee while the non-executive Directors are not entitled to any remuneration.

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

None of the Directors has entered into a service contract which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

PERMITTED INDEMNITY PROVISION AND DIRECTORS' AND EXECUTIVE OFFICERS' LIABILITY INSURANCE

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

Such permitted indemnity provision has been in force for the year ended December 31, 2025. The Company has taken out liability insurance to provide appropriate coverage for the Directors.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed under the section headed "Related Party Transactions" below and Note 34 "RELATED PARTY TRANSACTIONS" to the Consolidated Financial Statements, none of the Directors nor any entity connected with the Directors had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party subsisting during or at the end of the Reporting Period.

CONTROLLING SHAREHOLDER'S INTERESTS IN SIGNIFICANT CONTRACTS

Save as disclosed under the section headed "Related Party Transactions" below and Note 34 "RELATED PARTY TRANSACTIONS" to the Consolidated Financial Statements, no contracts of significance (as defined in Appendix D2 to the Listing Rules) in relation to our business to which the Company, its holding company or any of its subsidiaries was a party and in which a controlling shareholder of the Company had a material interest, whether directly or indirectly, during or at the end of the Reporting Period.

MANAGEMENT CONTRACTS

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

MAJOR CUSTOMERS AND SUPPLIERS

Sales to the Group's five largest customers and the largest customer accounted for 18.7% and 5.4%, respectively, of the Group's total sales during the Reporting Period. The Group attaches great importance to the long-term relationship with its customers. The Group strives to build mutual trust with customers, strengthen communication and commitment with them, provide customers with high-quality products and maintain sustainable development.

Purchases attributable to the Group's five largest suppliers and the largest supplier accounted for 39.4% and 16.2%, respectively, of the Group's total purchases for the Reporting Period. The Group values long standing relationships with its suppliers. The Group is aiming to develop mutual trust and enhance communication and commitment with its suppliers with a view to deliver high quality products to its customers and maintain sustainable growth.

None of the Directors or any of their close associates (as defined in the Listing Rules) or any Shareholders (whom, to the best knowledge and belief of the Directors, own more than 5% of the Company's total issued share capital) had a material interest in the Group's five largest customers and five largest suppliers during the Reporting Period.

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

REMUNERATION OF DIRECTORS

The Directors' fees and other emoluments are supervised by the Remuneration Committee and determined by the Board with reference to the Directors' duties, responsibilities and performance and the results of the Company as well as the prevailing market conditions. Details of the Directors' remuneration are set out in Note 10 "DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION" to the Consolidated Financial Statements.

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

DIRECTORS' INTERESTS IN COMPETING BUSINESS

The Directors confirm that, during the Reporting Period, they did not have any interest in a business, apart from the business of the Group, which competes or is likely to compete, directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

DEED OF NON-COMPETITION

Each of the Controlling Shareholders and Sinomab (each a "**Covenantor**" and collectively the "**Covenantors**") has entered into the deed of non-competition with the Company on April 16, 2019 ("**Deed of Non-Competition**"). Pursuant to the Deed of Non-competition, each of the Covenantors has irrevocably and unconditionally undertaken to the Company that, with the exception of the Excluded Business, he/it shall not, and shall procure his/its close associates (other than any members of the Group) shall not, whether directly or indirectly (including through any body corporate, partnership, joint venture or other contractual arrangement) or as principal or agent, and whether on their own account or with each other or in conjunction with or on behalf of any person, firm or company or through any entities (except in or through any member of the Group), carry on, engage, participate or hold any right or interest in or render any services to or otherwise be involved in any business which is in competition, directly or indirectly, with the business of any member of the Group, in particular any research, development, manufacturing and commercialization of drug products having the same chemical target as those biologic products of the Group. For further details of the Deed of Non-competition, please refer to the section headed "Relationship with Controlling Shareholders – Deed of Non-competition" of the Prospectus.

The independent non-executive Directors have reviewed the compliance of the Deed of Non-competition by the Covenantors, and considered that the non-competition undertakings have been complied with during the Reporting Period. The Covenantors have provided the Company with the confirmation in writing of compliance of the non-competition undertakings.

FINANCIAL SUMMARY

A summary of the consolidated results and the assets and liabilities of the Group for the last five financial years is set out on page 312 of this annual report. This summary does not form part of the Consolidated Financial Statements.

PRE-EMPTIVE RIGHTS

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

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the plant and equipment of the Group during the Reporting Period are set out in Note 15 "PROPERTY, PLANT AND EQUIPMENT" to the Consolidated Financial Statements.

SHARE CAPITAL AND SHARES ISSUED

Details of movements in the share capital of the Company for the Reporting Period are set out in Note 29 "SHARE CAPITAL" to the Consolidated Financial Statements.

DONATION

During the Reporting Period, the Group did not make charitable donation or endow free drugs to Beijing RenZe Foundation in support of its love aid project for patients with autoimmune diseases (2024: RMB39,000), nor did it make charitable donation or endow free drugs (2024: 7,328 vials of free drugs (cetuximab β for injection)) to China Zhongguancun Precision Medicine Science and Technology Foundation.

DEBENTURE ISSUED

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

EQUITY-LINKED AGREEMENTS

Save for the Pre-IPO Share Option Scheme as set out in this annual report, no equity-linked agreements were entered into by the Group, or existed during the Reporting Period.

DISTRIBUTABLE RESERVES

Details of the movements in the reserves of the Group during the year ended December 31, 2025 are set out on page 222 of to the Consolidated Financial Statements. The distributable reserves of the Company as at December 31, 2025 were RMB1,332.8 million (2024: RMB1,332.8 million).

BANK AND OTHER BORROWINGS

Details of the bank and other borrowings of the Company as at December 31, 2025 are set out in the section headed "Management Discussion and Analysis" in this annual report and Note 25 "INTEREST-BEARING BANK AND OTHER BORROWINGS" to the Consolidated Financial Statements.

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND THE CHIEF EXECUTIVE OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at December 31, 2025, the interests or short positions of our Directors and chief executives in the Shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or (ii) to be entered into the register required to be kept by the Company pursuant to Section 352 of the SFO, or (iii) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code set out in Appendix C3 to the Listing Rules were as follows:

Name of Director	Nature of interest	Number of Shares or underlying Shares	Approximate percentage of shareholding interest [1]
Dr. Hou Sheng (侯盛)	Interest of Spouse (L)[2]	29,642,137	0.72%
Dr. Qian Weizhu (錢衛珠)	Beneficial owner (L)[2]	29,642,137	0.72%
Dr. Wang Hao (王皓)	Beneficial owner (L)[2]	24,827,006	0.60%
Mr. Li Yunfeng (李雲峰)	Beneficial owner (L)[2]	3,236,234	0.08%
Mr. Tao Jing (陶靜)	Beneficial owner (L)[2]	3,236,234	0.08%

Notes:

(1) As at December 31, 2025, the total number of issued shares of the Company was 4,124,080,000 Shares.

(2) These interests represented the share options granted under the Pre-IPO Share Option Scheme. For details, please refer to Note 30 "SHARE-BASED PAYMENT TRANSACTIONS" to the Consolidated Financial Statements.

Save as disclosed above, so far as the Directors and the chief executive of the Company are aware, none of the Directors or the chief executive of the Company had registered an interest or short position in any Shares or underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified under Division 7 and 8 of Part XV of the SFO or recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at December 31, 2025, the interests of relevant persons (other than a Director or the chief executive of the Company) who had interests or short positions in the Shares or the underlying shares, as recorded in the register required to be kept under Section 336 of the SFO, were as follows:

Name of Shareholder	Nature of interest	Number of Shares	Approximate percentage of shareholding interest
Asia Mabtech[1]	Beneficial owner (L); Interest in controlled corporation (L)	2,227,000,000	54.00%
United Circuit[1]	Beneficial owner (L)	167,025,000	4.05%
Guo Family Trustee[1]	Interest in controlled corporation (L)	2,227,000,000	54.00%
Asia Pacific Immunotech Venture Limited[1]	Interest in controlled corporation (L)	2,227,000,000	54.00%
Mr. Guo Jianjun[1]	Interest in controlled corporation (L)	2,227,000,000	54.00%
CDH PE[2]	Beneficial owner (L)	742,348,180	18.00%

Name of Shareholder	Nature of interest	Number of Shares	Approximate percentage of shareholding interest
CDH Fund V, L.P. ("**CDH Fund**")[2]	Interest in controlled corporation (L)	742,348,180	18.00%
CDH V Holdings Company Limited ("**CDH V**")[2]	Interest in controlled corporation (L)	742,348,180	18.00%
China Diamond Holdings V Limited ("**CDH Diamond V**")[2]	Interest in controlled corporation (L)	742,348,180	18.00%
China Diamond Holdings Company Limited ("**China Diamond**")[2]	Interest in controlled corporation (L)	742,348,180	18.00%
FH Investment[3]	Beneficial owner (L)	213,435,680	5.18%
Link Best Capital Limited[3]	Interest in controlled corporation (L)	213,435,680	5.18%

Notes:

(1) The Company is held as to 49.95% and 4.05% by Asia Mabtech and United Circuit, respectively. United Circuit is held as to 100% by Asia Mabtech, which is wholly-owned by Asia Pacific Immunotech Venture which is in turn wholly-owned by the Guo Family Trust, of which Mr. Guo Jianjun is the settlor and Guo Family Trustee is the trustee. As such, Mr. Guo Jianjun is deemed or is taken to be interested in 167,025,000 Shares beneficially owned by United Circuit and 2,059,975,000 Shares beneficially owned by Asia Mabtech for the purpose of Part XV of the SFO.

(2) The Company is held as to 18.00% by CDH PE. CDH PE is wholly-owned by CDH Fund. Pursuant to the SFO, CDH Fund is therefore deemed to be interested in the shares held by CDH PE. CDH Fund is controlled by CDH V, which is in turn held as to 80% by China Diamond V. China Diamond V is held as to 100% by China Diamond.

(3) FH Investment is a direct wholly-owned subsidiary of Link Best Capital Limited, which is held by independent third parties.

Save as disclosed above, so far as the Directors are aware, no other persons had registered an interest or short position in any Shares or underlying shares or debentures of the Company that was required to be recorded pursuant to Section 336 of the SFO, or as otherwise notified.

PRE-IPO SHARE OPTION SCHEME

On August 10, 2018, the Company adopted the Pre-IPO Share Option Scheme. For the details of the Pre-IPO Share Option Scheme, please refer to the disclosure in the Prospectus.

Below is a summary of the principal terms of the Pre-IPO Share Option Scheme:

Purpose

The purpose of the Pre-IPO Share Option Scheme is to enable our Group to grant options to selected participants as incentives or rewards for their contribution to our Group.

Duration of the Pre-IPO Share Option Scheme

The Pre-IPO Share Option Scheme commenced on August 10, 2018 and ended on the day immediately before the Listing date. No option is available for grant under the Pre-IPO Share Option Scheme during the Reporting Period and as of the date of this annual report.

Participants

Eligible participants include directors and employees of the Company or any of its subsidiaries who, in the sole opinion of the Board, have contributed to the Company and/or any of the subsidiaries.

Maximum number of shares that can be awarded

The maximum number of Shares in respect of which options may be granted shall be equivalent to 2.5% of the issued share capital of the Company immediately after capitalization prior to the Global Offering.

Maximum entitlement for each participant

Under the Pre-IPO Share Option Scheme, there is no specific limit on the maximum number of shares which may be granted to a single eligible participant.

Exercise Period

The date of expiry of the option is determined by the Board which shall not be later than the last day of the option period, which must expire not more than 10 years from the date of grant. 20% of the share options granted will be exercisable commencing from the fourth, fifth, sixth, seventh and eighth anniversary of the Listing Date, respectively.

Exercise Price

The exercise price of the options shall be the final offer price per share at which the Shares are acquired by the investors pursuant to the Global Offering which amounted to HK$1.50 per Share.

Outstanding Share Options

On August 18, 2018, the Company granted an aggregate of 83,512,500 share options to 62 Grantees, representing rights to subscribe for 83,512,500 Shares (taking into account the Capitalization Issue). Subsequent to the granting of the share options, a total of 33 of the grantees resigned from their respective positions within our Group. As such, the share options granted to these 33 grantees were lapsed and no longer exercisable. As of December 31, 2025, the number of Shares underlying the outstanding and unexercised share options granted under the Pre-IPO Share Option Scheme amounts to 72,670,876 Shares and 1.76% of the issued share capital of the Company as at the date of this annual report. None of the share options granted under the scheme has been exercised by any grantee.

Details of the movements of the options granted under the Pre-IPO Share Option Scheme during the Reporting Period are as follows:

			Number of Share Options During the Reporting Period				
Category	Grant Date	Outstanding at January 1, 2025	Granted	Exercised	Lapsed	Forfeited	Outstanding at December 31, 2025
Category 1: Directors							
Dr. Qian Weizhu	August 18, 2018	29,642,137	–	–	–	–	29,642,137
Dr. Wang Hao	August 18, 2018	24,827,006	–	–	–	–	24,827,006
Mr. Li Yunfeng	August 18, 2018	3,236,234	–	–	–	–	3,236,234
Mr. Tao Jing	August 18, 2018	3,236,234	–	–	–	–	3,236,234
Sub-total		60,941,611	–	–	–	–	60,941,611
Category 2: Employees	August 18, 2018	12,503,932	–	–	–	(774,667)	11,729,265
Total		73,445,543	–	–	–	(774,667)	72,670,876

The total number of Shares of the Company that may be issued in respect of options granted under the Pre-IPO Share Option Scheme for the year ended December 31, 2025 was 72,670,876 divided by the weighted average number of Shares of the relevant class in issue (i.e. 4,124,080,000 shares) (excluding treasury shares) for the year ended December 31, 2025 was 1.76%.

For further details, please refer to Note 30 "SHARE-BASED PAYMENT TRANSACTIONS" to the Consolidated Financial Statements.

Save as disclosed above and in Note 30 "SHARE-BASED PAYMENT TRANSACTIONS" to the Consolidated Financial Statements, the Company does not have any other share option schemes.

RELATED PARTY TRANSACTIONS

Details of the related party transactions were set out in Note 34 "RELATED PARTY TRANSACTIONS" to the Consolidated Financial Statements. The Company confirmed that, relevant related party transactions have fully complied with requirements of the Listing Rules, and there were no connected transactions or continuing connected transactions conducted by the Company during the Reporting Period subject to disclosure pursuant to Chapter 14A of the Listing Rules.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities listed on the Stock Exchange during the Reporting Period.

As at December 31, 2025, the Company did not hold any treasury shares (as defined under the Listing Rules).

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 during the Reporting Period.

USE OF NET PROCEEDS FROM LISTING

With the Shares of the Company listed on the Stock Exchange on the Listing Date, the net proceeds from the Global Offering were approximately HK$1,144.5 million. As at the date of this annual report, the Company has used all the net proceeds in accordance with the purposes as set out in the prospectus of the Company dated May 20, 2019.

PUBLIC FLOAT

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

The applicable public float threshold for the Company is the initial prescribed threshold of at least 25% of the total number of issued shares (excluding treasury shares) held by the public.

As at December 31, 2025, the total issued share capital of the Company amounted to USD412,408 comprising 4,124,080,000 ordinary shares of USD0.0001 each. The Company has one class of shares in issue, which rank pari passu with each other in all respects.

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this report, the Company has complied with the prescribed public float requirements under Rule 13.32B of the Listing Rules as at December 31, 2025.

As at December 31, 2025, approximately 28% of the total number of issued shares of the Company (excluding treasury shares) were held by the public based on the calculations set out in the share ownership composition below:

Group of shareholders		Names	Number of shares held	Approximate % of shareholding
(a)	*Non-public shareholders*			
	Substantial shareholders	Mr. Guo Jianjun	2,227,000,000	54%
		China Diamond Holdings Company Limited	742,348,180	18%
(b)	*Public shareholders*	Link Best Capital Limited	213,435,680	5.18%
		Other public shareholders	941,296,140	22.82%
	Public float			28%
Total			4,124,080,000	100%

Note:

For details of interests of substantial shareholders, please refer to the section headed "SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES".

REVIEW BY AUDIT COMMITTEE

The Audit Committee currently comprises three members, including two independent non-executive Directors, namely, Mr. Guo Liangzhong and Mr. Leung, Louis Ho Ming and one non-executive Director, namely, Mr. Jiao Shuge. The Audit Committee has reviewed, with the management of the Company, the audited Consolidated Financial Statements for the Reporting Period.

INDEPENDENT AUDITOR

The consolidated financial statements of the Group for the year ended December 31, 2025 was audited by Ernst & Young who will retire and, being eligible, offer itself for re-appointment at the forthcoming annual general meeting of the Company.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

As at December 31, 2025, there were no significant investments held by the Group or future plans regarding significant investment or capital assets, and we did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Period.

EMPLOYEE AND REMUNERATION POLICY

As of December 31, 2025, we had a total of 389 employees, of which 38 are located in Shanghai and 351 are located in Taizhou. The table below sets forth a breakdown of our employees by function:

Function	Number of Employees
Business units	87
R&D personnel[(1)]	243
Administration	21
Management	38
Total	389

Notes:

(1) The number of R&D personnel here excludes 22 R&D team members who have been included in our management.

Our success depends on our ability to attract, recruit and retain qualified employees. We provide our employees with opportunities to work on cutting-edge biologics projects with world-class scientists. We aim to attract qualified employees with overseas educational backgrounds and relevant experience gained from global pharmaceutical or biotechnology companies. As of the date of this report, Dr. Wang Hao, Dr. Hou Sheng and Dr. Qian Weizhu of our scientists held a Ph.D. degree or equivalent in fields that are highly relevant to our business. In addition, as of the same date, 199 out of our 265 R&D personnel (including those who are our management) held a bachelor's degree or above.

Our employment agreements typically cover matters such as wages, benefits and grounds for termination. The remuneration package of our employees generally includes salary and bonus elements. In general, we determine the remuneration package based on the qualifications, position and performance of our employees. We also make contributions to the social insurance fund, including basic pension insurance, medical insurance, unemployment insurance, childbirth insurance, work-related injury insurance funds, and housing reserve fund.

We have established a labor union at Taizhou that represents employees with respect to the promulgation of bylaws and internal protocols. As of December 31, 2025, all of our employees at Taizhou were members of the labor union. We believe that we maintain a good working relationship with our employees. We had not experienced any material difficulty in recruiting employees for our operations during the Reporting Period and up to the date of this report.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

There are no important events undertaken by the Group after December 31, 2025 and up to the date of this report.

Directors and Senior Management

EXECUTIVE DIRECTORS

Dr. Wang Hao (王皓), aged 57, is the chief scientist of our Company and was appointed as an executive Director of our Company on July 20, 2018 and has served as a member of the Remuneration Committee since the Listing Date, and is primarily responsible for overseeing business development and day-to-day management and routine operation of our Group. Dr. Wang was further appointed as the chief executive officer of our Company on October 28, 2020. Dr. Wang joined our Group and served as a deputy general manager of Taizhou Pharmaceutical since January 2017 and resigned in March 2017. Dr. Wang was appointed as a director of Taizhou Pharmaceutical and Shengheng Biotech in August 2018, and was appointed as the chairman of Taizhou Pharmaceutical and the chairman and general manager of Shengheng Biotech in October 2020.

Dr. Wang has over 27 years of experience in the medical and pharmaceutical technology industry, which in the Directors' view, enables him to competently carry out responsibilities in our Group. From 1998 to 2016, Dr. Wang consecutively served as an assistant researcher, associate researcher and researcher at the Cancer Institute of the Second Military Medical University (第二軍醫大學) (currently known as People's Liberation Army Navy Medical University (中國人民解放軍海軍軍醫大學)). Dr. Wang also served as a member of the Second Immuno-Oncology Committee of Shanghai Immunology Association (上海市免疫學會第二屆腫瘤免疫專業委員會) since June 2015. He also worked as a deputy general manager of Zhangjiang Biotech from March 2017 to May 2018. Dr. Wang was also a manager of Jiangsu Maitai Shouchuang Biotechnology Co., Ltd. (江蘇邁太首創生物技術有限公司) from September 2017 to June 2018.

Dr. Wang obtained a bachelor's degree in medicine in July 1991 and a master's degree in medicine in July 1994 from the Second Military Medical University (第二軍醫大學) (currently known as the People's Liberation Army Navy Medical University (中國人民解放軍海軍軍醫大學)). Following which, he received a Ph.D. in medicine in June 1997 from the same institution.

Dr. Wang was awarded twice with the National Award for Science and Technology Progress (國家技術發明獎) in December 2011 and December 2007, respectively, the Shanghai Oriental Scholar Professorship in June 2008 (上海高校特聘教授 (東方學者)), and the Shanghai Award for Science and Technology Progress (上海市科學技術進步獎) in December 2003.

Mr. Li Yunfeng (李雲峰), aged 49, is the vice president of our Company and was appointed as an executive Director of our Company on July 20, 2018. He is primarily responsible for overseeing the management of market development, investment and legal work of our Group. Mr. Li joined our Group and served as a deputy general manager of Taizhou Pharmaceutical since March 2016, and was appointed as a director of Taizhou Pharmaceutical and Shengheng Biotech in August 2018 and November 2019, respectively.

Mr. Li has over 23 years of experience in the biotechnology industry, which in the Directors' view, enables him to competently carry out responsibilities in our Group. From January 2002 to June 2009, and from July 2010 to November 2012, Mr. Li was employed by Shanghai CP Guojian Pharmaceutical Co., Ltd. (上海中信國健藥業股份有限公司) (currently known as Sunshine Guojian Pharmaceutical (Shanghai) Co., Ltd. (三生國健藥業 (上海)股份有限公司)) as a deputy general manager. Mr. Li worked as a deputy general manager at Shanghai National Engineering Research Center of Antibody Medicine Co., Ltd. (上海抗體藥物國家工程研究中心有限公司) from July 2009 to June 2010 and a general manager of Shanghai Lansheng Guojian Pharmaceutical Co., Ltd. (上海蘭生國健藥業有限公司) (currently known as Shanghai Xingsheng Pharmaceutical Co., Ltd. (上海興生藥業有限公司)) from December 2012 to March 2016. Mr. Li served as a deputy general manager of Zhangjiang Biotech from March 2016 to July 2017. He also worked as a deputy general manager of Biomabs and MTJA respectively from March 2016 to August 2018.

Mr. Li obtained a bachelor's degree in international economics from Nanjing Normal University (南京師範大學) in July 1998.

Mr. Tao Jing (陶靜), aged 53, joined Taizhou Pharmaceutical in February 2015 as its deputy general manager and was appointed as the vice president of the Company and general manager of Taizhou Pharmaceutical in August 2018 and, subsequently, an executive Director and a member of the Nomination Committee of the Company and a director of Taizhou Pharmaceutical and Shengheng Biotech in October 2020. Mr. Tao has ceased to be a member of the Nomination Committee in October 2025. He was elected as a member of the sixth session of the Standing Committee of Taizhou Gaogang District People's Congress in January 2022. He is primarily responsible for overseeing production of drugs of the Group. Prior to joining our Group, Mr. Tao was employed by Shanghai CP Guojian Pharmaceutical Co., Ltd. (上海中信國健藥業股份有限公司) (currently known as Sunshine Guojian Pharmaceutical (Shanghai) Co., Ltd. (三生國健藥業 (上海)股份有限公司)) as a deputy manager and manager in pronucleus department and an operation manager and deputy chief engineer from May 2002 to May 2012. Mr. Tao served as a deputy chief engineer at Shanghai National Engineering Research Center of Antibody Medicine Co., Ltd. (上海抗體藥物國家工程研究中心有限公司) from June 2012 to July 2012. Mr. Tao served as a director of research and development department at MTJA and Zhangjiang Biotech respectively from August 2012 to March 2015, primarily responsible for pharmaceutical research and development.

Mr. Tao received a bachelor's degree in biochemistry from Anhui University (安徽大學) in July 1994. He also obtained an advanced certificate in biochemistry from Shanghai Municipal Human Resources and Social Security Bureau (上海市人力資源和社會保障局) in November 2013.

Dr. Hou Sheng (侯盛), aged 48, joined the Company in November 2023 and was appointed as an executive Director of our Company and a director of Taizhou Pharmaceutical and Shengheng Biotech. He was appointed as a vice president of the Company in December 2023 and is mainly responsible for overseeing the Group's medical, drug registration and clinical studies. He has over 22 years of experience in oncology and biology fields. Dr. Hou served as an assistant researcher and associate researcher and was employed at translational medical research department on tumor cell biology of Second Military Medical University (第二軍醫大學) (currently known as People's Liberation Army Navy Medical University (中國人民解放軍海軍軍醫大學)) from May 2008 to March 2016. From May 2008 to August 2012, Dr. Hou served as an assistant researcher and associate researcher at National Engineering Research Center for Antibody Medicine* (抗體藥物國家工程研究中心). From September 2012 to February 2021, Dr. Hou served as a deputy director and associate researcher at State Key Laboratory of Antibody Drugs and Targeted Therapy (抗體藥物與靶向治療國家重點實驗室). From April 2021 to July 2023, Dr. Hou was the chairman of the board of directors and general manager of Wuhan Guojian Baiao Pharmaceutical Co., Ltd* (武漢國健百奧藥業有限公司). Dr. Hou is the spouse of Dr. Qian Weizhu.

Dr. Hou received a Ph.D. in medicine from the Second Military Medical University (第二軍醫大學) (currently known as People's Liberation Army Navy Medical University (中國人民解放軍海軍軍醫大學)) in June 2005.

Dr. Hou received second prize in State Technological Invention Award (國家技術發明二等獎) in 2007, first prize in Shanghai Science and Technology Award (上海市科學技術獎一等獎) two times in 2006 and 2011 respectively, and second prize in Shanghai Technology Invention Award (上海市技術發明獎二等獎).

Dr. Qian Weizhu (錢衛珠), aged 50, was appointed as a non-executive Director of our Company and a director of Taizhou Pharmaceutical and Shengheng Biotech in November 2023. Dr. Qian was redesignated as an executive Director of the Group in July 2024 and appointed as a member of the Nomination Committee in October 2025. She is mainly responsible for product R&D of the Group. Dr. Qian has more than 31 years of experience in oncology and biology fields. Dr. Qian was employed at the Cancer Institute of Second Military Medical University (第二軍醫大學) (currently known as People's Liberation Army Navy Medical University (中國人民解放軍海軍軍醫大學)) from 1994 to 2013, primarily responsible for biotechnology research and development. Dr. Qian consecutively served as deputy general manager and general manager of Zhangjiang Biotechnology from January 2014 to July 2017. Dr. Qian worked as a director and general manager in Biomabs from October 2015 to August 2018 and from December 2020 to October 2023. Dr. Qian also served as general manager in MTJA from February 2016 to August 2018. Dr. Qian was a legal representative of Shanghai Guojian Biotechnology Research Institute (上海國健生物技術研究院) from February 2015 to September 2018. Dr. Qian joined our Group in February 2015, and served consecutively as a director and chairman of the board of directors in Taizhou Pharmaceutical from February 2015 to October 2020, during which she had been deputy general manager and general manager of Taizhou Pharmaceutical consecutively from February 2015 to August 2018. Dr. Qian served as a director and general manager of Shengheng Biotech from August 2018 to October 2020. Dr. Qian served as the executive Director and chief executive officer of the Company from July 2018 to October 2020 and served as a member of the Nomination Committee of the Company from the Listing Date to October 2020. Dr. Qian is the spouse of Dr. Hou.

Dr. Qian obtained a master's degree in biochemistry and molecular biology in June 2003 from Second Military Medical University (第二軍醫大學) (currently known as People's Liberation Army Navy Medical University (中國人民解放軍海軍軍醫大學)) and was awarded a doctorate degree in oncology in June 2011 from the aforementioned university.

NON-EXECUTIVE DIRECTORS

Mr. Jiao Shuge (焦樹閣), aged 60, was appointed as the Chairman and a non-executive Director of our Company on July 20, 2018 and has served as a member of the Audit Committee of the Company since the Listing Date, and is responsible for participating in formulating business and corporate strategies of our Group. Mr. Jiao joined our Group and was appointed as a director of Taizhou Pharmaceutical in February 2015, during which he served as the chairman of Taizhou Pharmaceutical from February 2015 to August 2018. Mr. Jiao was appointed as a director of Shengheng Biotech in August 2018.

Mr. Jiao is a founding partner and director of CDH Investments Management Company Limited. Mr. Jiao was appointed as a director of WH Group Limited (listed on the Stock Exchange, stock code: 0288) on April 28, 2006, served as vice chairman of the board of directors of such company from November 26, 2010 to August 14, 2018, was appointed as a non-executive director of such company on December 31, 2013, and also served as a director of Henan Shuanghui Investment & Development Co., Ltd. (listed on the Shenzhen Stock Exchange, stock code: 000895, a subsidiary of WH Group Limited) from August 20, 2012 to August 31, 2021. Mr. Jiao served as a non-executive director of OCI International Holdings Limited (listed on the Stock Exchange, stock code: 329) from March 8, 2021 to May 18, 2023, and was appointed as an executive director of such company on May 18, 2023, and served as chairman of such company since March 8, 2021 and chief executive officer of such company from May 18, 2023 to December 14, 2023. Mr. Jiao has served as a director of Sinovac Biotech Ltd. (listed on the NASDAQ Global Select Market, stock code: SVA) since July 2025.

Mr. Jiao was a research fellow at the 710th Research Institute of China Aerospace Science and Technology Corporation from August 1989 to January 1995. He served as deputy general manager of the Direct Investment Department of China International Capital Corporation Limited from December 1995 to August 2002. Mr. Jiao has extensive experience and held directorships in various listed companies, including serving as a non-executive director of China Mengniu Dairy Company Limited (listed on the Stock Exchange, stock code: 02319) from February 18, 2004 to April 12, 2012, and as an independent non-executive director of such company from April 12, 2012 to November 30, 2021; a non-executive director of China Yurun Food Group Limited (listed on the Stock Exchange, stock code: 01068) from April 13, 2005 to September 22, 2012; a non-executive director of China Shanshui Cement Group Limited (listed on the Stock Exchange, stock code: 00691) from November 30, 2005 to May 16, 2014; a director of Joyoung Co., Ltd. (listed on the Shenzhen Stock Exchange, stock code: 002242) from September 12, 2007 to April 27, 2020; an independent non-executive director of China Southern Airlines Company Limited (listed on the Stock Exchange, stock code: 01055) from June 30, 2015 to April 30, 2021; a director of Hainan Poly Pharm Co., Ltd. (listed on the Shenzhen Stock Exchange, stock code: 300630) from July 2015 to April 25, 2025; and chairman of Ningbo Yajin Electronic Technology Co., Ltd. (listed on the National Equities Exchange and Quotations, securities code: 830806) from March 2016 to May 2021, general manager of such company from February 2016 to March 2022, and legal representative of such company from February 2016 to February 2022.

Mr. Jiao graduated from Shandong University in July 1986 with a bachelor's degree in mathematics, and obtained a master's degree in engineering from the Second Academy of the Ministry of Aerospace Industry of China in October 1989.

Mr. Cen Jialin (岑佳麟), aged 51, was appointed as a non-executive Director of our Company on July 10, 2024, and is responsible for participating in formulating business and corporate strategies of our Group. From August 2002 to September 2004, Mr. Cen served as the manager of the operation and procurement department in Shenzhen branch of AEON (China) Co., Ltd. (永旺 (中國)商業有限公司). From January 2006 to March 2007, Mr. Cen served as the general manager in charge of the retail division in Chongqing branch and Maoming branch of CapitaLand China (凱德集團). From April 2007 to March 2018, Mr. Cen served as the general manager of Skycity Group (天城集團). Mr. Cen has been an executive director of CDH Investments (鼎暉投資) since April 2018.

Mr. Cen obtained a bachelor's degree in finance and securities from Shenzhen University (深圳大學) in July 1999 and obtained a master's degree in business administration from Washington University in St. Louis in December 2012.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Zhang Yanyun (張雁雲), aged 70, is an independent non-executive Director of our Company and was appointed as a Director, the chairman of the Remuneration Committee and a member of the Nomination Committee on August 10, 2018 with effect from the Listing. Dr. Zhang was designated as the lead independent non-executive Director of our Company with effect from October 31, 2025. From 1997 to 1998, Dr. Zhang was a visiting researcher at the Faculty of Medicine, University of Tokyo (東京大學醫學部). From 2002 to 2003, Dr. Zhang was a researcher at the Faculty of Medicine, University of Tokyo (東京大學醫學部). From 2002 to 2017, Dr. Zhang consecutively served as a researcher and principal investigator at Shanghai Institute for Biological Sciences, Chinese Academy of Sciences (中國科學院上海生命科學研究院). From 2008 to 2014, Dr. Zhang was the vice director at the Institute of Health Sciences, Shanghai Institute for Biological Sciences, Chinese Academy of Sciences and Shanghai Jiao Tong University School of Medicine (中國科學院上海生命科學研究院上海交通大學醫學院健康科學研究所). From 2012 to 2015, Dr. Zhang was the editor-in-chief of a professional journal named Current Immunology《現代免疫學》. Dr. Zhang has been the non-resident research fellow and principal investigator at Shanghai Institute for Biological Sciences, Chinese Academy of Sciences (中國科學院上海生命科學研究所) (currently known as Shanghai Institute of Nutrition and Health, Chinese Academy of Sciences (中國科學院上海營養與健康研究所)) since 2017.

Dr. Zhang received a bachelor's degree in medicine in August 1983 and a master's degree in medicine in December 1996 from Suzhou Medical College (蘇州醫學院) (currently known as Suzhou Medical College of Soochow University (蘇州大學蘇州醫學院)). Following which, Dr. Zhang obtained a Ph.D. in social medicine from Graduate School of Medicine, University of Tokyo (東京大學醫學部) in March 2002.

Mr. Guo Liangzhong (郭良忠), aged 61, is an independent non-executive Director of our Company and was appointed as a Director, the chairman of the Nomination Committee and a member of the Audit Committee and Remuneration Committee on August 10, 2018 with effect from the Listing. Mr. Guo worked as an officer in the accusation department at the Supreme People's Procuratorate of the People's Republic of China (中華人民共和國最高人民檢察院控申廳) from March 1991 to July 1993. Mr. Guo was a lawyer at Guangxi Far East Commercial Law firm (廣西遠東商務律師事務所) (currently known as Dentons (Nanning) (北京大成 (南寧)律師事務所) from July 1993 to December 1994, and has been a partner at Beijing Huamao Guigu Law Firm (北京華貿矽谷律師事務所) since March 1995.

Mr. Guo graduated from China University of Political Science and Law (中國政法大學), with a bachelor's degree in law and a master's degree in jurisprudence in July 1985 and January 1991, respectively. He obtained People's Republic of China Lawyer's Certificate (中華人民共和國律師資格證書) in July 1993.

Mr. Leung, Louis Ho Ming (梁浩鳴), aged 43, has served as an independent non-executive Director of our Company and the chairman of the Audit Committee of our Company appointed since June 17, 2022 and was appointed as an independent non-executive director and member of the audit committee and nomination committee and chairman of the remuneration committee of the GR Life Style Company Limited (a company listed on the Main Board of the Stock Exchange with stock code: 108) since February 2020. Mr. Leung served as the financial controller and company secretary of AL Group Limited (a company listed on GEM of the Stock Exchange with stock code: 8360) from September 2019 to May 2022. Mr. Leung was also a chief financial officer and company secretary of Prosperous Future Holdings Limited (formerly known as China Child Care Corporation Limited, a company listed on the Main Board of the Stock Exchange with stock code: 1259) from June 2017 to May 2019 and from January 2018 to May 2019 respectively. Mr. Leung has been appointed as an independent non-executive director, the chairman of the nomination committee, and a member of the audit committee of Future Data Group Limited (a company listed on GEM of the Stock Exchange with stock code: 8229) since May 16, 2023.

Mr. Leung holds a bachelor's degree of Science in Quantitative Finance from The Chinese University of Hong Kong in 2004. He has been a member of Hong Kong Institute of Certified Public Accountant since 2008 and has over 12 years of experience in accounting and auditing for Hong Kong listed and private companies.

Dr. Tao Qian (陶謙), aged 60, currently serves as a professor of The Department of Clinical Oncology at The Chinese University of Hong Kong. Dr. Tao is a leader in cancer epigenetics and tumor suppressor gene study in Asia and has published 198 journal articles and 5 book chapters with over 15,000 citations. Dr. Tao served as a research associate from 1988 to 1990 and a lecturer from 1990 to 1991 at Shantou University Medical College (汕頭大學醫學院). Dr. Tao served as an assistant professor of the Department of Oncology at Johns Hopkins School of Medicine from 1999 to 2004 and a consultant from 2004 to 2006 at the aforementioned university. Dr. Tao served as an adjunct associate professor of the Department of Microbiology at the National University of Singapore from 2001 to 2004. Dr. Tao also served as an associate professor of the Department of Clinical Oncology at The Chinese University of Hong Kong from 2004 to 2008.

Dr. Tao obtained a bachelor degree in biology from Hunan Normal University (湖南師範大學) in 1985 and a master degree in genetics from Xiamen University (廈門大學) in 1988. Dr. Tao was awarded a Doctor of Philosophy in molecular pathology/virology from The University of Hong Kong in 1996 and has been a postdoctoral fellow at Sidney Kimmel Comprehensive Cancer Center of Johns Hopkins School of Medicine from 1995 to 1999.

SENIOR MANAGEMENT

Dr. Wang Hao (王皓), aged 57, is the chief scientist and chief executive officer of our Company and the general manager of Shengheng Biotech. For further details, please refer to the paragraph headed "– Executive Directors" in this section.

Mr. Li Yunfeng (李雲峰), aged 49, is the vice president of our Company. For further details, please refer to the paragraph headed "– Executive Directors" in this section.

Mr. Tao Jing (陶靜), aged 53, is the vice president of the Company and general manager of Taizhou Pharmaceutical. For further details, please refer to the paragraph headed "– Executive Directors" in this section.

Dr. Hou Sheng (侯盛), aged 48, is the vice president of the Company. For further details, please refer to the paragraph headed "– Executive Directors" in this section.

Dr. Qian Weizhu (錢衛珠), aged 50, is the vice president of the Company. For further details, please refer to the paragraph headed "– Executive Directors" in this section.

JOINT COMPANY SECRETARIES

Mr. Li Yunfeng (李雲峰) has been appointed as a joint company secretary of our Company. For details of his background, please refer to "Executive Directors" under this section.

Mr. Tsang Ho Yin (曾浩賢), aged 40, has been appointed as a joint company secretary of our Company. Mr. Tsang is currently a partner of Stevenson, Wong & Co and Allbright Law (Hong Kong) Office LLP, specialising in corporate finance and commercial law. Mr. Tsang has extensive experience in corporate and business affairs, including pre-listing reorganisations and investments, initial public offerings, merger and acquisitions, loan and financing transactions, investments in China, corporate governance and general compliance affairs of listed companies and private enterprises.

Mr. Tsang has held the directorships in the following companies listed on the Stock Exchange in the past three years:

Company Name	Listing on the Stock Exchange	Stock code	Period	Role(s)
China Regenerative Medicine International Limited	GEM	8158	From January 2020 to August 2024	Non-executive director
CROSSTEC Group Holdings Limited	Main Board	3893	From September 2021 to January 2023	Independent non-executive director
			From January 2023 to December 2024	Non-executive director
Sterling Group Holdings Limited	Main Board	1825	From September 2021 to June 2024	Independent non-executive director
Zijing International Financial Holdings Limited	GEM	8340	From August 2023 to November 2024	Independent non-executive director
Skymission Group Holdings Limited	Main Board	1429	From September 2023 to November 2024	Independent non-executive director

Mr. Tsang has also held the following position of the following companies listed on the Stock Exchange in the past three years:

Company Name	Listing on the Stock Exchange	Stock code	Period	Role(s)
Sunshine 100 China Holdings Limited	Main Board	2608	From November 2019 to September 2024	Company secretary and authorized representative
Sundy Service Group Co. Ltd	Main Board	9608	Since January 2021	Joint company secretary and authorized representative
1957 & Co. (Hospitality) Limited	GEM	8495	From August 2022 to June 2023	Joint company secretary and authorized representative
			Since June 2023	Company secretary and authorized representative

Mr. Tsang obtained a bachelor's degree in laws and commerce (accounting) from University of Melbourne, Australia in August 2008 and then obtained a master's degree in laws from the same university in August 2010. Mr. Tsang then obtained the Postgraduate Certificate in Laws from the City University of Hong Kong in July 2011. Mr. Tsang was admitted as a solicitor in Australia and Hong Kong in May 2012 and December 2013, respectively. Mr. Tsang passed the Guangdong-Hong Kong-Macao Greater Bay Area Legal Professional Examination in 2022.

CHANGE IN INFORMATION OF DIRECTORS

Save as disclosed above, as of December 31, 2025, there has been no change to the information of the Directors subject to disclosure under Rule 13.51B(1) of the Listing Rules.

Corporate Governance Report

The Board of Directors is pleased to present to the shareholders the corporate governance report for the Reporting Period.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standard of corporate governance to safeguard the interests of the Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company's corporate governance practices are based on the principles and code provisions as set out in the CG Code contained in Appendix C1 to the Listing Rules and the Company has adopted the CG Code as its own code of corporate governance. The CG Code has been applicable to the Company with effect from the Listing Date. The Board is of the view that the Company has complied with the applicable code provisions as set out in the CG Code during the Reporting Period. The Board will periodically review and enhance its corporate governance practices to ensure that the Company continues to meet the requirements of the CG Code.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as the guidelines for the directors' dealings in the securities of the Company since the Listing Date.

Specific enquiry has been made to each Director and all Directors have confirmed that they have complied with the applicable standards set out in the Model Code during the Reporting Period.

BOARD OF DIRECTORS

Responsibilities

The Board is responsible for the overall leadership of the Group, oversees the Group's strategic decisions and monitors business and performance. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the Senior Management on the Company's behalf. The Senior Management reports to the Board on a regular basis and communicates with the Board whenever required.

To oversee particular aspects of the Company's affairs, the Board has established three Board committees including the Audit Committee, the Remuneration Committee and the Nomination Committee (collectively the "**Board Committees**"). The Board has delegated to the Board committees responsibilities as set out in their respective terms of reference. All Directors clearly understand the delegation arrangements in place. The Company will review the delegation arrangements periodically to ensure that they remain appropriate to the Company's needs.

All Directors have carried out duties in good faith and in compliance with applicable laws and regulations, and have acted in the interests of the Company and the Shareholders at all times.

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 expense for discharging their duties to the Company.

The Company has arranged appropriate liability insurance in respect of legal action against the Directors. The insurance coverage will be reviewed on an annual basis.

Composition

As at the date of this annual report, the Board is comprised of eleven Directors, with five executive Directors, two non-executive Directors and four independent non-executive Directors. Dr. Qian is the spouse of Dr. Hou Sheng, an executive Director. Save as aforementioned, there is no financial, business, family or other material/relevant relationship between any members of the Board. A list of Directors and their respective biographies are set out in this annual report. As at the date of this annual report and save as disclosed in this paragraph, none of our Directors is related to other Directors of the Company.

The biographical details of Directors are set out in the section headed "Directors and Senior Management" in this Annual Report.

In order to take advantage of the skills, experiences and diversity of perspectives of the Directors and in order to ensure that the Directors give sufficient time and attention to the Group's affairs, we request each of the Directors to disclose to the Company, upon appointment and on a semi-annual basis thereafter, the number and nature of offices held in public companies or organisations and other significant commitments, together with the identity of such public companies or organisations and the time involved in such commitments.

During the year ended December 31, 2025, the Board has at all times met the requirements of Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules, with (1) the appointment of at least three independent non-executive Directors who represent at least one-third of the Board and (2) at least one independent non-executive Director possessing appropriate professional qualifications, or accounting or related financial management expertise. The Board believes that the balance between the executive Directors and the non-executive Directors is reasonable and adequate to provide sufficient checks and balances that safeguard the interests of the Shareholders and the Group.

As part of the Company's corporate governance practice to provide transparency to the investor community and in compliance with the Listing Rules and the CG Code, the independent non-executive Directors are clearly identified in all corporate communications containing the names of the Directors. In addition, an up-to-date list of Directors identifying the independent non-executive Directors and the roles and functions of the Directors is maintained on the Company's website and the Stock Exchange's website.

Chairman and Chief Executive Officer

During the Reporting Period, the position of Chairman was held by Mr. Jiao Shuge and the position of Chief Executive Officer was held by Dr. Wang Hao. The Chairman provides leadership and is responsible for the effective functioning and leadership of the Board. He is primarily responsible for drawing up and approving the agenda for each Board meeting, taking into account any matters proposed by the other Directors for inclusion in the agenda. The Chief Executive Officer focuses on the Company's business development and daily management and operations generally.

Independent Non-executive Directors

The independent non-executive Directors play a significant role in the Board and the development of the Company's strategy and policies by virtue of their independent judgment and constructive and informed views, which carry significant weight in the Board's decision. The functions of independent non-executive Directors include (i) bringing an independent judgement to bear on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct, (ii) taking the lead where potential conflicts of interests arise, (iii) scrutinising the Company's performance in achieving agreed corporate goals and objectives and (iv) monitoring performance reporting.

In the year ended December 31, 2025, all independent non-executive Directors have given the Board and the committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation in Board and relevant committee meetings. They have also attended all general meetings to gain and develop a balanced understanding of the views of the Shareholders.

Continuous Professional Development of Directors

Pursuant to the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. Every Director has received formal and comprehensive trainings to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

The Company arranges continuous professional development trainings to Directors to ensure Directors 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. Directors also regularly meet with the senior management team to understand the Group's businesses, governance policies and regulatory environment. All Directors are also encouraged to attend relevant training courses.

The Directors informed the Company that they had received sufficient and relevant training and continuous professional development during the Reporting Period.

Records of training received by the Directors for the Reporting Period are summarized as follows:

Directors	Participation in continuous professional development[1]
Executive Directors	
Dr. Wang Hao	✔
Mr. Li Yunfeng	✔
Mr. Tao Jing	✔
Dr. Hou Sheng	✔
Dr. Qian Weizhu	✔
Non-executive Directors	
Mr. Jiao Shuge	✔
Mr. Cen Jialin	✔
Independent Non-executive Directors	
Dr. Zhang Yanyun	✔
Mr. Guo Liangzhong	✔
Mr. Leung, Louis Ho Ming	✔
Dr. Tao Qian	✔

Note:

1. Attended training/seminar/conference arranged by the Company or other external parties or read relevant materials.

Appointment and Re-election of Directors

The procedures and process of appointment, re-election and removal of Directors are laid down in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition and making recommendations to the Board on the appointment or re-election of Directors and succession planning for Directors.

All the Directors are subject to retirement by rotation and re-election at annual general meeting. Pursuant to the Articles of Association, 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 and be eligible for re-election at each annual general meeting, provided that every Director is subject to retirement by rotation at least once every three years. In addition, any new Director appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the next following annual general meeting and be subject to re-election.

The following Directors, Mr. Li Yunfeng, Mr. Tao Jing, Dr. Hou Sheng and Mr. Leung, Louis Ho Ming shall retire at the AGM, among whom Mr. Li Yunfeng, Mr. Tao Jing, Dr. Hou Sheng and Mr. Leung, Louis Ho Ming are eligible and will offer themselves for re-election.

The term of appointment of directors has been disclosed in the report of directors of this report.

Board Meetings and Directors' Attendance Records

The Company has adopted the practice of holding Board meetings regularly in person for at least four times a year at approximately quarterly intervals, with active participation of the majority of the Directors entitled to be present.

The Board has established the following mechanisms to ensure that independent views and input are available to the Board: (i) the Chairman will have regular gatherings with other Directors, and at least annually hold meetings with independent non-executive Directors and without the presence of other Directors. The independent non-executive Directors can freely provide their independent views to the Board; and (ii) the independent non-executive Directors participate in Board committees (including Audit Committee, Nomination Committee and Remuneration Committee) meetings to bring independent views, advice and judgment on important issues relating to the Company's strategy, policy, financial performance, and take the lead on matters where potential conflicts of interests arise. They will also attend annual general meetings of the Company to understand the view of shareholders. The Board reviews the implementation and effectiveness of such mechanisms on an annual basis.

Since December 31, 2024, five Board meetings were held during the Reporting Period, one of which was to approve the Company's annual results and annual report for the year ended December 31, 2024 and review the Company's risk management and internal control systems, another one of which was to approve the Company's interim results and interim report for the six months ended June 30, 2025 and the remaining were to discuss matters including, among other things, (i) appointment of Dr. Qian Weizhu as a member of the Nomination Committee, removal of Mr. Tao Jing as a member of the Nomination Committee and designation of Dr. Zhang Yanyun as the lead independent non-executive Director, (ii) change of address of principal place of business in Hong Kong to Unit 1401 of 14th Floor of Chuang's Tower, Nos. 30-32 Connaught Road Central, Central, Hong Kong and (iii) adoption of the employee diversity policy and deregistration of a limited partnership registered in the British Virgin Islands which has remain inactive since registration. Apart from the five Board meetings held, the Chairman also held one meeting with the independent non-executive Directors in the absence of other Directors during the Reporting Period. The Company will continue to comply with code provision C.5.1 of the CG Code to hold at least four Board meetings each year, about once every quarter, and code provision C.2.7 of the CG Code for the Chairman to hold at least one meeting with the independent non-executive Directors without the presence of other Directors each year.

A summary of the attendance record of the Directors at Board meetings, committee meetings and general meetings during the Reporting Period is set out in the following table:

	Number of meeting(s) attended/number of meeting(s) held for the year ended December 31, 2025				
Directors	**Board**	**Audit Committee[1]**	**Remuneration Committee[2]**	**Nomination Committee[3]**	**General Meetings[4]**
Executive Directors					
Dr. Wang Hao	5	N/A	1	N/A	1
Mr. Li Yunfeng	5	N/A	N/A	N/A	1
Mr. Tao Jing	5	N/A	N/A	2	1
Dr. Hou Sheng	5	N/A	N/A	N/A	1
Dr. Qian Weizhu	5	N/A	N/A	1	1
Non-executive Directors					
Mr. Jiao Shuge	5	2	N/A	N/A	1
Mr. Cen Jialin	5	N/A	N/A	N/A	1
Independent Non-executive Directors					
Dr. Zhang Yanyun	5	N/A	1	3	1
Mr. Guo Liangzhong	5	2	1	3	1
Mr. Leung, Louis Ho Ming	5	2	N/A	N/A	1
Dr. Tao Qian	5	N/A	N/A	N/A	1

Notes:

1. The Audit Committee held a meeting on March 26, 2025 and August 28, 2025, respectively, and all members of the Audit Committee attended the meetings.

2. The Remuneration Committee held a meeting on March 26, 2025 and all members of the Remuneration Committee attended the meetings.

3. The Nomination Committee held a meeting on March 26, 2025, October 31, 2025 and December 23, 2025 and all members of the Nomination Committee attended the meetings.

4. The Company held its annual general meeting on June 18, 2025.

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, the Remuneration 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 deal clearly with their authority and duties. The terms of reference of the Audit Committee, the Remuneration Committee and the Nomination Committee are available on the Company's website and the Stock Exchange's website.

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

Audit Committee

The Company established the Audit Committee in compliance with Rules 3.21 and 3.22 of the Listing Rules and code provision D.3.3 of the CG Code.

The Audit Committee consists of three members – two independent non-executive Directors, namely Mr. Leung, Louis Ho Ming and Mr. Guo Liangzhong, and one non-executive Director, namely Mr. Jiao Shuge. Mr. Leung, Louis Ho Ming is the chairman of the Audit Committee.

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

During the Reporting Period, the Audit Committee held two meetings, in which the Audit Committee has performed the following major tasks:

- reviewed the audited annual results and annual report for the year ended December 31, 2024;
- reviewed the interim results and interim report for the six months ended June 30, 2025;
- the Company's continuing connected transactions (if any);
- in relation to the external auditor, reviewed their plans, reports and management letter, fees, involvement in non-audit services, and their terms of engagement;

- made recommendations to the Board for the re-appointment of the external auditor;
- discussed with the management and the external auditor on the issues concerning accounting policies and practices which may affect the Group, along with financial reporting matters;
- reviewed, determined and made recommendations to the Board on the Company's policies and practices on corporate governance;
- reviewed and monitored the training and continuous professional development of the Directors and the senior management;
- reviewed and monitored the Company's policies and practices on compliance with legal and regulatory requirements;
- developed, reviewed and monitored the code of conduct and compliance manual applicable to employees and the Directors;
- reviewed the Company's status of compliance with the CG Code and disclosures in the Corporate Governance Report;
- reviewed the effectiveness of the Company's financial reporting system and associated procedures within the Group; and
- reviewed the risk management and internal control systems and the effectiveness of the Company's internal audit function.

The Auditor was invited to attend the Audit Committee meetings to discuss with the Audit Committee on issues arising from the audit and financial reporting matters. The Audit Committee also met with the Auditor without the presence of management. The Audit Committee is satisfied with the independence and engagement of the Auditor. As such, the Audit Committee has recommended the re-appointment of the Auditor. During the Reporting Period, the Audit Committee complied with the code provision D.3.3(e)(i) of the CG Code and met with the Company's auditors twice.

The attendance records of the members of the Audit Committee are as follows:

Name of Members of the Audit Committee	Attendance
Mr. Leung, Louis Ho Ming	100%
Mr. Jiao Shuge	100%
Mr. Guo Liangzhong	100%

Remuneration Committee

The Company established the Remuneration Committee in compliance with Rules 3.25 and 3.26 of the Listing Rules and code provision E.1.2 of the CG Code.

The Remuneration Committee consists of three members – two independent non-executive Directors, namely Dr. Zhang Yanyun and Mr. Guo Liangzhong, and one executive Director, namely Dr. Wang Hao. Dr. Zhang Yanyun is the chairman of the Remuneration Committee.

The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG Code. The model of the Remuneration Committee described in code provision E.1.2(c)(ii) of the CG Code has been adopted by the Company. The primary functions of the Remuneration Committee include reviewing and making recommendations to the Board on the remuneration packages and policy for all Directors and senior management; and establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his associates will participate in deciding his own remuneration. The Remuneration Committee is also responsible for, among other things, assessing the performance of Directors, reviewing and approving the terms of the Directors' service contracts, and/or approving matters relating to share schemes under Chapter 17. No material matters relating to share schemes under Chapter 17 of the Listing Rules were required to be reviewed or approved by the Remuneration Committee during the Reporting Period.

During the Reporting Period, the Remuneration Committee met once to review and make recommendations to the Board on the remuneration policy and packages and other related matters.

The attendance records of the members of the Remuneration Committee are as follows:

Name of Members of the Remuneration Committee	Attendance
Dr. Zhang Yanyun	100%
Dr. Wang Hao	100%
Mr. Guo Liangzhong	100%

Nomination Committee

The Company established the Nomination Committee in compliance with code provision B.3.1 of the CG Code.

The Nomination Committee consists of three members – two independent non-executive Directors, namely Mr. Guo Liangzhong and Dr. Zhang Yanyun, and one executive Director, Dr. Qian Weizhu. Mr. Guo Liangzhong is the chairman of the Nomination Committee. With effect from October 31, 2025, Dr. Qian Weizhu has been appointed as a member of the Nomination Committee and Mr. Tao Jing has ceased to be a member of the Nomination Committee.

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 reviewing the Board composition, assisting the Board in maintaining a board skills matrix, developing and formulating relevant procedures for the nomination and appointment of Directors, making recommendations to the Board on the appointment and succession planning of Directors, supporting the Company's regular evaluation of the Board's performance, and assessing the independence of independent non-executive Directors.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's character, qualifications, experience, gender, independence, time commitment and other relevant criteria 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 three meetings to review the Board structure, the Board diversity policy and independence of the independent non-executive Directors and other related matters.

The attendance records of the members of the Nomination Committee are as follows:

Name of Members of the Nomination Committee	Attendance
Mr. Guo Liangzhong	100%
Dr. Qian Weizhu (appointed as a member with effect from October 31, 2025)	33%
Mr. Tao Jing (ceased to be a member with effect from October 31, 2025)	67%
Dr. Zhang Yanyun	100%

Director Nomination Policy

The Company adopted a director nomination policy (the "**Director Nomination Policy**") in accordance with the CG Code. The Director Nomination Policy sets out the selection criteria and process and the Board succession planning considerations in relation to nomination and appointment of Directors of the Company and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business.

The Nomination Committee shall identify, consider and recommend to the Board appropriate candidates to serve as Directors and to make recommendations to the Shareholders. The ultimate responsibility for selection and appointment of Directors rests with the entire Board.

The Nomination Committee will conduct regular review on the structure, size and composition of the Board and the Director Nomination Policy and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and business needs. The Nomination Committee will also report annually on the Board's composition and make appropriate disclosures regarding the Board Diversity Policy in the Corporate Governance Report of the Company's annual reports.

DIVERSITY

Board Diversity Policy

The Company has adopted a board diversity policy (the "**Board Diversity Policy**") in accordance with the CG Code, which sets out the approach to achieve diversity of the Board. The Company embraces the benefits of having a diverse Board to maintain the Company's competitive advantage and enhance its ability to attract, retain and motivate employees from the widest possible pool of available talent.

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. Our Directors have a balanced mix of knowledge and skills, including knowledge and experience in the areas of business management, biotech, clinical research, life science, finance, investment, auditing and accounting. They obtained degrees in various areas including medicine, immunology, chemistry, chemical physics, chemical engineering, pharmaceutical analysis, economics, law and accounting. Furthermore, our Directors range from around 43 years old to 70 years old. Our Nomination Committee will review and assess the composition of the Board and make recommendations to the Board on the appointment of members of the Board.

The Company is also committed to adopting a similar approach to promote diversity of the 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. Our Nomination Committee is delegated by our Board to be responsible for compliance with relevant codes governing board diversity under the CG Code. Our Nomination Committee will review the Board Diversity Policy from time to time to ensure its continued effectiveness.

Gender Diversity

Gender Diversity at Board Level

We recognize that the gender diversity at the Board level can be improved. Gender diversity is achieved in respect of the Board as it is not a single gender board. That said, we will strive to enhance female representation and achieve an appropriate balance of gender diversity with reference to stakeholders' expectation and international and local recommended best practices. We will also ensure 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 will have a pipeline of female Senior Management and potential successors to our Board in a few years' time.

The Company offers all-rounded trainings to female employees whom we consider to have the suitable experience, skills and knowledge of our operation and business, including but not limited to, business operation, management, accounting and finance, legal and compliance and research and development.

The Company is of the view that this strategy will offer chances for the Board to identify capable female employees to be nominated as a member of the Board in the future with an aim to providing the Board with a pipeline of female candidates to achieve gender diversity in the Board in the long run. The Board currently has one female Director. The Company believes that such merit-based selection process with reference to the Board Diversity Policy and the nature of our business will be in the best interests of the Company and its Shareholders as a whole.

Gender Diversity at the Company

The Company also attaches great importance to gender diversity of employees, and delegates the Nomination Committee of the Company to review the gender diversity of employees on a regular basis. As of the end of the Reporting Period, female employees accounted for 58% of the total number of employees, of whom females accounted for 9% of the total number of Directors, and 37% of the total number of mid-level and senior management members.

The Company plans to provide more opportunities to female employees in terms of recruitment and talent cultivation, so as to achieve a more balanced gender mix within the Company.

The Company believes that achieving gender diversity at the Company will be in the best interests of the Company and its Shareholders as a whole.

Details of the gender ratio in the workforce have been disclosed in the Environmental, Social and Governance Report of this report.

CORPORATE GOVERNANCE FUNCTION

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

The Board would (i) develop and review the Company's corporate governance policies and practices; (ii) review and monitor training and continuous professional development of the Directors and senior management; (iii) review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; (iv) develop, review and monitor the code of conduct and compliance manual applicable to employees and directors; and (v) review the Company's compliance with the CG Code and disclosure in its Corporate Governance Report.

The Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The joint company secretaries of the Company may from time to time and as the circumstances require provide updated written training materials relating to the roles, functions and duties of a director of a company listed on the Stock Exchange.

DIVIDEND POLICY

On March 27, 2020, the Board has adopted a dividend policy, retroactive to May 31, 2019, in which the Company may declare dividends in any currency in general meeting but no dividends shall exceed the amount recommended by the Board, subject to the Companies Law of the Cayman Islands and the Articles of Association of the Company. The Board shall comprehensively take into account the results of operations, financial condition, business strategy, operating requirements, capital requirements, Shareholders' interests and any other factors that the Board may deem relevant in forming reasonable distribution proposal. Any distribution of dividends proposed by the Board will be subject to the approval of the Shareholders.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the Reporting Period.

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

AUDITORS' RESPONSIBILITY AND REMUNERATION

The Company appointed Ernst & Young, Certified Public Accountants as the external auditor for the year ended December 31, 2025. A statement by Ernst & Young about their reporting responsibilities for the financial statements is included in the Independent Auditor's Report on pages 212 to 218.

Details of the fees paid/payable in respect of the audit and non-audit services provided by Ernst & Young for the year ended December 31, 2025 are set out in the table below:

Services rendered for the Company	**Fees paid and payable** *RMB'000*
Audit services	3,200
Non-audit services	200
– ESG Report Consulting Service	200
Total	3,400

RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management

We recognize that risk management is critical to the success of our business operation. Key operational risks faced by us include changes in the general market conditions and the regulatory environment of the global biologics outsourcing services market, our ability to offer quality biologics discovery, development and manufacturing services, our ability to manage our anticipated growth and to execute on our growth strategies, and our ability to compete with other biologics outsourcing services providers. We also face various market risks. In particular, we are exposed to credit, liquidity, interest rate and currency risks that arise in the normal course of our business.

In order to meet these challenges, we have developed a risk management framework, which is broken down into the following components:

- Our general property and financial safety risk management system ensures that (i) the comprehensive accounting policies we adopted in connection with our financial reporting risk management are well-observed and effectively implemented and (ii) the regular trainings are well-conducted and attended by our finance staff.

- Our technology risk management system ensures that the research and development is conducted in compliance with the requirement of relevant laws and regulations and industry customs and norms, and our drug manufacturing complies with GMP. The system comprises a confidentiality risk management structure as well as the marketing department's regular issuance of national and global field reports analyzing external product risks.

- Our Audit Committee oversees and manages the overall risks associated with our business operations. Our Audit Committee is responsible for (i) reviewing and approving our risk management policy to ensure that it is consistent with our corporate objectives; (ii) reviewing and approving our corporate risk tolerance; (iii) monitoring the most significant risks associated with our business operation and our management's handling of such risks; (iv) reviewing our corporate risk in the light of our corporate risk tolerance; and (v) monitoring and ensuring the appropriate application of our risk management framework across our Group.

- Our Chief Executive Officer, Dr. Wang Hao, is responsible for (i) formulating and updating our risk management policy and target; (ii) reviewing and approving major risk management issues of our Company; (iii) promulgating risk management measures; (iv) providing guidance on our risk management approach to the relevant departments in our Company; (v) reviewing the relevant departments' reporting on key risks and providing feedback; (vi) supervising the implementation of our risk management measures by the relevant departments; (vii) ensuring that the appropriate structure, processes and competences are in place across our Group; and (viii) reporting to our Audit Committee on our material risks.

- The relevant departments in our Company, including the finance department, the human resources department, the administration department, the customer support department, the procurement department and the business units, are responsible for implementing our risk management policy and carrying out our day-to-day risk management practice. In order to formalize risk management across our Group and set a common level of transparency and risk management performance, the relevant departments (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 key risks that could potentially affect their objectives; (iii) prepare a risk management report annually for our chief executive officer's review; (iv) continuously monitor the key 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 our risk management framework.

- Furthermore, we implement a screening process for potential customers, in order to screen out prospective customers with high risk of third party claims.

Internal Control

We have engaged an internal control consultant to perform certain agreed-upon procedures in connection with the internal control of our Company and our major operating subsidiaries and to launch investigation into our controls and internal controls of various processes, including financial reporting and disclosure controls, sales, accounts receivable and collection, procurement, accounts payable and payment, fixed assets and assets under construction, human resources and payroll management, cash and treasury management, inventory management, general controls of IT system, taxation management, production and costing, insurance management, research and development and intangible assets. During the Reporting Period and up to the date of this annual report, there was no material issue remaining in relation to the internal controls of our Group.

We have adopted a series of internal control policies, measures and procedures designed to provide reasonable assurance for achieving objectives, including effective and efficient operations, reliable financial reporting and compliance with applicable laws and regulations. During the Reporting Period, we regularly reviewed and enhanced our internal control system. Below is a summary of the internal control policies, measures and procedures we have implemented or plan to implement:

- Our Board, as the highest internal control authority, is responsible for promulgating and revising internal control policies, measures and procedures to ensure that we maintain sound and effective internal controls and compliance with applicable laws and regulations. Our CEO implements supervision and management of our internal control policies and decides on certain material matters relating to management and operation. We conduct regular and ad hoc internal audits on the CEO level.

- We have established a sound system to monitor our accounting and budgeting policies. During the first quarter of each year, our CFO works with our finance department to prepare a preliminary yearly budget plan, which includes estimates on cash flows and major expenditures. The budget plan is submitted to our CEO, who may review and approve within the scope of his authority. The budget items that are beyond the authority of our CEO are submitted to our Board of Directors for approval. Our finance department also submits quarterly financial statements to our senior management and annual financial statements to our senior management and Board of Directors.

- The general manager for each of our operation sites is responsible for implementing the relevant internal control policies, measures and procedures on the site and making regular inspections about the on-site implementation of such policies, measures and procedures.

- We have set up an independent quality assurance department, which is responsible for implementing the relevant internal control policies, measures and procedures relating to the relevant biologics discovery, development or manufacturing stage, educating the relevant employees about such policies, measures and procedures and addressing their questions and making regular inspections about the implementation of such policies, measures and procedures.

- We have adopted various measures and procedures regarding each aspect of our business operation, such as project management, quality assurance, protection of intellectual property, environmental protection and occupational health and safety. We provide periodic training about these measures and procedures to our employees as part of our employee training program. We also constantly monitor the implementation of those measures and procedures through our labor security, insurance, fire services and environmental protection departments and our compliance team for each stage of the biologics development process.

Effectiveness of Risk Management and Internal Control

The Board acknowledges that it is responsible for the Company's risk management and internal control systems and reviewing their effectiveness. The risk management and internal control measures are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Audit Committee, on behalf of the Board, had conducted a review of the effectiveness of the risk management and internal control system of the Company in respect of the Reporting Period and considered the system effective and adequate.

Policy on the Disclosure of Inside Information

The Company has adopted an information disclosure policy which sets out comprehensive guidelines in respect of handling and dissemination of inside information. The Board is responsible for monitoring and implementing the procedural requirements in the information disclosure policy. Release of inside information shall be overseen by the Board. Unless authorized by the Board, staff members of the Group are not permitted to disseminate inside information relating to the Group to any external parties and are not permitted to respond to media or market speculation which may materially affect the trading price or volume of the Shares on the market.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The Company has established a formal and transparent procedure for formulating policies on remuneration of Directors and senior management of the Group. Pursuant to code provision E.1.5 of the CG Code, details of the remuneration by band of the members of the Board and senior management of the Company in respect of their qualifying services, whose biographies are set out on pages 177 to 184 of this annual report, for the Reporting Period are set out below:

Remuneration band	Number of individuals
Below RMB1,000,000	4
RMB1,000,001 to RMB1,500,000	1
Above RMB1,500,000	0

JOINT COMPANY SECRETARIES

Mr. Li Yunfeng, the executive Director and joint 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.

In order to uphold good corporate governance and ensure compliance with the Listing Rules and applicable Hong Kong laws, the Company has also engaged Mr. Tsang Ho Yin, a solicitor admitted to practice in Hong Kong, as the joint company secretary to assist Mr. Li Yunfeng in discharging the duties of a company secretary of the Company. His primary contact person at the Company is Mr. Li Yunfeng, the joint company secretary of the Company.

During the Reporting Period, Mr. Li Yunfeng and Mr. Tsang Ho Yin have undertaken not less than 15 hours of relevant professional training respectively in compliance with Rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHTS

The Company strives to provide ready, equal, regular and timely disclosure of information that is material to the investor community. Therefore, the Company works to maintain effective and on-going communication with Shareholders so that they, along with prospective investors, can exercise their rights in an informed manner based on a good understanding of the Group's operations, businesses and financial information. The Company also encourages Shareholders' active participation in annual general meetings and other general meetings or other proper means. To safeguard Shareholders' interests and rights, a separate resolution will be proposed for each issue at general meetings, including the election of individual Directors. All resolutions put forward at general meetings will be voted by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange in a timely manner after each general meeting.

The Company has developed and maintains the Shareholders communication policy, which is available on the Company's website.

A summary of the disclosure of interests of the substantial shareholders of the Company is set out on pages 168 to 169 of this annual report.

Convening of Extraordinary General Meeting and Putting Forward Proposals

Shareholders may put forward proposals for consideration at a general meeting of the Company according to the Articles of Association. Any one or more members holding as of date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition, to require an extraordinary general meeting of the Company to be called by the Board for the transaction of any business specified in such requisition. A written requisition shall be deposited at the principal office of the Company in Hong Kong. If within 21 days of such deposit the Board fails to proceed to convene such meeting to be held within a further 21 days, the requisitionist(s) may do so 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 the requisitionist(s) by the Company.

With regard to proposing a person for election as a Director, the procedures are available on the website of the Company.

Enquiries to the Board

Shareholders should direct their enquiries about their shareholdings to the Company's branch share registrar in Hong Kong, namely, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

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

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

Address:	Unit 1401 of 14th Floor of Chuang's Tower, Nos. 30-32 Connaught Road Central, Central, Hong Kong
Telephone:	+852 2261 0878
Fax:	+852 2261 0728
Email:	yunfeng.li@mabpharm.net

Communication with Shareholders and Investors Relations

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavours to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. At the annual general meeting and other general meetings, Directors (or their delegates as appropriate) are available to meet Shareholders and answer their enquiries.

To promote effective communication, the Company maintains a website at www.mabpharm.cn where information and updates on the Company's business developments and operations, financial information, corporate governance practices and other information are available for public access. During the Reporting Period, shareholders can raise questions to the Directors of the Company at the annual general meeting and contact details are available for shareholders to contact the Company directly. The Board reviewed the implementation and effectiveness of the Shareholders' communication policy for the Reporting Period and the results were satisfactory.

CHANGE IN CONSTITUTIONAL DOCUMENTS

No changes have been made by the Company to its constitutional documents during the Reporting Period. The latest version of the constitutional documents of the Company are also available on the websites of the Company and the Stock Exchange.

On March 26, 2026, the Board proposed to amend the Memorandum and Articles of Association of the Company for the purpose of (i) aligning the Memorandum and Articles of Association with the most recent legal and regulatory requirements under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the Listing Rules, which allow the Company to hold treasury shares (with the meaning ascribed to it under the Listing Rules) for potential future resale or transfer under specified conditions; (ii) providing more flexibility to the Company in relation to the conduct of general meetings (including hybrid or fully electronic meetings); (iii) bringing the Memorandum and Articles of Association in line with the expanded paperless listing regime and electronic dissemination of corporate communications by listed issuers and the relevant amendments made to the Listing Rules; and (iv) implementing consequential and other necessary housekeeping amendments to the Memorandum and Articles of Association in accordance with the requirements of the Listing Rules and the laws of the Cayman Islands. The proposed amendments to the Memorandum and Articles of Association are subject to the approval of the Shareholders by way of a special resolution at the forthcoming annual general meeting of the Company. For further details, please refer to the announcement and the circular of the Company dated March 26, 2026 and April 27, 2026, respectively, published on the websites of the Company and the Stock Exchange.

Independent Auditor's Report

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

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

OPINION

We have audited the consolidated financial statements of Mabpharm Limited (the "**Company**") and its subsidiaries (the "**Group**") set out on pages 219 to 311, 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 IFRS Accounting Standards as issued by the International Accounting Standards Board (the "**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

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

Key audit matter	How our audit addressed the key audit matter
Risk of misstatement of research and development expenditures	
For the year ended 31 December 2025, the Group incurred significant expenditures on research and development ("**R&D**") activities amounting to approximately RMB120 million, out of which approximately RMB58 million was recognised as R&D expenses in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2025 and approximately RMB62 million was capitalised as intangible assets in the consolidated statement of financial position at 31 December 2025.	Our procedures included, among others: • obtained an understanding of key internal controls in relation to the accrual of the R&D expenditures, capitalisation of development expenditures and impairment assessment of intangible assets not ready for use and performing walk-through tests; • assessed whether the capitalisation policy adopted was in line with IFRS Accounting Standards;

KEY AUDIT MATTERS (continued)

Key audit matter	How our audit addressed the key audit matter
Risk of misstatement of research and development expenditures	
Large portions of the Group's R&D expenditures were service fees paid to contract research organisations, clinical site management operators and clinical trial centres (collectively referred to as "**Outsourced Service Providers**"). The R&D activities with these Outsourced Service Providers were documented in detailed contracts and were typically performed over an extended period. Recording of these expenses in the appropriate financial reporting period based on the progress of the research and development projects involves estimations. Development expenditures are capitalised as intangible assets only if the capitalisation criteria set out in note 2.4 to the financial statements can be met. And intangible assets not ready for use are tested annually for impairment. Determining whether the development expenditures meet the capitalisation criteria and the impairment assessments require significant management estimation and judgements. Related disclosures are included in notes 2.4, 3 and 17 to the financial statements.	• checked contracts entered into with and progress reports received from Outsourced Service Providers on a sample basis to evaluate the key estimation adopted by management in setting up the accrual for R&D services received; • evaluated the adequacy of the accrual of the R&D expenses by comparing the subsequent milestone billings received from the Outsourced Service Providers, if any, with the accrued R&D expenses at the year end; • obtained certifications related to different stages of development activities and commercial and technical feasibility reports prepared by management; • evaluated the objectivity, independence and competence of the external appraisers engaged by the Group to perform the valuation; • assessed the reasonableness of management's future forecasted cash flows and key assumptions including the estimated revenue growth rate by comparing to the Group's historical financial performance, development plan, budget and financial projections. • involved our internal valuation specialists to review the valuation methodologies and inputs adopted by the appraisers; and • evaluated the adequacy of the disclosures in the financial statements.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

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

- 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.

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

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 Mr. Leung Yat Him (practising certificate number: A37448).

Ernst & Young
Certified Public Accountants
Hong Kong

26 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	**646,095**	258,228
Cost of sales		**(72,444)**	(38,834)
Gross profit		**573,651**	219,394
Other income	6	**9,243**	7,991
Other gains and losses, net	7	**923**	(5,714)
Selling and distribution expenses		**(400,821)**	(151,566)
Research and development expenses		**(57,529)**	(75,212)
Administrative expenses		**(110,373)**	(110,409)
Accrual of impairment loss on financial assets	20	**(125)**	(1,879)
Finance costs	9	**(10,809)**	(10,552)
Profit/(loss) before tax	8	**4,160**	(127,947)
Income tax credit	12	**52,973**	–
Profit/(loss) and total comprehensive income/ (expense) for the year		**57,133**	(127,947)
Attributable to:			
Owners of the Company		**57,133**	(127,947)
Earnings/(loss) per share attributable to ordinary equity holders of the Company	14		
– Basic		**RMB0.01**	RMB(0.03)
– Diluted		**RMB0.01**	RMB(0.03)

Consolidated Statement of Financial Position

31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment	15	**511,024**	551,753
Right-of-use assets	16	**57,969**	62,492
Intangible assets	17	**96,256**	33,345
Other non-current assets	18	**938**	2,854
Deferred tax assets	28	**52,973**	–
Total non-current assets		**719,160**	650,444
Current assets			
Trade and bills receivables	20	**155,059**	94,526
Prepayments and other receivables	21	**28,099**	31,554
Inventories	19	**136,564**	111,009
Contract costs	22	**5,320**	–
Restricted bank deposits	23	**–**	39,341
Cash and bank balances	23	**109,258**	89,344
Total current assets		**434,300**	365,774
Current liabilities			
Trade and other payables	24	**243,928**	169,367
Lease liabilities to third parties	16	**23,595**	17,207
Contract liabilities	26	**54,390**	43,625
Interest-bearing bank and other borrowings	25	**210,131**	80,054
Deferred income	27	**2,000**	1,872
Total current liabilities		**534,044**	312,125
Net current (liabilities)/assets		**(99,744)**	53,649
Total assets less current liabilities		**619,416**	704,093

	Notes	2025 RMB'000	2024 RMB'000
Non-current liabilities			
Amounts due to a related party	*34*	**47,280**	67,376
Contract liabilities	*26*	**321,819**	351,952
Interest-bearing bank and other borrowings	*25*	**66,293**	165,537
Lease liabilities to third parties	*16*	**26,720**	30,294
Total non-current liabilities		**462,112**	615,159
Net assets		**157,304**	88,934
Capital and reserves			
Share capital	*29*	**2,804**	2,804
Reserves	*31*	**154,500**	86,130
Total equity		**157,304**	88,934

Wang Hao
Director

Li Yunfeng
Director

Consolidated Statement of Changes in Equity

Year ended 31 December 2025

	Share capital *RMB'000*	Share premium* *RMB'000*	Other reserve* *RMB'000*	Share option reserve* *RMB'000*	Accumulated losses* *RMB'000*	Total equity *RMB'000*
At 1 January 2024	2,804	1,400,504	(32,763)	67,186	(1,232,674)	205,057
Loss and total comprehensive expense for the year	–	–	–	–	(127,947)	(127,947)
Recognition of equity-settled share-based compensation *(note 30)*	–	–	–	11,824	–	11,824
At 31 December 2024 and 1 January 2025	2,804	1,400,504	(32,763)	79,010	(1,360,621)	88,934
Profit and total comprehensive income for the year	–	–	–	–	57,133	57,133
Recognition of equity-settled share-based compensation *(note 30)*	–	–	–	11,237	–	11,237
At 31 December 2025	2,804	1,400,504	(32,763)	90,247	(1,303,488)	157,304

* The reserve accounts comprised RMB154,500,000 and RMB86,130,000 in the consolidated statements of financial position as at 31 December 2025 and 2024, respectively.

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		4,160	(127,947)
Adjustments for:			
Bank interest income	6	(433)	(513)
Finance costs	9	10,809	10,552
Loss on deposit for construction	7	–	3,000
Depreciation of property, plant and equipment	8	54,473	53,729
Depreciation of right-of-use assets	8	5,309	7,600
Net foreign exchange (profit)/losses	7	(1,406)	1,195
Gains on termination of a lease contract	7	–	(155)
Accrual of impairment loss on financial assets	8	125	1,879
Fair value gains on financial assets at fair value through profit or loss ("**FVTPL**")	7	(66)	(115)
Share-based payment expenses	8	11,237	11,824
		84,208	(38,951)
Increase in inventories		(25,555)	(8,972)
(Increase)/decrease in contract costs		(5,320)	7,508
Increase in trade and bills receivables		(60,658)	(76,982)
Decrease in prepayments and other receivables		3,455	7,530
Decrease in other non-current assets		–	1,810
Decrease in amounts due from a related party		–	398
Decrease in rental deposit to a related party		–	411
Increase in amounts due to a related party		–	831
Increase in trade and other payables		103,892	42,887
(Decrease)/increase in contract liabilities		(19,368)	66,515
Increase/(decrease) in deferred income		128	(7,083)
Cash generated from/(used in) operations		80,782	(4,098)
Net cash flows from/(used in) operating activities		80,782	(4,098)

Consolidated Statement of Cash Flows

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received from banks		433	513
Purchase of property, plant and equipment		(41,087)	(26,139)
Additions to intangible assets	17	(62,911)	(33,345)
Placement of restricted bank deposits		–	(39,341)
Purchase of financial assets at FVTPL	7	(109,000)	(30,000)
Proceeds from disposal of financial assets at FVTPL	7	109,066	30,115
Release of restricted bank deposits	23	39,341	–
Net cash flows used in investing activities		(64,158)	(98,197)
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank and other borrowings		109,960	81,111
Repayments of bank borrowings		(80,000)	(49,022)
Interest paid		(6,180)	(4,526)
Payment to a related party		(20,301)	(5,257)
Repayments of lease liabilities		(188)	(4,026)
Net cash flows from financing activities		3,291	18,280
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		19,915	(84,015)
Cash and cash equivalents at beginning of year		89,344	173,345
Effects of foreign exchange rate changes, net		(1)	14
CASH AND CASH EQUIVALENTS AT END OF YEAR	23	109,258	89,344

1. CORPORATE AND GROUP INFORMATION

Mabpharm Limited (the "**Company**") was incorporated in the Cayman Islands as an exempted company with limited liability on 1 June 2018, and its shares were listed on The Stock Exchange of Hong Kong Limited on 31 May 2019. The address of the registered office is 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands and the principal place of business is located at Block G79, Lujia Road East, Koutai Road West, China Medical City, Taizhou, the People's Republic of China (the "**PRC**").

The Company is an investment holding company. The Company and its subsidiaries (the "**Group**") are principally engaged in the research, development and production of monoclonal antibody drugs for cancers and autoimmune diseases and the transfer of intellectual property.

The immediate holding company of the Company is Asia Mabtech Limited, a limited liability company incorporated in the British Virgin Islands, which is ultimately controlled by Mr. Guo Jianjun.

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Taizhou Mabtech Pharmaceutical Limited ("**Taizhou Pharmaceutical**") (泰州邁博太科藥業有限公司)*	PRC/ Chinese mainland	US$210,000,000	–	100%	Research and development, manufactureing, technical consulting, technology transfer and provision of technical services of biological products, diagnostic reagents, chemical biological reagents and drugs
Shanghai Shengheng Biotechnology Limited ("**Shengheng Biotech**") (上海晟珩生物技術有限公司)	PRC/ Chinese mainland	RMB30,000,000	–	100%	Research and development, technical consulting, technology transfer and provision of technical services of biological products, diagnostic reagents, chemical biological reagents and drugs

* Taizhou Pharmaceutical is registered as a wholly-foreign-owned enterprise under PRC law.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards ("**IASs**") and Interpretations) as issued by the International Accounting Standards Board (the "**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain financial instruments which have been measured at fair value. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

The Group recorded net current liabilities of RMB99,744,000 as at 31 December 2025. In view of the net current liabilities position, the directors have given careful consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern. Having considered the cash inflow from operations and unused banking facilities, the directors are satisfied that the Group is able to meet in full its financial obligations as they fall due for at least the next twelve months from 31 December 2025. The Group therefore continues to prepare consolidated financial statements on a going concern basis.

Basis of consolidation

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

2. ACCOUNTING POLICIES (continued)

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

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

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

(b) rights arising from other contractual arrangements; and

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

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

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

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

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

2. ACCOUNTING POLICIES (continued)

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

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

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

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

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

1 Effective for annual periods beginning on or after 1 January 2026
2 Effective for annual/reporting periods beginning on or after 1 January 2027
3 No mandatory effective date yet determined but available for adoption

2. ACCOUNTING POLICIES (continued)

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS (continued)

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

IFRS 18 replaces IAS 1 Presentation of Financial Statements. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss 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 IAS 1 are moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as IAS 8 Basis of Preparation of Financial Statements. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 Statement of Cash Flows, IAS 33 Earnings per Share and IAS 34 Interim Financial Reporting. In addition, there are minor consequential amendments to other IFRS Accounting Standards. The application of IFRS 18 is not expected to have a material impact on the financial position of the Group but is expected to affect the presentation of the statement of profit or loss and other comprehensive income and statement of cash flows and additional disclosure will be included in the financial statements.

Except for IFRS 18, the directors of the Company anticipate that these new and revised IFRS Accounting Standards are not expected to have a material impact on the Group's financial performance and financial position in the foreseeable future.

2. ACCOUNTING POLICIES (continued)

2.4 MATERIAL ACCOUNTING POLICIES

Fair value measurement

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

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

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

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

2. ACCOUNTING POLICIES (continued)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

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 contract costs), 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.

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 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.

2. ACCOUNTING POLICIES (continued)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. 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 IFRS 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.

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 also estimated useful lives used for this purpose are as follows:

Transportation equipment	19% per annum
Furniture, fixtures and machinery	9.5% to 20% per annum
Buildings	4.75% per annum
Leasehold improvements	Over the shorter of the lease term and 20 years

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

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

2. ACCOUNTING POLICIES (continued)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

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

Intangible assets (other than goodwill)

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

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 not exceeding ten years, commencing from the date when the products are put into commercial production.

2. ACCOUNTING POLICIES (continued)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Leases

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

Group as a lessee

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

(a) Right-of-use assets

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

Leasehold land	50 years
Buildings	2 to 18 years

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

2. ACCOUNTING POLICIES (continued)

2.4 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.

The Group's lease liabilities are presented in a separate line on the consolidated statement of financial position.

2. ACCOUNTING POLICIES (continued)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Leases (continued)

Group as a lessee (continued)

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

The Group applies the short-term lease recognition exemption to its short-term leases of building (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value. 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 IFRS 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 the statement of profit or loss when the asset is derecognised, modified or impaired.

2. ACCOUNTING POLICIES (continued)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Derecognition of financial assets

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

- the rights to receive cash flows from the asset have expired; or

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

When the Group has transferred its rights to receive cash flows from an asset or has entered 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.

2. ACCOUNTING POLICIES (continued)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

General approach

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

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

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2. ACCOUNTING POLICIES (continued)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

General approach (continued)

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

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables 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.

2. ACCOUNTING POLICIES (continued)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

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, or as derivatives designated as hedging instruments in an effective hedge, 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, amounts due to a related party and interest-bearing bank and other borrowings.

Subsequent measurement

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

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

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

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

2. ACCOUNTING POLICIES (continued)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

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.

Inventories

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

Cash and cash equivalents

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

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

2. ACCOUNTING POLICIES (continued)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

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 the statement of 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 countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except that deferred tax is not recognised for the Pillar Two income taxes.

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 combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2. ACCOUNTING POLICIES (continued)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Income tax (continued)

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to 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.

Government grants

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

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

2. ACCOUNTING POLICIES (continued)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

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 IFRS 15.

2. ACCOUNTING POLICIES (continued)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

The revenue from a licence is recognised over time if all of the following criteria are met:

(a) the contract requires, or the customer reasonably expects, that the entity will undertake activities that significantly affect the intellectual property to which the customer has rights

(b) the rights granted by the licence directly expose the customer to any positive or negative effects of the entity's activities identified in (a); and

(c) those activities do not result in the transfer of a good or a service to the customer as those activities occur

Otherwise, revenue is recognised at a point in time when the customer obtains the control of the license.

Revenue from sale of pharmaceutical products

Revenue from the sale of pharmaceutical products is recognised at the point in time when control of the products is transferred to the customer, generally when the products are delivered and accepted by the customers.

2. ACCOUNTING POLICIES (continued)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Revenue from sale of pharmaceutical products (continued)

Some contracts for the sale of pharmaceutical products 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 within a specified period, 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 IFRS 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. For goods that are expected to be returned, instead of revenue, a refund liability is recognised. A right-of-return asset (and the corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

(ii) Sales rebates

Retrospective sales rebates may be provided to certain customers once the products are sold to special sales terminals agreed in the contract. Rebates are offset against amounts payable by the customer arising from its purchase. The most likely amount method is used to estimate the variable consideration. The selected method that best predicts the amount of variable consideration is primarily driven by the volume of products sold to special sales terminals contained in the contract. The requirements on constraining estimates of variable consideration are applied and a liability for the expected future rebates is recognised in contract liabilities.

2. ACCOUNTING POLICIES (continued)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Revenue from exclusive right for the commercialisation

The revenue will be recognised overtime during the expected commercialisation period after the commercialisation authorisation from the local authorities is obtained.

Revenue from contract development and manufacturing agreement

The Group will recognise the revenue from contract development and manufacturing agreement at a point in time upon delivery of the control of rights of the deliverables and acceptance by the customer.

Revenue from the rendering of contract services

The Group will recognise the revenue from the rendering of contract services at a point in time upon delivery of the control of rights of the deliverables and acceptance by the customer.

Other income

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

Contract 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)

Contract costs

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

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

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

(c) the costs are expected to be recovered.

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

Share-based payments

The Company operates a share option scheme. 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 30 to the financial statements.

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

2. ACCOUNTING POLICIES (continued)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Share-based payments (continued)

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.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

2. ACCOUNTING POLICIES (continued)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Other employee benefits

Pension scheme

The employees of the Group's subsidiaries which operate in the Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries 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.

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.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends, if any, 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, which is the Company's functional currency. Each entity in the Group uses RMB as its functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

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:

Development expenditures

Development expenditures incurred on the Group's drug product pipelines are 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, the Group's intention to complete and the Group's ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the pipeline and the ability to measure reliably the expenditure during the development. Development expenditures which do not meet these criteria are expensed when incurred. Determining the amounts of development expenditures to be capitalised requires the use of judgements and estimation.

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.

Estimation uncertainty

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Accrual of research and development expenses

The Group relies on contract research organisations, clinical site management operators, and clinical trial centres (collectively referred as "**Outsourced Service Providers**") to conduct, supervise, and monitor the Group's ongoing clinical trials in the PRC. Determining the amounts of research and development expenses incurred up to the end of each reporting period requires the management of the Group to estimate and measure the progress of receiving research and development services under the contracts with Outsourced Service Providers using inputs such as the number of patient enrolments, time elapsed and milestone achieved.

Impairment of intangible assets not ready for use

Intangible assets not ready for use are not subject to amortisation and are tested annually for impairment, with the key assumptions including the expected achievement of drug development milestones and the outcome of new drug development, estimated revenue to be generated by the in-development drug and discount rate, or more frequently if events or changes in circumstances indicate that they might be impaired. The Group capitalised and deferred development costs of its in-process research and development of drug candidates for the purpose of continuing the research and development work and commercialisation of the products, which are classified as intangible assets not ready for use.

Impairment of non-financial assets (other than intangible assets not ready for use)

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.

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.

4. OPERATING SEGMENT INFORMATION

Segment information

For the purpose of resource allocation and performance assessment, the key management of the entities and business comprising the Group, being the chief operating decision maker, reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one reportable segment and no further analysis of this single segment is presented.

Geographical information

During the reporting period, all of the Group's revenue was derived from customers located in the PRC and the Group's non-current assets are substantially located in the PRC, accordingly, no geographical information in accordance with IFRS 8 *Operating Segments* is presented.

Information about a major customer

There was no revenue derived from the transaction with a single customer amounting to 10% or more of the Group's revenues in 2025 and 2024.

5. REVENUE

An analysis of revenue is as follows:

	2025	2024
	RMB'000	*RMB'000*
Revenue from contracts with customers		
Revenue from the sale of pharmaceutical products	**598,154**	215,195
Revenue from the exclusive right for the commercialisation	**43,621**	30,525
Revenue from the rendering of contract services	**191**	71
Revenue from the contract development and manufacturing agreements	**943**	12,437
Revenue from the sale of materials	**3,186**	–
Total	**646,095**	258,228

5. REVENUE (continued)

Revenue from contracts with customers

(a) Disaggregated revenue information

	2025 *RMB'000*	2024 *RMB'000*
Geographical market		
Chinese mainland	**646,095**	258,228
Timing of revenue recognition		
Over time	**43,621**	30,525
At a point in time	**602,474**	227,703
Total	**646,095**	258,228

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2025 *RMB'000*	2024 *RMB'000*
Revenue from the sale of pharmaceutical products	**15**	151
Revenue from the contract development and manufacturing agreements	**–**	6,598
Revenue from the exclusive right for the commercialisation	**43,622**	25,975
Total	**43,637**	32,724

5. REVENUE (continued)

Revenue from contracts with customers (continued)

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of pharmaceutical products

The performance obligation is satisfied upon delivery of the products and acceptance by the customer, and payment is generally due within 30 to 90 days from delivery. Some contracts provide customers with rights of return and sales rebates which give rise to variable consideration subject to constraint.

Exclusive right for the commercialisation

The performance obligation is satisfied overtime during the expected commercialisation period after the commercialisation authorisation from the local authorities is obtained, with reference to the budgeted manufacture order from the customer (i.e. when the customer receives and consumes the benefits during the commercialisation stage) or the expected product life cycle (10 years).

Contract development and manufacturing agreement with customers

The performance obligation is satisfied upon delivery of the control of rights of the deliverables and acceptance by the customer.

Revenue from the rendering of contract services

The performance obligation is satisfied upon delivery of the control of rights of the deliverables and acceptance by the customer.

5. REVENUE (continued)

Revenue from contracts with customers (continued)

(b) Performance obligations (continued)

Revenue from the rendering of contract services (continued)

The amounts of transaction prices allocated to the unsatisfied performance obligations as at 31 December are as follows:

	2025 *RMB'000*	2024 *RMB'000*
Amounts expected to be recognised as revenue:		
Within one year	**61,906**	45,544
Over one year	**321,819**	351,952
Total	**383,725**	397,496

The remaining performance obligations expected to be recognised after one year mainly relate to the transaction prices allocated to the exclusive right for the commercialisation. The revenue from the exclusive right for the commercialisation is expected to be recognised during the future estimated commercialisation period. The amounts disclosed above do not include variable consideration.

6. OTHER INCOME

	2025 RMB'000	2024 RMB'000
Bank interest income	433	513
Government grants and subsidies related to income	5,105	7,478
VAT super deduction benefit	3,033	–
Others	672	–
Total	9,243	7,991

7. OTHER GAINS AND LOSSES, NET

	2025 RMB'000	2024 RMB'000
Loss on deposit for construction	–	(3,000)
Donations	–	(1,664)
Net foreign exchange gains/(losses)	1,406	(1,195)
Gains on termination of a lease contract	–	155
Fair value gains on financial assets at FVTPL	66	115
Loss on prepayments and other receivables	(546)	–
Others	(3)	(125)
Total	923	(5,714)

8. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

	2025 *RMB'000*	2024 *RMB'000*
Depreciation for property, plant and equipment	**54,473**	53,729
Depreciation for right-of-use assets	**5,309**	7,600
Marketing and promotion expenses	**400,821**	150,860
Gains on termination of a lease contract	**–**	(155)
Accrual of impairment loss on financial assets –		
Impairment of trade receivables	**125**	1,879
Loss on deposit for construction	**–**	3,000
Fair value gains on financial assets at FVTPL	**(66)**	(115)
Foreign exchange differences, net	**(1,406)**	1,195
Staff cost (including directors' emoluments):		
– Independent non-executive directors' fee	**392**	351
– Salaries and other benefits	**74,731**	72,077
– Pension scheme contributions	**7,944**	7,696
– Share-based payment expenses	**11,237**	11,824
	94,304	91,948
Auditors' remuneration	**3,483**	3,323
Short-term lease payment	**65**	79
Government grants and subsidies related to income	**(5,105)**	(7,478)
Cost of inventories sold and services provided*	**72,444**	38,834
Cost of inventories recognised as expense		
(included in research and development expenses)	**21,240**	15,136

* Cost of inventories sold and service provided include expenses relating to depreciation of property, plant and equipment, depreciation of right-of-use assets and staff costs, which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

9. FINANCE COSTS

	2025 RMB'000	2024 RMB'000
Interest on loans from a related party	205	912
Interest on bank and other borrowings	8,388	7,090
Interest on lease liabilities	2,216	2,550
Total	10,809	10,552

10. DIRECTORS' AND CHIEF EXECUTIVE'S 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	392	351
Other emoluments:		
Salaries, allowances and benefits in kind	4,803	3,972
Pension scheme contributions	355	314
Share-based payment expenses	9,758	10,860
Subtotal	14,916	15,146
Total fees and other emoluments	15,308	15,497

Certain directors were granted share options, in respect of their services to the Group, under the share option scheme of the Company, further details of which are set out in note 30 to the financial statements. The fair value of such options, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above directors' and chief executive's remuneration disclosures. No new share option was granted during the year.

10. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(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*
Mr. Guo Liangzhong	**98**	98
Dr. Zhang Yanyun	**98**	98
Dr. Tao Qian	**98**	57
Mr. Liang Haoming	**98**	98
Total	**392**	351

There were no other emoluments payable to the independent non-executive directors during the year (2024: Nil).

10. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(b) Executive directors, non-executive directors and the chief executive

	Salaries, bonuses, allowances and benefits in kind *RMB'000*	Discretionary bonuses *RMB'000*	Pension scheme contributions *RMB'000*	Share-based payment expenses *RMB'000*	Consultation fee *RMB'000*	Total remuneration *RMB'000*
Year ended 31 December 2025						
Executive directors:						
Dr. Wang Hao	1,080	–	71	3,975	–	5,126
Dr. Qian Weizhu	930	–	71	4,747	–	5,748
Dr. Hou Sheng	929	–	71	–	–	1,000
Mr. Li Yunfeng	933	–	71	518	–	1,522
Mr. Tao Jing	931	–	71	518	–	1,520
Subtotal	4,803	–	355	9,758	–	14,916
Non-executive directors:						
Mr. Jiao Shuge	–	–	–	–	–	–
Mr. Cen Jialin	–	–	–	–	–	–
Subtotal	–	–	–	–	–	–
Total	4,803	–	355	9,758	–	14,916

10. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(b) Executive directors, non-executive directors and the chief executive (continued)

	Salaries, bonuses, allowances and benefits in kind *RMB'000*	Discretionary bonuses *RMB'000*	Pension scheme contributions *RMB'000*	Share-based payment expenses *RMB'000*	Consultation fee *RMB'000*	Total remuneration *RMB'000*
Year ended 31 December 2024						
Executive directors:						
Dr. Wang Hao	1,078	–	71	4,424	–	5,573
Dr. Qian Weizhu *(Note i)*	324	–	30	5,282	–	5,636
Dr. Hou Sheng	709	–	71	–	–	780
Mr. Li Yunfeng	930	–	71	577	–	1,578
Mr. Tao Jing	931	–	71	577	–	1,579
Subtotal	3,972	–	314	10,860	–	15,146
Non-executive directors:						
Mr. Jiao Shuge	–	–	–	–	–	–
Dr. Qian Weizhu *(note i)*	–	–	–	–	–	–
Mr. Cen Jialin *(note i)*	–	–	–	–	–	–
Subtotal	–	–	–	–	–	–
Total	3,972	–	314	10,860	–	15,146

Note:

i. On 10 July 2024, Dr. Qian Weizhu resigned as a non-executive director and was re-designated as an executive director. Mr. Cen Jialin was appointed as a non-executive director to replace Dr. Qian Weizhu's vacancy.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

11. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included four directors, one of which being the chief executive (2024: four directors, one of which being the chief executive), details of whose remuneration are set out in note 10 above. Details of the remuneration for the year of the remaining one (2024: one) highest paid employee who was neither a director nor chief executive of the Company are as follows:

	2025 *RMB'000*	2024 *RMB'000*
Salaries, allowances and benefits in kind	960	977
Pension scheme contributions	68	66
Total	1,028	1,043

The remuneration of the non-director and non-chief executive highest paid employee fell within the following band:

	Number of employees	
	2025	2024
HK$1,000,001 to HK$1,500,000	1	1

12. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

	2025 *RMB'000*	2024 *RMB'000*
Current	–	–
Deferred *(note 28)*	(52,973)	–
Total	(52,973)	–

The Company was incorporated in the Cayman Islands and is exempted from income tax.

Hong Kong profits tax is provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. No Hong Kong profits tax was provided for as there was no estimated assessable profit of the Group's Hong Kong subsidiary that was subject to Hong Kong profits tax during the year.

Under the Law of the PRC of Enterprise Income Tax (the "**EIT Law**") and the Implementation Regulation of the EIT Law, the tax rate of the Group's PRC subsidiaries is 25% throughout the reporting period.

In November 2024, Taizhou Pharmaceutical was reaccredited as a "High and New Technology Enterprise", therefore is entitled to a preferential tax rate of 15% for a three-year period since 2024. The qualification as a High and New Technology Enterprise will be subject to review by the relevant tax authority in the PRC for every three years and Taizhou Pharmaceutical should self-evaluate whether it meets the criteria of High and New Technology Enterprise each year.

Pursuant to Caishui [2018] circular No. 76, Taizhou Pharmaceutical can carry forward its unutilised tax losses for up to ten years. This extension of expiration period applies to all the unutilised tax losses that were carried forward by Taizhou Pharmaceutical at the effective date of the tax circular.

Pursuant to the relevant EIT Laws, Taizhou Pharmaceutical enjoyed a super deduction of 200% on qualifying research and development expenditures during the period from 1 January 2025 to 31 December 2025.

12. INCOME TAX (continued)

A reconciliation of the tax credit applicable to profit/(loss) before tax at the statutory tax rate for the jurisdiction in which the Company and its subsidiaries are domiciled and/or operate to the tax credit at the effective tax rate is as follows:

	2025 *RMB'000*	2024 *RMB'000*
Profit/(loss) before tax	**4,160**	(127,947)
Income tax expense calculated at 25%	**1,040**	(31,987)
Effect of different tax rates of subsidiaries operating in other jurisdictions and enacted by local authority	**(2,469)**	13,585
Tax effect of expenses not deductible for tax purposes	**2,330**	2,755
Effect of research and development expenses that are additionally deducted	**(7,807)**	(14,786)
Tax losses utilised from previous periods	**(30,285)**	–
Recognition of tax losses previously not recognised	**(52,973)**	–
Tax effect of tax losses and deductible temporary differences not recognised	**37,191**	30,433
Income tax credit recognised in profit or loss	**(52,973)**	–

The Group has unused tax losses of RMB833,763,000 available for offset against future profits as of 31 December 2025 (2024: RMB1,423,370,000). The tax losses of the entity will expire in one to ten years for offsetting against taxable profits of the companies in which the losses arose. The Group had deductible temporary differences of RMB469,800,000 at 31 December 2025 (2024: RMB255,429,000), which are mainly related to marketing and promotion expenses and accrued expenses.

After careful forecasting of the taxable income of Taizhou Pharmaceutical in 2026, deferred income tax credit and deferred tax assets of 53.0M are recognized to the extent of future taxable income likely to be available for offsetting deductible temporary differences, deductible losses, or tax credits.

13. DIVIDENDS

No dividend was paid or proposed for holders of ordinary shares of the Company for the year ended 31 December 2025, nor has any dividend been proposed since the end of the reporting period (2024: Nil).

14. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings/(loss) per share is based on the following data:

	2025 *RMB'000*	2024 *RMB'000*
Profit/(loss) attributable to ordinary equity holders of the Company for the purpose of calculating basic earnings/(loss) per share	**57,133**	(127,947)

	2025 *'000*	2024 *'000*
Weighted average number of ordinary shares for the purpose of calculating basic earnings/(loss) per share	**4,124,080**	4,124,080

The calculation of diluted earnings/(loss) per share amounts for the years ended 31 December 2025 and 2024 did not assume the exercise of the pre-IPO share options since its inclusion would be anti-dilutive.

15. PROPERTY, PLANT AND EQUIPMENT

	Transportation equipment *RMB'000*	Furniture, fixtures and machinery *RMB'000*	Leasehold improvements *RMB'000*	Buildings *RMB'000*	Construction in progress ("CIP") *RMB'000*	Total *RMB'000*
31 December 2025						
At 1 January 2025:						
Cost	878	388,446	79,094	198,289	125,299	792,006
Accumulated depreciation	(835)	(171,640)	(38,392)	(29,386)	–	(240,253)
Net carrying amount	43	216,806	40,702	168,903	125,299	551,753
At 1 January 2025, net of accumulated depreciation	43	216,806	40,702	168,903	125,299	551,753
Additions	100	6	–	–	13,638	13,744
Depreciation provided during the year	(14)	(37,730)	(7,754)	(8,975)	–	(54,473)
Transfer from CIP	–	7,232	3,049	–	(10,281)	–
At 31 December 2025, net of accumulated depreciation	129	186,314	35,997	159,928	128,656	511,024
At 31 December 2025:						
Cost	977	395,684	82,143	198,289	128,656	805,749
Accumulated depreciation	(848)	(209,370)	(46,146)	(38,361)	–	(294,725)
Net carrying amount	129	186,314	35,997	159,928	128,656	511,024

15. PROPERTY, PLANT AND EQUIPMENT (continued)

	Transportation equipment *RMB'000*	Furniture, fixtures and machinery *RMB'000*	Leasehold improvements *RMB'000*	Buildings *RMB'000*	Construction in progress ("CIP") *RMB'000*	Total *RMB'000*
31 December 2024						
At 1 January 2024:						
Cost	878	356,656	78,788	198,209	167,225	801,756
Accumulated depreciation	(743)	(135,142)	(30,675)	(19,964)	–	(186,524)
Net carrying amount	135	221,514	48,113	178,245	167,225	615,232
At 1 January 2024, net of accumulated depreciation	135	221,514	48,113	178,245	167,225	615,232
Additions	–	153	–	–	393	546
Depreciation provided during the year	(92)	(36,498)	(7,717)	(9,422)	–	(53,729)
Transfer from CIP	–	33,441	306	80	(33,827)	–
Assets related grants deduction *(note 27)*	–	(1,804)	–	–	(8,492)	(10,296)
At 31 December 2024, net of accumulated depreciation	43	216,806	40,702	168,903	125,299	551,753
At 31 December 2024:						
Cost	878	388,446	79,094	198,289	125,299	792,006
Accumulated depreciation	(835)	(171,640)	(38,392)	(29,386)	–	(240,253)
Net carrying amount	43	216,806	40,702	168,903	125,299	551,753

16. LEASES

The Group as a lessee

The Group has lease contracts for various items of leasehold land and buildings used in its operations. Lump sum payments were made upfront to acquire the leasehold land from the owner with lease periods of 50 years, and no ongoing payments will be made under the terms of the land lease. Leases of buildings generally have lease terms between 2 and 18 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:

	Leasehold land *RMB'000*	Buildings *RMB'000*	Total *RMB'000*
As at 1 January 2024	34,318	36,986	71,304
Additions	–	497	497
Depreciation charge	(771)	(6,829)	(7,600)
Termination of a lease contract	–	(1,709)	(1,709)
As at 31 December 2024 and 1 January 2025	**33,547**	**28,945**	**62,492**
Additions	**–**	**786**	**786**
Depreciation charge	**(771)**	**(4,538)**	**(5,309)**
As at 31 December 2025	**32,776**	**25,193**	**57,969**

16. LEASES (continued)

The Group as a lessee (continued)

(b) Lease liabilities to third parties

The carrying amount of lease liabilities to third parties and the movements during the year are as follows:

	2025 *RMB'000*	2024 *RMB'000*
Carrying amount at 1 January	**47,501**	45,958
New lease	**786**	497
Accretion of interest recognised during the year	**2,216**	2,432
Payments	**(188)**	(1,386)
Carrying amount at 31 December	**50,315**	47,501
Analysed into:		
Current portion	**23,595**	17,207
Non-current portion	**26,720**	30,294

The maturity analysis of lease liabilities to third parties is disclosed in note 37 to the financial statements.

16. LEASES (continued)

The Group as a lessee (continued)

(c) Lease liability to a related party

The carrying amount of the lease liability to a related party and the movements during the year are as follows:

	2025 *RMB'000*	2024 *RMB'000*
Lease liability to Biomabs *(note)*:		
Carrying amount at 1 January	–	4,386
Accretion of interest recognised during the year	–	118
Termination of a lease contract	–	(1,864)
Payments	–	(2,640)
Carrying amount at 31 December	–	–
Analysed into:		
Current portion	–	–
Non-current portion	–	–

Note: Biomabs is ultimately controlled by a close family member of the controlling shareholder.

16. LEASES (continued)

The Group as a lessee (continued)

(d) The amounts recognised in profit or loss in relation to leases are as follows:

	2025 *RMB'000*	2024 *RMB'000*
Gains on termination of a lease contract	–	(155)
Interest on lease liabilities to third parties	2,216	2,432
Interest on lease liability to a related party	–	118
Depreciation for right-of-use assets	5,309	7,600
Expense relating to short-term leases	65	79
Total amount recognised in profit or loss	7,590	10,074

(e) The total cash outflows for leases and future cash outflows relating to leases that have not yet commenced are disclosed in note 32(c) and 37 to the financial statements.

17. INTANGIBLE ASSETS

	Deferred development costs *RMB'000*
31 December 2025	
Cost at 1 January 2025, net of accumulated amortisation	33,345
Additions	62,911
At 31 December 2025	96,256
At 31 December 2025:	
Cost	96,256
Accumulated amortisation	–
Net carrying amount	96,256

17. INTANGIBLE ASSETS (continued)

	Deferred development costs *RMB'000*
31 December 2024	
Cost at 1 January 2024, net of accumulated amortisation	–
Additions	33,345
At 31 December 2024	33,345
At 31 December 2024:	
Cost	33,345
Accumulated amortisation	–
Net carrying amount	33,345

17. INTANGIBLE ASSETS (continued)

Impairment testing of intangible assets not yet ready for use

The recoverable amounts of the intangible assets not yet ready for use were determined based on the fair value less costs of disposal ("**FVLCOD**"), and the fair values of intangible assets not yet ready for use were determined using cash flow projections based on financial budget approved by the management, covering the economic life of corresponding biopharmaceutical products. The discount rates applied to the cash flow projection range from 19.58% to 20.44%. The contributory asset charges applied to the cash flow projection range from 2.55% to 16.00%.

Assumptions were used in the value-in-use calculation for 31 December 2025 and 31 December 2024. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of intangible assets not yet ready for use:

– Discount rates: The pre-tax discount rates used are the rates of return on investment required by the group.

– Contributory asset charges: The basis used to determine the value assigned to contributory asset charges is the return expected from assets that support the income-generating capabilities of the intangible assets, and the contributory assets mainly included working capital, fix assets and assembled workforce.

Management believes that any reasonably possible change in any of the key assumptions would not cause the recoverable amounts to be lower than their carrying amounts.

18. OTHER NON-CURRENT ASSETS

	2025 RMB'000	2024 RMB'000
Prepayment for acquisition of property, plant and equipment *(note)*	938	2,854

Note: Prepayment for acquisition of property, plant and equipment is mainly related to the new production facilities on the parcel of industrial land of approximately 100,746 square metres in the Taizhou Hi-tech Zone.

19. INVENTORIES

	2025 RMB'000	2024 RMB'000
Raw materials and consumables	82,536	63,599
Work in progress	42,914	40,515
Finished Goods	11,114	6,895
Total	136,564	111,009

20. TRADE AND BILLS RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables	155,698	96,950
Bills receivable	1,910	–
Impairment	(2,549)	(2,424)
Total	155,059	94,526

20. TRADE AND BILLS RECEIVABLES (continued)

The Group's trading terms with its customers are mainly on credit. The credit period is generally 30 to 90 days for major 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. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. 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 and bills receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2025	2024
	RMB'000	*RMB'000*
Within 3 months	**138,336**	75,807
4 to 6 months	**12,064**	11,482
7 to 9 months	**3,579**	6,283
10 to 12 months	**1,080**	954
Total	**155,059**	94,526

The movements in the loss allowance for impairment of trade receivables are as follows:

	2025	2024
	RMB'000	*RMB'000*
At beginning of year	**2,424**	545
Recognition of impairment losses	**125**	1,879
At end of year	**2,549**	2,424

20. TRADE AND BILLS RECEIVABLES (continued)

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on aging. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

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

	With 3 months	4 to 6 months	7 to 9 months	10 to 12 months	Over 12 months	Total
Expected credit loss rate	0.64%	2.63%	9.84%	26.21%	100.00%	1.64%
Gross carrying amount *(RMB'000)*	139,210	12,390	3,969	1,464	575	157,608
Expected credit losses *(RMB'000)*	(874)	(326)	(390)	(384)	(575)	(2,549)
Net amount *(RMB'000)*	138,336	12,064	3,579	1,080	–	155,059

As at 31 December 2024

	With 3 months	4 to 6 months	7 to 9 months	10 to 12 months	Over 12 months	Total
Expected credit loss rate	0.89%	3.37%	12.02%	31.02%	100.00%	2.50%
Gross carrying amount *(RMB'000)*	76,484	11,883	7,141	1,383	59	96,950
Expected credit losses *(RMB'000)*	(677)	(401)	(858)	(429)	(59)	(2,424)
Net amount *(RMB'000)*	75,807	11,482	6,283	954	–	94,526

21. PREPAYMENTS AND OTHER RECEIVABLES

	2025 RMB'000	2024 RMB'000
Other receivables	3,359	1,560
Prepayments for research and development services	22,345	18,628
Other deposits and prepayments	2,271	3,722
VAT recoverable *(note)*	124	7,644
Total	28,099	31,554

Note: VAT recoverable is presented in prepayments and other receivables based on management's estimation of the amount of VAT recoverable to be utilised within one year.

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.

22. CONTRACT COSTS

	2025 RMB'000	2024 RMB'000
Cost to fulfil contracts in relation to contract manufacturing agreement	5,320	–

23. CASH AND BANK BALANCES AND RESTRICTED BANK DEPOSITS

Restricted bank deposits

There were no restricted bank deposits at 31 December 2025 (2024: RMB39,341,000.00). The restricted bank deposits at 31 December 2024 were restricted for a dispute with a supplier, which has been released in January 2025.

Cash and bank balances

Cash and bank balances comprise cash at banks and short-term bank deposits with an original maturity of three months or less. Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

Cash and bank balances that are denominated in currencies as set out below:

	2025	2024
	RMB'000	*RMB'000*
RMB	**107,821**	88,153
Hong Kong dollar ("**HK$**")	**1,389**	1,142
US dollar ("**US$**")	**48**	49
Total	**109,258**	89,344

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.

24. TRADE AND OTHER PAYABLES

	2025 RMB'000	2024 RMB'000
Trade payables	30,167	11,709
Accrued expenses for research and development services	38,500	22,807
Other payables for purchases of property, plant and equipment	4,412	33,671
Salary and bonus payables	15,253	13,289
Other taxes payable	11,315	634
Accrued listing expenses and issue costs	11,117	11,189
Other payables	133,164	76,068
Total	243,928	169,367

Payment terms with suppliers are mainly on credit with 60 days from the time when the goods and/or services are received/rendered from the suppliers. The ageing analysis of the trade payables presented based on the receipt of goods/services by the Group at the end of the reporting period is as follows:

	2025 RMB'000	2024 RMB'000
Within 60 days	6,458	8,712
Over 60 days but within 1 year	23,362	1,728
Over 1 year	347	1,269
Total	30,167	11,709

Trade and other payables are unsecured, non-interest-bearing and repayable on demand.

25. INTEREST-BEARING BANK AND OTHER BORROWINGS

	31 December 2025			31 December 2024		
	Effective Interest rate *(%)*	Maturity	Amount *RMB'000*	Effective Interest rate *(%)*	Maturity	Amount *RMB'000*
Current:						
Bank loans – secured *(note)*	One-year loan prime rate ("LPR")-50 bps	2026	110,131	One-year LPR+50 bps	2025	80,054
	One-year LPR	2026	100,000	–	–	–
Total-current			210,131			80,054
Non-current:						
Other loans – unsecured	4.0%	2032	66,293	4.0-6.0%	2032	65,537
Bank loans – secured *(note)*	–	–	–	One-year LPR	2026	100,000
Total – non current			66,293			165,537
Total			276,424			245,591

25. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued)

	2025 RMB'000	2024 RMB'000
Analysed into:		
Bank loans and other loans repayable:		
In the first year	210,131	80,054
In the second year	–	100,000
Beyond two years	66,293	65,537
Total	276,424	245,591

Note: As at 31 December 2025, right-of-use assets and property, plant and equipment with carrying amount of RMB32,776,000 (2024: RMB33,547,000) and RMB152,278,000 (2024: RMB168,903,000), respectively, were pledged to a bank to secure the bank borrowings of the Group. Certain property, plant and equipment with carrying amount of RMB180,843,000 (2024: RMB195,164,000) were pledged to an independent third-party customer to secure the entrusted bank borrowings of the Group.

26. CONTRACT LIABILITIES

	2025 RMB'000	2024 RMB'000
Amounts received in advance for contract manufacturing agreement	10,274	–
Amounts received in advance for the exclusive right for the commercialisation	365,620	395,562
Amounts received in advance for the sale of products	315	15
Total	376,209	395,577
Analysed into:		
Current portion	54,390	43,625
Non-current portion	321,819	351,952

27. DEFERRED INCOME

	2025 RMB'000	2024 RMB'000
Income-related government grants	2,000	1,872
Analysed into:		
Current portion	2,000	1,872

Movements of income-related government grants:

	2025 RMB'000	2024 RMB'000
At 1 January	1,872	8,955
Government grants received	600	67
Credited to profit or loss	(472)	(7,150)
At 31 December	2,000	1,872

Movements of asset-related government grants:

	2025 RMB'000	2024 RMB'000
At 1 January	–	10,296
Deduction from the calculation of the carrying amount of the assets	–	(10,296)
At 31 December	–	–

27. DEFERRED INCOME (continued)

During the year ended 31 December 2025, the Group received government grants of RMB600,000 (2024: RMB67,000) to compensate for the expense of Group's research projects. The grants related to income were recognised in profit or loss upon the compliance of the Group with the conditions attached to the grants and the government acknowledged acceptance. The grants related to assets were deducted from the calculation of the carrying amount of the assets upon the compliance of the Group with the conditions attached to the grants and the government acknowledged acceptance and were recognised in profit or loss in the form of reduced depreciation charges over the remaining lives of the depreciable assets.

28. DEFERRED TAX

The movements in deferred tax liabilities and assets during the year are as follows:

Deferred tax liabilities

2025

	Right-of-use assets *RMB'000*
At 1 January 2025	**9,263**
Deferred tax charged to the statement of profit or loss during the year *(note 12)*	**(661)**
Gross deferred tax liabilities at 31 December 2025	**8,602**

28. DEFERRED TAX (continued)

The movements in deferred tax liabilities and assets during the year are as follows: (continued)

Deferred tax liabilities (continued)

2024

	Right-of-use assets *RMB'000*
At 1 January 2024	10,696
Deferred tax charged to the statement of profit or loss during the year *(note 12)*	(1,433)
Gross deferred tax liabilities at 31 December 2024	9,263

Deferred tax assets

2025

	Lease liabilities *RMB'000*	Impairment of financial assets *RMB'000*	Losses available for offsetting against future taxable profits *RMB'000*	Total *RMB'000*
At 1 January 2025	**7,169**	**364**	**1,730**	**9,263**
Deferred tax (charged)/ credited to the statement of profit or loss during the year *(note 12)*	**295**	**18**	**51,999**	**52,312**
Gross deferred tax assets at 31 December 2025	**7,464**	**382**	**53,729**	**61,575**

28. DEFERRED TAX (continued)

The movements in deferred tax liabilities and assets during the year are as follows: (continued)

Deferred tax assets (continued)

2024

	Lease liabilities *RMB'000*	Impairment of financial assets *RMB'000*	Losses available for offsetting against future taxable profits *RMB'000*	Total *RMB'000*
At 1 January 2024	7,552	82	3,062	10,696
Deferred tax (charged)/ credited to the statement of profit or loss during the year *(note 12)*	(383)	282	(1,332)	(1,433)
Gross deferred tax assets at 31 December 2024	7,169	364	1,730	9,263

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

	2025 ***RMB'000***	2024 *RMB'000*
Net deferred tax assets recognised in the consolidated statement of financial position	**52,973**	–
Net deferred tax liabilities recognised in the consolidated statement of financial position	**–**	–

29. SHARE CAPITAL

	2025 *RMB'000*	2024 *RMB'000*
Issued and fully paid:		
4,124,080,000 ordinary shares	**2,804**	2,804

30. SHARE-BASED PAYMENT TRANSACTIONS

Equity-settled share option scheme of the Company

The Company's Pre-IPO Share Option Scheme (the "**Scheme**") was adopted pursuant to a resolution passed on 10 August 2018 for the primary purpose of providing incentives to directors of the Company and eligible employees of the Group. Under the Scheme, 1,875,000 options were granted on 18 August 2018 to directors of the Company and eligible employees of the Group to subscribe for shares in the Company, which will expire on 17 August 2028.

There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share options. The Group accounts for the Scheme as an equity-settled plan.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The Scheme has a service condition that shall vest over an 8-year period, with 20%, 20%, 20%, 20% and 20% of the total number of the options granted to be vested on the fourth, fifth, sixth, seventh and eighth anniversaries of the listing date, respectively.

The exercise price in relation to each option granted shall be the final offer price per share at which the shares are to be acquired by the investors pursuant to the Hong Kong Public Offering and the International Offering, which shall not be less than the par value of the shares, provided that the exercise price shall be adjusted in the event of any capitalisation issue, rights issue, open offer, sub-division, consolidation of shares, or reduction of capital of the Company.

30. SHARE-BASED PAYMENT TRANSACTIONS (continued)

Equity-settled share option scheme of the Company (continued)

On 8 April 2019, a shareholders' resolution about the capitalisation issue was passed and after taking into account of the capitalisation issue, the number of share options was increased to 83,512,500.

The following table discloses details of the movements of the outstanding options granted under the Scheme during the year ended 31 December 2025:

	2025		2024	
	Weighted average exercise price *HK$ per share*	Number of options *'000*	Weighted average exercise price *HK$ per share*	Number of options *'000*
At 1 January	HK$1.5	73,446	HK$1.5	76,122
Forfeited during the year		(775)		(2,676)
At 31 December	HK$1.5	72,671	HK$1.5	73,446

The exercise price and exercise period of the share options outstanding as at the end of the reporting period are as follows:

2025

Number of options *'000*	**Exercise price** *per share*	**Exercise period**
72,671	HK$1.5	31 May 2023 to 17 August 2028

2024

Number of options *'000*	**Exercise price** *per share*	**Exercise period**
73,446	HK$1.5	31 May 2023 to 17 August 2028

30. SHARE-BASED PAYMENT TRANSACTIONS (continued)

Equity-settled share option scheme of the Company (continued)

The Group recognised the total expense of RMB11,237,000 during the year ended 31 December 2025 (2024: RMB11,824,000) in relation to share options granted by the Company.

At the end of the reporting period, the Company had 72,671,000 (2024: 73,446,000) share options outstanding under the Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 72,671,000 additional ordinary shares of the Company and additional share capital of US$7,267 (equivalent to RMB51,079) and reserve of RMB98,406,000 (before issue expense).

At the date of approval of these financial statements, the Company had 72,671,000 share options outstanding under the Scheme, which represented approximately 1.8% of the Company's shares in issue as at that date.

31. 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 on page 222 of the financial statements.

32. 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 RMB786,000 (2024: additions to right-of-use assets of RMB497,000) and RMB786,000 (2024: additions to lease liabilities of RMB497,000), respectively, in respect of lease arrangements for buildings.

32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(b) Changes in liabilities arising from financing activities

	Amounts due to a related party *RMB'000*	Accrued listing expenses and issue costs *RMB'000*	Interest-bearing bank and other borrowings *RMB'000*	Lease liabilities to third parties *RMB'000*	Total *RMB'000*
At 1 January 2025	20,096	11,189	245,592	47,501	324,378
Changes from financing cash flows	(20,301)	–	23,780	(188)	3,291
Interest on a related party	205	–	–	–	205
Interest on bank and other borrowings	–	–	8,388	–	8,388
Interest on lease liabilities	–	–	–	2,216	2,216
Lease addition	–	–	–	786	786
Unrealised exchange gains	–	(72)	(1,336)	–	(1,408)
At 31 December 2025	–	11,117	276,424	50,315	337,856

	Amounts due to a related party *RMB'000*	Accrued listing expenses and issue costs *RMB'000*	Interest-bearing bank and other borrowings *RMB'000*	Lease liabilities to third parties and lease liability to a related party *RMB'000*	Total *RMB'000*
At 1 January 2024	23,564	11,189	209,729	50,344	294,826
Changes from financing cash flows	(5,257)	–	27,563	(4,026)	18,280
Interest on a related party	912	–	–	–	912
Interest on bank and other borrowings	–	–	7,090	–	7,090
Interest on lease liabilities	–	–	–	2,550	2,550
Lease addition	–	–	–	497	497
Termination of a lease contract	–	–	–	(1,864)	(1,864)
Unrealised exchange losses	–	–	1,210	–	1,210
Expenses incurred in clinical business paid by a related party on behalf of the Group	877	–	–	–	877
At 31 December 2024	20,096	11,189	245,592	47,501	324,378

32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2025 *RMB'000*	2024 *RMB'000*
Within operating activities	**65**	79
Within financing activities	**188**	4,026
Total	**253**	4,105

33. CAPITAL COMMITMENTS

The Group had capital commitments for acquisitions of equipment and building construction under contracts as follows:

	2025 *RMB'000*	2024 *RMB'000*
Contracted but not provided *(note)*	**3,509**	4,223

Note: The capital commitments are mainly related to the new production facilities on the parcel of industrial land of approximately 100,746 square metres in the Taizhou Hi-tech Zone.

34. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed in note 16 to the financial statements, the Group had the following transactions with related parties during the year:

	2025 RMB'000	2024 RMB'000
Expenses incurred in clinical business and CMAB807 paid by a related party on behalf of the Group:		
Biomabs *(note a)*	–	877
Repayments to a related party regarding the expenses incurred in clinical business and CMAB807 paid by a related party on behalf of the Group:		
Biomabs	–	877
Repayment of loans to a related party – unsecured:		
Biomabs *(note b)*	(18,500)	(4,000)
Interest on loans from a related party:		
Biomabs	205	912
Interest on loans repaid to a related party:		
Biomabs *(note b)*	1,801	380

Notes:

a. Biomabs is ultimately controlled by a close family member of the controlling shareholder.

b. In September 2022, the Group borrowed unsecured loans from Biomabs amounting to RMB45,000,000 with an annual interest rate of 3.7%. The term of the loans is from the date on receiving the loan by the group to 31 December 2024. In October 2023, the Group repaid the principal of RMB22,500,000 and the corresponding accumulated interests of RMB847,000 to Biomabs. In December 2023, the Group renewed the loan contract and extended the maturity date to 31 December 2027. In October and December 2024, the Group repaid the principal of RMB4,000,000 and the corresponding accumulated interests of RMB380,000 to Biomabs. In May 2025, the Group repaid the remaining principal of RMB18,500,000 and the corresponding accumulated interests of RMB1,801,000 to Biomabs.

34. RELATED PARTY TRANSACTIONS (continued)

(b) Outstanding balances with related parties:

	2025 RMB'000	2024 RMB'000
Amounts due to a related party:		
Trade payables		
Biomabs *(note a)*	**47,280**	47,280
Interest payables		
Biomabs	**–**	1,596
Loans payables		
Biomabs	**–**	18,500
Total	**47,280**	67,376
Analysed into:		
Non-current portion	**47,280**	67,376

Notes:

a. In March 2021, the Group entered into an agreement with Biomabs in relation to the acquisition of the intellectual property in connection with CMAB807 from Biomabs at a consideration of RMB66,038,000 (excluding value added tax). On 29 December 2023, the Group entered into a supplemental agreement with Biomabs, pursuant to which, the maturity date of the outstanding payable balance of RMB47,170,000 was extended to 31 December 2027.

The ageing analysis of the trade payables presented based on the receipt of goods/services by the Group at the end of the reporting period is as follows:

	2025 RMB'000	2024 RMB'000
Over 1 year	**47,280**	47,280

34. RELATED PARTY TRANSACTIONS (continued)

(c) Compensation of key management personnel of the Group

	2025 *RMB'000*	2024 *RMB'000*
Salaries, bonuses, allowances and benefits in kind	**4,803**	3,972
Pension scheme contributions	**355**	314
Directors' fee	**392**	351
Share-based compensation	**9,758**	10,860
Total	**15,308**	15,497

Further details of directors' and the chief executive's emoluments are included in note 10 to the financial statements.

35. 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:

31 December 2025

Financial assets

	Financial assets at amortised cost *RMB'000*
Financial assets included in prepayments and other receivables	**3,359**
Trade and bills receivables	**155,059**
Cash and bank balances	**109,258**
Total	**267,676**

Financial liabilities

	Financial liabilities at amortised cost *RMB'000*
Financial liabilities included in trade and other payables	**217,360**
Interest-bearing bank and other borrowings	**276,424**
Total	**493,784**

35. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

31 December 2024

Financial assets

	Financial assets at amortised cost *RMB'000*
Financial assets included in prepayments and other receivables and other non-current assets	1,560
Trade receivables	94,526
Restricted bank deposits	39,341
Cash and bank balances	89,344
Total	224,771

Financial liabilities

	Financial liabilities at amortised cost *RMB'000*
Financial liabilities included in trade and other payables	155,444
Interest-bearing bank and other borrowings	245,591
Amounts due to a related party	67,376
Total	468,411

36. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and bank balances, restricted bank deposits, trade receivables, financial assets included in prepayments and other receivables, financial liabilities included in trade and other payables and interest-bearing bank and other borrowings (in the current portion) 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 chief financial officer and the audit committee. At each reporting period, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The directors review the results of the fair value measurement of financial instruments periodically for 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. The following methods and assumptions were used to estimate the fair values:

The fair values of financial assets and liabilities included in non-current portion of interest-bearing bank and other borrowings and the non-current portion of amounts due to a related party have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank and other borrowings as at 31 December 2025 were assessed to be insignificant.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and bank balances, restricted bank deposits, trade receivables, interest-bearing bank and other borrowings, and amounts due to a related party. 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 a rental deposit to a related party, trade receivables, financial assets included in prepayments and other receivables and other non-current assets and financial liabilities included in trade 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. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing bank borrowings with a floating interest rate. The Group does not use derivative financial instruments to hedge its interest rate risk.

The following table demonstrates the sensitivity to a reasonably possible change in interest rate, with all other variables held constant, of the Group's profit/(loss) before tax (through the impact on floating rate borrowings) and the Group's equity.

	Increase/ (decrease) in basis points	**Increase/ (decrease) in profit/(loss) before tax** *RMB'000*	**Increase/ (decrease) in equity** *RMB'000*
31 December 2025			
RMB-denominated borrowings	**50**	**(1,050)**	**(1,050)**
RMB-denominated borrowings	**(50)**	**1,050**	**1,050**
31 December 2024			
RMB-denominated borrowings	50	(900)	(900)
RMB-denominated borrowings	(50)	900	900

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk

Certain bank balances and cash and restricted bank deposits are denominated in foreign currencies of the respective group entities which are exposed to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, the Group's management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

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 profit/(loss) before tax (arising from US$ and HK$denominated financial instruments) and the Group's equity.

	Increase/ (decrease) in rate of foreign currency *%*	**Increase/ (decrease) in profit before tax** *RMB'000*	**Increase/ (decrease) in equity** *RMB'000*
31 December 2025			
If RMB weakens against US$	**5**	**(3,175)**	**(3,175)**
If RMB strengthens against US$	**(5)**	**3,175**	**3,175**
If RMB weakens against HK$	**5**	**(68)**	**(68)**
If RMB strengthens against HK$	**(5)**	**68**	**68**

	Increase/ (decrease) in rate of foreign currency %	(Increase)/ decrease in loss before tax RMB'000	Increase/ (decrease) in equity RMB'000
31 December 2024			
If RMB weakens against US$	5	(3,138)	(3,138)
If RMB strengthens against US$	(5)	3,138	3,138
If RMB weakens against HK$	5	(80)	(80)
If RMB strengthens against HK$	(5)	80	80

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's financial assets, which comprise cash and bank balances, trade receivables and financial assets included in prepayments and other receivables and other non-current assets with a maximum exposure equal to the carrying amount of these instruments.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Maximum exposure and year-end staging (continued)

The amounts presented are gross carrying amounts for financial assets.

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*
Financial assets included in prepayments and other receivables and other non-current assets *(note a)*	3,359	–	–	–	3,359
Trade and bills receivables *(note b)*	–	–	–	157,608	157,608
Cash and bank balances – Not yet past due	109,258	–	–	–	109,258
Total	112,617	–	–	157,608	270,225

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Maximum exposure and year-end staging (continued)

31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1 *RMB'000*	Stage 2 *RMB'000*	Stage 3 *RMB'000*	Simplified approach *RMB'000*	Total *RMB'000*
Financial assets included in prepayments and other receivables and other non-current assets *(note a)*	1,560	–	–	–	1,560
Trade receivables *(note b)*	–	–	–	96,950	96,950
Restricted bank deposits	39,341	–	–	–	39,341
Cash and bank balances – Not yet past due	89,344	–	–	–	89,344
Total	130,245	–	–	96,950	227,195

Notes:

a. The credit quality of the financial assets included in prepayments and other receivables and other non-current assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

b. For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix and further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables is disclosed in note 20 to the financial statements.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty, by geographical region and by industry sector. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's trade receivables are widely dispersed.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

The Group monitors and maintains a level of cash and bank balances 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:

	2025			
	Less than 1 year or on demand *RMB'000*	1 to 5 years *RMB'000*	Over 5 years *RMB'000*	Total *RMB'000*
Amounts due to a related party	–	47,280	–	47,280
Financial liabilities included in trade and other payables	217,360	–	–	217,360
Interest-bearing bank and other borrowings	213,923	71,225	–	285,148
Lease liabilities to third parties	25,177	17,370	16,627	59,174
Total	456,460	135,875	16,627	608,962

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

	2024			
	Less than 1 year or on demand *RMB'000*	1 to 5 years *RMB'000*	Over 5 years *RMB'000*	Total *RMB'000*
Amounts due to a related party	–	69,430	–	69,430
Financial liabilities included in trade and other payables	155,444	–	–	155,444
Interest-bearing bank and other borrowings	83,504	195,823	–	279,327
Lease liabilities to third parties	19,421	20,029	19,879	59,329
Total	258,369	285,282	19,879	563,530

37. 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 regards equity attributable to owners of the Company as its capital and manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets with reference to the gearing ratio. To maintain or adjust the capital structure, the Group may redeem existing shares, issue new shares or issue new debts. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 31 December 2024.

	2025	2024
	RMB'000	*RMB'000*
Total liabilities	**996,156**	927,284
Total assets	**1,153,460**	1,016,218
Gearing ratio	**86%**	91%

38. 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		
Plant and equipment	**3**	8
Right-of-use assets	**809**	255
Investments in subsidiaries	**1,425,258**	1,414,021
	1,426,070	1,414,284
Current assets		
Prepayments and other receivables	**58**	492
Amounts due from a subsidiary	**11,304**	10,880
Cash and bank balances	**301**	189
	11,663	11,561
Current liabilities		
Trade and other payables	**11,150**	11,189
Lease liabilities	**371**	–
	11,521	11,189
Net current assets	**142**	372
Total assets less current liabilities	**1,426,212**	1,414,656
Non-current liabilities		
Lease liabilities	**384**	–
Total non-current liabilities	**384**	–
Net assets	**1,425,828**	1,414,656
Capital and reserves		
Share capital	**2,804**	2,804
Reserves *(note)*	**1,423,024**	1,411,852
Total equity	**1,425,828**	1,414,656

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

A summary of the Company's reserves is as follows:

	Share premium *RMB'000*	Share option reserve *RMB'000*	Accumulated losses *RMB'000*	Total *RMB'000*
Balance at 1 January 2024	1,400,504	67,186	(66,733)	1,400,957
Loss and total comprehensive expense for the year	–	–	(929)	(929)
Recognition of equity-settled share-based compensation	–	11,824	–	11,824
At 31 December 2024 and 1 January 2025	**1,400,504**	**79,010**	**(67,662)**	**1,411,852**
Loss and total comprehensive expense for the year	**–**	**–**	**(65)**	**(65)**
Recognition of equity-settled share-based compensation	**–**	**11,237**	**–**	**11,237**
At 31 December 2025	**1,400,504**	**90,247**	**(67,727)**	**1,423,024**

39. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 26 March 2026.

Five Year Financial Summary

	For the year ended December 31,				
	2025	2024	2023	2022	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(audited)	(audited)	(audited)	(audited)	(audited)
Revenue	**646,095**	258,228	87,161	55,918	82,882
Cost of sales	**(72,444)**	(38,834)	(11,923)	(15,375)	(16,777)
Gross profit	**573,651**	219,394	75,238	40,543	66,105
Other income	**9,243**	7,991	3,572	27,302	14,818
Other gains and losses, net	**923**	(5,714)	(1,366)	(4,682)	(6,637)
Selling and distribution expenses	**(400,821)**	(151,566)	(48,925)	(28,213)	(9,423)
Research and development expenses	**(57,529)**	(75,212)	(123,211)	(147,906)	(263,572)
Administrative expenses	**(110,373)**	(110,409)	(104,659)	(90,557)	(90,632)
Impairment losses on financial assets	**(125)**	(1,879)	(427)	(118)	–
Finance costs	**(10,809)**	(10,552)	(9,578)	(7,188)	(2,403)
Profit/(loss) before tax	**4,160**	(127,947)	(209,356)	(210,819)	(291,744)
Income tax credit	**52,973**	–	–	–	–
Profit/(loss) and total comprehensive income/(expense) for the year	**57,133**	(127,947)	(209,356)	(210,819)	(291,744)
Total comprehensive expense attributable to:					
Owners of the Company	**57,133**	(127,947)	(209,356)	(210,819)	(291,744)
Non-controlling interests	**–**	–	–	–	–
Earnings/(loss) per share	***RMB***	*RMB*	*RMB*	*RMB*	*RMB*
– Basic	**0.01**	(0.03)	(0.05)	(0.05)	(0.07)
– Diluted	**0.01**	(0.03)	(0.05)	(0.05)	(0.07)

	As at December 31, 2025	As at December 31, 2024	As at December 31, 2023	As at December 31, 2022	As at December 31, 2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(audited)	(audited)	(audited)	(audited)	(audited)
Non-current assets	**719,160**	650,444	692,767	716,401	652,132
Current assets	**434,300**	365,774	342,206	201,120	247,770
Current liabilities	**534,044**	312,125	316,191	188,401	235,004
Net current (liabilities)/assets	**(99,744)**	53,649	26,015	12,719	12,766
Non-current liabilities	**462,112**	615,159	513,725	328,176	62,917
Net assets	**157,304**	88,934	205,057	400,944	601,981

Definitions

In this annual report, the following expressions have the meanings set out below unless the context requires otherwise.

"AI"	artificial intelligence
"Articles of Association"	the amended and restated articles of association of the Company adopted on April 8, 2019 with effect from Listing, as amended on June 17, 2022 and from time to time
"Asia Mabtech"	Asia Mabtech Limited, a limited liability company incorporated in the BVI on November 23, 2017 and one of the Controlling Shareholders
"Asia Pacific Immunotech Venture"	Asia Pacific Immunotech Venture Limited, a limited liability company incorporated in the BVI on July 23, 2018 and one of the Controlling Shareholders
"Audit Committee"	the audit committee of the Board
"Biomabs"	Shanghai Biomabs Pharmaceuticals Co., Ltd. (上海百邁博製藥有限公司), a limited liability company incorporated in the PRC on October 16, 2009 and a direct wholly-owned subsidiary of Sinomab as of the date of this annual report
"Board" or "Board of Directors"	the board of Directors of the Company
"BVI"	the British Virgin Islands
"CDH"	CDH PE and CDH VC
"CDH PE"	CDH Mabtech Limited, a limited liability company incorporated in the Cayman Islands
"CDH VC"	Genemab Holding Limited, a limited liability company incorporated in the BVI
"CDMO"	Contract Development and Manufacturing Organization

"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"cGMP"	current good manufacturing practices
"Company"	Mabpharm Limited (邁博药业有限公司), an exempted company incorporated in the Cayman Islands with limited liability on June 1, 2018 and whose Shares are listed on the Stock Exchange on the Listing Date
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Consolidated Financial Statements"	the audited consolidated financial statements of the Group
"Controlling Shareholders"	has the meaning ascribed thereto in the Listing Rules and, unless the context otherwise requires, refers to Mr. Guo Jianjun, Guo Family Trustee, Asia Pacific Immunotech Venture, Asia Mabtech and United Circuit
"core product(s)"	has the meaning ascribed to it in Chapter 18A of the Listing Rules; for the purpose of this annual report, our core products include CMAB008 and CMAB009
"Director(s)"	the director(s) of our Company
"FDA"	Food and Drug Administration of the United States
"FH Investment"	Fortune-Healthy Investment Limited, a limited liability company incorporated in the BVI
"Global Offering"	has the meaning ascribed to it under the Prospectus
"GMP"	good manufacturing practices
"GPO"	group purchasing organizations
"Group", "our Group", "the Group", "we", "us", or "our"	the Company and its subsidiaries from time to time

"Guo Family Trust"	Guo Family Trust, a trust created by Mr. Guo Jianjun on August 8, 2018 under the laws of BVI for the benefit of his family members, for which Guo Family Trustee serves as trustee
"Guo Family Trustee"	Guo Family (PTC) Limited, a limited liability company incorporated in the BVI on March 1, 2018 and the trustee of the Guo Family Trust
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars" or "HK dollar" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"IND"	investigational new drug
"independent third party(ies)"	any entity or person who is not a connected person of the Company within the meaning ascribed thereto under the Listing Rules
"IPO"	initial public offering
"Listing"	the listing of our Shares on the Main Board of the Stock Exchange on May 31, 2019
"Listing Date"	May 31, 2019, being the date on which the Shares were listed on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Main Board"	the Main Board of the Stock Exchange
"Medical Insurance"	China's national medical insurance program
"Memorandum"	the memorandum of association of the Company, as amended, modified or otherwise supplemented from time to time
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules

"MTJA"	Shanghai Sinomab Biotechnology Co., Ltd.* (上海邁泰君奧生物技術有限公司) (formerly known as Shanghai Bai'an Medical Star Investment Co., Ltd.* (上海百安醫星投資有限公司)), a limited liability company incorporated in the PRC on May 30, 2012, a former indirect wholly-owned subsidiary of Sinomab, and an independent third party since July 2019
"NDA"	new drug application
"NMPA"	National Medical Products Administration (國家藥品監督管理局) of China, formerly known as China's Food and Drug Administration ("**CFDA**") (國家食品藥品監督管理局) or China's Drug Administration ("**CDA**") (國家藥品監督管理局); references to NMPA include CFDA and CDA
"Nomination Committee"	the nomination committee of the Board
"NRDL"	the National Reimbursement Drug List for Basic Medical Insurance, Work–Related Injury Insurance and Maternity Insurance Catalogue (國家基本醫療保險、工傷保險和生育保險藥品目錄) released by the National Healthcare Security Administration (國家醫保局) and the Ministry of Human Resources and Social Security (人力資源社會保障部)
"PIC/S"	Pharmaceutical Inspection Convention and Pharmaceutical Inspection Co-operation Scheme
"PRC"	the People's Republic of China, excluding, for the purposes of this annual report, Hong Kong, the Macau Special Administrative Region and Taiwan
"Prospectus"	the prospectus issued by the Company on May 20, 2019 in connection with the Hong Kong public offering of the Shares
"R&D"	research and development
"Remuneration Committee"	the remuneration committee of the Board
"Reporting Period"	the year from January 1, 2025 to December 31, 2025

"RMB"	Renminbi, the lawful currency of the PRC
"Shares"	ordinary share(s) in the capital of the Company with nominal value of US$0.0001 each
"Shareholder(s)"	holder(s) of Share(s)
"Shengheng Biotech"	Shanghai Shengheng Biotechnology Limited* (上海晟珩生物技術有限公司), a limited liability company incorporated in the PRC on August 28, 2018 and an indirect wholly-owned subsidiary of the Company
"Sinomab"	Sinomab Limited (formerly known as Mabtech Limited), a limited liability company incorporated in the Cayman Islands on September 4, 2014, and a company which an associate of the controlling shareholder of the Company indirectly controls 66.67% voting rights as of the date of this annual report
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Taizhou Pharmaceutical"	Taizhou Mabtech Pharmaceutical Limited* (泰州邁博太科藥業有限公司), a limited liability company incorporated in the PRC on February 4, 2015 and an indirect wholly-owned subsidiary of the Company
"United Circuit"	United Circuit Limited (域聯有限公司), a limited liability company incorporated in the BVI on August 25, 2015 and one of the Controlling Shareholders
"Zhangjiang Biotech"	Shanghai Zhangjiang Biotechnology Co., Ltd.* (上海張江生物技術有限公司), a limited liability company incorporated in the PRC on December 7, 1998 and was an indirect wholly-owned subsidiary of Sinomab from February 2015 to July 2017, and an independent third party thereafter

* *For Identification Only*

Glossary of Technical Terms

"autoimmune disease"	diseases such as rheumatoid arthritis and lupus which arise from an abnormal immune response of the body against substances and tissues normally present in the body
"biosimilar"	also known as follow-on biologic or subsequent entry biologic. It is a biologic medical product that is almost an identical copy of an original product that is manufactured by a different company. Biosimilars are officially approved versions of original "innovator" products and can be manufactured when the original product's patent expires. A biosimilar product is similar in terms of quality, safety and efficacy to a reference medicinal product, which has been granted a marketing authorisation on the basis of a complete dossier in the community
"carcinoma"	a type of cancer that develops from epithelial cells. Specifically, a carcinoma is a cancer that begins in a tissue that lines the inner or outer surfaces of the body, and that arises from cells originating in the endodermal, mesodermal or ectodermal germ layer during embryogenesis
"cell culture"	the process by which cells are grown under controlled conditions, generally outside of their natural environment
"cell line"	a cell culture developed from a single cell and therefore consisting of cells with a uniform genetic makeup
"CHO"	the ovary of the Chinese hamster
"CMAB007"	one of our Core Products, a recombinant humanized anti-IgE monoclonal antibody and our new drug candidate based on omalizumab
"CMAB008"	one of our Core Products, a recombinant anti-TNF-alpha chimeric monoclonal antibody and our new drug candidate based on infliximab
"CMAB009"	one of our Core Products, a recombinant anti-EGFR chimeric monoclonal antibody and our new drug candidate based on cetuximab

"CMAB015"	is a biosimilar candidate for secukinumab
"CMAB017"	is an innovative anti-EGFR probody drug
"CMAB807"	is a Denosumab, a human IgG2 monoclonal antibody with affinity and specificity for human RANKL (receptor activator of nuclear factor kappa-B ligand), which is a transmembrane or soluble protein essential for the formation, function, and survival of osteoclasts, the cells responsible for bone resorption
"EGFR"	epidermal growth factor receptor
"IBD"	inflammatory bowel disease
"IgE"	immunoglobulin E
"IgG1 κ " or "IgG1 kappa"	immunoglobulin G (IgG), a type of antibody. Representing approximately 75% of serum antibodies in humans, IgG is the most common type of antibody found in blood circulation. IgG molecules are created and released by plasma B cells. Each IgG has two antigen binding sites. There are four IgG subclasses (IgG1, 2, 3, and 4) in humans, named in order of their abundance in serum (IgG1 being the most abundant). IgG antibodies are large molecules of about 150 kDa made of four peptide chains. It contains two identical classheavy chains of about 50 kDa and two identical light chains of about 25 kDa, thus a tetrameric quaternary structure There are two types of light chain in humans kappa (κ) chain and lambda (λ) chain. Only one type of light chain is present in a typical antibody, thus the two light chains of an individual antibody are identical. IgG1 κ is an antibody molecule which contains two γ 1 heavy chains and two κ light chains

Glossary of Technical Terms

"immunoglobulin" or "Ig"	an antibody (Ab), also known as an immunoglobulin (Ig). It is a large, Y-shaped protein produced mainly by plasma cells that is used by the immune system to neutralize pathogens such as pathogenic bacteria and viruses. The antibody recognizes a unique molecule of the pathogen, called an antigen, via the Fab's variable region
"infliximab"	a chimeric IgG1 κ monoclonal antibody (composed of human constant and murine variable regions) specific for human tumor necrosis factor-alpha used for adult patients with moderately to severely active rheumatoid arthritis in combination with methotrexate
"mCRC"	metastatic colorectal cancer
"monoclonal antibody" or "mAb"	an antibody produced by a single clone of immune cells or cell line and consisting of identical antibody molecules
"omalizumab"	anti-IgE humanized IgG1 κ monoclonal antibody used to reduce sensitivity to allergens
"oncology"	a branch of medicine that deals with tumors, including study of their development, diagnosis, treatment and prevention
"pathogen"	infectious agent such as a bacterium, fungus, virus, or other micro-organism
"RA" or "rheumatoid arthritis"	a chronic, systemic inflammatory disorder that may affect many tissues and organs, but principally attacks synovial joints
"TNF α "	recombinant anti-tumor necrosis factor α