



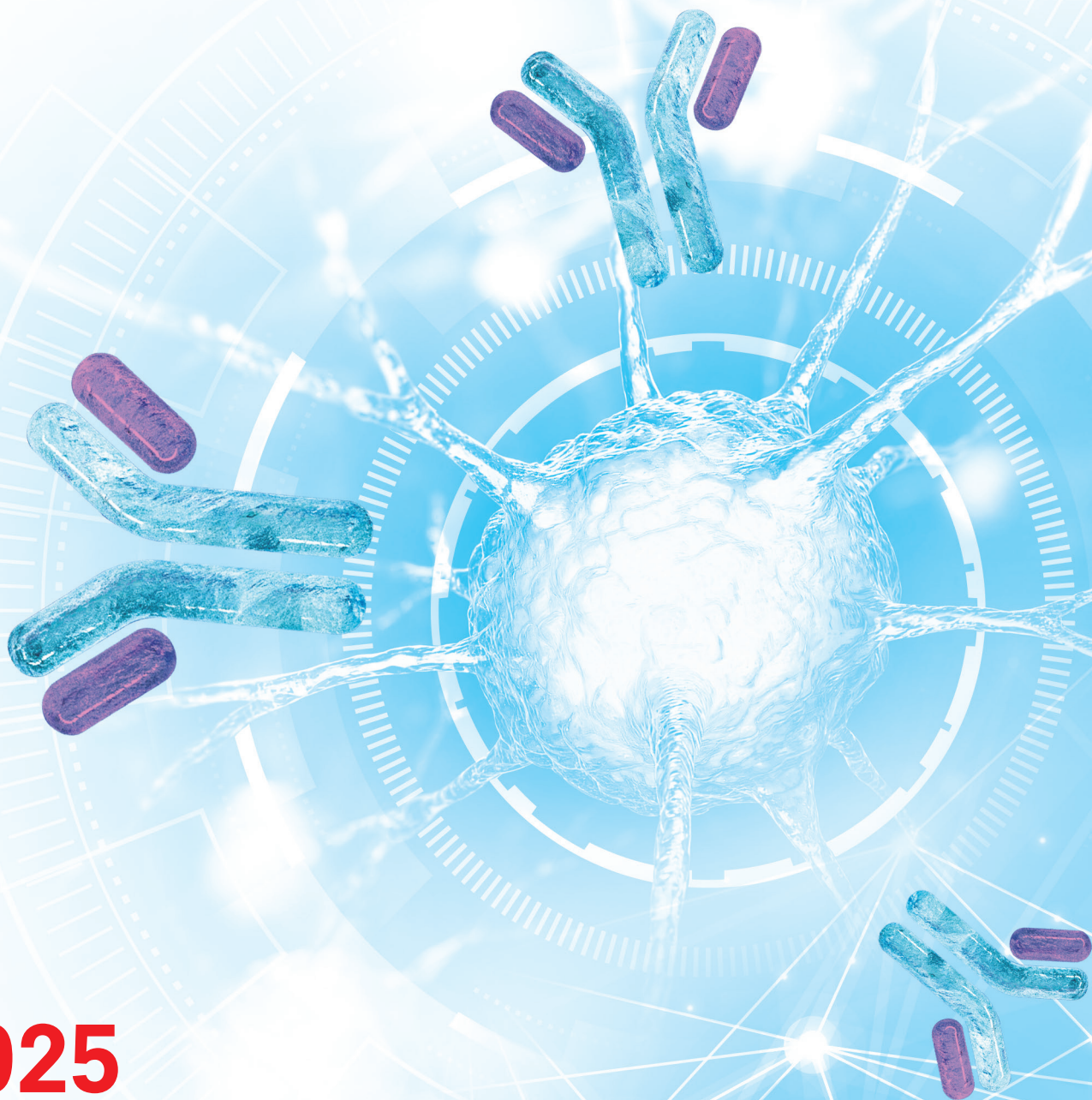
君实生物

TopAlliance

# 上海君实生物醫藥科技股份有限公司 Shanghai Junshi Biosciences Co., Ltd.\*

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

Stock code: 1877

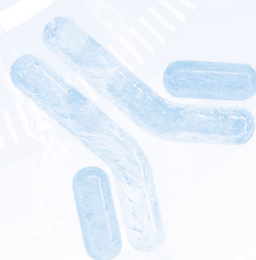
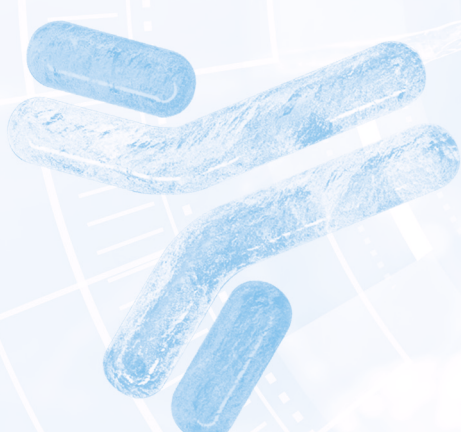
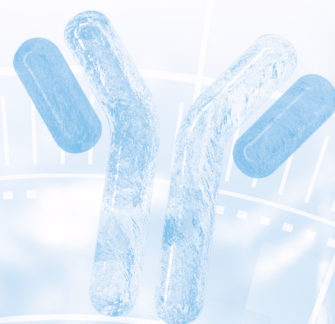


## 2025 Annual Report

\* For identification purpose only

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## CORPORATE INFORMATION

### EXECUTIVE DIRECTORS

Mr. Xiong Jun (*Chairman and Legal Representative*)  
Dr. Li Ning (*Vice Chairman*)  
Dr. Zou Jianjun (*Chief Executive Officer and General Manager*)  
Mr. Li Cong (*Co-Chief Executive Officer*)  
Mr. Zhang Zhuobing  
Dr. Yao Sheng  
Dr. Wang Gang  
Dr. Li Xin<sup>1</sup>

### NON-EXECUTIVE DIRECTOR

Mr. Tang Yi

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Zhang Chun<sup>2</sup>  
Dr. Feng Xiaoyuan  
Mr. Li Zhongxian<sup>3</sup>  
Ms. Lu Kun<sup>4</sup>  
Dr. Yang Jin<sup>5</sup>  
Dr. Yang Yue<sup>6</sup>

### AUDIT COMMITTEE

Mr. Zhang Chun (*Chairman*)<sup>2</sup>  
Mr. Tang Yi  
Mr. Li Zhongxian<sup>3</sup>

### NOMINATION COMMITTEE

Dr. Feng Xiaoyuan (*Chairman*)  
Mr. Xiong Jun  
Ms. Lu Kun<sup>4</sup>  
Dr. Yang Yue<sup>6</sup>

### REMUNERATION AND APPRAISAL COMMITTEE

Mr. Zhang Chun (*Chairman*)<sup>2</sup>  
Mr. Xiong Jun  
Dr. Zou Jianjun  
Dr. Feng Xiaoyuan  
Dr. Yang Jin<sup>5</sup>  
Dr. Yang Yue<sup>6</sup>

### STRATEGIC AND ESG COMMITTEE<sup>7</sup>

Mr. Xiong Jun (*Chairman*)  
Dr. Zou Jianjun  
Dr. Wang Gang  
Mr. Zhang Chun<sup>2</sup>  
Dr. Feng Xiaoyuan

### COMPLIANCE COMMITTEE<sup>8</sup>

Ms. Lu Kun (*Chairman*)<sup>4</sup>  
Mr. Zhang Chun<sup>2</sup>  
Mr. Li Zhongxian<sup>3</sup>

### JOINT COMPANY SECRETARIES

Mr. Wang Zhengyu  
Ms. Lai Siu Kuen

### AUTHORIZED REPRESENTATIVES

Mr. Wang Zhengyu  
Ms. Lai Siu Kuen

### REGISTERED ADDRESS, HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Level 4, No. 987 Cai Lun Road, China (Shanghai) Pilot Free Trade Zone, the PRC

## CORPORATE INFORMATION

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG UNDER PART 16 OF THE COMPANIES ORDINANCE

Room 1918, 19/F, Lee Garden One  
33 Hysan Avenue  
Causeway Bay  
Hong Kong

### H SHARE REGISTRAR

Tricor Investor Services Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

### LEGAL ADVISERS

Jones Day (as to Hong Kong law)  
Jia Yuan Law Offices (as to PRC law)

### AUDITOR

Deloitte Touche Tohmatsu  
*Registered Public Interest Entity Auditors*

### LISTING

H Shares on the Hong Kong Stock Exchange  
(Stock code: 01877)  
A Shares on the STAR Market  
(Stock code: 688180)

### NUMBER OF SHARES (AS AT THE DATE OF THIS REPORT)

1,026,689,871 Shares  
(including 260,295,700 H Shares and  
766,394,171 A Shares)

### BOARD LOT OF H SHARES

200 H Shares

### COMPANY'S WEBSITE

[www.junshipharma.com](http://www.junshipharma.com)

### INVESTOR RELATIONS

Corporate press releases, financial reports and other investor information of the Group are available on the Company's website

- 1 Elected as an employee representative Director with effect from 29 September 2025 and remains as an executive Director.
- 2 Appointed as a member of the Compliance Committee on 27 March 2025.
- 3 Appointed as a member of the Compliance Committee on 27 March 2025.
- 4 Appointed as the chairman of the Compliance Committee on 27 March 2025, and appointed as a member of the Nomination Committee on 29 September 2025.
- 5 Elected as an Independent Non-executive Director and a member of the Remuneration and Appraisal Committee on 29 September 2025.
- 6 Resigned from her positions as an Independent Non-executive Director, a member of the Nomination Committee and a member of the Remuneration and Appraisal Committee on 29 September 2025.
- 7 The Strategic Committee was adjusted to the Strategic and ESG Committee on 13 March 2026.
- 8 The Compliance Committee was established on 27 March 2025.
- 9 The Board of Supervisors was abolished on 29 September 2025.

## HIGHLIGHTS

### FINANCIAL HIGHLIGHTS

- As at 31 December 2025, total revenue of the Group was approximately RMB2,498 million for the Reporting Period, representing an increase of approximately 28% compared to the corresponding period in 2024, which was mainly due to the increase in revenue from sales of pharmaceutical products, in particular the domestic sales revenue of our core product TUOYI® (toripalimab) was approximately RMB2,068 million, representing an increase of approximately 38% compared to the corresponding period in 2024.
- Total R&D expenses of the Group were approximately RMB1,384 million for the Reporting Period, representing an increase of approximately 9% compared to the corresponding period in 2024. The increase in R&D expenses was mainly due to the Group's focus on more competitive and innovative R&D pipelines and accelerated clinical development during the Reporting Period.
- Loss attributable to owners of the Company decreased to RMB841 million for the Reporting Period, representing a decrease of approximately RMB441 million or approximately 34% compared to the corresponding period in 2024.
- During the Reporting Period, net cash inflow from financing activities was approximately RMB2,232 million, which fully covered the cash outflows in operating and investing activities, leading to an increase in bank balances and cash. A successful placing of new H shares on 20 June 2025 generated a net cash inflow of approximately RMB940 million for the Group.
- As at 31 December 2025, the aggregate balance of bank balances and cash and financial products of the Group was approximately RMB3,195 million, providing a relatively sufficient cash position to support the Group's development.

# HIGHLIGHTS

## BUSINESS HIGHLIGHTS

During the Reporting Period, staying focused on the “unmet medical needs” and our goal of “improving quality, reducing cost and enhancing efficiency”, we made breakthrough progress in discovery, clinical development and commercialization of innovative drugs and business operations with accelerating international development. The following achievements and milestones were attained:

- Our innovative R&D field has expanded from monoclonal antibodies to the research and development of various drug modalities, including small molecules drugs, antibody drug conjugates (“**ADC**”), bi-specific or multi-specific antibodies, fusion protein, nucleic acid drugs and vaccines, as well as the exploration of next-generation innovative therapies including those for cancer and autoimmune diseases. As of the date of this report, a total of four drugs (TUOYI®, JUNMAIKANG (君邁康®), MINDEWEI (民得維®) and JUNSHIDA (君適達®)) have been commercialized, a number of products are undergoing phase III clinical studies or in the stage of marketing application, and various innovative drugs that are competitive in the international market are undergoing accelerated clinical trials.
  - In January 2025, the indication of TUOYI® for the treatment of unresectable or metastatic melanoma after failure of standard systemic therapy was approved by the National Medical Products Administration of China (the “**NMPA**”) for conversion from conditional approval to regular approval.
  - In January 2025, the investigational new drug (“**IND**”) application for JS212 (a recombinant humanized epidermal growth factor receptor (“**EGFR**”) and human epidermal growth factor receptor 3 (“**HER3**”) bispecific ADC) was accepted by the NMPA. It was approved by the NMPA in March 2025. The IND application of JS212 multi-cohort combined drug application was approved by the NMPA in November 2025. In December 2025, the IND application for JS212 for the treatment of advanced solid tumors was approved by the U.S. Food and Drug Administration (“**FDA**”).
  - In January 2025, the indication of MINDEWEI for the treatment of adult patients with mild to moderate coronavirus disease 2019 (“**COVID-19**”) was approved by the NMPA for conversion from conditional approval to regular approval.
  - In January 2025, the New Chemical Entity (“**NCE**”) application for toripalimab in combination with cisplatin and gemcitabine, for the first-line treatment of adults with metastatic or recurrent, locally advanced NPC and toripalimab, as a single agent, for the treatment of adults with recurrent unresectable or metastatic NPC with disease progression on or after a platinum-containing chemotherapy was approved by the Therapeutic Goods Administration of the Australian Government Department of Health and Aged Care (the “**TGA**”). Toripalimab became the first immuno-oncology treatment for NPC in Australia.
  - In February 2025, the IND application for JS213 (a PD-1 and interleukin-2 (“**IL-2**”) bifunctional antibody fusion protein) was approved by the NMPA.
  - In March 2025, the supplemental new drug application (the “**sNDA**”) for TUOYI® in combination with bevacizumab for the first-line treatment for patients with unresectable or metastatic HCC was approved by the NMPA.
  - In March 2025, the new drug application (the “**NDA**”) for toripalimab in combination with cisplatin and gemcitabine for the first-line treatment of adult patients with recurrent, not amenable to surgery or radiotherapy, or metastatic NPC was approved by the Singapore Health Sciences Authority (the “**HSA**”). Toripalimab became the first approved immuno-oncology treatment for NPC in Singapore.

## HIGHLIGHTS

- In April 2025, the sNDA for TUOYI® for the first-line treatment of unresectable or metastatic melanoma was approved by the NMPA. This is the 12<sup>th</sup> indication of toripalimab approved in Chinese Mainland.
- In May 2025, the two sNDAs for the ongericimab injection (a recombinant humanized anti-PCSK9 monoclonal antibody injection, trade name: JUNSHIDA (君適達®)) for: 1) adult patients with heterozygous familial hypercholesterolemia (“**HeFH**”); 2) alone or in combination with ezetimibe, in adult patients with non-familial hypercholesterolemia and mixed dyslipidemia who are statin-intolerant or statins contraindicated, were approved by the NMPA. Ongericimab became the first domestic PCSK9-targeted drug approved for statin-intolerant patients.
- In June 2025, the IND application for the JT118 injection (“**JT118**”) was accepted. It was approved by the NMPA in September 2025. JT118 is a “two-in-one” recombinant protein vaccine composed of a tandem fusion of monkeypox virus antigens A35 (an extracellular enveloped virus antigen) and M1 (an intracellular mature virus antigen), and is intended mainly for the prevention of monkeypox virus infection.
- In June 2025, the indications of toripalimab for the first-line treatment of NPC and the first-line treatment of ESCC were officially approved for marketing in the United Arab Emirates (the “**UAE**”) and Kuwait.
- In August 2025, the sNDA for TUOYI® in combination with disitamab vedotin as the treatment of HER2-expressing (HER2 expression is defined as HER2 immunohistochemistry results of 1+, 2+, or 3+) locally advanced or metastatic UC was accepted by the NMPA.
- In September 2025 and October 2025, the two indications for toripalimab in combination with cisplatin and gemcitabine for the first-line treatment of adults with metastatic or recurrent, locally advanced NPC, and toripalimab, as a single agent, for the treatment of adults with recurrent, unresectable or metastatic NPC with disease progression on or after a platinum-containing chemotherapy were approved for marketing in Pakistan and Canada, respectively.
- In October 2025, the IND application for an open-label, two-arm, randomized, active-controlled, phase II/III clinical study comparing JS207 (recombinant humanized anti-PD-1/VEGF bispecific antibody), to nivolumab for the neoadjuvant treatment of patients with stage II/III, resectable, actionable genomic aberration (AGA)-negative, NSCLC was approved by the FDA.
- In November 2025, a new indication of toripalimab in combination with chemotherapy as first-line treatment of ESCC was approved in Hong Kong SAR, China.
- In November 2025, the multi-center, open-label, randomized controlled phase III clinical study comparing JS001sc (toripalimab injection for subcutaneous use) to TUOYI® in combination with chemotherapy for the first-line treatment of recurrent or metastatic non-squamous NSCLC met its primary endpoints.

## HIGHLIGHTS

- In December 2025, the NDA for JS005 (roconkibart injection, a recombinant humanized anti-IL-17A monoclonal antibody injection), for the treatment of adult patients with moderate to severe plaque psoriasis who are candidates for systemic therapy or phototherapy was accepted.
- In December 2025, TUOYI®, with two new indications, and JUNSHIDA was successfully included in Category B of the National Drug List for Basic Medical Insurance, Maternity Insurance and Work-Related Injury Insurance (Year 2025) (the “**NRDL**”).
- In December 2025, the indications of toripalimab for the first-line treatment of NPC and the first-line treatment of ESCC were approved for marketing in Bahrain.
- External collaborations
  - In January 2025, TopAlliance Biosciences Inc. (“**TopAlliance**”), a wholly-owned subsidiary of the Company, entered into a distribution and marketing agreement with LEO Pharma A/S (“**LEO Pharma**”). TopAlliance will grant LEO Pharma the exclusive right to store, distribute, promote, market and sell toripalimab in all current member states and any future member states of the EU and the EEA, Switzerland as well as the UK (the “**Territory**”). LEO Pharma shall pay TopAlliance an upfront payment of EUR15 million, milestone payment(s) for any subsequent approved indication(s) for toripalimab in the Territory, and a revenue share of a double-digit percentage on the net sales of toripalimab throughout the Territory.
- Business operations
  - In June 2025, Suzhou Union Biopharm Biosciences Co., Ltd.\* (蘇州眾合生物醫藥科技有限公司) (“**Suzhou Union**”), a wholly-owned subsidiary of the Company, underwent and passed an unannounced inspection (i.e., an inspection conducted without prior notification during routine operations) in respect of Current Good Manufacturing Practice (“**CGMP**”) by the FDA.
  - In June 2025, the Company completed the placing of new H shares under general mandate (the “**Placing**”), pursuant to which an aggregate of 41,000,000 H shares (the “**Placing Shares**”) were successfully allotted and issued at HK\$25.35 per H share. The net proceeds (after deduction of commissions and estimated expenses) amounted to approximately HK\$1,026 million, which shall be used for innovative drug development and general corporate purposes such as replenishment of working capital.
  - In September 2025, the 2025 A Share Option Incentive Scheme and the 2025 H Share Option Incentive Scheme and related resolutions were considered and approved at a general meeting held by the Company.

## HIGHLIGHTS

From the end of the Reporting Period to the date of this report, in addition to the aforementioned achievements, we have also made significant progress in the R&D and cooperation of several products, including:

- In January 2026, the Company completed the issuance of the 2026 first tranche of technology innovation bonds with a total amount of RMB1 billion, and received the funds on 26 January 2026.
- In February 2026, the indications of toripalimab for the first-line treatment of NPC and the first-line treatment of ESCC were officially approved for marketing in Oman and Qatar.
- In March 2026, the NDAs for JS001sc for 12 indications in the treatment of tumors were accepted by the NMPA.

# HIGHLIGHTS

## IFRS

### For the year ended 31 December

	2021	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Operating results</b>					
Revenue	4,024,841	1,453,493	1,502,550	1,948,317	<b>2,498,420</b>
Gross Profit	2,766,654	927,211	835,260	1,449,456	<b>1,975,664</b>
Loss for the year	(728,181)	(2,582,095)	(2,533,882)	(1,381,580)	<b>(972,693)</b>
<b>Total comprehensive expense for the year</b>					
Total comprehensive expense for the year	(718,579)	(2,650,714)	(2,607,540)	(1,399,450)	<b>(979,442)</b>
<b>Total comprehensive expense for the year attributable to:</b>					
Owners of the Company	(708,955)	(2,454,686)	(2,355,282)	(1,300,268)	<b>(847,659)</b>
Non-controlling interests	(9,624)	(196,028)	(252,258)	(99,182)	<b>(131,783)</b>
<b>Loss per share</b>					
– Basic (RMB yuan)	(0.80)	(2.60)	(2.32)	(1.30)	<b>(0.84)</b>
– Diluted (RMB yuan)	(0.80)	(2.60)	(2.32)	(1.30)	<b>(0.84)</b>

### At 31 December

	2021	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Financial position</b>					
Non-current assets	5,218,981	5,371,381	5,812,637	6,516,271	<b>7,941,280</b>
Current assets	5,831,739	7,204,905	5,549,827	4,283,817	<b>4,457,704</b>
<b>Total assets</b>					
Total assets	11,050,720	12,576,286	11,362,464	10,800,088	<b>12,398,984</b>
<b>Non-current liabilities</b>					
Non-current liabilities	701,903	1,007,782	1,547,100	2,315,700	<b>3,513,755</b>
<b>Current liabilities</b>					
Current liabilities	2,016,635	1,774,254	2,475,156	2,534,131	<b>2,811,979</b>
<b>Total liabilities</b>					
Total liabilities	2,718,538	2,782,036	4,022,256	4,849,831	<b>6,325,734</b>
<b>Net assets</b>					
Net assets	8,332,182	9,794,250	7,340,208	5,950,257	<b>6,073,250</b>

# HIGHLIGHTS

## PRC GAAP

### For the year ended 31 December

	2021	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Operating results</b>					
Revenue	4,024,841	1,453,493	1,502,550	1,948,317	<b>2,498,420</b>
Gross Profit	2,773,235	938,772	941,869	1,515,342	<b>2,008,881</b>
Loss for the year	(730,534)	(2,584,077)	(2,535,689)	(1,380,109)	<b>(1,009,393)</b>
<b>Total comprehensive expense for the year</b>					
	(720,932)	(2,652,695)	(2,609,348)	(1,397,979)	<b>(1,016,144)</b>
<b>Loss per share</b>					
– Basic (RMB yuan)	(0.81)	(2.60)	(2.32)	(1.30)	<b>(0.87)</b>
– Diluted (RMB yuan)	(0.81)	(2.60)	(2.32)	(1.30)	<b>(0.87)</b>

### At 31 December

	2021	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Financial position</b>					
Non-current assets	5,190,020	5,342,012	5,771,792	6,498,143	<b>7,924,623</b>
Current assets	5,844,891	7,216,484	5,571,075	4,283,817	<b>4,457,704</b>
<b>Total assets</b>					
	11,034,911	12,558,496	11,342,867	10,781,960	<b>12,382,327</b>
Non-current liabilities	717,084	1,015,725	1,583,859	2,355,907	<b>3,547,455</b>
Current liabilities	2,001,453	1,766,311	2,438,397	2,493,924	<b>2,778,278</b>
<b>Total liabilities</b>					
	2,718,537	2,782,036	4,022,256	4,849,831	<b>6,325,733</b>
<b>Net assets</b>					
	8,316,374	9,776,460	7,320,611	5,932,129	<b>6,056,594</b>

## CHAIRMAN'S STATEMENT

### Dear investors who have been following and accompanying the growth of Junshi,

2025 marked Junshi Biosciences' seventh year as a publicly listed company in Hong Kong, and stood as a pivotal year for the Company to accelerate commercialization, strengthen innovative R&D, pursue international expansion, and enhance operational management synergies. Amid a global pharmaceutical landscape characterized by both opportunities and challenges, we have upheld our core values of being quality-oriented, realistic and pragmatic, and maintaining integrity and compliance in our pursuit of excellence. Powered by innovation-driven R&D and guided by patient needs, we remained committed to the discovery, development and commercialization of innovative therapies so as to address unmet clinical needs for patients worldwide.

In 2025, our overall business performance continued to improve, with operating revenue achieving steady year-on-year growth. Our revenue for the year reached RMB2,498 million, representing a year-on-year increase of 28.23%, among which, the revenue from sales of pharmaceutical products was RMB2,301 million, representing a significant year-on-year increase of 40.32%, marking it the key driver of our performance growth. In particular, our core product, TUOYI® (toripalimab), delivered impressive performance, with the domestic sales revenue exceeding RMB2,068 million, representing a year-on-year increase of 37.72%. At the same time, through further improvements in sales efficiency, targeted R&D investment and strict cost control, the Company continued to enhance its operational capabilities. The loss attributable to owners of the Company during the Reporting Period decreased to RMB841 million, representing a decrease of approximately 34% compared with the same period in 2024. The trend of narrowing losses further consolidated, with an overall enhancement in the quality of operations.

During the Reporting Period, staying focused on our goal of "improving quality, reducing cost and enhancing efficiency", while controlling different kinds of costs, we made various major achievements in commercialization, R&D of drugs, globalization, operational management and other aspects. For commercialization, TUOYI®, JUNMAIKANG (君邁康®), MINDEWEI (民得維®) and JUNSHIDA (君適達®), four commercialized products of the Company, are included in the NRDL, demonstrating a comprehensive upgrade of the commercial capabilities, and unlocking market potential at an accelerated pace. Specifically, during the Reporting Period, the two new indications of TUOYI® for the first-line treatment of HCC and the first-line treatment of melanoma were approved in the first half of 2025 respectively. The sNDA for TUOYI® in combination with disitamab vedotin as the first-line treatment of UC has been accepted by the NMPA. TUOYI® has 12 indications approved for marketing in Chinese Mainland, all of which are included in the NRDL, and it is the only anti-PD-1 monoclonal antibody included in the NRDL for the treatment of renal carcinoma, TNBC and melanoma. JUNSHIDA also obtained approval for two new indications and was included in the NRDL for the first time in 2025, making it the only domestically developed PCSK9-targeted drug in the new edition of the NRDL for statin-intolerant patients.

## CHAIRMAN'S STATEMENT

For R&D and innovation, our innovative R&D field has expanded from monoclonal antibodies to the R&D of various drug modalities, including small molecules drugs, ADCs, bi-specific or multi-specific antibodies, fusion protein, nucleic acid drugs and vaccines, as well as the exploration of next-generation innovative therapies including those for cancer and autoimmune diseases, forming a differentiated and well-structured research pipeline portfolio. As at 13 March 2026, the Company has a number of products in phase III clinical studies or in the stage of marketing application. Specifically, the NDAs for JS005 (anti-IL-17A monoclonal antibody) and JS001sc (toripalimab subcutaneous formulation) have been accepted by the NMPA, and the phase III clinical study of tificemalimab, the anti-BTLA monoclonal antibody, for LS-SCLC has enrolled over 560 patients. The Company also rapidly advanced clinical trials for multiple innovative drugs that are competitive in the international market, including the anti-PD-1/VEGF bispecific antibody (JS207), EGFR/HER3 ADC (JS212) and the PD-1/IL-2 fusion protein (JS213), and actively explored multiple combination regimens.

For internationalization, we also accelerated our global commercialization development and made positive progress for the overseas market expansion for toripalimab. We have been cooperating on the commercialization with partners including Coherus, Hikma, Dr. Reddy's, Rxilient Biotech and LEO Pharma in over 80 countries. Toripalimab has been approved for marketing in more than 40 countries and regions including China, the United States and the EU, and has its marketing applications submitted/accepted in various countries/regions. With intensified sales and marketing efforts in the United States, India and Hong Kong SAR, China, the revenue from overseas markets significantly increased.

For operational management, the Company continued to enhance its quality management, talent development, compliance operations, cost control and other aspects to ensure steady progress against the backdrop of stringent regulation in the pharmaceutical industry. The two production bases of the Company worked in synergy, achieving steady release of production capacity and providing solid foundation for global supply. We continuously enhanced our quality management system, comprehensively upgraded our compliance governance, empowered the intelligent upgrading of our business processes by AI-driven digitalization, built a highly competent talent team with strong execution capabilities, and improved talent development and incentive mechanisms, collectively driving the growth of the Company's value.

Looking ahead to 2026, we will continue to uphold our mission of "benefiting patients with world-class and trustworthy innovative drugs", striving to become an innovative pharmaceutical enterprise that operates "in China, for global" for the benefit of human health. With a more refined commercial footprint, robust operational management and efficient team development, we will consistently generate long-term value, truly realizing the dual-engine drive of "innovation + internationalization". This will enable us to bring more high-quality treatment options to patients around the world, drive sustainable development of the Company, and deliver enduring value for shareholders.

I would like to express my sincere gratitude to all our shareholders, employees and partners.

**Xiong Jun**  
*Chairman*

13 March 2026

# MANAGEMENT DISCUSSION AND ANALYSIS

## OVERVIEW

### BUSINESS REVIEW

We have all-rounded capabilities in innovative drug discovery and development, clinical research on a global scale, and large-scale production capacity for commercialization across the entire industry chain, with an aim to become an innovative pharmaceutical company that operates “in China, for global”. Adhering to the corporate values of being quality-oriented, realistic and pragmatic, and maintaining integrity and compliance in our pursuit of excellence, we are committed to developing first-in-class or best-in-class drugs by way of original innovation and co-development. Our innovation field has continued to expand from monoclonal antibodies to various drug modalities, including small molecules, ADCs, bi-specific or multi-specific antibodies, fusion protein, nucleic acid drugs and vaccines, as well as the exploration of the next-generation innovative therapies including those for cancer and autoimmune diseases.

With our outstanding capacity for innovative drug discovery, strong biotechnology R&D capability, and large-scale production capacity, we have successfully developed a drug candidate portfolio with tremendous market potential and a well-structured research pipeline. Our core product, toripalimab (trade name: TUOYI® (拓益®)/LOQTORZI®, i.e. JS001), has 12 indications approved in Chinese Mainland, and has received marketing approval in over 40 countries and regions such as China, the United States and the EU worldwide, achieving continuous growth in the revenue from sales of pharmaceutical products. We also efficiently advance our R&D pipeline. As of the date of this report, a number of products are undergoing phase III clinical studies or in the stage of marketing application. Meanwhile, we are rapidly advancing clinical trials for multiple innovative drugs that are competitive in the international market, including the anti-PD-1/VEGF bispecific antibody (JS207), EGFR/HER3 ADC (JS212) and the PD-1/IL-2 fusion protein (JS213), and actively exploring multiple combination regimens to maximize synergistic effects across the pipeline and drive more promising products into registration clinical trials.

In 2025, the Company recorded revenue of RMB2,498 million, representing a year-on-year increase of approximately 28%, and revenue from sales of pharmaceutical products of RMB2,301 million, representing a year-on-year increase of approximately 40%. In particular, the domestic sales revenue of our core product TUOYI® increased by approximately 38% compared with the same period last year, and the loss was significantly narrowed compared with the same period last year. In June 2025, the Company placed new H shares under general mandate, with net proceeds of approximately HK\$1,026 million. As of the end of the Reporting Period, the aggregate balance of bank balances and cash and financial products of the Company was approximately RMB3,195 million, indicating a sufficient reserve of funds.

In 2025, staying focused on our goal of “improving quality, reducing cost and enhancing efficiency”, while controlling different kinds of costs, we made various major achievements in commercialization, R&D of drugs, external collaborations, business operations and other aspects, which are summarized as follows:

## MANAGEMENT DISCUSSION AND ANALYSIS

### **Significantly improved our commercialization efficiency, increasingly diversified our product portfolio and steadily enhanced our income-generating capacity**

During the Reporting Period, the cohesion and sales efficiency of our commercialization team continued to improve, and we recorded rapid growth in the revenue from sales of our core product, toripalimab, achieving the domestic sales revenue of RMB2,068 million, representing a year-on-year increase of approximately 38%. As of the end of the Reporting Period, TUOYI® had been sold in more than 6,000 medical institutions and more than 3,000 specialty pharmacies and community pharmacies nationwide, and received marketing approval in over 40 countries and regions such as China, the United States and the EU worldwide.

During the Reporting Period, the Company continued to expand the approved indications for its commercialized products. The indications of TUOYI® for the first-line treatment of HCC and the first-line treatment of melanoma were approved in the first half of 2025 respectively. The two sNDAs for JUNSHIDA (君適達®) for HeFH and hypercholesterolemia with statin intolerance were approved by the NMPA.

As of the date of this report, TUOYI®, JUNMAIKANG (君邁康®), MINDEWEI (民得維®) and JUNSHIDA (君適達®), four commercialized products of the Company, are included in the NRDL. TUOYI® has 12 indications approved in Chinese Mainland, all of which are included in the NRDL, and it is the only anti-PD-1 monoclonal antibody included in the NRDL for the treatment of renal carcinoma, TNBC and melanoma. JUNSHIDA (君適達®), being included in the NRDL for the first time in 2025, has made it the only domestically developed PCSK9-targeted drug in the new edition of the NRDL for statin-intolerant patients.

In September 2025, the Company officially became the authorized distributor of the next-generation oral mucosal liquid dressing (SUSHU (速舒®)), indicated for alleviating pain caused by oral mucositis and oral ulcers resulting from radiotherapy or chemotherapy, as well as minor wounds caused by dental appliances (dentures or orthodontic devices), thereby improving patients' quality of life. As of the end of the Reporting Period, SUSHU (速舒®) was available in over 900 medical institutions, including chain pharmacies, independent pharmacies, secondary hospitals and tertiary hospitals, covering all provinces within China. We are also actively expanding e-commerce channels to comprehensively enhance product accessibility.

With the expansion of our approved products, the improved accessibility driven by insurance coverage, the enhanced diversity of the product portfolio and the commercialization efforts in global markets, our commercial competitiveness continues to strengthen, and our income-generating capacity has steadily improved. At the same time, the Company has persistently implemented the action plan for "Enhancing Quality and Efficiency with a Focus on Return" by strengthening our control over expenses as well as our resource allocation. Driven by these initiatives, the loss of the Company was significantly narrowed during the Reporting Period compared with the same period last year. Moving forward, the Company will continue to promote cost reduction and efficiency enhancement, optimize our business structure, improve operational efficiency, expand market channels, and strengthen cost control and internal management, to further solidify our income-generating capability.

### **Efficiently pushed forward R&D to develop competitive innovation drugs in global markets**

During the Reporting Period, the Company realized full-process tracking management for R&D projects, covering from project initiation to application. Efficiency of clinical studies continued to improve, with over 2,000 subjects enrolled in clinical studies. The Company actively shared its innovative achievements. From the beginning of the Reporting Period to the date of this report, our products have been featured in over 240 journal publications in total, with a combined impact factor of over 1,250, and over 145 research findings have been presented at international academic conferences.

## MANAGEMENT DISCUSSION AND ANALYSIS

We have a professional and experienced team in R&D, and place strong emphasis on our innovative pipelines. In respect of early-stage R&D, we have integrated the laboratories in Wujiang, Suzhou and Zhangjiang, Shanghai to set up the Innovation Research Institute, which concentrates resources and operates in a unified manner. We have established the “molecule discovery” platform, promoted the early-stage project launch in R&D pipeline, actively facilitated the project launch and implementation for lean management projects, optimized procedures, accelerated domestic substitution, introduced AI technologies for efficiency improvement, and continued to optimize R&D expenses. In respect of clinical R&D, we have implemented the “gate R&D management”, reviewed R&D pipelines regularly, and devoted resources to more promising projects based on factors such as overall competitive landscape, R&D progress and combination strategies of our products. Meanwhile, by exploring design for R&D innovation plans, making categorized procurement and adopting other methods, we have improved R&D efficiency and controlled our costs. During the Reporting Period, we commenced over 90 clinical studies, and had established a well-structured research pipeline portfolio.

As of the date of this report, we have a number of products which are at phase III clinical studies or in the stage of marketing application:

- The randomized, double-blind, placebo-controlled, international multi-regional phase III clinical study (JUSTAR-001 study, NCT06095583) of tificemalimab, the world’s first-in-human anti-BTLA monoclonal antibody, in combination with toripalimab as consolidation therapy for patients with LS-SCLC without disease progression following chemo-radiotherapy is the first confirmatory study of a monoclonal antibody targeting BTLA in the world. It is planned to enroll approximately 756 subjects. As of the date of this report, this study has been carried out in more than 200 centers across 15 countries/regions, and has enrolled over 560 patients;
- As a subcutaneous injection formulation developed by us on the basis of TUOYI®, our marketed product, JS001sc, is the first domestic anti-PD-1 monoclonal antibody subcutaneous formulation to enter the stage of marketing application. In November 2025, a multi-center, open-label, randomized controlled phase III clinical study to compare TUOYI® in combination with chemotherapy for the first-line treatment of recurrent or metastatic non-squamous non-small cell lung cancer met the primary endpoints. In March 2026, the NDAs for JS001sc for 12 indications in the treatment of tumors have been accepted by the NMPA, covering all currently approved indications of TUOYI® in Chinese Mainland.
- In September 2025, JS005 (reconkibart injection, a recombinant humanized anti-IL-17A monoclonal antibody injection) achieved positive results in a multi-center, randomized, double-blind, parallel, placebo-controlled pivotal registrational phase III clinical study for the treatment of moderate to severe plaque psoriasis. Both the co-primary endpoints and key secondary endpoints showed statistically significant and clinically meaningful improvements. In December 2025, the NDA of JS005 for the treatment of adult patients with moderate to severe plaque psoriasis who were candidates for systemic therapy or phototherapy was accepted by the NMPA.
- A multi-center, randomized, placebo-controlled, open-label phase III clinical study of JS107 (anti-Claudin18.2 ADC) comparing the efficacy and safety of treatment of physician’s choice for the second-line or later treatment of Claudin18.2 positive advanced gastric or gastro-oesophageal junction cancer is underway.

## MANAGEMENT DISCUSSION AND ANALYSIS

We have also accelerated the clinical trials for several globally competitive innovative drugs, such as PD-1/VEGF bispecific antibody (JS207), EGFR/HER3 ADC (JS212) and PD-1/IL-2 fusion protein (JS213), and proactively explore different combined application:

- For JS207, the phase II clinical study is underway, and the exploration of its combination with chemotherapy, monoclonal antibody, ADCs and other drugs in multiple tumor types. The phase II clinical study of JS207 in combination with JS212 is underway. In October 2025, the IND application for phase II/III clinical study comparing JS207 to nivolumab for the neoadjuvant treatment of patients with stage II/III, resectable, actionable genomic aberration (AGA)-negative, non-small cell lung cancer was approved by the FDA.
- In January 2025, the IND application for JS212 was accepted by the NMPA, and was approved in March 2025. In December 2025, the IND application for JS212 for the treatment of advanced solid tumors was approved by the FDA. A phase I/II clinical study of JS212 evaluating the safety, tolerability, pharmacokinetics and preliminary efficacy of JS212 in patients with advanced solid tumors is underway. The phase II clinical trial on application of JS207 in combination with JS212 is underway.
- In February 2025, the IND application for JS213 was approved by the NMPA. As of the date of this report, the phase I clinical studies of JS213 are underway simultaneously overseas and in China.

With the continuous improvement of clinical research design and technology, our early-stage clinical studies are not limited to dose finding but also include diverse explorations, such as combined cohort investigations and validation of target indications. Once a signal is identified, we may then directly engage with regulatory authorities to communicate and prepare for pivotal registrational studies. We will accelerate the advancement of clinical studies of high-potential pipelines, and push more pipelines into pivotal registrational clinical studies.

## MANAGEMENT DISCUSSION AND ANALYSIS

### **Accelerated international expansion, with business expansion supported by commercial production capacity and high-quality production system**

During the Reporting Period, positive progress was made for the overseas market expansion for toripalimab, with accelerating marketing application and collaborations in various countries and regions, and the global commercialization network has gradually expanded. As of the date of this report, we have been cooperating on the commercialization with partners including Coherus, Hikma, Dr. Reddy's, Rxilient Biotech and LEO Pharma in over 80 countries. Toripalimab has been approved for marketing in 40 countries and regions including Chinese Mainland, Hong Kong SAR, China, the United States, the EU, India, the UK, Jordan, Australia, Singapore, the UAE, Kuwait, Pakistan, Canada, Bahrain, Oman and Qatar, and has its marketing applications submitted/accepted in various countries/regions. We and our partners are actively promoting the marketing application and commercialization process for toripalimab within their cooperation territories, and actively exploring the possibility of marketing more indications in certain regions.

We support gradual business expansion with adequate production capacity and high-quality production system. At present, we have two commercial production bases:

- With a fermentation capacity of 4,500L (9\*500L), Wujiang production base in Suzhou has obtained GMP certifications and approvals from various countries and regions, including Chinese Mainland, Hong Kong SAR, China, the United States, the EU, the UK, Australia, Singapore, India, Jordan, the UAE, Kuwait, Pakistan, Canada, Bahrain, Oman and Qatar, and is responsible for the commercial supply of toripalimab for overseas markets;
- Shanghai Lingang production base has a production capacity of 42,000L (21\*2,000L), and has obtained GMP certification from the NMPA to produce commercial batches of toripalimab injection jointly with Wujiang production base in Suzhou, and supports the clinical trials of our drug candidates and future production of commercial batches.

In June 2025, Suzhou Union underwent an unannounced inspection in respect of CGMP by the FDA, and received the Establishment Inspection Report in October 2025, which confirmed that Suzhou Union had passed the CGMP on-site inspection. This marks Suzhou Union's second successful pass of an FDA on-site inspection since its initial success in 2023, demonstrating that our high-quality production and manufacturing system continues to gain international recognition. We will continue to promote the in-depth integration and all-rounded optimization of production system. Based on market insights and our own development strategies, we reasonably allocate production resources, and conduct scientific planning on production capacity allocation. Leveraging the synchronized operation of the two production bases, we have established a large-scale, highly cost-efficient production system to ensure stable product supply and fulfill the growing market demand.

### **Continued to enhance our operations, and facilitated steady corporate development**

During the Reporting Period, we continued to enhance our quality management, talent development, compliance operations, cost control and other aspects to ensure our steady progress against the backdrop of stringent regulation in the pharmaceutical industry.

## MANAGEMENT DISCUSSION AND ANALYSIS

In respect of quality management, the Company has established and continuously improved the quality audit mechanism which combines both internal and external audits. During the Reporting Period, the Group conducted internal quality system audits and underwent external inspections/audits over 20 times. These external inspections/audits included pre-approval inspections by the Saudi Food and Drug Authority, unannounced inspections (post-market regulatory inspections) by the FDA, pre-approval inspections by the Brazilian Health Regulatory Agency, EU QP audits, supervisory inspections (unannounced inspections) by the Shanghai Medical Products Administration, supervisory inspections by the Jiangsu Medical Products Administration, special pharmacovigilance inspections, licensing inspections and GMP compliance inspections actively initiated by the Company, as well as a number of audits by customers, with a scope covering Marketing Authorization Holder (MAH) management system, organizational structure, production management, quality management, laboratory management, supplier management, materials and warehousing management, equipment management, drug safety, and pharmacovigilance. All entities have successfully passed the inspections/audits and are in compliance with the standards of the relevant quality management systems.

In respect of talent development, we attach great importance to talent cultivation and development, aiming to establish a diversified, professional, interdisciplinary talent system, and promote the concurrent development of talent and organization. As of the end of the Reporting Period, the Group's number of employees was 2,903, among which 640 employees are engaging in R&D of drugs. We attach importance to the career development of our employees, and implemented a unified performance management system that combines competitiveness, fairness and motivation. We protect the rights and interests of our employees in career development by building a job position hierarchy system, and provide a clear and reasonable career path and platform for our employees. We formulate and implement staff training system, systematically integrate internal and external learning resources, expand training modes, and continuously promote the establishment of learning culture organization, aiming to improve the all-rounded abilities of our employees. We also encourage all employees to participate in industry training and professional certification. For employees who have obtained professional title certificates, we provide them with support in applying for relevant government subsidies or bonuses. Furthermore, for outstanding R&D talents within the Company, we actively apply for national, municipal, and district-level talent programs, helping employees gain more tangible support in various aspects while they diligently dedicate themselves to their work.

In respect of compliance operations, maintaining integrity and compliance is the fundamental rule of our operations. Upholding a corporate culture of operation compliance as always, we build a comprehensive compliance system at a high standard, strictly complying with relevant national laws and regulations and the regulatory policies of the pharmaceutical industry, and providing patient-centered treatment options which have better efficacy and greater cost-effectiveness. We encourage our employees to comply with laws and regulations related to the products or services of the Company as well as the highest standards of business and personal ethics. In 2025, all employees of the Company signed the compliance undertaking letter. Advancing from "signing" to "implementation", we further solidify the concept of integrity and compliance in all employees. Against the backdrop of stringent regulation in the pharmaceutical industry, we will continue to build a compliance culture of "innovation-driven, academic promotion" and optimize our compliance system of "full-process guidance and supervision" to enhance the quality and efficiency of our operations and management, establish a comprehensive compliance management system and facilitate high-quality and sustainable development.

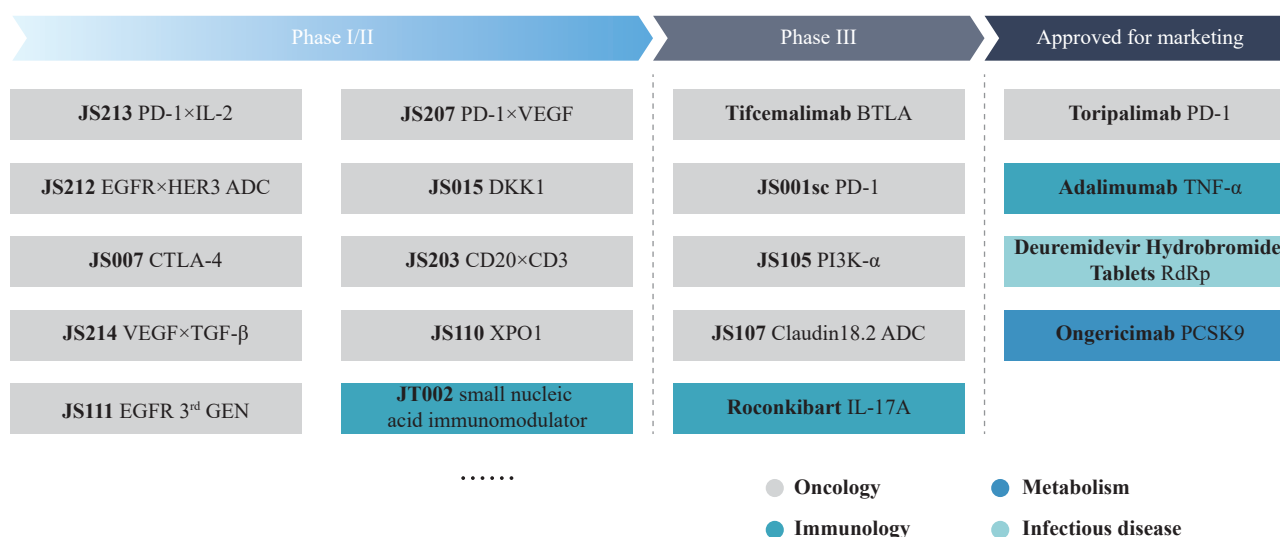
In respect of cost control, the Company has implemented strict budget management across all departments, strengthened resource focus, and improved operational efficiency. At the same time, we maintain active exploration in cutting-edge therapeutic areas and additional drug candidates. Our R&D team regularly reviews our R&D pipelines and formulates reasonable R&D plans based on factors such as competitive landscape, R&D progress and combination strategies of our products to enhance capital efficiency and devote resources to more promising R&D projects. We will actively pursue drug R&D, optimize our business structure, improve operational efficiency, and expand market channels, while continuing to strengthen cost control and internal management to further enhance operational quality.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Product Pipelines

Our products concentrate on self-developed biological products with original innovation. At the same time, through co-development, formation of joint ventures, license-in and other means, we obtained the licenses of drugs or platform technologies that synergized with our own original product pipeline, so as to further expand our product pipeline. As of the date of this report, a total of four drugs (TUOYI®, JUNMAIKANG (君邁康®), MINDEWEI (民得維®) and JUNSHIDA (君適達®)) have been commercialized. Our innovative field has continued to expand from monoclonal antibodies to the research and development of more drug modalities, including small molecule drugs, ADCs, bi-specific or multi-specific antibodies, fusion protein, nucleic acid drugs and vaccines, as well as the exploration of next-generation innovative therapies including those for cancer and autoimmune diseases.

## Key Projects Entering the Clinical R&D Stage (As of 13 March 2026)



# MANAGEMENT DISCUSSION AND ANALYSIS

## Our Core Products

### TUOYI®/LOQTORZI® (toripalimab, JS001)

- *Milestones and achievements of commercialization*

During the Reporting Period, TUOYI® recorded domestic sales revenue of approximately RMB2,068 million, representing a year-on-year increase of approximately 38%, which demonstrated our positive progress in sales. The Company's self-developed toripalimab is the first domestic anti-PD-1 monoclonal antibody successfully launched in China, and is also the first innovative biological drug independently developed and manufactured in China that was approved for marketing by the FDA, addressing various malignant tumors. It was granted the "China Patent Gold Award", the highest award in the patent field nationally, and has been supported by two National Major Science and Technology Projects for "Major New Drugs Development" during the "Twelfth Five-Year Plan" and "Thirteenth Five-Year Plan" periods.

As of the date of this report, toripalimab has 12 indications approved in Chinese Mainland:

- treatment for unresectable or metastatic melanoma after failure of standard systemic therapy (December 2018);
- treatment for recurrent/metastatic NPC after failure of at least two lines of prior systemic therapy (February 2021);
- treatment for locally advanced or metastatic UC that failed platinum-containing chemotherapy or progressed within 12 months of neoadjuvant or adjuvant platinum-containing chemotherapy (April 2021);
- in combination with cisplatin and gemcitabine as the first-line treatment for patients with locally recurrent or metastatic NPC (November 2021);
- in combination with paclitaxel and cisplatin as the first-line treatment for patients with unresectable locally advanced/recurrent or distant metastatic ESCC (May 2022);
- in combination with pemetrexed and platinum as the first-line treatment in EGFR mutation-negative and ALK mutation-negative, unresectable, locally advanced or metastatic non-squamous NSCLC (September 2022);
- in combination with chemotherapy as perioperative treatment and subsequently, monotherapy as adjuvant therapy for the treatment of adult patients with resectable stage IIIA-III B NSCLC (December 2023);
- in combination with axitinib for the first-line treatment of patients with medium to high risk unresectable or metastatic RCC (April 2024);
- in combination with etoposidein plus platinum for the first-line treatment of ES-SCLC (June 2024);

## MANAGEMENT DISCUSSION AND ANALYSIS

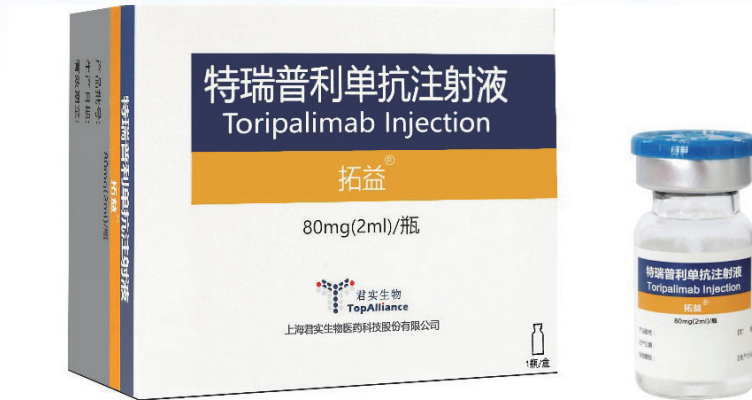
- in combination with paclitaxel for injection (albumin-bound) for the first-line treatment of recurrent or metastatic TNBC with a well-validated test to evaluate PD-L1 positive (CPS  $\geq$  1) (June 2024);
- in combination with bevacizumab for the first-line treatment of patients with unresectable or metastatic HCC (March 2025);
- first-line treatment of unresectable or metastatic melanoma (April 2025).

In addition, toripalimab has been recommended and recognized by 20 definitive guidelines both domestically and internationally. It is the first domestic anti-PD-1 monoclonal antibody to be recommended by the three major definitive guidelines: the Chinese Society of Clinical Oncology (CSCO), the National Comprehensive Cancer Network (NCCN), and the European Society for Medical Oncology (ESMO). Under the latest 2025 CSCO Clinical Guidelines for the Diagnosis and Treatment of Cancer, a number of toripalimab treatment regimens have been included in more than ten guidelines, with a comprehensive coverage of therapeutic areas such as NPC, head and neck cancer, NSCLC, SCLC, breast cancer, oesophageal cancer, liver cancer, biliary tract malignancies, colorectal cancer, renal cancer, UC, and melanoma. Toripalimab secured several Grade I recommendations, which further reinforced its clinical standing in cancer therapies and continued to facilitate the transformative immuno-oncology clinical practices in China.

As of the date of this report, all 12 indications of TUOYI® approved for marketing in Chinese Mainland have been included in the NRDL, and TUOYI® is the only anti-PD-1 monoclonal antibody in the NRDL for the treatment of renal cancer, TNBC and melanoma. The approvals for new indications and the inclusion of new indications of TUOYI® in the NRDL will further expand the coverage of patients with various types of cancers who may gain benefits, reduce the medical burden for patients and their families, and improve the accessibility and affordability of TUOYI® among patients. As of the end of the Reporting Period, TUOYI® had been sold in more than 6,000 medical institutions and more than 3,000 specialty pharmacies and community pharmacies nationwide.

In terms of international layout, as of the date of this report, toripalimab has been approved for marketing in over 40 countries and regions worldwide, such as China, the United States and the EU, and has its marketing applications submitted/accepted in various countries and regions. We have been cooperating on the commercialization with partners including Coherus, Hikma, Dr. Reddy's, Rxilient Biotech and LEO Pharma in over 80 countries. We and our partners are actively promoting the marketing application process for toripalimab within their cooperation territories, and actively exploring the possibility of marketing more indications in certain regions.

## MANAGEMENT DISCUSSION AND ANALYSIS



- *Milestones and achievements of clinical development*

Over 40 clinical studies covering more than 15 indications in respect of toripalimab have been conducted in China, the United States, Europe, Southeast Asia and other regions. Among the pivotal registered clinical studies, the Company has actively deployed perioperative treatment/postoperative adjuvant treatment for various types of tumors in addition to the extensive layout of toripalimab for the first-line treatment of multiple tumor types, to promote the application of cancer immunotherapy in the early treatment of cancer patients.

Progress of clinical trials in China:

- In January 2025, the indication of TUOYI® for the treatment of unresectable or metastatic melanoma after failure of standard systemic therapy was approved by the NMPA for conversion from conditional approval to regular approval.
- In March 2025, the sNDA for TUOYI® in combination with bevacizumab for the first-line treatment for patients with unresectable or metastatic HCC was approved by the NMPA.
- In April 2025, the sNDA for TUOYI® for the first-line treatment of unresectable or metastatic melanoma was approved by the NMPA.
- In August 2025, the sNDA for TUOYI® in combination with disitamab vedotin as the treatment of HER2-expressing (HER2 expression is defined as HER2 immunohistochemistry results of 1+, 2+, or 3+) locally advanced or metastatic UC has been accepted by the NMPA.

## MANAGEMENT DISCUSSION AND ANALYSIS

Global registration progress:

- In January 2025, the NCE application for toripalimab in combination with cisplatin and gemcitabine, for the first-line treatment of adults with metastatic or recurrent, locally advanced NPC and toripalimab, as a single agent, for the treatment of adults with recurrent unresectable or metastatic NPC with disease progression on or after a platinum-containing chemotherapy was approved by the Australian TGA. Toripalimab became the first immuno-oncology treatment for NPC in Australia.
- In March 2025, the NDA for toripalimab in combination with cisplatin and gemcitabine for the first-line treatment of adult patients with recurrent, not amenable to surgery or radiotherapy, or metastatic NPC was approved by the Singapore HSA. Toripalimab became the first approved immuno-oncology treatment for NPC in Singapore.
- In June 2025, the indications of toripalimab for the first-line treatment of NPC and the first-line treatment of ESCC were officially approved for marketing in the UAE and Kuwait.
- In September 2025 and October 2025, the two indications for toripalimab in combination with cisplatin and gemcitabine for the first-line treatment of adults with metastatic or recurrent, locally advanced NPC, and toripalimab, as a single agent, for the treatment of adults with recurrent unresectable or metastatic NPC with disease progression on or after a platinum-containing chemotherapy were approved for marketing in Pakistan and Canada, respectively.
- In November 2025, a new indication of toripalimab in combination with chemotherapy as first-line treatment of ESCC was approved in Hong Kong SAR, China.
- In December 2025, the indications of toripalimab for the first-line treatment of NPC and the first-line treatment of ESCC were approved for marketing in Bahrain.
- In February 2026, the indications of toripalimab for the first-line treatment of NPC and the first-line treatment of ESCC were approved for marketing in Oman and Qatar.

- *Publication of academic results*

Our innovative products have achieved numerous remarkable academic results. From the beginning of the Reporting Period to the date of this report, toripalimab has been featured in over 210 journal publications in total, with a combined impact factor over 1,100, and its research findings have been published in international authoritative journals such as the *Journal of the American Medical Association* (JAMA) and the *New England Journal of Medicine* (NEJM), and presented at international academic conferences such as the American Society of Clinical Oncology (ASCO) annual meeting and the European Society for Medical Oncology (ESMO) annual meeting for multiple times, with oral presentations made in various academic conferences.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Recombinant humanized anti-PD-1/VEGF bispecific antibody (JS207)

JS207 is a recombinant humanized anti-PD-1/VEGF bispecific antibody self-developed by the Company, mainly used for the treatment of advanced malignant tumors. JS207 can simultaneously bind to PD-1 and VEGFA with high affinity, effectively block the binding of PD-1 to PD-L1 and PD-L2 while inhibiting the binding of VEGF to its receptor. JS207 has the efficacy properties of both immunotherapeutic drugs and anti-angiogenic drugs. Through neutralization of VEGF, JS207 can inhibit the proliferation of vascular endothelial cells, improve the tumor microenvironment, and increase the infiltration of cytotoxic T lymphocytes in the tumor microenvironment, thus achieving better anti-tumor activity.

JS207 is designed based on the high-affinity, clinically proven and differentiated anti-PD-1 drug toripalimab as the backbone. The anti-PD-1 moiety of JS207 adopts a Fab structure to maintain binding affinity to PD-1 and thereby attain better enrichment in the tumor microenvironment. The anti-VEGF moiety has a binding affinity for human vascular endothelial growth factor that is comparable to that of bevacizumab. In non-clinical in vitro cytological tests, compared with the combination of an anti-PD-1/PD-L1 monoclonal antibody and a VEGF monoclonal antibody, a bispecific antibody simultaneously targeting PD-1/PD-L1 and VEGF demonstrated significantly enhanced PD-1 antigen binding and internalization, and synergistic enhancement of the NFAT signaling pathway, thereby better activating immune cells in the tumor microenvironment.

- *Publication of academic results*

- In June 2025, the anti-tumor mechanism of action and pre-clinical study results of JS207 were published in full in *Frontiers in Immunology*, an internationally renowned academic journal, which detailed the molecular design, in vitro characteristics, functionality and pre-clinical anti-tumor efficacy of JS207. The results showed that, JS207 binds to PD-1 and VEGFA with high affinity, exhibiting comparable or superior antigen affinity, immune activation and vascular proliferation regulation to similar drugs, and also demonstrated robust anti-tumor activity in multiple tumor models, as well as favorable tolerability and thermal stability.
- In December 2025, the results of a first-in-human (FIH) clinical study of JS207 for the treatments on patients with advanced malignancies (code: JS207-001-I) were presented in form of poster presentation (Abstract No.: #1166P) at the 2025 European Society for Medical Oncology Asia Congress (ESMO Asia). The study results showed that: JS207 exhibited manageable safety profile in dose up to 20mg/kg Q3W, with potential efficacy showed in treatments for various advanced tumors, especially in patients with PD-L1 positive NSCLC. The objective response rate (“**ORR**”) of JS207 reached 56.3% and 60.0% at 10mg/kg and 15mg/kg respectively. These results further prove the clinical values of PD-1/VEGF bispecific antibody for the first-line treatment of PD-L1 positive NSCLC, and is expected to reshape the clinical treatment landscape. In respect of safety profile, JS207, as a single agent, was well tolerated in general. Comparing with the 15mg/kg and 20mg/kg dose groups, the incidence of grade 3 or higher treatment-related adverse events (“**TRAEs**”) at 10mg/kg dose was low. The incidence of grade 3 or higher proteinuria and hypertension was at low levels of 5.7% and 2.9% respectively, with only grade 1 to 2 anemia and other side effects experienced. Taking into consideration of benchmark data of safety, efficacy and pharmacodynamics, the recommended phase II dose (“**RP2D**”) of JS207 was determined to be 10mg/kg Q3W.

As of the date of this report, for JS207, the phase II clinical study is underway, and the exploration of its combination with chemotherapy, monoclonal antibodies, ADCs and other drugs in various tumors is underway. The phase II clinical study of JS207 in combination with JS212 is underway. As of 6 March 2026, more than 420 subjects had been enrolled in these phase II clinical studies. In addition, in October 2025, the IND application for an open-label, two-arm, randomized, active-controlled, phase II/III clinical study comparing JS207 to nivolumab for the neoadjuvant treatment of patients with stage II/III, resectable, actionable genomic aberration (AGA)-negative, NSCLC was approved by the FDA. Upon further data collection, the Company will make plans for subsequent registrational clinical studies based on the clinical data and its communication with regulators.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Plans and Progress of JS207 Major Phase II Clinical Trials



	■ Study treatment	■ Indications	■ Anticipated sample size
LC	JS207 + Chemo / JS207 + EGFR/HER3 ADC (China)	AGA+ NSCLC After TKI Failure	110
	JS207+EGFR/HER3 ADC (China)	1L/2L AGA - NSCLC/SCLC	288
	JS207 + Chemo (China)	Resectable Stage II-III / Unresectable Stage III NSCLC	88
	JS207 + Chemo (Global)	Resectable Stage II-III NSCLC	200
	JS207 + Chemo (China)	1L EGFR / ALK Wild Type NSCLC	84
HCC	JS207 + CTLA4 (China)	1L HCC	72
CRC	JS207 + Chemo± DKK1 / JS207 + CTLA4 (China)	Advanced CRC	120
	JS207 + EGFR/HER3 ADC + Chemo (China)	Advanced CRC	90
TNBC	JS207 + Nectin-4 ADC / JS207 + Chemo (China)	1L TNBC	80
RCC	JS207 + EGFR/HER3 ADC (China)	2L RCC	60

\* As of 6 March 2026, more than 420 subjects have been enrolled in Phase II clinical trials ; Previously, nearly 100 subjects have been enrolled in Phase I clinical trials.

### EGFR/HER3 bispecific antibody-drug conjugate (JS212)

JS212 is a recombinant humanized EGFR and HER3 bispecific ADC that is mainly used for the treatment of advanced malignant solid tumor. EGFR and HER3 are highly expressed in a variety of tumor cells, such as lung cancer, breast cancer and head and neck cancer etc. There is interaction in signaling pathway between EGFR and HER3. They jointly facilitate the proliferation, survival, migration and angiogenesis of tumor cells. In addition, HER3 is involved in the drug-resistance mechanisms of various anti-tumor drugs (including EGFR-targeted drugs and chemotherapy etc.). Comparing to single-target ADC drugs, JS212 can suppress tumors by binding to EGFR or HER3, and is expected to be effective on a wider range of tumors and overcome drug resistance. According to preclinical studies, with JS212 having high affinity and specific binding to EGFR and HER3, it exhibits significant anti-tumor effect in various animal models. Meanwhile, JS212 has a favorable and acceptable safety profile.

In January 2025, the IND application for JS212 was accepted by the NMPA. It was approved by the NMPA in March 2025. In December 2025, the IND application of JS212 for the treatment of advanced solid tumors was approved by the FDA.

As of the date of this report, an open-label, dose-escalation and dose-expansion phase I/II clinical trial of JS212 is underway in Chinese Mainland, which is designed to evaluate the safety, tolerability, pharmacokinetics and preliminary efficacy of JS212 in patients with advanced solid tumors. In addition, the application of clinical trials of JS212 multi-cohort combined drug application was approved by the NMPA in November 2025. The phase II clinical trial of JS207 in combination of JS212 is underway.

## MANAGEMENT DISCUSSION AND ANALYSIS

### **Tifcemalimab (TAB004/JS004)**

Tifcemalimab is the world's first-in-human recombinant humanized anti-tumor anti-BTLA monoclonal antibody specific to B-and T-lymphocyte attenuator (BTLA) independently developed by us. BTLA is expressed in the T lymphocyte, B lymphocyte, and dendritic cell subpopulations. In 2005, the interaction between BTLA and its ligand, herpes virus entry mediator (HVEM), was discovered. HVEM, a tumor necrosis factor (TNF receptor), is extensively expressed in the hematopoietic system and has been confirmed as the ligand of BTLA. By binding with BTLA, tifcemalimab blocks the HVEM-BTLA interaction, thereby obstructing the BTLA-mediated inhibitory signal pathways and activating the tumor-specific lymphocytes.

Tifcemalimab in combination with toripalimab commenced phase III clinical studies. The JUSTAR-001 study is a randomized, double-blind, placebo-controlled, international multi-regional phase III clinical study, and is aimed to evaluate the efficacy and safety of tifcemalimab in combination with toripalimab compared to toripalimab alone and compared to placebo as consolidation therapy used in LS-SCLC patients without disease progression following chemoradiotherapy. As the first confirmatory study of a monoclonal antibody targeting BTLA, this study plans to recruit about 756 subjects around the world. As of the date of this report, this study has been carried out in more than 200 centers across 15 countries/regions, and has enrolled more than 560 patients, and enrollment is underway. It is expected to complete patient enrollment by 2026.

We believe that tifcemalimab in combination with toripalimab is a promising anti-tumor treatment strategy, which is expected to increase patients' response to immunotherapy and expand the range of potential beneficiaries. We will continue to facilitate patient enrollment, and promote the commercialization of tifcemalimab across the world.

- *Publication of academic results*

The preliminary clinical study results of tifcemalimab alone or in combination with toripalimab have been presented at various international medical conferences. The combination demonstrated good safety profiles and encouraging efficacy in patients with lung cancer, relapsed/refractory (R/R) lymphoma, and immune-refractory advanced solid tumors who have failed multiple lines of therapy. In 2025, two study results of tifcemalimab in combination with toripalimab on lung cancer were selected for oral presentation at the Society of Medical Oncology (JSMO) Annual Meeting and the World Conference on Lung Cancer (WCLC). The preliminary results of such combined therapy in combination with chemotherapy for the perioperative treatment of resectable locally advanced thoracic esophageal squamous cell carcinoma were published for the first time at the 2025 ESMO Annual Meeting. In addition, various study results of tifcemalimab have been published in international journals.

### **Other Products That Have Been Commercialized or Are in Later Stages of Clinical R&D**

#### **MINDEWEI (Deuremidevir Hydrobromide Tablets, JT001/VV116)**

MINDEWEI is a new oral nucleoside analog antiviral drug, which can be non-covalently bound to the active center of RdRp of SARS-CoV-2 in the form of nucleoside triphosphate, directly inhibiting the activity of RdRp of the virus and blocking the replication of virus, thus realizing the antiviral effect. Preclinical studies have shown that MINDEWEI exhibited significant antiviral effects against both the original COVID-19 strain and mutant strains, including Omicron, and exhibited no genetic toxicity. MINDEWEI was jointly developed by Shanghai Institute of Materia Medica, Chinese Academy of Sciences\* (中國科學院上海藥物研究所), Wuhan Institute of Virology, Chinese Academy of Sciences\* (中國科學院武漢病毒研究所), Xinjiang Technical Institute of Physics and Chemistry, Chinese Academy of Sciences\* (中國科學院新疆理化技術研究所), Central Asian Center of Drug Discovery and Development of Chinese Academy of Sciences\* (中國科學院中亞藥物研發中心)/China-Uzbekistan Medicine Technical Park (the Belt and Road Joint Laboratory of the Ministry of Science and Technology)\* (中烏醫藥科技城(科技部“一帶一路”聯合實驗室)), Lingang Laboratory\* (臨港實驗室), Suzhou Vignonvita Biomedical Co., Ltd.\* (蘇州旺山旺水生物醫藥有限公司) and the Company.

On 28 January 2023, the marketing of MINDEWEI for the treatment of adult patients with mild to moderate COVID-19 was conditionally approved by the NMPA. In January 2025, such indication was approved by the NMPA for conversion from conditional approval to regular approval. MINDEWEI was included in the scope of provisional medical insurance reimbursement in January 2023, and has been officially included in the NRDL since January 2024.

## MANAGEMENT DISCUSSION AND ANALYSIS

After MINDEWEI is marketed, the Company has actively established a commercialization team, continuously explores sales models, continues to expand the coverage of MINDEWEI in hospitals and departments, expands e-commerce channels, and further improves the accessibility of MINDEWEI. As of the end of the Reporting Period, MINDEWEI had been used in more than 2,000 medical institutions, including community healthcare service centers, secondary hospitals and tertiary hospitals, covering all provinces in the territory.



### JUNMAIKANG (君邁康®) (adalimumab, UBP1211)

JUNMAIKANG is an adalimumab jointly developed by us, Mabwell (Shanghai) Bioscience Co., Ltd.\* (邁威(上海)生物科技股份有限公司) and its subsidiaries. As our third commercialized product, JUNMAIKANG received support from the national "Major New Drug Development", a major scientific and technological project, during the "Twelfth Five-Year Plan", which brings new treatment options for Chinese patients at large with autoimmune disease after its launch. In March 2022, the marketing of JUNMAIKANG for the treatment of rheumatoid arthritis, ankylosing spondylitis and psoriasis was approved by the NMPA, with the first prescription issued in May 2022. In November 2022, the supplemental application for five additional indications of JUNMAIKANG for the treatment of Crohn's disease, uveitis, polyarticular juvenile idiopathic arthritis, pediatric plaque psoriasis and pediatric Crohn's disease was approved by the NMPA.



## MANAGEMENT DISCUSSION AND ANALYSIS

### **JUNSHIDA (君適達®) (ongericimab, JS002)**

JUNSHIDA is a recombinant humanized anti-PCSK9 monoclonal antibody independently developed by us. In October 2023, we signed an agreement with Chongqing Bochuang Pharmaceuticals Co., Ltd.\* (重慶博創醫藥有限公司) (“**Bochuang Pharmaceuticals**”), pursuant to which we granted Bochuang Pharmaceuticals an exclusive license to conduct R&D on, manufacture and commercialize JUNSHIDA for the licensed purposes and within Chinese Mainland. Bochuang Pharmaceuticals is responsible for the subsequent commercialization of JUNSHIDA in Chinese Mainland and makes corresponding milestone payments and sales commissions to the Company.

In October 2024, the NDA for JUNSHIDA as the treatment for adult patients with primary hypercholesterolemia (non-familial) and mixed dyslipidemia was approved for marketing by the NMPA.

In May 2025, the two sNDAs for JUNSHIDA for: 1) adult patients with HeFH; 2) alone or in combination with ezetimibe, in adult patients with non-familial hypercholesterolemia and mixed dyslipidemia who are statin-intolerant or statins contraindicated, were approved. Ongericimab became the first domestic PCSK9-targeted drug approved for statin-intolerant patients.

In December 2025, JUNSHIDA was successfully included in Category B of the NRDL as the only domestic PCSK9-targeted drug in the new edition of NRDL for statin-intolerant patients. The new edition of the NRDL officially came into effect on 1 January 2026.

The significant lipid-lowering effects of ongericimab have been demonstrated in multiple phase III clinical studies. During the Reporting Period, the study results of ongericimab were frequently published in international academic journals and presented at international academic conferences:

- In February 2025, the full text of the latest data from the phase III clinical study of ongericimab for the treatment for adult patients with HeFH (study no.: JS002-005) was published in *Atherosclerosis*, the official journal of the European Atherosclerosis Society (EAS), which demonstrated the potent lipid-lowering effects and favorable tolerability of ongericimab.
- In June 2025, the full results of the phase III clinical study of ongericimab for the treatment of primary hypercholesterolemia and mixed dyslipidemia in which statins are not tolerated (study no.: JS002-007) were published in *Atherosclerosis*, which for the first time announced the lipid-lowering efficacy and safety data of ongericimab in the Chinese population with statin intolerance. The results showed that, compared with placebo, the ongericimab subcutaneous injection (150 mg every 2 weeks (Q2W)) significantly reduced the low-density lipoprotein cholesterol (LDL-C) level by 66.2%, for a 12-week treatment, with steady reduction up to the 52<sup>nd</sup> week. At the same time, it also demonstrated significant improvements in other lipid parameters. Ongericimab has a favorable overall safety profile, with the incidence of TRAEs being comparable to that of the placebo group during the double-blind trial.

## MANAGEMENT DISCUSSION AND ANALYSIS



### **Roconkibart injection (recombinant humanized anti-IL-17A monoclonal antibody, JS005)**

JS005 is a specific anti-IL-17A monoclonal antibody developed independently by us. In preclinical studies, JS005 has shown efficacy and safety comparable to those of anti-IL-17 monoclonal antibodies that have been marketed. Data from preclinical study fully depicts that JS005 has a clear target, definite efficacy, good safety, stable production process, and controllable product quality. At the 2023 annual meeting of the American College of Rheumatology (ACR), we announced the results of the Phase Ib/II clinical study of JS005 for the treatment for patients with moderate to severe psoriasis for the first time. The study results showed that, JS005 has a good safety profile in the treatment for patients with moderate to severe plaque psoriasis. Compared with placebo, JS005 significantly improved the psoriasis area and severity index of patients ( $p < 0.0001$ ).

In September 2025, JS005 achieved positive results in a multi-center, randomized, double-blind, parallel, placebo-controlled pivotal registrational phase III clinical study (study number: JS005-005-III-PsO) for the treatment of moderate to severe plaque psoriasis. Both the co-primary endpoints and key secondary endpoints showed statistically significant and clinically meaningful improvements. In December 2025, the NDA of JS005 for the treatment of adult patients with moderate to severe plaque psoriasis who were candidates for systemic therapy or phototherapy was accepted by the NMPA. In addition, as of the date of this report, all subjects in the phase II clinical study of JS005 for the treatment of active ankylosing spondylitis have completed the study follow-up.

In March 2025, the full text of the latest study results on JS005 was published in *Acta Dermato-Venereologica*, a leading international dermatology journal. The study results showed that, JS005 significantly improved the psoriasis area and severity index of patients in the treatment for patients with moderate to severe plaque psoriasis ("PsO"), while exhibiting a good safety profile in both healthy subjects and PsO patients. It is expected to provide a promising new treatment option for PsO patients in China.

## MANAGEMENT DISCUSSION AND ANALYSIS

In June 2025, a phase Ib/II clinical study of JS005 for the treatment of patients with moderate to severe PsO was selected as late breaking research at the 30<sup>th</sup> Annual Meeting of Chinese Society of Dermatology (CSD 2025). Director Cai Lin from Peking University People's Hospital (北京大學人民醫院) delivered an oral report at the meeting, sharing the study results in detail and demonstrating the exciting therapeutic potential and favorable safety profile of JS005 in patients with moderate to severe PsO.

### **Toripalimab injection (subcutaneous injection) (JS001sc)**

JS001sc is a subcutaneous injection formulation developed by the Company on the basis of TUOYI®, our marketed product. The pre-clinical in vivo pharmacodynamics showed that JS001sc exhibited significant anti-tumor effect in animal models by subcutaneous injection. At the dose level of 0.3mg/kg, the anti-tumor effect of JS001sc administered by subcutaneous injection was comparable to that of toripalimab administered by intravenous injection, with no significant difference. In addition, animals had a good tolerance to JS001sc.

In April 2024, the results of the first-in-human (FIH) study of JS001sc were successfully selected at the 2024 AACR and firstly published with a poster presentation (Abstract Number: #CT113), becoming the first domestic anti-PD-1 monoclonal antibody subcutaneous injection to publish clinical study data. JS001sc in combination with gemcitabine and cisplatin (GP regimen) for the treatment of recurrent or metastatic NPC (RM-NPC) demonstrated safety and clinical efficacy similar to that of the toripalimab intravenous (IV) formulation. The exposure of JS001sc (360mg, Q3W) was comparable to that of the IV regimen (240mg, Q3W). JS001sc has a good safety profile, and no new safety signals have been identified.

In November 2025, a multi-center, open-label, randomized controlled phase III clinical study to compare JS001sc and toripalimab injection (TUOYI®) in combination with chemotherapy for the first-line treatment of recurrent or metastatic NSCLC has met the primary endpoints. In March 2026, the NDAs for JS001sc for 12 indications in the treatment of tumors have been accepted by the NMPA, marking the first domestic anti-PD-1 monoclonal antibody subcutaneous formulation to enter the marketing application stage. The 12 indications in the NDAs of JS001sc covers all currently approved indications of TUOYI® in Chinese Mainland.

### **Recombinant humanized anti-Claudin18.2 monoclonal antibody-MMAE conjugate (JS107)**

JS107 is a recombinant humanized anti-Claudin18.2 monoclonal antibody-MMAE (Monomethyl auristatin-E) conjugate for injection developed independently by the Company. It is an ADC targeting tumor-related protein Claudin18.2, and is intended to be used for the treatment of advanced malignant tumors, such as gastric cancer and pancreatic cancer. JS107 can bind to Claudin18.2 on the surface of tumor cells, enter into tumor cells through endocytosis, and release the small molecule toxin MMAE, which has demonstrated strong lethality to tumor cells. JS107 also retained antibody-dependent cellular cytotoxicity (ADCC) and complement dependent cytotoxicity (CDC) effects, further killing tumor cells. Furthermore, due to the cell permeability of MMAE, JS107 can mediate indiscriminate killing of other tumor cells by way of its bystander effect, thereby improving the efficacy of treatment and inhibiting tumor recurrence. The preclinical in vivo pharmacodynamics showed that JS107 exhibits significant anti-tumor effect. As of the date of this report, JS107 has commenced phase III clinical studies. A multi-center, randomized, placebo-controlled, open-label phase III clinical study of JS107 comparing the efficacy and safety of treatment of physician's choice for the second-line or later treatment of Claudin18.2 positive advanced gastric or gastro-oesophageal junction cancer ("G/GEJA") is underway.

## MANAGEMENT DISCUSSION AND ANALYSIS

In April 2025, the data from a phase I clinical study of JS107 as a monotherapy or in combination with other therapies in patients with advanced solid tumors (No.: #CT010) was presented in the form of oral presentation at the AACR annual meeting. This study was the first to report the clinical benefits of the Claudin18.2 ADC combination therapy as the first-line treatment for patients with advanced G/GEJA. The results showed that, among patients with Claudin18.2-positive advanced G/GEJA, JS107 as a monotherapy or in combination with toripalimab and XELOX (capecitabine + oxaliplatin) demonstrated significant anti-tumor efficacy, especially in patients with high Claudin18.2 expression, which achieved a high remission rate with an ORR of 81.0%, along with a good tolerance and a manageable safety profile, demonstrating the good development potential of the JS107 combination therapy.

In December 2025, the updated results from a phase I study of JS107 in combination with toripalimab and chemotherapy as the first-line treatment of advanced G/GEJA (No.: #LBA5) was selected at the ESMO Asia Congress 2025 for oral presentation. The results showed that, for patients with advanced G/GEJA over-expressing Claudin18.2, JS107 in combination with toripalimab + XELOX as the first-line treatment demonstrated significant anti-tumor efficacy, with an ORR of 86.7%, a disease control rate (“DCR”) of 100% and a median progression free survival (“mPFS”) of 11.14 months, achieving a higher remission rate and promising improvement in survival with a manageable safety profile. Moreover, when compared with the JS107 2 mg/kg + 100% XELOX regimen, the recommended dose (i.e. the 2 mg/kg + 75% XELOX group) showed a more significant trend of therapeutic benefits with an ORR of 87.5%, while the mPFS was not reached and the six-month PFS rate was 85.9%. Based on the positive results of that study, the Company plans to carry out a phase III clinical study of JS107 in combination with toripalimab and XELOX as the first-line treatment of advanced G/GEJA over-expressing Claudin18.2.

### Other Products in Early Stages of R&D

#### **Recombinant humanized anti-DKK1 monoclonal antibody injection (JS015)**

JS015 is a recombinant humanized anti-DKK1 monoclonal antibody injection developed independently by the Company that is mainly used for the treatment of advanced malignant solid tumor. DKK1 is a secreted protein of the DKK family that can promote the occurrence and development of tumors through multiple means, including suppressing immunity, promoting angiogenesis and activating tumor-related signaling pathways. JS015 binds to human DKK1 with high affinity, and exert tumor inhibitory effects through the above means. As of the date of this report, phase II clinical studies of JS015 combination therapy for gastrointestinal tumors are underway.

In April 2025, the results of the clinical study on JS015 were presented in the form of a Late-Breaking Research Poster (Abstract No.: #LB212) for the first time at the AACR annual meeting, which is also the first clinical study results released for an anti-DKK1 monoclonal antibody in China. The JS015 data reported at the meeting came from the pooled analysis results of a phase Ib/II study of JS015 combination therapy for the treatment of gastrointestinal tumors and two investigator-initiated trials (IITs). The results showed that, JS015 combination therapies demonstrated encouraging preliminary efficacy in the treatment of patients with advanced gastrointestinal tumors, while being well tolerated. JS015 in combination with bevacizumab and chemotherapy as the second-line treatment for patients with advanced colorectal cancer (CRC) achieved an ORR of 31.6%. Among second-line CRC patients who had not previously received bevacizumab as the first-line treatment, the ORR reached 80%. Among first-line CRC patients who had not received systemic anti-tumor treatment, the ORR was 100%. JS015 in combination with toripalimab and chemotherapy as the first-line treatment for patients with advanced gastric cancer (GC) achieved an ORR of 66.7%, which is expected to serve as new targeted combination therapies in providing more treatment options for patients with advanced gastrointestinal tumors.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Recombinant humanized anti-CD20/CD3 bispecific antibody (JS203)

JS203 is a recombinant humanized anti-CD20/CD3 bispecific antibody self-developed by the Company. CD20 is a B lymphocyte restricted differentiation antigen and one of the most successful targets for B-cell lymphoma treatment. CD3 is an important marker on the surface of T cell. The main mechanism of T cell engaging bispecific antibodies is using CD3 as a mediator to activate T cells to specifically attack tumor cells. JS203 consists of anti-CD20 segment and anti-CD3 segment. By associating and activating lymphoma cells (binding to CD20) and T cells (binding to CD3), JS203 can enable T cells to kill lymphoma cells effectively. Pre-clinical in vivo pharmacodynamics shows that JS203 has a significant anti-tumor effect. In addition, JS203 is well tolerated by animals. As of the date of this report, the phase II clinical study of JS203 is underway. It is expected that a pivotal registrational clinical trial will commence in 2026.

In April 2025, the preliminary results of a phase I clinical study of JS203 in patients with relapsed or refractory (“R/R”) B-cell non-Hodgkin lymphoma (“B-NHL”) were presented in the form of poster presentation (Abstract No.: #CT025) for the first time at the AACR annual meeting. The results showed that, after pretreatment with rituximab, JS203 administered with step-up dosing (SUD) demonstrated a good overall safety profile. JS203 demonstrated promising anti-tumor efficacy in patients with CD20-positive R/R B-NHL, with efficacy signals observed in the group with lower dose. In particular, in patients with diffuse large B-cell lymphoma (“DLBCL”) treated with JS203 30mg, the ORR reached 80% and the complete response rate (“CRR”) was 40%. Due to limited follow-up time, the median duration of response (DoR) has not yet been reached, demonstrating the therapeutic potential of JS203 for patients with CD20-positive R/R B-NHL, and is expected to provide a potential new treatment option for patients with malignant lymphoma.

In December 2025, the updated results of the phase I clinical study of JS203 for the treatment of patients with R/R B-NHL were presented in the form of poster presentation (Abstract Number: #1957) at the 67<sup>th</sup> American Society of Hematology (ASH) Annual Meeting. The results showed that, for JS203 monotherapy at RP2D dosage administered with step-up dosing to 30 mg for the treatment of patients with CD20-positive R/R B-NHL, the ORR reached 72.4%. In particular, in patients with DLBCL, the ORR was 69.7%, the CRR was 39.4%, and there was persistent relief. Meanwhile, the overall safety profile was manageable. The incidence of cytokine release syndrome (CRS) was only 27.3%, and there was no incidence of immune effector cell-associated neurotoxicity syndrome (ICANS).

### PD-1/IL-2 bifunctional antibody fusion protein (JS213)

JS213 is a PD-1 and IL-2 bifunctional antibody fusion protein, which is mainly used for the treatment of advanced malignant tumors. In view of the co-expression of PD-1 and IL-2 in the tumor microenvironment, the fusion protein can selectively activate the IL-2 signaling pathway by binding to the IL-2 receptor while blocking the PD-1 pathway, thereby strengthening the anti-tumor immune responses. The combination therapy with PD-1 and IL-2 has shown potential efficacy in a variety of tumor types. Compared with combination therapy, JS213 as a single agent targeting both PD-1 and IL-2 pathways, may be more effective in activating the tumor immune microenvironment and thus enhancing anti-tumor activity. Pre-clinical results showed that, JS213 preferentially stimulated the expansion of tumor-infiltrating CD8+ T cells, with little effect on T cells and natural killer (NK) cells in the peripheral blood, and showed good efficacy and safety in both anti-PD-1 monoclonal antibody-sensitive or -resistant mouse tumor models.

In June 2025, the preliminary data from the overseas phase I first-in-human (FIH) study of JS213 was presented for the first time at the 2025 ASCO Annual Meeting (Abstract Number: #e14500). The study was an open-label, dose-escalation, phase I FIH clinical study. The dose escalation phase aimed to evaluate the safety and preliminary efficacy of JS213 monotherapy in patients with advanced/metastatic cancer who had failed prior standard treatments or are intolerant to them, with key endpoints including safety, maximum tolerated dose (MTD), RP2D, pharmacokinetics (PK), pharmacodynamics, immunogenicity and anti-tumor response.

## MANAGEMENT DISCUSSION AND ANALYSIS

In November 2025, at the 40<sup>th</sup> Annual Meeting of the Society for Immunotherapy of Cancer (SITC), the latest results of the overseas phase I clinical study on JS213 were presented in the form of a poster presentation (Abstract Number: #595). The results of the initial dose escalation phase were reported at the SITC meeting. As of 19 June 2025, 25 patients received JS213 treatment at doses of 0.3, 0.6 and 1 mg/kg, including priming regimens with a 0.3 mg/kg step dose.

- Preliminary PK analysis showed that the exposure of JS213 was approximately proportional to dose.
- Among the 20 patients with evaluable efficacy, the ORR was 35% and DCR was 75%. Of the seven patients with partial responses (PR), one was refractory to prior anti-PD-1 therapy, three had developed secondary resistance to anti-PD-(L)1 therapies, and the remaining three were anti-PD-(L)1-naïve. Among the eight patients who achieved stable disease (SD), tumor shrinkage was observed in patients with thymic carcinoma, neuroendocrine renal carcinoma, mesothelioma and non-clear cell renal cell carcinoma, providing preliminary evidence of JS213's broad-spectrum anti-tumor activity.
- The safety profile was manageable with most of the TRAEs being low grade. The most common TRAEs were arthralgia (50%), fatigue (35%), rash (35%), nausea (31%) and hypothyroidism (23%). No patient experienced vascular leak syndrome.

As of the date of this report, the phase I clinical studies of JS213 are underway simultaneously overseas and in China.

### FUTURE AND OUTLOOK

We see it as our mission to benefit patients with world-class and trustworthy innovative drugs, striving to become an innovative pharmaceutical enterprise that operates "in China, for global" for the benefit of human health.

In respect of R&D of drugs, we will, on the basis of accelerating the R&D progress and commercialization process of our ongoing pipelines, focus on the development of large molecule drugs, continue to track and conduct exploratory research on potential targets suitable for large molecule drug development, develop new drug candidates, and meanwhile, we will also invest appropriate resources in exploring and developing new drug targets in other fields. Based on independent R&D, we will also consider expanding the product pipelines with coordinated effects through licensing-in and other methods, so as to stay on the forefront of developing innovative drugs.

As for production and manufacturing, we uphold quality as our foundation, and will continue to optimize production processes, enhance technical capabilities and strengthen quality control measures. We will also facilitate the in-depth integration and comprehensive upgrade of our production system, and will establish a scalable production system with significant cost advantages, and thus effectively ensure the stable supply of the Company's products to meet growing market demand.

In respect of commercialization, we will continue to improve the establishment of our marketing and commercialization teams and promote our products to offer greater coverage and faster accessibility for patients in collaboration with partners worldwide.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

### 1. Revenue

As at 31 December 2025, total revenue of the Group was approximately RMB2,498 million, representing an increase of approximately 28% compared to the corresponding period in 2024, which includes: (i) revenue from pharmaceutical products of approximately RMB2,301 million, increased by approximately 40% compared to the corresponding period in 2024, which was mainly due to improvement in sales efficiency of the commercialization team and approval of more indications for TUOYI®; (ii) revenue related to out-licensing agreements of approximately RMB161 million; and (iii) revenue from technical services and others of approximately RMB36 million.

During the Reporting Period, the domestic sales revenue of TUOYI® was approximately RMB2,068 million, representing an increase of approximately 38% compared to the corresponding period in 2024.

### 2. R&D Expense

R&D expenses mainly include clinical research and technical service expenses, staff salary and welfare expenses, depreciation and amortization expenses, share-based payment expenses and other operating expenses.

During the Reporting Period, R&D expenses were approximately RMB1,384 million, which increased by approximately RMB109 million as compared to the corresponding period in 2024, representing an increase of approximately 9%. R&D expenses included clinical research and technical service expenses of approximately RMB878 million, staff salary and welfare expenses of approximately RMB337 million, depreciation and amortization expenses of approximately RMB89 million, share-based payment expenses of approximately RMB39 million and other operating expenses of approximately RMB41 million. In particular, research and technical service expenses, depreciation and amortization expenses and share-based payment expenses increased by approximately 15%, 4% and 100% respectively, while staff salary and welfare expenses and other operating expenses decreased by approximately 9% and 26% respectively as compared to the corresponding period in 2024.

The increase in R&D expenses was mainly due to the Group's focus on more competitive and innovative R&D pipelines and accelerated clinical development.

### 3. Selling and Distribution Expenses

Selling and distribution expenses mainly include staff salary and welfare expenses, expenses for marketing and promotion activities, share-based payment expenses and other operating expenses.

During the Reporting Period, selling and distribution expenses amounted to approximately RMB1,053 million, which increased by approximately RMB68 million as compared to the corresponding period in 2024, representing an increase of approximately 7%. Selling and distribution expenses included staff salary and welfare expenses of approximately RMB510 million, expenses for marketing and promotion activities of approximately RMB507 million, share-based payment expenses of approximately RMB3 million and other operating expenses of approximately RMB33 million. In particular, staff salary and welfare expenses, expenses for marketing and promotion activities and share-based payment expenses increased by approximately 4%, 10% and 100% respectively, while other operating expenses decreased by 1% as compared to the corresponding period in 2024.

The increase in selling and distribution expenses was mainly due to additional demand for market promotion of new indications for TUOYI®, which led to the increase in marketing and promotion expenses, and staff salary and welfare expenses.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 4. Administrative Expenses

Administrative expenses mainly include administrative staff cost, depreciation and amortization expenses, ordinary operating expenses, share-based payment expenses and other miscellaneous expenses.

During the Reporting Period, administrative expenses amounted to approximately RMB520 million, which decreased by approximately RMB28 million as compared to the corresponding period in 2024, representing a decrease of approximately 5%. Administrative expenses included administrative staff cost of approximately RMB176 million, depreciation and amortization expenses of approximately RMB128 million, ordinary operating expenses of approximately RMB110 million, share-based payment expenses of approximately RMB33 million and other miscellaneous expenses of approximately RMB73 million. In particular, administrative staff cost, depreciation and amortization expenses, ordinary operating expenses and other miscellaneous expenses decreased by approximately 16%, 8%, 1% and 15% respectively, while share-based payment expenses increased by 100% as compared to the corresponding period in 2024.

The decrease in administrative expenses was mainly due to the decrease in administrative staff cost, which reflects the results of the Group's cost control policy.

### 5. Liquidity and Capital Resources

As at 31 December 2025, the aggregate balance of bank balances and cash and financial products of the Group was approximately RMB3,195 million, increased by approximately RMB278 million compared to the balance of 31 December 2024, which ensured that our cash position remained relatively sufficient to support the Group's development. The Group's financial products were investments with original maturities of no more than 4 months and low risk, which were with fair value of approximately RMB601 million.

During the reporting period, net cash inflow from financing activities was approximately RMB2,232 million, and net cash outflow from operating activities was approximately RMB515 million, and net cash outflow from investing activities was approximately RMB1,588 million (including cash outflow in acquisition of the financial products), resulting in an increase of RMB107 million in bank balances and cash from 31 December 2024 after considering the foreign exchange rate change effect.

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to its stakeholders and maintaining an adequate capital structure. The Group's overall strategy remained unchanged throughout the year.

The capital structure of the Group consists of net debts, which includes borrowings, lease liabilities and other financial liabilities, net of bank balances and cash, and equity of the Group, comprising issued share capital, other reserves and non-controlling interests. The management of the Group will regularly review the capital structure on a continuous basis, considering the cost of capital and the risk associated with the capital, so as to better control and reduce the cost of capital.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 6. Non-IFRS Measures

To supplement the Group's consolidated financial statements which are prepared in accordance with the IFRS, the Company has provided adjusted loss for the year (excluding effects from non-cash related items and one-off events which include, but not limited to, depreciation and amortization expenses, share-based payment expenses and net exchange gains or losses), as additional financial measures, which are not required by, nor presented in accordance with, the IFRS. The Company believes that the non-IFRS financial measures are useful for understanding and assessing underlying business performance and operating trends, and that the Company's management and investors may benefit from referring to these non-IFRS financial measures in assessing the Group's financial performance by eliminating the impacts of certain unusual and non-recurring items that the Group does not consider indicative of the performance of the Group's business. However, the presentation of these non-IFRS financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with the IFRS. You should not view the non-IFRS financial results on a stand-alone basis or as a substitute for results under the IFRS, or as being comparable to results reported or forecasted by other companies.

Non-IFRS adjusted loss for the year:

	For the year ended 31 December	
	2025 RMB'000	2024 RMB'000
IFRS loss for the year	<b>(972,693)</b>	(1,381,580)
Add:		
Depreciation and amortization expenses	<b>323,797</b>	328,552
Share-based payment expenses	<b>77,151</b>	–
Net exchange losses (gains)	<b>21,679</b>	(8,266)
Adjusted loss for the year	<b>(550,066)</b>	(1,061,294)

## MANAGEMENT DISCUSSION AND ANALYSIS

### 7. Listing on the STAR Market, Issuance of A Shares and Placing of H Shares and Use of Proceeds

As approved by the China Securities Regulatory Commission (Zheng Jian Xu Ke [2020] No. 940) (證監許可[2020]940號文), the Company issued 87,130,000 ordinary shares (A Shares) with a nominal value of RMB1.00 to the public in a public offering in July 2020 at the issue price of RMB55.50 per share to allow the Company access a more established platform in the PRC capital market. The gross proceeds amounted to approximately RMB4,836 million. After deducting issuance expenses of approximately RMB339 million in accordance with the related requirements, the net proceeds amounted to approximately RMB4,497 million. The net proceeds from the listing of A Shares have been used in accordance with the uses disclosed in the Company's A share prospectus dated 8 July 2020.

Committed investment projects	Planned use of proceeds RMB'000	Unutilized proceeds as at 31 December 2024 RMB'000	Proceeds utilized during the Reporting Period RMB'000	Utilized Proceeds as at 31 December 2025 RMB'000	Unutilized Proceeds as at 31 December 2025 RMB'000	Timeline for application of the proceeds
Research and development projects of innovative drugs	1,200,000	-	-	1,216,655	-	Was fully utilized by 31 December 2022
Junshi Biotech Industrialization Lingang Project	700,000	-	-	700,000	-	Was fully utilized by 31 December 2020
Repayment of bank loans and replenishment of liquidity	800,000	-	-	824,509	-	Was fully utilized by 30 June 2022
Surplus proceeds	1,796,978	190,509	190,536	1,801,205	-	Was fully utilized by 31 January 2025
	4,496,978 <sup>(Note 1)</sup>	190,509 <sup>(Note 2)</sup>	190,536 <sup>(Note 2)</sup>	4,542,369 <sup>(Note 1)</sup>	- <sup>(Notes 1&amp;2)</sup>	

#### Notes:

- The difference between (i) the sum of utilized proceeds and the unutilized proceeds and (ii) the net proceeds from the issuance represents bank charges, foreign exchange gains and interests generated from bank saving accounts.
- The difference between (i) the sum of proceeds utilized during the Reporting Period and unutilized proceeds as at 31 December 2025 and (ii) unutilized proceeds as at 31 December 2024 represents interests generated from bank saving accounts.

## MANAGEMENT DISCUSSION AND ANALYSIS

As approved by the China Securities Regulatory Commission (Zheng Jian Xu Ke [2022] No. 2616) (證監許可[2022]2616號文), the Company issued 70,000,000 ordinary shares (A Shares) with a nominal value of RMB1.00 to 17 target subscribers (including securities investment fund management companies, securities firms, trust investment companies, finance companies, insurance institutional investors, qualified foreign institutional investors, and other domestic legal persons investors and natural persons, who/which satisfy the relevant requirements of the China Securities Regulatory Commission) on 2 December 2022 at the issue price of RMB53.95 per share. The gross proceeds amounted to approximately RMB3,777 million. After deducting issuance expenses of approximately RMB32 million in accordance with the related requirements, the net proceeds amounted to approximately RMB3,745 million. The net proceeds from the issuance of A Shares have been used and will be used in accordance with the uses disclosed in the Company's circular dated 7 March 2022, announcements dated 7 March 2022 and 14 June 2022, 30 May 2024 and 29 May 2025. The market price of A Shares on 2 December 2022 was RMB61.23 per A share. The Company considered that the projects funded by the proceeds involved in the issuance of A Shares would accelerate the Company's clinical research work and promote the marketing process of relevant products in the PRC and overseas, enhance the synergy between preclinical and clinical research, and relieve tensions in R&D and operation funds of the Company to a certain extent, which are conducive to the realization of the Company's core development strategy and the sustainable and sound development of the production and operation of the Company.

Purpose of the proceeds	Intended use of the net proceeds (Approx. RMB million)	Unutilized proceeds as at 31 December 2024 (Approx. RMB million)	Proceeds utilized during the Reporting Period (Approx. RMB million)	Proceeds utilized as at 31 December 2025 (Approx. RMB million)	Unutilized proceeds as at 31 December 2025 (Approx. RMB million)	Expected timeline for application of the unutilized proceeds
R&D projects of innovative drugs	3,464	2,733	411	1,143	2,321	Expected to be fully utilized by 31 December 2028
Shanghai Junshi Biotech headquarters and R&D base project	281	57	27	250	31	Expected to be fully utilized by 30 June 2026
	3,745	2,790	438	1,393	2,352	

### Notes:

1. The unutilized proceeds and utilized proceeds shown in the above table exclude bank charges, foreign exchange losses/gains and interests generated from bank saving accounts.
2. The expected timetable for the use of unutilized proceeds in the above table has been updated based on the Company's announcement dated 29 December 2025.

## MANAGEMENT DISCUSSION AND ANALYSIS

On 20 June 2025, the Company completed the placing of an aggregate of 41,000,000 new H Shares under general mandate pursuant to a placing agreement dated 12 June 2025 entered into by the Company and UBS AG Hong Kong Branch (as sole placing agent). The Placing Shares were issued to not less than six placees who were independent professional, institutional and/or other investors and who were independent of, and not connected with the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”)) at a placing price of HK\$25.35 per H share. The net proceeds from the placing received by the Company (after deduction of the commissions and estimated expenses) were approximately RMB937 million (equivalent to HK\$1,026 million). The Group intends to use 70% of the net proceeds from the Placing for innovative drug development, and 30% of the net proceeds from the Placing for general corporate purposes. For further details of the Placing, please refer to the Company’s announcements dated 13 June 2025 and 20 June 2025.

As at 31 December 2025, approximately RMB348 million of the net proceeds from the placing has been utilized. The Company will gradually utilize the net proceeds from the placing in accordance with such intended purposes based on the estimate of future market conditions and business operations of the Company, and will remain subject to change based on current and future development of market conditions and actual business needs.

The following table sets out the intended use and actual usage of the net proceeds from the placing as at 31 December 2025:

Purpose of the proceeds	Intended use of the net proceeds (Approx. RMB million)	Proceeds utilized during the Reporting Period (Approx. RMB million)	Proceeds utilized as at 31 December 2025 (Approx. RMB million)	Unutilized proceeds as at 31 December 2025 (Approx. RMB million)	Expected timeline for application of the unutilized proceeds
R&D projects of innovative drugs	656	67	67	585	Expected to be fully utilized by 31 December 2027
General corporate purpose	281	281	281	–	Was fully utilized by 31 December 2025
	937 <sup>(Note)</sup>	348	348 <sup>(Note)</sup>	585 <sup>(Note)</sup>	

*Note:* The difference between (i) the sum of utilized proceeds and the unutilized proceeds and (ii) the net proceeds from the issuance represents bank charges, foreign exchange losses and interests generated from bank saving accounts.

### DIVIDENDS

No dividend was paid or declared by the Company during the years ended 31 December 2024 and 2025, nor has any dividend been declared since the end of the Reporting Period.

# MANAGEMENT DISCUSSION AND ANALYSIS

## LOSS PER SHARE

### (a) Basic

The calculation of the basic loss per share attributable to owners of the Company is based on the following data:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Loss for the year attributable to owners of the Company for the purpose of basic loss per share	<b>(840,910)</b>	(1,282,398)

### Number of shares:

	Year ended 31 December	
	2025	2024
Weighted average number of ordinary shares for the purpose of basic loss per share	<b>1,006,778,110</b>	984,908,447

During the year ended 31 December 2024, the Company repurchased 136,844 ordinary shares (A Shares) and had accumulated a total of 815,871 treasury shares. The weighted average number of ordinary shares for the purpose of basic loss per share for the year ended 31 December 2025 and 2024 excludes treasury shares repurchased.

### (b) Diluted

The computation of diluted loss per share for the year ended 31 December 2025 do not assume the exercise of the Company's outstanding A share options and H share options as these share options would be anti-dilutive. The computation of diluted loss per share for the year ended 31 December 2024 do not assume the exercise of the Company's outstanding restricted share units under the 2020 Restricted A Share Incentive Scheme as this would be anti-dilutive. Accordingly, diluted loss per share for the years ended 31 December 2025 and 2024 are the same as basic loss per share for the respective year.

# MANAGEMENT DISCUSSION AND ANALYSIS

## TRADE AND BILL RECEIVABLES

The balance of trade receivables decreased from approximately RMB510 million as at 31 December 2024, to approximately RMB507 million as at 31 December 2025, representing a decrease of 1%.

	At 31 December	
	2025 RMB'000	2024 RMB'000
Trade receivables	507,476	513,899
Bills receivables	302	–
Less: Allowance for expected credit losses	(1,031)	(4,082)
	<b>506,747</b>	509,817

The trade and bill receivables are receivables from contracts with customers.

As at 1 January 2024, the trade receivables from contracts with customers amounted to RMB479,723,000, after net off allowance for credit losses RMB18,357,000.

The aged analysis of the Group's trade and bill receivables net of allowance for credit losses, based on invoice date, at the end of each reporting period are as follows:

	At 31 December	
	2025 RMB'000	2024 RMB'000
0 – 90 days	490,887	400,070
91 – 180 days	5,078	18,506
Over 180 days	10,782	91,241
	<b>506,747</b>	509,817

As at 31 December 2025, included in the Group's trade and bill receivables balance are debtors with aggregate carrying amount of RMB22,936,000 (2024: RMB113,828,000) which are past due and the impairment amount is RMB1,031,000 (2024: RMB4,082,000).

Out of the past due balance, RMB1,443,000 (2024: RMB108,987,000) has been past due 90 days or more and is not considered as in default as they are due from customers with good reputation and lower risk of default.

# MANAGEMENT DISCUSSION AND ANALYSIS

## OTHER FINANCIAL ASSETS

The balance of other financial assets increased from approximately RMB1,434 million as at 31 December 2024 to approximately RMB1,982 million as at 31 December 2025, mainly due to increase in investments of financial products and unlisted equity.

	At 31 December	
	2025 RMB'000	2024 RMB'000
<b>Current assets</b>		
Financial assets measured at FVTPL		
– Financial products	600,782	430,508
<b>Non-current assets</b>		
Financial assets measured at FVTPL		
– Unlisted equity investments in partnership ( <i>Note a</i> )	226,708	188,869
– Unlisted equity investments ( <i>Note b</i> )	368,001	46,898
– Investments in preference shares ( <i>Note c</i> )	731,060	704,738
	1,325,769	940,505
Financial assets designated as FVTOCI ( <i>Note d</i> )	55,787	62,565
	1,381,556	1,003,070

### Notes:

- The amount represents unlisted equity investments in limited partnership enterprises, which are specialised in equity investment. According to the partnership enterprises agreement, the Group does not have any right on making operating, investing and financing decisions of the partnership enterprises.
- The amounts represent unlisted equity interest in entities which are mainly engaged in drug discovery. These investments are not held for trading but for long-term strategic purposes. For a new investment with cost of RMB20,000,000, the Group holds a 40% equity interest through a subsidiary whose principal activities is fund investment.
- The amounts represent investments in preference shares and ordinary shares with preferred rights in unlisted entities, which are mainly engaged in drug discovery. For an investment with fair value of RMB84,131,000 (2024: RMB84,131,000), the Group has the right to designate one out of seven members in the board. For a new investment with fair value of RMB30,231,000, one out of three members in the board of directors is designated by the Group.
- These investments are not held for trading, instead, they are held for long-term strategic purposes. The management of the Group have elected to designate these investments in equity instruments as at FVTOCI.

# MANAGEMENT DISCUSSION AND ANALYSIS

## TRADE AND OTHER PAYABLES

Trade and other payables decreased from approximately RMB1,548 million as at 31 December 2024 to approximately RMB1,487 million as at 31 December 2025, representing a decrease of 4%.

	At 31 December	
	2025 RMB'000	2024 RMB'000
Trade payables		
– third parties	111,044	208,356
Accrued expenses in respect of:		
– construction costs	509,233	465,730
– research and development expenses ( <i>Note a</i> )	291,963	310,884
– selling and distribution expenses	155,430	146,565
– payables under collaboration agreement	55	10,088
– others	74,991	91,061
Salary and bonus payables	252,624	252,681
Other tax payables	22,377	27,287
Other payables ( <i>Note b</i> )	69,011	35,768
	<b>1,486,728</b>	1,548,420
Analysis as		
– current	1,456,728	1,548,420
– non-current	30,000	–
	<b>1,486,728</b>	1,548,420

Payment terms with suppliers are mainly with credit term of 0 days to 90 days (2024: 0 days to 90 days) from the time when the goods and services are received from the suppliers.

## MANAGEMENT DISCUSSION AND ANALYSIS

The following is an aged analysis of trade payables presented based on invoice date at the end of the reporting period:

	<b>At 31 December</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
0 – 30 days	<b>71,167</b>	98,434
31 – 60 days	<b>1,768</b>	17,062
61 – 180 days	<b>16,744</b>	14,982
Over 180 days	<b>21,365</b>	77,878
	<b>111,044</b>	208,356

*Notes:*

- (a) Amounts included service fees payable to outsourced service providers including contract research organisations and clinical trial centres.
- (b) Included in the balance, amount of RMB35,000,000 is non-trade in nature, unsecured and interest-free. Amount of RMB15,000,000 is non-trade in nature, unsecured, and carrying interest rate of 5% per annum and will mature within one year.

### INDEBTEDNESS

As at 31 December 2025, the Group had variable-rate bank borrowings of approximately RMB2,757 million with interest rates ranging from 2.24% to 3.05% per annum, and fixed-rate bank borrowings of approximately RMB1,299 million with interest rates ranging from 1.17% to 2.79% per annum.

#### Unsecured Bank Borrowings

As at 31 December 2025, the balance of the Group's unsecured borrowings amounted to approximately RMB1,979 million in total mainly from China Merchants Bank, Bank of Shanghai, Bank of communications, Shanghai Pudong Development Bank and Bank of Beijing carrying interest rates ranging from 1.17% to 2.79% per annum.

During the period ended 31 December 2025, we entered into several new unsecured borrowing agreements with a total borrowing amounting to approximately RMB2,758 million, which carried interest rates ranging from 1.17% to 2.70% per annum.

#### Secured Bank Borrowings

As at 31 December 2025, the balance of the Group's secured borrowings amounted to approximately RMB2,077 million in total mainly from Industrial and Commercial Bank of China, China Merchants Bank, China Construction Bank and Bank of Shanghai. The borrowings carried interest rates ranging from 2.60% to 3.05% per annum.

During the period ended 31 December 2025, we entered into several new secured borrowing agreements with a total borrowing amounting to approximately RMB610 million, which carried interest rates ranging from 2.60% to 2.75% per annum. In addition, during the period ended 31 December 2025 we drew down approximately RMB211 million of borrowings pursuant to an existing secured borrowing agreements as at 31 December 2024.

## MANAGEMENT DISCUSSION AND ANALYSIS

The Group incurred borrowings for: i) ongoing clinical trials and preclinical studies for our drug candidates and replenishment of working capital; ii) construction of Suzhou Junao Cancer Hospital; and iii) construction of phase II of factory project in Shanghai Lingang production base.

As at 31 December 2025, the Group has pledged the following assets as securities for the Group's bank borrowings:

	<b>At 31 December 2025 RMB'000 (Audited)</b>	At 31 December 2024 RMB'000 (Audited)
Restricted bank deposits	<b>20,000</b>	–
Property, plant and equipment	<b>2,409,148</b>	606,785
Right-of-use assets	<b>212,798</b>	135,200
	<b>2,641,946</b>	741,985

The maturity profile of bank borrowings is as follows:

– within one year	<b>1,262,590</b>	894,601
– within a period of more than one year but not exceeding two years	<b>1,139,312</b>	623,668
– within a period of more than two years but not exceeding five years	<b>708,681</b>	790,641
– within a period of more than five years	<b>945,615</b>	565,371
	<b>4,056,198</b>	2,874,281

All bank borrowings are denominated in RMB as at 31 December 2025 and 31 December 2024.

# MANAGEMENT DISCUSSION AND ANALYSIS

## CONTRACTUAL COMMITMENTS

### Capital and Other Commitments

As at 31 December 2025, the Group's capital expenditure in respect of the acquisition of property, plant and equipment and equity investments contracted for but not provided in the consolidated financial statements was approximately RMB1,243 million, which increased by 26% from RMB984 million as at 31 December 2024, due to the increased capital expenditure in equity investments.

### Financing Plan

The Group expects to obtain a credit limit of no more than RMB8,500 million to support the Group's production operations and project construction. The credit limit is valid from the date of approval by the Company at the 2025 annual general meeting to the date of the 2026 annual general meeting.

## GEARING RATIO

As at 31 December 2025, the gearing ratio of the Group was 24.08%, which was calculated using interest-bearing borrowings less bank balances and cash, divided by total equity and multiplied by 100%, representing an increase of 17.57 percentage points from 6.51% as at 31 December 2024. The increase was primarily due to the increase of our bank borrowings.

## SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

Save as disclosed in Notes 41 and 42 to the consolidated financial statements in this annual report, the Group does not have other significant investments, material acquisitions or disposals of subsidiaries, associates and joint ventures.

## CONTINGENT LIABILITIES

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

## FUTURE PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this annual report, the Group does not have other future plans for material investments or capital assets.

# MANAGEMENT DISCUSSION AND ANALYSIS

## RISK FACTORS

### 1. Risks related to pending profitability

A long profit cycle is one of the most salient features of the biopharmaceutical industry. It typically takes a relatively long period for a biopharmaceutical company at the R&D stage to grow before it becomes profitable. As an innovative biopharmaceutical company, the Company is currently in an important R&D investment phase, and our R&D investment is expected to increase and consistently in line with the expansion of R&D pipeline and acceleration of domestic and overseas drug clinical trial activities. Our future profitability depends on the pace of the launch and the conditions of post-launch sales of our drug candidates. On the other hand, R&D investments and marketing and operating costs will add uncertainties to the Company's profitability. Therefore, the Company is exposed to the risk of not being able to become profitable in the short term.

A total of four drugs (TUOYI®, JUNMAIKANG, MINDEWEI and JUNSHIDA) are being commercialized by the Company, and various drug candidates in the late stage of research and development close to commercialization. The accelerated development of more and more drug candidates, the successive completion of registrational clinical trials for more indications of the approved products as well as the increased number of products approved for marketing will further improve the Company's financial position and help create conditions for a turnaround in the profitability of the Company as soon as possible.

### 2. Risks related to significant decline in performance or loss

The Company is committed to the discovery, development and commercialization of innovative therapies. The Company actively deploys a product pipeline that covers various therapeutic areas. In the future, it will maintain a corresponding scale of investment in R&D for the pre-clinical research, global clinical trials and preparation for NDAs of drug candidates and other drug development. Besides, the Company's NDA and registration efforts, post-launch marketing and promotion activities and other aspects will incur expenses, which may result in greater losses for the Company in the short run, thereby adversely affecting the Company's daily operations and financial position. During the Reporting Period, there were no material adverse changes in the principal business and core competitiveness of the Company.

### 3. Risks related to core competitiveness

Classified as technical innovation, the R&D of new drugs is characterized by long R&D cycles, significant investment, high risks and low success rate. From laboratory research to obtaining approval, new drugs go through a lengthy process with complicated stages, including preclinical study, clinical trial, registration and marketing of new drugs and after-sales supervision. Any of the above stages is subject to the risk of failure. The Company will strengthen its forward-looking strategic research, and determine the direction of new drug R&D according to the needs of clinical drug use. The Company will also formulate reasonable new drug technology solutions, continuously increase the investment in R&D of new drugs, and prudently launch R&D projects for new drugs. In particular, the Company implements phase-based assessment on drug candidates in the course of R&D. If it is found that the expected results cannot be achieved, the subsequent R&D of such product will be terminated immediately, so as to minimize the R&D risks of new drugs.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 4. Risks related to operations

The Company's business operations require certain R&D technical services and raw materials supply. Currently, the relationship between the Company and existing suppliers are stable. If the price of R&D technical services or raw materials increased significantly, the Company's profitability may be adversely affected. At the same time, the Company's suppliers may not be able to keep up with the rapid development of the Company, such that they may have to reduce or terminate the supply of the Company's R&D services or raw materials. If such R&D technical services or the supply of raw materials were disrupted, and thus the Company's business operations may be adversely affected. Furthermore, some of the Company's raw materials, equipment and consumables are directly or indirectly imported. If there are significant changes in the international trade situation, the Company's production and operation may be affected to a certain extent.

All four commercialized products of the Company are included in the NRDL. The reduction in price after being included into the drug list can effectively improve the accessibility and affordability of the Company's products, which is conducive to a significant increase in product sales. However, if the increase in sales is less than expected, it may adversely affect the Company's revenue.

## 5. Finance risks

During the Reporting Period, the exchange rate risks of the Company primarily arose from the assets and liabilities held by the Company and its subsidiaries which were denominated in the foreign currencies other than the book-keeping base currency. The Company's exposure to exchange rate risks was mainly related to the items denominated in HKD and USD. If significant fluctuations occur in the exchange rates between these foreign currencies to be kept by the Company and RMB in the future, the Company will continue to experience exchange gains or losses, which could affect the operating performance of the Company.

During the Reporting Period, when assessing the risk of inventory impairment, the Company recognized the provisions for inventory impairment upon identifying indications that the estimated net realizable value of the purchased inventories was lower than its carrying value, such as inventory becoming fully or partially obsolete or a decline in selling prices. When estimating the net realizable value of inventories, the Company comprehensively considers factors such as future market competition, pricing, further processing costs and selling expenses to recognize asset impairment losses, thereby accurately reflecting the carrying value of inventories as of the end of the period. In the future, if changes in market conditions or intensified competition occur, the Company may face risks of asset impairment, which may adversely affect its operations.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 6. Risks related to the industry

In view of the constant reforms in the medical and health system, encouraging pharmaceutical enterprises to be innovative and reduce prices of drugs have become a trend, and the industry landscape is about to be reshaped. If the Company fails to keep up with industry trends and continue with its innovation in the future, or if there are adverse changes in relevant industry policies, the Company's development may be adversely affected.

The Company's development goal has always been "innovation". Our pipeline focuses on innovative drugs. In response to the above industry and policy risks, the Company will adapt to changes in external policies, continue to improve our innovation capabilities and our ability to continuously discover and develop new products, increase our R&D investments, accelerate the process of innovative drugs entering clinical trial phase and the market, and respond to challenges with innovation. On this basis, the Company will further expand our production capacity, and reduce the unit cost of our products while maintaining the quality of our products, so as to address the possible price reduction of drugs in future. At the same time, we will comply with relevant laws and regulations and adapt our business operations to the changes in regulatory policies to avoid possible policy risks.

### 7. Risks related to the macro environment

Future changes in the international, political, economic and market environment, especially the uncertainty of trade relations between China and the United States, as well as the additional tariffs or other restrictions that may be imposed by China and the United States on cross-border technology transfer, investment and trade, may have a certain adverse impact on the Company's overseas business operations.

# DIRECTORS AND SENIOR MANAGEMENT

## BOARD OF DIRECTORS

### Executive Directors

#### **Xiong Jun 熊俊, 52**

*Chairman of the Board, Legal Representative, Chairman of the Strategic and ESG Committee, and Member of the Remuneration and Appraisal Committee and the Nomination Committee*

*Appointed to the Board: March 2015*

*Joined the Group: April 2013*

Mr. Xiong is the chairman of board of directors of certain of the Group's subsidiaries, namely Suzhou Junao and Suzhou Junshi Biotechnology. He is also the general manager of Suzhou Junao and Hainan JunTop, and an executive director of JunTop Biosciences, Hainan JunTop and Junshi Hong Kong Limited. Mr. Xiong is also the chairman of the board of directors of Shanghai Junshi Xihai Biotechnology Co., Ltd.\*, an associate of the Group.

Mr. Xiong started his investment in the Group since January 2013. From March 2013 to November 2015, he was the chairman of the board of directors of Shanghai Union Biopharm (a company previously listed on the NEEQ (previous stock code: 430598.NEEQ) and merged with the Company in June 2016), and he also served as its general manager from September 2013 to November 2015; since February 2007, he has been an executive director of Shanghai Baoying Asset Management Co., Ltd.\*.

Mr. Xiong obtained his bachelor's degree from Zhongnan University of Finance and Economics (now known as Zhongnan University of Economics and Law) in July 1996 and his MBA from the Chinese University of Hong Kong in December 2007.

Mr. Xiong is the son of Mr. Xiong Fengxiang, a Shareholder of the Company and a party to the New Concert Parties Groups. As at 31 December 2025, Mr. Xiong is deemed to be interested in 192,080,586 A Shares and 2,600 H Shares under the SFO, see "—Directors' and Chief Executive's Interests and Short Position in Shares, Underlying Shares and Debentures" in this annual report for details.

## DIRECTORS AND SENIOR MANAGEMENT

### **Li Ning 李寧, 64**

*Vice Chairman of the Board*

*Appointed to the Board: June 2018*

*Joined the Group: January 2018*

Dr. Li is the chairman of the board of directors of TopAlliance, and a director of TA BIOSCIENCES PTE. LTD., TopAlliance Biosciences Hong Kong Limited and TOPALLIANCE BIOSCIENCES EUROPE LIMITED. Dr. Li's main experience prior to joining the Group includes: from May 1994 to January 1997, he served as a senior researcher of WESTAT, the research cooperation center of NIH AIDS in the U.S.; from February 1997 to September 2009, he held various positions, including reviewer, senior reviewer, team leader of review team and branch director at the FDA; from September 2009 to January 2018, he held various positions in Sanofi, including senior director of the registration and medical policy department of the group, assistant to vice president and vice president; from January 2007 to December 2010, he was a part-time professor at Johns Hopkins University in the U.S.; from November 2010 to November 2012, he was a guest professor at the Clinical Research Institute of Peking University; and from January 2012 to December 2014, he was a part-time professor at the Medical Informatics Center of Peking University; since April 2025, he has been serving as a visiting professor in the Division of Life Science at The Hong Kong University of Science and Technology.

Dr. Li obtained his bachelor's degree in medicine from Shanghai First Medical College in July 1984, his master's degree in medicine from Shanghai Medical University in October 1987 and Ph.D. degree in preventive medicine/biostatistics from University of Iowa, the U.S. in August 1994.

As at 31 December 2025, Dr. Li is interested in 50,000 A Shares and 1,200,000 H Shares under the SFO, see "—Directors' and Chief Executive's Interests and Short Position in Shares, Underlying Shares and Debentures" in this annual report for details.

### **Zou Jianjun 鄒建軍, 54**

*Chief Executive Officer, General Manager, and Member of the Remuneration and Appraisal Committee and the Strategic and ESG Committee*

*Appointed to the Board: June 2022*

*Joined the Group: April 2022*

Dr. Zou is also a director of TopAlliance. Dr. Zou has over 20 years of experience in the healthcare sector. From August 1995 to September 2005, she served as the resident and attending physician at the department of oncology under the department of clinical medicine at the 301 Hospital of the People's Liberation Army\* (解放軍 301 醫院) and at the department of oncology at the Shanghai Changzheng Hospital\* (上海長征醫院) respectively. From October 2005 to October 2012, she served as the medical manager of the research and development department and the head of the oncology therapeutic team of Bayer China, and the head of global medical affairs at the United States headquarters of Bayer Pharmaceuticals in New Jersey. From October 2012 to September 2015, she served as the head of China Medical Affairs at Celgene Pharmaceuticals in the United States. From September 2015 to April 2022, she served as the chief medical officer and deputy general manager at Jiangsu Hengrui Pharmaceutical Co., Ltd.\* (江蘇恒瑞醫藥股份有限公司).

Dr. Zou enrolled into the department of clinical medicine at the Fourth Military Medical University\* (第四軍醫大學) in 1989 and graduated with a bachelor's degree in clinical medicine in 1995. She graduated with a doctorate degree in clinical oncology from the Second Military Medical University\* (第二軍醫大學) in August 2005.

As at 31 December 2025, Dr. Zou is interested in 5,000,000 H Shares under the SFO, see "—Directors' and Chief Executive's Interests and Short Position in Shares, Underlying Shares and Debentures" in this annual report for details.

## DIRECTORS AND SENIOR MANAGEMENT

### **Li Cong 李聰, 61**

*Co-Chief Executive Officer*

*Appointed to the Board: December 2016*

*Joined the Group: December 2016*

Mr. Li has over 20 years of experience in the pharmaceutical industry. Mr. Li's main experience includes: from July 1986 to December 1997, he was a lecturer on pathological anatomy of Shanghai Tiedao University School of Medicine; from December 1997 to January 2004, he served as the sales director of the Shanghai branch of NOVO Nordisk (China) Pharmaceuticals Co., Ltd.; from January 2004 to March 2019, he held the positions of manager of East China Region, sales director, assistant to general manager and general manager at Tonghua Dongbao Pharmaceutical Co., Ltd.\* (a company listed on the Shanghai Stock Exchange (stock code: 600867.SH)). Since June 2019, he has been serving as director and general manager of Suzhou Landing Biopharmaceutical Co., Ltd.\*.

Mr. Li obtained his bachelor's degree in medicine from Shanghai Tiedao University School of Medicine (now known as Tongji University School of Medicine) in July 1986.

As at 31 December 2025, Mr. Li is deemed to be interested in 127,020 A Shares and 1,200,000 H Shares under the SFO, see "—Directors' and Chief Executive's Interests and Short Position in Shares, Underlying Shares and Debentures" in this annual report for details.

### **Zhang Zhuobing 張卓兵, 58**

*Deputy General Manager*

*Appointed to the Board: December 2016*

*Joined the Group: December 2012*

Mr. Zhang has over 20 years of experience in the pharmaceutical industry. Mr. Zhang has been a deputy general manager of Shanghai Union Biopharm from November 2011 to November 2015, the legal representative, executive director and general manager of Suzhou Union since October 2013, the legal representative, executive director and general manager of Wuxi Junshi Biomedical Technology Co., Ltd.\* since December 2022, the legal representative and executive director of Wuxi Runmin Pharmaceutical Technology Co., Ltd.\* since December 2022, the legal representative, executive director and general manager of Junshi Biotechnology since August 2023, the legal representative, executive director and general manager of Suzhou Junmeng since August 2023, the legal representative and executive director of Shanghai Runmin Changjian Biomedical Technology Co., Ltd.\* (上海潤民長健生物醫藥技術有限公司) since December 2023, a director of Beijing Tianshi Pharmaceutical Technology Co., Ltd.\* (北京天實醫藥科技有限公司) from April 2016 to November 2023, a director of Shanghai Junshi Xihai Biotechnology Co., Ltd.\* since September 2021, and a director of Shanghai Junshi Kong Biotechnology Co., Ltd.\* since December 2021.

Mr. Zhang was one of the founders of the Company when it was established in December 2012 and was a supervisor of the Company from December 2012 to March 2013.

Mr. Zhang's main experience prior to joining the Group includes: from January 1997 to May 2004, he served as a department manager of Yantai Medgenn Biopharmaceutical Co., Ltd.\*; from May 2005 to October 2008, he served as a scientific researcher of Viron Therapeutics Inc., Canada; from November 2008 to September 2011, he served as a deputy director in Institute of Biopharmaceuticals of Nanjing Simcere Pharmaceutical Research Institute; since February 2011, he has been the chairman of the board of directors of Yongzhuo Boji (Shanghai) Biosciences Technology Co., Ltd.\*.

Mr. Zhang obtained his bachelor's degree in biology from Xinjiang University in July 1988 and his master's degree in biochemistry from Tsinghua University, PRC in July 1995. Mr. Zhang was awarded the first prize of the Shandong district award for invention in 2005.

As at 31 December 2025, Mr. Zhang is deemed to be interested in 113,210,018 A Shares and 1,202,600 H Shares under the SFO, see "—Directors' and Chief Executive's Interests and Short Position in Shares, Underlying Shares and Debentures" in this annual report for details.

## DIRECTORS AND SENIOR MANAGEMENT

### **Yao Sheng 姚盛, 50**

*Deputy General Manager*

*Appointed to the Board: December 2016*

*Joined the Group: June 2014*

Dr. Yao's main experience prior to joining the Group includes: From January 2003 to April 2004, he was a postdoctoral researcher at Mayo Medical School; from May 2004 to December 2010, he was a lecturer and research fellow at the Johns Hopkins University School of Medicine; from January 2011 to October 2011, he was a research scientist at Yale University School of Medicine; from October 2011 to June 2014, he was a senior scientist at Amplimmune Inc., a subsidiary of AstraZeneca, responsible for the tumor immunology and anti-autoimmune diseases antibody project.

Dr. Yao is also the Chief Executive Officer and a director of TopAlliance, and a director of Suzhou Junao, TA BIOSCIENCES PTE. LTD., TopAlliance Biosciences Hong Kong Limited and TOPALLIANCE BIOSCIENCES EUROPE LIMITED. Dr. Yao obtained his bachelor's degree in biotechnology from School of Life Sciences of Peking University in June 1998 and his Ph.D. degree in molecular genetics from Albert Einstein College of Medicine, the U.S. in January 2003. Dr. Yao has a number of articles published in journals including *Nature Communications*, *Science Advances*, *Immunity*, *Jem*, *Blood* and *Jl*.

As at 31 December 2025, Dr. Yao is interested in 1,200,000 H Shares under the SFO, see "—Directors' and Chief Executive's Interests and Short Position in Shares, Underlying Shares and Debentures" in this annual report for details.

### **Wang Gang 王剛, 68**

*Deputy General Manager, and Member of the Strategic and ESG Committee*

*Appointed to the Board: October 2023*

*Joined the Group: August 2019*

Dr. Wang obtained a Ph.D degree in Pharmacology and Toxicology from the School of Medicine of Dartmouth College in the United States in September 1995. He has been serving as the deputy general manager and chief quality officer of the Company since 29 August 2019. He has been serving as a director of TopAlliance since July 2024. He served as an independent director of Obio Technology (Shanghai) Corp., Ltd.\* (和元生物技術(上海)股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 688238.SH)) from January 2021 to June 2025, an independent director of Hrain Biotechnology Co., Ltd.\* (上海恒潤達生生物科技股份有限公司) since June 2021, and an independent director of Hangzhou Sciwind Biosciences Co., Ltd.\* (杭州先為達生物科技股份有限公司) since August 2023. Prior to joining the Company, he served as a postdoctoral researcher at the National Institutes of Health from October 1995 to June 1998. From June 1998 to July 1999, he served as a research scientist at Osiris Therapeutics in the United States. From August 1999 to August 2003, he served as a biologist at the National Institutes of Health. From August 2003 to June 2005, he served as an assistant professor at the University of Texas. From June 2005 to April 2017, he served in various positions, including the senior policy advisor, assistant director of the China office, senior reviewer and presiding officer, at the United States Food And Drug Administration. From April 2017 to April 2018, he served as the chief scientist in charge of compliance and inspection at the Drug Evaluation Center of the China Food and Drug Administration (CFDA). From May 2018 to August 2019, he served as the vice president for quality (Shanghai) at WuXi Biologics Co., Ltd.\* (無錫藥明生物技術股份有限公司).

As at 31 December 2025, Dr. Wang is deemed to be interested in 10,000 A Shares and 1,200,000 H Shares under the SFO, see "—Directors' and Chief Executive's Interests and Short Position in Shares, Underlying Shares and Debentures" in this annual report for details.

## DIRECTORS AND SENIOR MANAGEMENT

### Li Xin 李鑫, 47

*Appointed to the Board: October 2023*

*Joined the Group: October 2023*

Dr. Li obtained a Ph.D degree in Enterprise Development and Strategic Management from Fudan University in 2005 and obtained an Executive Master of Business Administration (EMBA) degree from the Tsinghua University PBC School of Finance. She has been serving as an executive Director and the Senior Vice President of Government Affairs of the Company since February 2024, and served as a non-executive Director of the Company from October 2023 to February 2024. She has been serving as a director of TopAlliance since July 2024. From September 2014 to December 2020, she served as the vice president of Greenland Financial Holdings Group Co., Ltd.\*. She served as the vice president of Greenland Jinchuang Technology Group Co., Ltd.\* (綠地金創科技集團有限公司) from January 2021 to August 2024; a director of Greenland Digital Technology Co., Ltd.\* (綠地數字科技有限公司) since August 2022; and an executive director of Shanghai Jiakai Investment Management Co., Ltd.\* since April 2015.

As at 31 December 2025, Dr. Li is interested in 12,060 A Shares and 1,282,854 H Shares under the SFO, see “— Directors’ and Chief Executive’s Interests and Short Position in Shares, Underlying Shares and Debentures” in this annual report for details.

### Non-Executive Director

### Tang Yi 湯毅, 57

*Member of the Audit Committee*

*Appointed to the Board: May 2015*

*Joined the Group: May 2015*

Mr. Tang has over 20 years of experience in the equity investment industry. Mr. Tang’s main experience includes: from 1991 to 1993, he served as a department manager of Shenzhen Shekou Foreign Economic Development Company\*; from 1993 to 1996, he served as the general manager of Shenzhen Yuesi Industrial Co., Ltd.\*; since June 1996, he has been the chairman of the board of directors at Shenzhen Finevalue Technology Co., Ltd.\*; since December 2010, he has been the chairman of the board of directors at Shenzhen Dingyuan Growth Investment Management Co., Ltd.\*; from October 2010 to October 2013, he was a director at Jijia Food Group Co., Ltd. (a company listed on the Shenzhen Stock Exchange with stock code 002650.SZ); from June 2011 to November 2018, he was a director of SMMC Marine Drive Systems (Suzhou) Co., Ltd. (a company previously listed on NEEQ (previous stock code: 832549.NEEQ) and delisted in August 2017); since April 2013, he has been a director of Shenzhen Qianhai Yuanben Equity Investment Fund Management Co., Ltd.\*; since July 2013, he has been the representative appointed by the executive partner at Suzhou Ruiyuan Shengben Biological Medicine Management Partnership (LP)\*, a Shareholder of the Company since July 2017, he has been the chairman of the board of directors of Jiangsu Xinyun Capital Management Co., Ltd.\*. He is also a director of Suzhou TopAlliance, Suzhou Junao and Suzhou Junshi Biotechnology.

Mr. Tang obtained his bachelor’s double degree in mechanical engineering and business management from Huaqiao University in July 1989 and January 1990, respectively.

As at 31 December 2025, Mr. Tang is deemed to be interested in 55,958,500 A Shares under the SFO, see “— Directors’ and Chief Executive’s Interests and Short Position in Shares, Underlying Shares and Debentures” in this annual report for details.

## DIRECTORS AND SENIOR MANAGEMENT

### Independent Non-executive Directors

#### Zhang Chun 張淳, 68

*Chairman of the Audit Committee and the Remuneration and Appraisal Committee, and Member of the Strategic and ESG Committee and the Compliance Committee*

*Appointed to the Board: June 2020*

*Joined the Group: June 2020*

Mr. Zhang's main experience includes: from August 1978 to July 1992, he had held various positions in the Industry and Transport Division of the Department of Finance of Jiangsu Province, including the deputy section chief, section chief and deputy division director; from August 1992 to December 1993, he served as the deputy general manager of Jiangsu High and New Technology Venture Capital Company\*; from December 1993 to December 1995, he served as the president of Jiangsu Assets and Equity Exchange and the general manager of Jiangsu Asset Appraisal Company\*; from December 1995 to December 1999, he served as the director of Jiangsu Certified Public Accountants Company\*; from December 1999 to September 2010, he served as the director of the asset appraisal center under the Department of Finance of Jiangsu Province; from September 2010 to August 2017, he served as the division chief of Jiangsu Rural Comprehensive Reform Working Group Office; he has been retired since August 2017. He has been serving as the independent director of Zhejiang Goldensea Hi-Tech Co., Ltd. (a company listed on the Shanghai Stock Exchange (stock code: 603311.SH)) since August 2023.

Mr. Zhang graduated in accounting from Jiangxi University of Finance and Economics in July 1985, and graduated in law from Party School of the Central Committee of C.P.C in December 2001. He has been qualified as a Chinese Certified Public Accountant since 1994 and Senior Accountant since December 1997.

#### Feng Xiaoyuan 馮曉源, 69

*Chairman of the Nomination Committee, and Member of the Remuneration and Appraisal Committee and the Strategic and ESG Committee*

*Appointed to the Board: December 2021*

*Joined the Group: December 2021*

Dr. Feng worked as an operator of the Shanghai Fifth Pharmaceutical Factory from December 1975 to February 1978. He was a radiologist at Huashan Hospital of Fudan University from December 1982 to November 2016. He served as the deputy dean and secretary of the Party Committee at Huashan Hospital of Fudan University from April 2000 to May 2008. From May 2007 to June 2011, he served as the dean of Shanghai Medical College of Fudan University. He served as the vice president of Fudan University from May 2011 to July 2015 and since August 2016, he served as a tenured professor (honorary position, non-faculty position) at Huashan Hospital of Fudan University. He has been appointed as the chairman of the board of directors of Lunqin (Shanghai) Medical Technology Co., Ltd.\* (倫琴(上海)醫療科技有限公司) since November 2016. He served as the dean of Shanghai Penta Innovation & Entrepreneurship Institute since January 2018. He has been the president and legal representative of Shanghai Society of Biomedical Engineering since September 2023.

Dr. Feng obtained his bachelor's degree in medicine from Shanghai First Medical College in December 1982 and a doctor's degree in diagnostic radiology Shanghai Medical University in December 1988.

## DIRECTORS AND SENIOR MANAGEMENT

### **Li Zhongxian 鄺仲賢, 70**

*Member of the Audit Committee and the Compliance Committee*

*Appointed to the Board: December 2024*

*Joined the Group: December 2024*

Mr. Li possesses postgraduate qualification, and holds the titles of senior auditor, and China's senior certified public accountant. He successively served as a staff member, deputy section chief and section chief of the Audit Office of Jiangsu Province\* (江蘇省審計廳), the deputy director (deputy division) of the audit firm of Jiangsu Province\* (江蘇省審計事務所), the deputy director of Jiangsu Tianhua Dapeng Certified Public Accountants\* (江蘇天華大彭會計師事務所), the general manager of Jiangsu Fuhua Engineering Cost Consulting Co., Ltd.\* (江蘇富華工程造價諮詢有限公司), the vice chairman and deputy director of Jiangsu branch of Zhongxinghua Certified Public Accountants Firm (special general partnership)\* (中興華會計師事務所(特殊普通合夥)江蘇分所), and the executive director of Jiangsu Branch of Asia Pacific (Group) Certified Public Accountants Firm (special general partnership)\* (亞太(集團)會計師事務所(特殊普通合夥)江蘇分所), etc. He has been serving as the executive director of Jiangsu branch of Lianda Certified Public Accountants Firm (special general partnership)\* (利安達會計師事務所(特殊普通合夥)江蘇分所) since September 2023. He has been an independent director of Zhejiang Hengtong Holding Co., Ltd.\* (浙江亨通控股股份有限公司) (a company listed on the Shanghai Stock Exchange with stock code 600226.SH) since December 2022.

### **Lu Kun 魯琨, 49**

*Chairman of the Compliance Committee, and member of the Nomination Committee*

*Appointed to the Board: December 2024*

*Joined the Group: December 2024*

Ms. Lu graduated from Zhongnan University of Economics and Law\* (中南財經政法大學) with a major in economic law in September 1997, and obtained a master's degree in law from Wuhan University\* (武漢大學) in September 2004. From July 2005 to September 2016, she served as general manager of the Wuhan branch of Industrial Bank Co., Ltd.. From June 2017 to January 2019, she served as general manager of Horizon Consulting Pty Ltd, and from January 2019 to present, she has served as deputy general manager of Metro Healthcare and Social Infrastructure Pty Ltd.

### **Yang Jin 楊勁, 55**

*Member of the Remuneration and Appraisal Committee*

*Appointed to the Board: September 2025*

*Joined the Group: September 2025*

Dr. Yang obtained his bachelor, master, and doctoral degrees in pharmacology from China Pharmaceutical University\* (中國藥科大學) during the period from July 1993 to December 2008. Dr. Yang has served as a teaching assistant, lecturer, associate professor and professor at China Pharmaceutical University since July 1993.

## DIRECTORS AND SENIOR MANAGEMENT

### SENIOR MANAGEMENT

#### **Xu Baohong 許寶紅, 47**

Mr. Xu has been the financial director of the Company since November 2020. Mr. Xu's main work experience includes: from June 2004 to May 2011, he served as the head of financial department and other positions of Shanghai Gas (Group) Co., Ltd.\*; from May 2011 to April 2013, he served as the research director of Shanghai Homey Asset Management Co., Ltd.\*; from April 2013 to February 2020, he served as the general manager and research director of Shanghai Shizhen Investment Management Centre (General Partnership)\*; from February 2020 to November 2020, he served as the head of strategic investment department of the Company. Mr. Xu graduated from Shanghai University of Finance and Economics in 2004 and obtained a bachelor's degree in economics and a master's degree in management.

#### **Wang Zhengyu 王征宇, 30**

Mr. Wang has been the secretary to the Board, joint company secretary and authorized representative of the Company since April 2024. He was the securities affairs representative of the Company from March 2021 to April 2024. From May 2019 to March 2021, he served as the manager of the securities department of the Company. Mr. Wang has previously worked in the securities legal affairs department of Jiangsu Hengrui Medicine Co., Ltd.\* (江蘇恒瑞醫藥股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600276). Mr. Wang graduated from Tongji University with Juris master and has obtained the national legal professional qualification and the qualification to serve as a secretary to the board of directors of a company listed on the STAR Market of the Shanghai Stock Exchange.

#### **Other Senior Management Team**

Our senior management also include Dr. Zou Jianjun (chief executive officer and general manager), Mr. Li Cong (co-chief executive officer), Mr. Zhang Zhuobing, Dr. Yao Sheng, and Dr. Wang Gang. Please see "—Executive Directors" above for biographical details of Dr. Zou Jianjun, Mr. Li Cong, Mr. Zhang Zhuobing, Dr. Yao Sheng and Dr. Wang Gang.

### JOINT COMPANY SECRETARIES

#### **Wang Zhengyu 王征宇**

See "—Senior Management" above for biographical details of Mr. Wang Zhengyu.

#### **Lai Siu Keun 黎少娟**

Ms. Lai is a Director of Corporate Services of Tricor Services Limited, an Asia's leading business expansion specialist specializing in integrated Business, Corporate and Investor Services. Ms. Lai has over 20 years of experience in the corporate secretarial field. She has been providing professional corporate services to Hong Kong listed companies as well as multinational, private and offshore companies. Ms. Lai is a Chartered Secretary and a Fellow of both The Hong Kong Institute of Chartered Secretaries and The Chartered Governance Institute (formerly The Institute of Chartered Secretaries and Administrators).

# CORPORATE GOVERNANCE REPORT

## CORPORATE GOVERNANCE PRACTICES

The Board is committed to achieving high corporate governance standards.

The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has applied the CG Code contained in Appendix C1 of the Listing Rules of the Stock Exchange as the basis of the Company's corporate governance practices.

The Company also has a corporate governance framework in place and has established a set of policies and procedures based on the CG Code. Such policies and procedures provide the infrastructure for enhancing the Board's ability to implement governance and exercise proper oversight on business conduct and affairs of the Company.

The Board is of the view that throughout the Reporting Period, the Company has complied with all the applicable principles and code provisions as set out in the CG Code.

The amendments to the CG Code came into effect on 1 July 2025 and the requirements under the new CG Code will apply to the corporate governance reports and annual reports of the Company for the financial years commencing on or after 1 July 2025. The Company will continue to review and enhance the corporate governance practices to ensure compliance with the new CG Code and align with the latest developments.

## MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors' securities transactions.

Specific enquiry has been made of all the Directors and they have confirmed that they have complied with the Model Code throughout the Reporting Period.

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

## BOARD OF DIRECTORS

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

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

# CORPORATE GOVERNANCE REPORT

## Board Composition

The Board currently comprises fourteen Directors, consisting of eight Executive Directors, one Non-executive Director and five Independent Non-executive Directors. The details of the Board composition are as follows:

### ***Executive Directors***

Mr. Xiong Jun (Chairman and Legal Representative)  
Dr. Li Ning (Vice Chairman)  
Dr. Zou Jianjun (Chief Executive Officer and General Manager)  
Mr. Li Cong (Co-Chief Executive Officer)  
Mr. Zhang Zhuobing  
Dr. Yao Sheng  
Dr. Wang Gang  
Dr. Li Xin

### ***Non-executive Director***

Mr. Tang Yi

### ***Independent Non-executive Directors***

Mr. Zhang Chun  
Dr. Feng Xiaoyuan  
Mr. Li Zhongxian  
Ms. Lu Kun  
Dr. Yang Jin (appointed with effect from 29 September 2025)  
Dr. Yang Yue (resigned with effect from 29 September 2025)

The biographical information of the Directors are set out in the section headed "Directors and Senior Management" on pages 50 to 57 of this annual report.

None of the members of the Board is related to one another.

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

Apart from regular Board meetings, the Chairman also held one meeting with the Independent Non-executive Directors without the presence of other Directors.

# CORPORATE GOVERNANCE REPORT

## **Chairman, Vice Chairman, Chief Executive Officer and Co-Chief Executive Officer**

The position of Chairman and Vice Chairman are held by Mr. Xiong Jun and Dr. Li Ning. The positions of Chief Executive Officer and Co-Chief Executive Officer are held by Dr. Zou Jianjun and Mr. Li Cong, respectively. The Chairman and Vice Chairman provide leadership and are responsible for the effective functioning and leadership of the Board, the overall management of the Company, implementing decisions of the Company and its operations, overseeing the Group's regulatory and commercial suitability and sustainability. The Chief Executive Officer and Co-Chief Executive Officer focus on the Company's business development and daily management and operations, and are also responsible for formulating business strategies, managing operations of the Group, as well as overseeing the Group's regulatory and commercial suitability and sustainability.

## **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 more than one-third of the Board with two of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

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

## **Appointment and Re-election of Directors**

Code provision B.2.2 of the CG Code stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

In accordance with the Articles of Association of the Company, every term of a Director is three years. Upon expiration of the term, a Director is eligible to re-election and re-appointment by shareholders at the general meeting of the Company.

Each of the newly appointed Directors has obtained legal advice from a firm of solicitors qualified to advise on Hong Kong law as regards the requirements under the Listing Rules that are applicable to him/her as a Director and the possible consequences of making a false declaration or giving false information to the Stock Exchange.

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

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

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

All Directors, including Non-executive Director and Independent Non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

The Independent Non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board by bringing effective independent judgement on corporate actions and operations in order to give the Company the benefit of their skills, expertise and background.

## CORPORATE GOVERNANCE REPORT

All Directors may, upon request, have full and timely access to all the information of the Company and seek the advice of legal advisers and other independent professional in appropriate circumstances (including to facilitate the identification of any conflict and competition situation, and to facilitate the enforcement of the above mechanisms if any actual or potential conflict or competition arise), at the Company's expenses for discharging their duties to the Company.

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

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

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

### Continuous Professional Development of Directors

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

Every newly appointed Director will receive formal, comprehensive and tailored induction on the first occasion of his appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of director's responsibilities and obligations under the Listing Rules and relevant statutory requirements. During the induction training session attended by Dr. Yang Jin on 29 September 2025, he was provided with legal advice on Hong Kong law as regards the requirements under the Listing Rules that are applicable to them as directors of a listed company, and the possible consequences of making a false declaration or giving false information to the Stock Exchange. Dr. Yang Jin confirmed his understanding of his obligations as a director of a listed company. The Directors will be provided with and are required to receive continuous professional training on corporate governance and directors' duties including, directors' fiduciary duties and duty to avoid conflict, and on identifying potential conflict situation.

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

During the Reporting Period, the Company organized a training session conducted by the lawyers for all Directors, and some Directors also attended various training courses organized by relevant regulatory authorities. The training session covered a wide range of relevant topics, including directors' duties and responsibilities, corporate governance and regulatory updates. In addition, relevant reading materials, including compliance manual/legal and regulatory updates/seminar handouts have been provided to the Directors for their reference and studying.

# CORPORATE GOVERNANCE REPORT

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

Directors	Type of Training <sup>Note</sup>
<b>Executive Directors</b>	
Mr. Xiong Jun	A/B
Dr. Li Ning	A/B
Dr. Zou Jianjun	A/B
Mr. Li Cong	A/B
Mr. Zhang Zhuobing	A/B
Dr. Yao Sheng	A/B
Dr. Wang Gang	A/B
Dr. Li Xin	A/B
<b>Non-executive Director</b>	
Mr. Tang Yi	A/B
<b>Independent Non-executive Directors</b>	
Mr. Zhang Chun	A/B
Dr. Feng Xiaoyuan	A/B
Mr. Li Zhongxian	A/B
Ms. Lu Kun	A/B
Dr. Yang Jin (appointed with effect from 29 September 2025)	A/B
Dr. Yang Yue (resigned with effect from 29 September 2025)	A/B

*Note:*

*Types of Training*

*A: Attending training sessions, including but not limited to briefings, seminars, conferences and workshops*

*B: Reading materials relevant to corporate governance, director's duties and responsibilities and other relevant rules and ordinances*

## BOARD COMMITTEES

During the Reporting Period, the Board has established five Board committees, namely, the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee, the Strategic Committee and the Compliance Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with specific written terms of reference which state clearly their authorities and duties. The terms of reference of the Audit Committee, Remuneration and Appraisal Committee, Nomination Committee, the Strategic Committee and the Compliance Committee are published on the Company's website and the Stock Exchange's website.

## CORPORATE GOVERNANCE REPORT

### Audit Committee

The Audit Committee consists of two Independent Non-executive Directors, namely Mr. Zhang Chun (chairman of the Audit Committee) and Mr. Li Zhongxian, and one Non-executive Director, namely Mr. Tang Yi. Mr. Zhang Chun holds the appropriate professional qualifications as required under Rule 3.10(2) of the Listing Rules.

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

The Audit Committee held four meetings during the Reporting Period to review, in respect of the Reporting Period, the quarterly, interim and annual financial results and reports and significant issues on the financial reporting, operational and compliance controls, the effectiveness of the risk management and internal control systems and internal audit function, appointment of external auditors and engagement of non-audit services and relevant scope of works and, connected transactions and arrangements for employees to raise concerns about possible improprieties. The Audit Committee also met the external auditors during the Reporting Period without the presence of the Executive Directors.

### Remuneration and Appraisal Committee

The Remuneration and Appraisal Committee consists of three Independent Non-executive Directors, namely Mr. Zhang Chun (chairman of the Remuneration and Appraisal Committee), Dr. Feng Xiaoyuan and Dr. Yang Jin, and two Executive Directors, namely Mr. Xiong Jun and Dr. Zou Jianjun.

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

The Remuneration and Appraisal Committee held four meetings during the Reporting Period to review and make recommendation to the Board on the remuneration policy, the share option incentive schemes and the remuneration packages of the Directors and senior management and other related matters, and submit the same to the Board for consideration. The Remuneration and Appraisal Committee considers that the Company's implementation of the 2025 A Share Option Incentive Scheme and the 2025 H Share Option Incentive Scheme during the Reporting Period has helped strengthen and refine the Group's incentive framework, enhance the motivation of the Company's Directors, senior management and the Group's employees, and better align the interests of the Company and its Shareholders with those of the scheme participants, thereby supporting the Group's long-term development and strategic objectives. For matters relating to share option incentive schemes that were reviewed and/or approved by the Remuneration and Appraisal Committee during the Reporting Period, please refer to the sections headed "2025 A Share Option Incentive Scheme" and "2025 H Share Option Incentive Scheme" set out in the Report of the Directors of this annual report.

Details of the remuneration of the senior management by band are set out in note 12 to the consolidated financial statements for the Reporting Period.

# CORPORATE GOVERNANCE REPORT

## Nomination Committee

The Nomination Committee consists of two Independent Non-executive Directors, namely Dr. Feng Xiaoyuan (chairman of the Nomination Committee) and Ms. Lu Kun, and one Executive Director, namely Mr. Xiong Jun.

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 structure, size and composition of the Board, assessing the independence of Independent Non-executive Directors and making recommendations to our Board on matters relating to the appointment of Directors and engagement of the senior management.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Board Diversity Policy. The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure the effectiveness of the policy.

The Nomination Committee held one meeting during the Reporting Period to express opinions on the qualifications and requirements of the Director to be appointed and the senior management to be engaged by the Board. With regards to the appointment of Dr. Yang Jin during the Reporting Period, the Nomination Committee followed the procedures set out in the Director Nomination Policy and considered, including but not limited to, the qualifications and experience of candidates. The Nomination Committee considered that an appropriate balance of diversity perspectives of the Board is maintained.

## Board Diversity Policy

The Company has adopted a Board Diversity Policy which sets out the approach to achieve diversity of the Board and is available on the website of the Company.

With a view to achieving a sustainable and balanced development, the Company recognizes board diversity as an essential element in supporting the attainment of its strategic objectives and its sustainable development. All board appointments will be based on meritocracy and candidates will be considered against appropriate criteria, having due regard for the benefits of diversity on the Board.

Pursuant to the Board Diversity Policy, selection of candidates of directors will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service etc. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Nomination Committee will review the Board Diversity Policy and its implementation on an annual basis. The Company has appointed three female Directors during the year ended 31 December 2025. We understand the special importance of gender diversity, as such we will strive to achieve gender diversity of the Board. In selecting and recommending suitable candidates to become members of the Board, the Company will seize opportunities to increase the proportion of female Board members, and promote gender diversity based on Shareholders' expectations and recommended best practices. The Company plans to promote gender diversity in the recruitment of mid- and senior-level employees, so that the Company has more potential female senior management and Board members.

## CORPORATE GOVERNANCE REPORT

Set out below are the gender, age and length of service of the Directors as required to be disclosed by the Company's Board Diversity Policy:

Directors	Gender	Age	Length of Service as Director (Date of Appointment as Director)
<b>Executive Directors</b>			
Mr. Xiong Jun	Male	52	More than 11 years (27 March 2015)
Dr. Li Ning	Male	64	More than 7 years (24 June 2018)
Dr. Zou Jianjun	Female	54	More than 3 years (29 June 2022)
Mr. Li Cong	Male	61	More than 9 years (22 December 2016)
Mr. Zhang Zhuobing	Male	58	More than 9 years (22 December 2016)
Dr. Yao Sheng	Male	50	More than 9 years (22 December 2016)
Dr. Wang Gang	Male	68	More than 2 years (20 October 2023)
Dr. Li Xin	Female	47	More than 2 years (20 October 2023)
<b>Non-executive Director</b>			
Mr. Tang Yi	Male	57	More than 10 years (30 May 2015)
<b>Independent Non-executive Directors</b>			
Mr. Zhang Chun	Male	68	More than 5 years (19 June 2020)
Dr. Feng Xiaoyuan	Male	69	More than 4 years (16 December 2021)
Mr. Li Zhongxian	Male	70	More than 1 year (20 December 2024)
Ms. Lu Kun	Female	49	More than 1 year (20 December 2024)
Dr. Yang Jin (appointed with effect from 29 September 2025)	Male	55	Not more than 1 year (29 September 2025)
Dr. Yang Yue (resigned with effect from 29 September 2025)	Female	53	Not more than 2 years (21 June 2024)

As at 31 December 2025, the Company had 1,431 male employees (49.29%) and 1,472 female employees (50.71%). The Board is satisfied with the gender diversity of our employees and no measurable objective with respect to gender diversity has been adopted as of the date of this report. We will continue to ensure that gender diversity is maintained when recruiting employees at all levels.

# CORPORATE GOVERNANCE REPORT

## Director Nomination Policy

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

The Company has adopted a Director Nomination Policy which sets out the selection procedures 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 Company and the continuity of the Board and appropriate leadership at Board level. The particulars of the Nomination Policy are set out as follows:

1. The Nomination Committee shall take into account factors as set out in the Board Diversity Policy when considering the nomination or re-appointment of a candidate, including but not limited to gender, age, cultural and educational background or professional experience, as well as business model and specific needs of the Company.
2. The Nomination Committee shall follow the below procedures for the selection and appointment of Directors and senior management of the Company:
  - a) actively communicate with relevant departments of the Company to study the Company's demands on Directors and senior management, and compile the written materials;
  - b) extensively search for candidates for Directors and senior management within the Company and in the talent market;
  - c) collect the information about the occupation, academic qualifications, job titles, detailed working experience and all part-time employment of the shortlisted candidates, and compiles the written materials;
  - d) seek the advice of the nominees on the nomination, otherwise such persons shall not be considered as candidates for Directors and senior management;
  - e) convene meetings of the Nomination Committee to examine the qualifications of the shortlisted candidates according to the employment requirements of Directors and senior management;
  - f) submit the recommendations and materials concerning the candidates for Directors before electing new Directors; and submit the recommendations and materials concerning the candidates for new member of senior management before appointment;
  - g) in performing its duties, the Nomination Committee may, if necessary, invite persons with relevant experience and experts from independent professional consulting firms to attend its meetings or convene expert panels; and engage independent professional consulting firms to participate in formulating remuneration plans for Directors and senior management; and
  - h) conduct other follow-up work in accordance with the Board's decisions and response.

# CORPORATE GOVERNANCE REPORT

## Strategic Committee

The Strategic Committee consists of two Independent Non-executive Directors, namely Mr. Zhang Chun and Dr. Feng Xiaoyuan, and three Executive Directors, namely Mr. Xiong Jun (chairman of the Strategic Committee), Dr. Zou Jianjun and Dr. Wang Gang.

The primary functions of the Strategic Committee include considering and making recommendations to the Board in relation to the Company's long-term development strategies and major investment decisions.

The Strategic Committee held one meeting during the Reporting Period to review and discuss the Group's strategic plan and financing plan, and make recommendation to the Board on establishment of appropriate policies and practices in pursuit of the Group's strategic objectives and business plans.

On 13 March 2026, the Strategic Committee of the Company was adjusted to the Strategic and ESG Committee, and the composition remains unchanged.

## Compliance Committee

The Compliance Committee consists of three Independent Non-executive Directors, namely Ms. Lu Kun (chairman of the Compliance Committee), Mr. Zhang Chun and Mr. Li Zhongxian.

The primary function of the Compliance Committee is promoting and guiding compliance management for the Company.

The Compliance Committee held one meeting during the Reporting Period to review the work report related to compliance.

## Corporate Governance Functions

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

The Board had reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and Written Employee Guidelines, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report during the Reporting Period.

# CORPORATE GOVERNANCE REPORT

## ATTENDANCE RECORDS OF DIRECTORS

The attendance record of each Director at the Board and Board Committee meetings and the general meetings of the Company held during the Reporting Period is set out in the table below:

Name of Director	Attendance/Number of Meetings						
	Board	Audit Committee	Remuneration and Appraisal Committee	Nomination Committee	Strategic Committee	Compliance Committee	General Meeting <sup>(1)</sup>
Mr. Xiong Jun (Chairman and Legal Representative)	10/10	-	4/4	1/1	1/1	-	2/2
Dr. Li Ning (Vice Chairman)	10/10	-	-	-	-	-	2/2
Dr. Zou Jianjun (Chief Executive Officer and General Manager)	10/10	-	4/4	-	1/1	-	2/2
Mr. Li Cong (Co-Chief Executive Officer)	10/10	-	-	-	-	-	2/2
Mr. Zhang Zhuobing	10/10	-	-	-	-	-	2/2
Dr. Yao Sheng	10/10	-	-	-	-	-	2/2
Dr. Wang Gang	10/10	-	-	-	1/1	-	2/2
Dr. Li Xin	10/10	-	-	-	-	-	2/2
Mr. Tang Yi	10/10	4/4	-	-	-	-	2/2
Mr. Zhang Chun	10/10	4/4	4/4	-	1/1	1/1	2/2
Dr. Feng Xiaoyuan	10/10	-	4/4	1/1	1/1	-	2/2
Mr. Li Zhongxian	10/10	4/4	-	-	-	1/1	2/2
Ms. Lu Kun	10/10	-	-	-	-	1/1	2/2
Dr. Yang Jin (appointed with effect from 29 September 2025)	4/4	-	1/1	-	-	-	-
Dr. Yang Yue (resigned with effect from 29 September 2025)	6/6	-	3/3	1/1	-	-	2/2

Note:

- (1) During the Reporting Period, the Company convened two general meetings (including one annual general meeting and one extraordinary general meeting).

# CORPORATE GOVERNANCE REPORT

## RISK MANAGEMENT AND INTERNAL CONTROLS

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

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

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

The Company has adopted a series of internal control policies, procedures and programs designed to achieve effective and efficient operations, reliable financial reporting and compliance with applicable laws and regulations. Highlights of our internal control systems include the following:

*Scientific and Clinical Medicines Committee* – The Company has established a Scientific and Clinical Medicines Committee comprising our Executive Directors, senior management and certain heads of department, which holds meetings on a monthly basis and is mainly responsible for the overall governance and decision making on drug development investment, strategy and planning of the Company.

*Listing Rules Compliance* – We have adopted various policies to ensure compliance with the Listing Rules, including but not limited to aspects related to corporate governance, connected transactions, notifiable transactions, inside information and securities transactions by the Directors.

*Code of Conduct* – Our code of conduct explicitly communicates to each employee our values and our ground rules for behavior.

All departments conducted internal control assessment regularly to identify risks that potentially impact the business of the Group and various aspects, including key operational and financial processes, regulatory compliance and information security, and ESG risks. Self-evaluation has been conducted annually to confirm that control policies are properly complied with by each department.

The management, in coordination with department heads, assessed the likelihood of risk occurrence, provided treatment plans, monitored the risk management progress, and reported to the Audit Committee and the Board on all findings and the effectiveness of the systems.

The Board had reviewed the risk management and internal control systems, including the financial, operational and compliance controls, for the Reporting Period, and considered that such systems are effective and adequate. The annual review also covered the staff qualifications, experiences, training programmes, budget and relevant resources of the Company's accounting, internal audit, financial reporting and ESG performance and reporting functions, and the Board considers them to be adequate.

The Company has developed its disclosure policy which provides a general guide to the Company's Directors, senior management, officers and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries.

Control procedures have been implemented to ensure that unauthorized access and use of inside information are strictly prohibited.

The Company has engaged an external professional firm for providing the internal audit function and performing independent review of the adequacy and effectiveness of the risk management and internal control systems. The internal audit function examined key issues in relation to the accounting practices and all material controls and provided its findings and recommendations for improvement to the Audit Committee.

# CORPORATE GOVERNANCE REPORT

## DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

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

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

The statement of the independent auditors of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 101 to 104.

## AUDITORS' REMUNERATION

The remuneration paid and payable to the external auditors of the Company in respect of audit services and non-audit services for the Reporting Period amounted to RMB3,320,000 and RMB1,203,000 respectively.

An analysis of the remuneration paid and payable to the external auditors of the Company (including Shanghai and Hong Kong), Messrs. Deloitte Touche Tohmatsu, in respect of audit services and non-audit services for the Reporting Period is set out below:

<b>Service Category</b>	<b>Fees Paid/Payable (RMB)</b>
Audit Services	3,320,000
– Annual Report	3,320,000
Non-audit Services	1,203,000
– Interim Report	1,000,000
– Consulting Service	203,000
	4,523,000

# CORPORATE GOVERNANCE REPORT

## COMPANY SECRETARY

Mr. Wang Zhengyu and Ms. Lai Siu Kuen of Tricor Services Limited, an external services provider, acted as the Company's joint company secretaries for the Reporting Period. The primary contact person of Ms. Lai Siu Kuen at the Company is Mr. Wang Zhengyu, secretary of the Board.

All Directors have access to the advice and services of the joint company secretaries on corporate governance and board practices and matters.

During the Reporting Period, Mr. Wang Zhengyu and Ms. Lai Siu Kuen have complied with Rule 3.29 of the Listing Rules by taking no less than 15 hours of the relevant professional training.

## SHAREHOLDERS' RIGHTS

The Company engages with Shareholders through various communication channels. The Shareholders' communication policy of the Company is made available on the Company's website. The Board has considered the Shareholders' communication policy of the Company and is satisfied that there are effective channels by which Shareholders can communicate with the Company.

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

### Convening an Extraordinary General Meeting

Shareholders holding 10% or more of the shares of the Company (individually or together with others) shall be entitled to request for an extraordinary general meeting.

The aforesaid Shareholder(s) may sign one or more written request(s) of identical form and substance requesting the Board to convene an extraordinary general meeting and stating the subject of the meeting. Shares held by the above Shareholders shall be calculated as of the date on which the written request is made by the Shareholder(s).

# CORPORATE GOVERNANCE REPORT

## Putting Forward Proposals at Extraordinary General Meetings

When a general meeting is held by the Company, the Board, the Audit Committee or Shareholder(s) who individually or jointly hold at least 1% of the shares of the Company shall have the right to submit new proposals to the Company.

Shareholder(s) who individually or together hold at least 1% of the shares of the Company may propose an extempore proposal 10 days prior to the general meeting by submitting the same to the convener in writing. The convener shall issue a supplemental notice of general meeting within 2 days after receiving the proposed motion specifying the contents of the extempore motion.

Except as provided in the preceding paragraph, the convener shall not amend the proposals specified in the notice of the general meeting nor add new proposals after the notice is despatched.

## Putting Forward Enquiries to the Board

To put forward any enquiries to the Board, Shareholders may send written enquiries to the Company.

## Contact Details

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

### *For H Shareholders*

Address: Tricor Investor Services Limited  
17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong  
(For the attention of the Board of Directors/Company Secretary)  
Fax: +852 2810 8185

### *For A Shareholders*

Address: 16th Floor, Building 7, No. 6, Lane 100, Pingjiaqiao Road, Pudong New Area, Shanghai, China  
(For the attention of the Board of Directors/Company Secretary)  
Post Code: 200126  
Fax: +86 021 6175 7377

For the avoidance of doubt, Shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address, and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law. Shareholders may call the Company at +86 021 6105 8800 for any assistance.

# CORPORATE GOVERNANCE REPORT

## COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

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

During the Reporting Period, the Company amended the Articles of Association at 29 September 2025.

### Policies relating to Shareholders

The Company has in place a Shareholders' communication policy to ensure that Shareholders' views and concerns are appropriately addressed. During the Reporting Period, the Board had conducted the annual review on the implementation and effectiveness of the Shareholder's communication policy and considers it to be effective.

The Company has adopted a policy on payment of dividends pursuant to code provision F.1.1 of the CG Code and details are summarized as follows:

The Company may distribute dividends in the form (or a combination of two or more of the forms) as follows:

- (1) cash;
- (2) shares;
- (3) a combination of cash and shares; and/or
- (4) other means as permitted by the laws, administrative regulations, departmental rules and regulatory rules in the place where the Shares are listed.

When distributing each year's after-tax profits, the Company shall set aside ten percent of its after-tax profits into a statutory reserve fund (except where the fund has reached 50% of its registered capital).

If its statutory reserve fund is not sufficient to make up the losses of the previous year, profits of the current year shall be applied to make up the losses before allocation is made to the statutory reserve fund pursuant to the above provisions.

After allocation of the statutory reserve fund from the after-tax profits, the Company may, upon a resolution passed at the Shareholders' general meeting, allocate discretionary reserve fund from the after-tax profits.

After making up for the losses and making contributions to the reserve fund, any remaining after-tax profits shall be distributed by the Company to the Shareholders in proportion to their respective shareholdings according to the resolutions adopted at the general meeting.

## CORPORATE GOVERNANCE REPORT

The common reserve fund of the Company shall be applied for compensating the losses, expansion of production and operation, or conversion into the capital of the Company. Where the reserve fund is used to cover losses made by the Company, the discretionary reserve fund and statutory reserve fund shall be firstly used. If losses still cannot be covered, the capital common reserve fund can be used according to the relevant provisions. When the statutory common reserve fund is converted into the registered capital of the Company, the balance of the statutory common reserve fund may not fall below 25% of the Company's registered capital prior to such conversions.

Where the general meeting violates the preceding paragraph and decides on the distribution of profits to Shareholders prior to making up the losses of the Company and allocating to the statutory common reserve fund, Shareholders must return the profit so distributed to the Company. The Shareholder, and the responsible Directors and senior management personnel shall make compensation for the loss incurred to the Company.

The Shares held by the Company shall not be entitled to any profit distribution. Where any resolution concerning cash dividends, bonus issue or capitalization of capital reserve fund is passed at a general meeting, the Company shall implement the specific proposals within two months upon conclusion of the meeting.

### **Whistle-blowing Policy (CG code D.2.6)**

The Company has put in place whistleblowing policy which applies to all the directors and employees (including but not limited to permanent, full-time, part-time and contract employees, etc.) of the Group and any parties who deal with the Group (including but not limited to investors, customers, contractors, suppliers, creditors and debtors, etc.). The policy is designed to provide the employees and any external parties with confidential whistleblowing channels to report to the Group the actual or suspected illegal activities and misconducts in corporate financial reporting, internal control or other areas.

### **Anti-Corruption Policy (CG code D.2.7)**

The Group does not tolerate any corruption, bribery, extortion, fraud or money laundering during the course of its business activities. As such, it has formulated an anti-corruption policy (the "**Anti-Corruption Policy**") which prohibits all forms of corruption practice by making reference to the relevant laws and regulations. The Anti-Corruption Policy forms an integral part of the Group's corporate governance framework, which sets out the specific behavioural guidelines that the employees of the Group must follow to combat corruption. The Anti-Corruption Policy is reviewed and updated on a regular basis to align with the applicable laws and regulations as well as the industry best practices.

### **Board Independent Mechanism (CG code B.1.4)**

The Company has established a mechanism to ensure independent views and input are available to the Board. This is achieved by giving directors access to external independent professional advice from legal advisers and auditor, as well as the full attendance of all Independent Non-executive Directors at all the meetings of the Board and its relevant committees held during the Reporting Period. The Board reviews the implementation and effectiveness of the aforementioned mechanisms on an annual basis.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In 2025, the Company attached great importance to and actively promote ESG management, and has consistently integrated sustainability deeply into the core of the Company's strategy and business operations, serving as a strategic compass for enterprise development. We firmly believe that adhering to compliance baselines, focusing on innovative value, and fulfilling social responsibilities are fundamental to achieving long-term, resilient growth and represent the essential commitment of a pharmaceutical company to meet societal expectations and safeguard life and health.

The Company continues to strengthen the ESG governance framework, supervising the management in refining a system characterized by "strategic leadership, structural assurance, and full employee engagement". We have fully incorporated key ESG issues into the Company's overall risk management and decision-making processes. Based on our business characteristics and stakeholder concerns, we have systematically assessed and identified core ESG topics, including corporate governance, compliant operations, innovation-driven growth, product quality, environmental management, employee rights, and accessible healthcare. This ensures that our resources are precisely allocated to critical needs, fostering deep synergy between ESG and our core business.

## I. GOVERNANCE AND COMPLIANCE

In 2025, the Company optimized its governance structure. In accordance with laws, regulations, and regulatory documents, the Board of Supervisors was abolished, and its statutory functions under the Company Law of the People's Republic of China were assumed by the Audit Committee of the Board of Directors. Concurrently, core governance documents, including the Articles of Association, were revised, and the operational mechanisms of the five specialized Board committees were enhanced to ensure scientifically sound and transparent decision-making. The Company upholds the core values of "Quality First, Truth-seeking, Integrity and Compliance, Pursuit of Excellence" and has upgraded its "end-to-end, all-scenario, and all-employee" compliance governance system. By leveraging AI to enhance compliance management and delivering over 60 compliance training sessions – achieving full employee coverage – the Company recorded zero incidents of commercial bribery, unfair competition, or other violations throughout the year, thereby reinforcing the foundation of compliant operations.

## II. INNOVATION AND VALUE CREATION

The Company persists in patient-centric R&D strategy and the development of an integrated global R&D system. In 2025, the Company's core product toripalimab received approval for two additional indications, bringing the total number of approved indications to twelve – all of which have been included in the National Reimbursement Drug List. Multiple pipeline products have entered Phase III clinical trials or marketing application stage. During the Reporting Period, the Company accelerated clinical development of several globally competitive innovative therapeutics, including the PD-1/VEGF bispecific antibody (JS207), EGFR/HER3 ADC (JS212), PD-1/IL-2 fusion protein (JS213), marking the beginning of its global clinical exploration. Over 135 research findings were presented at international academic conferences, and more than 200 research papers were published in leading international journals, underscoring the global competitiveness of China's innovative medicines.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## III. ENVIRONMENT AND SUSTAINABLE OPERATIONS

The Company adheres to the resource utilization policy of “resource conservation, pollution control, compliance with laws, continuous improvement, and green development”. We have promoted ISO 14001 environmental management system certification across all our manufacturing sites. The Company has implemented energy-saving and consumption-reduction projects, such as photovoltaic power generation and steam condensate reuse, to optimize the efficiency of energy and water resource utilization. We strictly control the emissions of waste gas, wastewater, and waste materials, achieving a 100% compliance rate for the disposal of hazardous waste. Through technological innovation and process optimization, we continue to enhance our environmental performance.

## IV. SOCIAL RESPONSIBILITY AND STAKEHOLDER ENGAGEMENT

The Company places high priority on employee rights and development and is committed to building an inclusive talent empowerment system. Throughout the year, it delivered over 300 training sessions, with an average of over 100 training hours per employee. Compensation incentives and career development pathways have been enhanced to protect employees’ legitimate rights and interests. Meanwhile, the Company actively fulfills its social responsibilities by engaging in public welfare initiatives, including primary healthcare support, pro bono medical consultations, and health education programs, promoting equitable access to healthcare and demonstrating its commitment as a responsible corporate citizen.

The Company will steadfastly uphold its philosophy of openness, collaboration, and shared success; maintain strict compliance, deepen innovation-driven development, and fulfill its social responsibilities. It will continuously enhance ESG management and performance to create long-term value for shareholders, employees, patients, partners, and society at large, contribute to the high-quality and sustainable development of the industry, and steadily advance toward its vision of becoming an innovative pharmaceutical company rooted in China with a global footprint.

For details on the Company’s performance in fulfilling its environmental and social responsibilities, please refer to the “Shanghai Junshi Biosciences Co., Ltd. 2025 Environmental, Social and Governance (ESG) Report” disclosed on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)), the website of the Hong Kong Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)), and the official website of the Company ([www.junshipharma.com](http://www.junshipharma.com)).

## REPORT OF THE DIRECTORS

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

### PRINCIPAL ACTIVITIES

The Company is an innovation-driven biopharmaceutical company dedicated to the discovery and development of innovative drugs and their clinical research and commercialization on a global scale.

As of the date of this report, with our outstanding capacity for innovative drug discovery, strong biotechnology R&D capability, and large-scale production capacity, the Group has successfully developed a drug candidate portfolio with tremendous market potential and a well-structured research pipeline. Many of our products have been launched in China or overseas, and we also have “original innovation” targeted drugs.

Details of the principal activities of the principal subsidiaries are set out in note 38 to the consolidated financial statements. There were no significant changes in the nature of the Group’s principal activities during the Reporting Period.

### BUSINESS REVIEW AND RESULTS

A review of the business of the Group during the Reporting Period is provided in “Management Discussion and Analysis” of this annual report. An analysis of the Group’s performance during the Reporting Period using key financial performance indicators is provided in the Financial Review on pages 34 to 46 of this annual report.

The results of the Group for the Reporting Period are set out in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on pages 105 to 106 in the Independent Auditor’s report.

### FINAL DIVIDENDS

The Directors do not recommend a final dividend for the Reporting Period.

### FUTURE AND OUTLOOK

We see it as our mission to benefit patients with world-class and trustworthy innovative drugs, striving to become an innovative pharmaceutical enterprise that operates “in China, for global” for the benefit of human health. In respect of R&D of drugs, we will, on the basis of accelerating the R&D progress and commercialization process of our ongoing pipelines, focus on the development of large molecule drugs, continue to track and conduct exploratory research on potential targets suitable for large molecule drug development, develop new drug candidates, and meanwhile, we will also invest appropriate resources in exploring and developing new drug targets in other fields. Based on independent R&D, we will also consider expanding the product pipelines with coordinated effects through licensing-in and other methods, so as to stay on the forefront of developing innovative drugs. As for production and manufacturing, we uphold quality as our foundation, and will continue to optimize production processes, enhance technical capabilities and strengthen quality control measures. We will also facilitate the in-depth integration and comprehensive upgrade of our production system, and will establish a scalable production system with significant cost advantages, and thus effectively ensure the stable supply of the Company’s products to meet growing market demand. In respect of commercialization, we will continue to improve the establishment of our marketing and commercialization teams and promote our products to offer greater coverage and faster accessibility for patients in collaboration with partners worldwide.

# REPORT OF THE DIRECTORS

## SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

- In January 2026, the Company completed the issuance of the 2026 first tranche of technology innovation bonds with a total amount of RMB1 billion, and received the funds on 26 January 2026.
- In February 2026, the indications of toripalimab for the first-line treatment of NPC and the first-line treatment of ESCC were officially approved for marketing in Oman and Qatar.
- In March 2026, the NDAs for JS001sc for 12 indications in the treatment of tumors were accepted by the NMPA.

## RESEARCH AND DEVELOPMENT ACTIVITIES OF CORE PRODUCTS

Further details of the development of toripalimab, the Company's core product, are set out in "Management Discussion and Analysis" of this annual report.

## INDUSTRY COMPETITION LANDSCAPE AND DEVELOPMENT TREND

The Company is an innovation-driven biopharmaceutical company dedicated to the discovery and development of innovative drugs and their clinical research and commercialization on a global scale. With distinguished capability of innovative drug discovery, advanced biotechnological R&D, large-scale production capacity throughout the whole industry chain, and rapidly expanding drug candidate portfolio with tremendous market potential, the Company has a leading edge in the emerging field of immuno-oncology and for the treatment of autoimmune and metabolic diseases.

The R&D model of innovative drugs includes independent R&D, licensing from other innovative drug companies or other forms of cooperative R&D. Most of the Company's IND and products in later stages are independently developed through its proprietary whole industry chain platform, and includes the first domestic anti-PD-1 monoclonal antibody approved for marketing in both China and the United States, the world's first anti-BTLA monoclonal antibody approved for clinical trials, and etesevimab, and the first domestic drug for the treatment of COVID-19 which received Emergency Use Authorization (EUA) in Europe, the United States and other overseas countries and regions. As of the date of this report, the Company has an extensive and well-structured research pipeline, as well as "original innovation" targeted drugs, which reflect the excellent innovative drug R&D capabilities of the Company, one of the few companies in China that has the potential to develop revolutionary drugs. The market value of the Company is at the forefront among comparable companies, reflecting the high market recognition for the Company.

China's pharmaceutical industry is transitioning from "scale-based imitation" to "value-driven innovation", with the fourfold synergy in terms of policy, capital, technology, and internationalization, propelling China from a major pharmaceutical producer toward becoming an innovation powerhouse. In the face of international inflation and geopolitical risks, domestic pharmaceutical policy changes and competition, innovative drug companies have to combine the characteristics of their products with R&D strategies that are in line with their resource endowments to achieve greater success in the commercialization stage. Based on the current situation of the domestic and international environment, the development trend of China's pharmaceutical industry is as follows:

- Internationalization: from "selling products" to "selling capabilities": Products going global remains the main trajectory, but the forms are becoming more diverse. This includes both one-time high-value licensing deals, packaging entire early-stage pipelines for multinational pharmaceutical companies, or splitting overseas rights into different regions for separate collaborations.

## REPORT OF THE DIRECTORS

- **Digitalization:** AI is no longer just an “accelerator for experiments” but now runs through the entire chain of drug discovery, clinical trials, supply chains, and patient management. Regulatory authorities have simultaneously introduced new guidelines on data compliance and algorithm transparency, setting clear boundaries for enterprises while also providing room for innovation.
- **Faster innovation and more flexible models:** Innovation has evolved from “single-point breakthroughs” to “systematic competition”. Early-stage projects are increasingly going global, with companies no longer waiting until phase III clinical trials to initiate external collaborations. The attitude of the healthcare insurance system toward innovative drugs has noticeably softened, with narrower price reductions in negotiations and shorter hospital access timelines. Capital is becoming more concentrated on leading players, making it easier for high-quality assets to secure funding. New molecular entities and mechanisms such as bispecific antibodies, ADCs, small nucleic acids, and gene editing will receive greater attention.
- **Compliance and regulation: from “passive response” to “active governance”:** Pharmaceutical companies are placing greater emphasis on compliance, embedding compliance reviews into every stage of project initiation, procurement, sales, and clinical operations. Under heightened scrutiny, gray areas are rapidly shrinking, with transparency and openness becoming the consensus.

Overall, China’s pharmaceutical industry is marked by a distinct characteristic of “coexistence of hot and cold, and the replacement of old with new”: on one hand, traditional businesses are contracting and being phased out; on the other hand, new technologies, models, and markets are growing rapidly. While policies have drawn stricter boundaries, they have also opened up broader opportunities. To achieve rapid growth in the next phase, enterprises must simultaneously focus on the five main areas: innovation, quality, compliance, digitalization, and internationalization.

# REPORT OF THE DIRECTORS

## MAJOR CUSTOMERS AND SUPPLIERS

For the Reporting Period,

- (i) the Group's purchases with the five largest suppliers (non-capital in nature) accounted for less than 30% of its total non-capitalized purchases (2024: less than 30%); and
- (ii) the Group's largest customer accounted for 32.14% (2024: 28.11%) of its total pharmaceutical sales and licensing income and the Group's five largest customers accounted for 67.15% (2024: 65.21%) of its total pharmaceutical sales and licensing income.

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

## PROPERTY, PLANT AND EQUIPMENT

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

## SUBSIDIARIES

Details of the major subsidiaries of the Company as of 31 December 2025 are set out in note 38 to the consolidated financial statements.

## SHARE CAPITAL

Details of movements in the share capital of the Company during the Reporting Period are set out in note 32 to the consolidated financial statements.

As of 31 December 2025, 1,026,689,871 Shares were in issue (comprising 260,295,700 H Shares and 766,394,171 A Shares).

## RESERVES

Details of movements in the reserves of the Group during the Reporting Period are set out in the consolidated statement of changes in equity to the consolidated financial statement.

## DISTRIBUTABLE RESERVES

As at 31 December 2025, the Company did not have any distributable reserves.

## BANK AND OTHER BORROWINGS

Particulars of bank and other borrowings of the Group as at 31 December 2025 are set out in note 25 to the consolidated financial statements.

## REPORT OF THE DIRECTORS

### 2025 A SHARE OPTION INCENTIVE SCHEME

On 2 September 2025, the Board resolved to approve the 2025 A Share Option Incentive Scheme. The 2025 A Share Option Incentive Scheme was approved and adopted by the Shareholders at the 2025 first extraordinary general meeting of the Company held on 29 September 2025.

The 2025 A Share Option Incentive Scheme is established for the purpose of further refining and enhancing the Company's long-term incentive framework. The 2025 A Share Option Incentive Scheme is designed with the primary objectives of: (i) attracting and retaining individuals possessing exceptional qualifications and capabilities; (ii) fully stimulating and maximizing the motivation and initiative of employees of the Company and its subsidiaries; and (iii) effecting a close alignment of the interests of the shareholders, the Company, and the core team members. The 2025 A Share Option Incentive Scheme is intended to promote a unified and sustained focus on the long-term development of the Company, thereby ensuring that the interests of all relevant parties are aligned. The implementation of the 2025 A Share Option Incentive Scheme shall be conducted in a manner that safeguards the legitimate rights and interests of the Shareholders and adheres to the principle that remuneration and incentives shall be commensurate with the individual contributions made by the participants to the Company.

A summary of the 2025 A Share Option Incentive Scheme is set out below:

- (a) The participants of the 2025 A Share Option Incentive Scheme may include the Directors, senior management and employees of the Company and its subsidiaries. The Board of Directors shall draft a list of eligible participants within the defined scope, which shall be verified and confirmed by the Board of Supervisors (or a supervisory authority in the case that the Board of Supervisors has been cancelled).
- (b) In the first grant under the 2025 A Share Option Incentive Scheme (the "**First Grant**") on 29 September 2025, 25,150,000 A Share Options were granted to 235 participants, including 234 participants who are employees of the Group and not connected persons of the Company, and Mr. Xiong Jun, an executive Director and a substantial shareholder.
- (c) The list of participants eligible for the reserved grant (the "**Reserved Grant**") under the 2025 A Share Option Incentive Scheme shall be determined within 12 months from the 2025 first extraordinary general meeting, otherwise such reserved grant shall lapse. The participants for the reserved grant under the 2025 A Share Option Incentive Scheme may include Directors, senior management and employees whom the Board of Directors determines to be eligible, but do not include Independent Non-executive Directors, Supervisors, Shareholders or actual controllers holding individually or collectively more than 5% of the Shares, along with their spouses, parents, and children. For the avoidance of doubt, the participants of the reserved grant of the 2025 A Share Option Incentive Scheme will not include Mr. Xiong and the Grantees who will be granted H Share Options under the conditional grant of the 2025 H Share Option Incentive Scheme. The criteria for determining the list of participants eligible for the Reserved Grant under the 2025 A Share Option Incentive Scheme shall be based on the same standards as those for the First Grant under the 2025 A Share Option Incentive Scheme.
- (d) The source of the underlying shares of the 2025 A Share Option Incentive Scheme shall be treasury shares and/or new A Shares to be specifically issued to the participants.

## REPORT OF THE DIRECTORS

As at the date of this report, the Company has a total of 1,025,874,000 issued Shares (excluding treasury shares), comprising 765,578,300 A Shares and 260,295,700 H Shares. The number of underlying A Shares in respect of the A Share Options proposed to be granted under the 2025 A Share Option Incentive Scheme is 26,175,871, representing approximately 2.55% of the total issued Shares of the Company (excluding treasury shares) as at the date of this report, among which, (i) the first grant of A Share Options consists of 25,360,000 A Shares (the “**First Grant of A Share Options**”), representing approximately 2.47% of the total issued Shares of the Company (excluding treasury shares) and 96.88% of the total number of A Share Options under the Grant of A Share Options; (ii) the reserved grant of A Share Options consists of 815,871 A Shares (the “**Reserved Grant of A Share Options**”), representing approximately 0.08% of the total issued Shares of the Company (excluding treasury shares) and 3.12% of the total number of A Share Options under the Grant of A Share Options as at the date of this report. The total number of A Share Options to be granted under the 2025 A Share Option Incentive Scheme was adjusted from 26,175,871 to 25,965,871 pursuant to the resolution of the Board. For further details, please refer to the announcement of the Company dated 29 September 2025.

- (e) The total number of Shares to be granted to any participant under the 2025 A Share Option Incentive Scheme shall not exceed 1% of the total issued Shares of the Company (excluding treasury shares).
- (f) The validity period of the 2025 A Share Option Incentive Scheme commences on the date of the First Grant of A Share Options (i.e., 29 September 2025) and ends on the date on which all A Share Options granted to the participants have been exercised or cancelled. Such validity period shall not exceed 48 months.
- (g) The A Share Options granted to the participants are subject to different vesting periods, all calculated from the respective grant dates. The vesting periods for the First Grant of A Share Options are 12 months or 24 months from the grant date of the First Grant of A Share Options. The vesting periods for the Reserved Grant of A Share Options are 12 months or 24 months from the grant date of the Reserved Grant of A Share Options. During the vesting periods, the A Share Options granted to the participants may not be transferred, used as collateral, or used to repay debts.

## REPORT OF THE DIRECTORS

- (h) Upon the fulfillment of conditions of the exercise of the A Share Options, the A Share Options are exercisable in two tranches upon expiry of 12 months from the grant date.

The exercise arrangements for the First Grant of A Share Options is as follows: (1) the first exercise period (50% of the A Share Options granted) commencing from the first trading day after the expiry of the 12th month from the grant date of the First Grant of A Share Options, and ending on the last trading day of the 24th month from the grant date of the First Grant of A Share Options; (2) the second exercise period (50% of the A Share Options granted) commencing from the first trading day after the expiry of the 24th month from the grant date of the First Grant of A Share Options, and ending on the last trading day of the 36th month from the grant date of the First Grant of A Share Options.

The exercise arrangements for the Reserved Grant of A Share Options is as follows: (1) first exercise period (50% of the A Share Options granted) commencing from the first trading day after the expiry of the 12th month from the grant date of the Reserved Grant of A Share Options, and ending on the last trading day of the 24th month from the grant date of the Reserved Grant of A Share Options; (2) second exercise period (50% of the A Share Options granted) commencing from the first trading day after the expiry of the 24th month from the grant date of the Reserved Grant of A Share Options, and ending on the last trading day of the 36th month from the grant date of the Reserved Grant of A Share Options.

A Share Options for which the exercise conditions are not fulfilled during the above agreed period shall not be exercised or deferred to the next exercise period, and the relevant A Share Options of such participants shall be cancelled by the Company in accordance with the principles stipulated in the 2025 A Share Option Incentive Scheme. After the end of each exercise period of the A Share Options, the A Share Options exercisable by the participants for the current period that have not been exercised shall be terminated and cancelled by the Company.

- (i) The exercise price of A Share Options for the First Grant of A Share Options under the 2025 A Share Option Incentive Scheme is RMB46.67 per A Share. As such, the participants have the right to purchase A Shares at a price of RMB46.67 per A Share after satisfying the conditions of the grant of the A Share Options and exercise conditions. There is no amount payable on application or acceptance of the option and there is no time requirement for which payments must or may be made.

Pursuant to the STAR Market Listing Rules and the Management Measures for Share Incentives of Listed Companies\* (《上市公司股權激勵管理辦法》), The exercise price of the A Share Options to be granted under the 2025 A Share Option Incentive Scheme shall not be lower than the face value of the Shares, and shall not be lower than the higher of: (1) the average trading price of the A Shares on the trading day preceding the announcement date (i.e., 2 September 2025) of the draft 2025 A Share Option Incentive Scheme, i.e., RMB46.67 per A Share; and (2) the average trading price of the Company's A Shares for the 120 trading days preceding the announcement date of the draft 2025 A Share Option Incentive Scheme, i.e., RMB37.00 per A Share.

The exercise price of the A Share Options granted in the Reserved Grant of A Share Options under the 2025 A Share Option Incentive Scheme is the same as the exercise price of the A Share Options granted in the First Grant of A Share Options, being RMB46.67 per A Share. The Board of Directors shall convene a meeting to review and approve the relevant proposals, and disclose the details of the Reserved Grant of A Share Options.

## REPORT OF THE DIRECTORS

- (j) The A Share Options may only be granted and exercised upon satisfaction of the relevant conditions stipulated in the 2025 A Share Option Incentive Scheme.
- (k) The requirements of black-out for the A Share Options shall be implemented in accordance with the requirements in the PRC Company Law, PRC Securities Law and other relevant laws, regulations, regulatory documents and the Articles of Association.
- (l) In the event of conversion of capital reserve into share capital, bonus issue and share split, rights issue, share consolidation and dividend distribution of the Company during the period from the date of announcement of the draft 2025 A Share Option Incentive Scheme to the completion of registration of exercise of the A Share Options by the participants, the exercise price of A Share Options and/or the number of A Shares subject to A Share Options to be granted under the grant of A Share Options should be adjusted accordingly, but no adjustments may be made to the extent that the exercise price of A Share Options would be lower than the nominal value of the A Shares.

As of 31 December 2025, the 25,150,000 A Share Options under the First Grant has been granted on 29 September 2025. In the process of registration of the A Share Options following the determination of the grant date of the First Grant under the 2025 A Share Option Incentive Scheme, nine participants waived all A Share Options they had been granted, amounting to 450,000 A Share Options in total, for personal reasons. Such A Share Options were not registered and were directly cancelled. Accordingly, the number of participants under the First Grant of A Share Options has been reduced to 226 (including 225 participants who are employees of the Group and not connected persons of the Company, and Mr. Xiong Jun, an executive Director and a substantial shareholder), and the number of A Share Options registered for the First Grant of A Share Options is 24,700,000. No A Share Options were granted under the Reserved Grant. For further details, please refer to the Company's announcement dated 14 November 2025.

The validity period of the 2025 A Share Option Incentive Scheme commenced on the date of the First Grant of A Share Options and ends on the date on which all A Share Options granted to the participants have been exercised or cancelled. Such validity period shall not exceed 48 months. As at 31 December 2025, the maximum remaining life of the 2025 A Share Option Incentive Scheme is approximately 45 months.

## REPORT OF THE DIRECTORS

Details of the movements of the A Share Options during the Reporting Period are as follows:

Name or category of grantee	Date of grant <sup>(1)</sup>	Exercise Period <sup>(2)</sup>	Grant Price (RMB yuan) <sup>(3)</sup>	Number of A Share Options granted	Movement of A Share Options during the Reporting Period					Number of A Share Options that have not been exercised as at 31 December 2025
					Number of A Share Options that have not been exercised as at 1 January 2025	Granted	Exercised	Lapsed	Cancelled	
Xiong Jun (Chairman of the Board and Executive Director)	29 September 2025	29 September 2026 – 28 September 2028	46.67	8,000,000	-	8,000,000	-	-	-	8,000,000
Employees whom the Board of Directors has determined should be incentivized (225 persons)	29 September 2025	29 September 2026 – 28 September 2028	46.67	16,700,000	-	16,700,000	-	-	-	16,700,000
<b>Total</b>				<b>24,700,000</b>	<b>-</b>	<b>24,700,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,700,000</b>

*Notes:*

- (1) The grant of A Share Options under the First Grant was made on 29 September 2025.
- (2) The exercise arrangements for the First Grant of A Share Options is as follows: (1) the first exercise period (50% of the A Share Options granted) commencing from the first trading day after the expiry of the 12th month from the grant date of the First Grant of A Share Options, and ending on the last trading day of the 24th month from the grant date of the First Grant of A Share Options; (2) the second exercise period (50% of the A Share Options granted) commencing from the first trading day after the expiry of the 24th month from the grant date of the First Grant of A Share Options, and ending on the last trading day of the 36th month from the grant date of the First Grant of A Share Options.  
  
The exercise arrangements for the Reserved Grant of A Share Options is as follows: (1) first exercise period (50% of the A Share Options granted) commencing from the first trading day after the expiry of the 12th month from the grant date of the Reserved Grant of A Share Options, and ending on the last trading day of the 24th month from the grant date of the Reserved Grant of A Share Options; (2) second exercise period (50% of the A Share Options granted) commencing from the first trading day after the expiry of the 24th month from the grant date of the Reserved Grant of A Share Options, and ending on the last trading day of the 36th month from the grant date of the Reserved Grant of A Share Options.
- (3) The grant price is RMB46.67 per A Share. The closing price of the A Shares immediately before the grant date is RMB41.00.
- (4) 815,871 A Share Options were reserved under the Reserved Grant. During the Reporting Period, no A Share Options were granted under the Reserved Grant.

The number of A Share Options available for grant under the 2025 A Share Option Incentive Scheme as at 1 January 2025 and 31 December 2025 is nil and 815,871, respectively. The number of A Share Options available for grant under the 2025 A Share Option Incentive Scheme represents 0.08% of the total issued Shares (excluding treasury shares) as at the date of this report.

## REPORT OF THE DIRECTORS

Further details of the 2025 A Share Option Incentive Scheme and the First Grant are set out in the circular dated 5 September 2025 and the announcements dated 2 September 2025, 29 September 2025 and 14 November 2025 of the Company.

### 2025 H SHARE OPTION INCENTIVE SCHEME

On 2 September 2025, the Board resolved to approve the 2025 H Share Option Incentive Scheme. The 2025 H Share Option Incentive Scheme was approved and adopted by the Shareholders at the 2025 first extraordinary general meeting of the Company held on 29 September 2025.

The purposes of establishing the 2025 H Share Option Incentive Scheme are: (1) to provide the Company with a flexible means of attracting, remunerating, incentivising, retaining, rewarding, compensating and/or providing benefits to the participants; (2) to align the interests of participants with those of the Company and Shareholders by providing such participants with the opportunity to acquire proprietary interests in the Company and become Shareholders; and (3) to encourage participants to contribute to the long-term growth, performance and profits of the Company and to enhance the value of the Company and its Shares for the benefit of the Company and Shareholders as a whole.

A summary of the 2025 H Share Option Incentive Scheme is set out below:

- (a) The Participants of the 2025 H Share Option Incentive Scheme include employee Participant(s) and related entity participant(s). The basis of eligibility of any Participants to the grant of any H Share Options shall be determined by the Board or the scheme administrator from time to time. For the avoidance of doubt, the Participants of the 2025 H Share Option Incentive Scheme will not include Mr. Xiong and the 250 employees who will be granted A Share Options under the first grant of the 2025 A Share Option Incentive Scheme.
- (b) The total number of H Shares which may be issued in respect of H Share Option(s) to be granted under the 2025 H Share Option Incentive Scheme and other Shares which may be issued under any other effective share scheme(s) of the Company is up to 10% of the total Shares (excluding treasury shares) in issue as at the adoption date (the “**Scheme Mandate Limit**”).

As at the date of this report, the Company has 1,025,874,000 issued Shares (excluding 815,871 treasury shares). The maximum number of H Shares which may be issued in respect of all H Share Options which may be granted pursuant to the 2025 H Share Option Incentive Scheme, together with the Shares which may be issued in respect of share options and awards which may be granted under any other effective share scheme(s) of the Company (including under the 2025 A Share Option Incentive Scheme) will be 102,587,400 Shares, representing approximately 10% of the total number of Shares in issue (excluding treasury shares) as at the date of this report.

- (c) Subject to early termination by the Board of Directors, the 2025 H Share Option Incentive Scheme shall remain in effect for a period of ten (10) years commencing from the Adoption Date, unless terminated earlier in accordance with the 2025 H Share Option Incentive Scheme Rules.
- (d) The vesting period, being the minimum period for which a H Share Option must be held before it can be exercised, is determined by the Board or the scheme administrator as authorised by the Board, which shall not be less than twelve (12) months, except that H Share Options granted to employee participants may be subject to a shorter vesting period under certain circumstances.

## REPORT OF THE DIRECTORS

- (e) The exercise price of H Share Options shall be such price determined by the Board of Directors or the scheme administrator in its absolute discretion and notified to the participant in the grant letter, provided that the exercise price of H Share Options shall in any event be no less than the highest of: (1) the closing price of the H Shares as stated in the daily quotations sheet issued by the Hong Kong Stock Exchange on the grant date, which must be a business day; and (2) the average closing price of the H Shares as stated in the daily quotations sheets issued by the Hong Kong Stock Exchange for the five business days immediately preceding the grant date. There is no amount payable on application or acceptance of the option and there is no time requirement for which payments must or may be made.

On 2 September 2025, in accordance with the Hong Kong Listing Rules, the Articles of Association and the 2025 H Share Option Incentive Scheme, the Board resolved to conditionally grant a total of 13,210,000 H Share Options to 10 grantees, which took effect upon the 2025 H Share Option Incentive Scheme being approved and adopted by the Shareholders at the 2025 first extraordinary general meeting of the Company held on 29 September 2025. For further details, please refer to the Company's announcement dated 2 September 2025.

The 2025 H Share Option Incentive Scheme shall be valid for a period of ten years commencing from (and including) its date of adoption unless terminated earlier in accordance with rules of the 2025 H Share Option Incentive Scheme.

Details of the movements of the H Share Options during the Reporting Period are as follows:

Name or category of grantee	Date of grant <sup>(1)</sup>	Date of commencement of the exercise period <sup>(2)</sup>	Date of expiry of the exercise period <sup>(2)</sup>	Grant Price (HK\$) <sup>(3)</sup>	Number of H Share Options granted	Movement of H Share Options during the Reporting Period					Number of H Share Options that have not been exercised as at 31 December 2025
						Number of H Share Options that have not been exercised as at 1 January 2025	Granted	Exercised	Lapsed	Cancelled	
Li Ning (Executive Director and Vice Chairman)	2 September 2025	2 September 2026	2 September 2030	32.30	1,200,000	-	1,200,000	-	-	-	1,200,000
Zou Jianjun (Executive Director, Chief Executive Officer and General Manager)	2 September 2025	2 September 2026	2 September 2030	32.30	5,000,000	-	5,000,000	-	-	-	5,000,000
Li Cong (Executive Director and Co-Chief Executive Officer)	2 September 2025	2 September 2026	2 September 2030	32.30	1,200,000	-	1,200,000	-	-	-	1,200,000
Zhang Zhuobing (Executive Director)	2 September 2025	2 September 2026	2 September 2030	32.30	1,200,000	-	1,200,000	-	-	-	1,200,000
Yao Sheng (Executive Director)	2 September 2025	2 September 2026	2 September 2030	32.30	1,200,000	-	1,200,000	-	-	-	1,200,000
Wang Gang (Executive Director)	2 September 2025	2 September 2026	2 September 2030	32.30	1,200,000	-	1,200,000	-	-	-	1,200,000
Li Xin (Executive Director)	2 September 2025	2 September 2026	2 September 2030	32.30	1,200,000	-	1,200,000	-	-	-	1,200,000
Three other employee participants	2 September 2025	2 September 2026	2 September 2030	32.30	1,010,000	-	1,010,000	-	-	-	1,010,000
<b>Total</b>					<b>13,210,000</b>	<b>-</b>	<b>13,210,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,210,000</b>

## REPORT OF THE DIRECTORS

### Notes:

- (1) The grant of H Share Options was conditionally made on 2 September 2025, and took effect upon the 2025 H Share Option Incentive Scheme being approved and adopted by the Shareholders at the 2025 first extraordinary general meeting of the Company held on 29 September 2025.
- (2) All the H Shares Options granted shall vest in two equal installments on each of the first and second anniversaries of the date of the conditional grant (i.e., 2 September 2025). The specific arrangements are as follows: (1) the first batch (50% of the H Share Options granted) on the first anniversary of the date of the conditional grant (i.e., 2 September 2026); (2) the second batch (50% of the H Share Options granted) on the second anniversary of the date of the conditional grant (i.e., 2 September 2027).  
  
Subject to the vesting of the H Share Options, the exercise period of the H Share Options granted shall be not more than five (5) years commencing on the date of the conditional grant.
- (3) The grant price is HK\$32.30 per H Share, which represents the higher of (i) the closing price of the H Shares as stated in the daily quotations sheet issued by the Hong Kong Stock Exchange on the date of conditional grant; or (ii) the average closing price of the H Shares as stated in the daily quotations sheets issued by the Hong Kong Stock Exchange for the five business days immediately preceding the date of the conditional grant. The closing price of the H Shares immediately before the grant date is HK\$32.98.

The number of H Share Options available for grant under the 2025 H Share Option Incentive Scheme as at 1 January 2025 and 31 December 2025 is nil and 64,677,400, respectively. The number of H Share Options available for grant under the 2025 H Share Option Incentive Scheme represents 6.30% of the total issued Shares (excluding treasury shares) as at the date of this report.

Further details of the 2025 H Share Option Incentive Scheme and the conditional grant are set out in the circulars dated 5 September 2025 and 15 September 2025 and the announcement dated 2 September 2025 of the Company.

As at 31 December 2025, the number of shares that may be issued in respect of options and awards granted under all schemes of the Company divided by the weighted average number of shares in issue (excluding treasury shares) for the year is 8.94%.

### EQUITY-LINKED AGREEMENTS

Other than the grant of share options under the 2025 A Share Option Incentive Scheme and the 2025 H Share Option Incentive Scheme, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the Reporting Period or subsisted at the end of the Reporting Period.

### DIRECTORS' BIOGRAPHICAL DETAILS

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

#### *Executive Directors*

Mr. Xiong Jun (*Chairman and Legal Representative*)

Dr. Li Ning (*Vice Chairman*)

Dr. Zou Jianjun (*Chief Executive Officer and General Manager*)

Mr. Li Cong (*Co-Chief Executive Officer*)

Mr. Zhang Zhuobing

Dr. Yao Sheng

Dr. Wang Gang

Dr. Li Xin (elected as an employee representative Director with effect from 29 September 2025 and remains as an executive Director)

## REPORT OF THE DIRECTORS

### *Non-executive Director*

Mr. Tang Yi

### *Independent Non-executive Directors*

Mr. Zhang Chun

Dr. Feng Xiaoyuan

Mr. Li Zhongxian

Ms. Lu Kun

Dr. Yang Jin (appointed with effect from 29 September 2025)

Dr. Yang Yue (resigned with effect from 29 September 2025)

See “Directors and Senior Management” of this annual report for biographical details of Directors and Senior Management of the Company.

### Changes of Information of the Directors

During the Reporting Period, save as disclosed below, the Directors confirmed that there is no information which is discloseable pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules.

As at the date of this report, changes in information since the date of publication of the 2024 Annual Report which are required to be disclosed by the Directors of the Company pursuant to Rule 13.51B(1) of the Listing Rules are set out as below:

### Updated Biographical Details of Directors

Name of Director	Details of Change	Effective Date
Mr. Xiong Jun	Resigned from his positions as the chairman and the general manager of Suzhou TopAlliance	22 August 2025
Dr. Wang Gang	Resigned from his position as an independent director of Obio Technology (Shanghai) Corp., Ltd.* (和元生物技術(上海)股份有限公司)	27 June 2025
Dr. Li Xin	Serving as an employee representative Director	29 September 2025
Ms. Lu Kun	Appointed as the chairman of the Compliance Committee	27 March 2025
	Appointed as a member of the Nomination Committee	29 September 2025
Mr. Li Zhongxian	Appointed as a member of the Compliance Committee	27 March 2025
Mr. Zhang Chun	Appointed as a member of the Compliance Committee	27 March 2025
Dr. Yang Jin	Appointed as a member of the Remuneration and Appraisal Committee	29 September 2025

### Service Agreement

Each of the Directors has entered into a service agreement with the Company for a term of three years, which may be terminated by not less than three months’ notice in writing served by either party to the other.

None of the Directors has a service contract which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

## REPORT OF THE DIRECTORS

### **Abolishment of the Board of Supervisors**

During the Reporting Period, pursuant to the PRC Company Law, the Guidelines for Articles of Association of Listed Companies\* (《上市公司章程指引》), the STAR Market Listing Rules, and other laws, regulations and regulatory documents, the Company ceased to have the Board of Supervisors, with effect from 29 September 2025.

### **Directors' Rights to Acquire Shares or Debentures**

Save as otherwise disclosed in this annual report, none of the Directors or any of their respective associates (as defined in the Listing Rules) was granted by the Company or its subsidiaries any right to acquire shares in, or debentures of, the Company or its subsidiary, or had exercised any such right during the Reporting Period.

### **Competing Interest and Other Interest**

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

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

### **Independence of Independent Non-executive Directors**

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

## **MANAGEMENT CONTRACTS**

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

## **REMUNERATION POLICY**

The Remuneration and Appraisal Committee was set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance of the Directors and senior management and comparable market practices.

## **REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS**

Details of the emoluments of the Directors and five highest paid individuals are set out in note 12 to the consolidated financial statements.

## REPORT OF THE DIRECTORS

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2025, the interests or short positions of the Directors and chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and Hong Kong Stock Exchange pursuant to the Model Code were as follows:

#### Interests in the Company

Name of Director/ Chief Executive	Nature of interests	Class of Shares	Number of Shares/ Underlying Shares <sup>(1)</sup>	Approximate percentage in relevant class of Shares <sup>(1)</sup>	Approximate percentage in total share capital <sup>(1)</sup>
Xiong Jun	Beneficial owner <sup>(2)</sup>	A Shares	95,954,018 (L)	12.52%	9.35%
		H Shares	2,600 (L)	0.00%	0.00%
	Parties acting in concert <sup>(2)</sup>	A Shares	96,126,568 (L)	12.54%	9.36%
	Interest in controlled corporations <sup>(2)</sup>	A Shares	105,413,768 (L)	13.75%	10.27%
Li Ning	Beneficial owner <sup>(3)</sup>	A Shares	50,000 (L)	0.01%	0.00%
		H Shares	1,200,000 (L)	0.46%	0.12%
Zou Jianjun	Beneficial owner <sup>(4)</sup>	H Shares	5,000,000 (L)	1.92%	0.49%
Li Cong	Beneficial owner <sup>(5)</sup>	A Shares	127,020 (L)	0.02%	0.01%
		H Shares	1,200,000 (L)	0.46%	0.12%
Zhang Zhuobing	Beneficial owner <sup>(6)</sup>	A Shares	40,000 (L)	0.01%	0.00%
		H Shares	1,200,000 (L)	0.46%	0.12%
	Interest of spouse <sup>(6)</sup>	A Shares	8,608,000 (L)	1.12%	0.84%
		H Shares	1,202,600 (L)	0.46%	0.12%
	Parties acting in concert <sup>(6)</sup>	A Shares	104,562,018 (L)	13.64%	10.18%
Yao Sheng	Beneficial owner <sup>(7)</sup>	H Shares	1,200,000 (L)	0.46%	0.12%
Wang Gang	Beneficial owner <sup>(8)</sup>	A Shares	10,000 (L)	0.00%	0.00%
		H Shares	1,200,000 (L)	0.46%	0.12%
Li Xin	Beneficial owner <sup>(9)</sup>	A Shares	12,060 (L)	0.00%	0.00%
	Beneficial owner <sup>(9)</sup>	H Shares	1,241,200 (L)	0.48%	0.12%
	Interest in controlled corporations <sup>(9)</sup>	H Shares	41,654 (L)	0.02%	0.00%
Tang Yi	Beneficial owner <sup>(10)</sup>	A Shares	7,774,500 (L)	1.01%	0.76%
	Interest in controlled corporations <sup>(10)</sup>	A Shares	48,184,000 (L)	6.29%	4.69%

## REPORT OF THE DIRECTORS

### Notes:

1. The letter “L” denotes the long position in the Shares, the letter “S” denotes short position in the Shares and the letter “P” denotes lending pool. As at 31 December 2025, the Company had 1,026,689,871 issued Shares, comprising 766,394,171 A Shares and 260,295,700 H Shares.

2. As at 31 December 2025, Mr. Xiong directly held 87,954,018 A Shares and 2,600 H Shares. Pursuant to the 2025 A Share Option Incentive Scheme, he was interested in 8,000,000 A share options.

Pursuant to (i) a concert party agreement dated 25 December 2017 entered into among Mr. Xiong Jun, Mr. Xiong Fengxiang, Suzhou Ruiyuan Shengben Biological Medicine Management Partnership (LP)\* (“**Suzhou Ruiyuan**”), Suzhou Benyu Tianyuan Biological Technology Partnership (LP)\* (“**Suzhou Benyu**”), Shanghai Baoying Asset Management Co., Ltd.\* (“**Shanghai Baoying**”), Meng Xiaojun, Gao Shufang, Zhuhai Huapu Investment Co., Ltd.\* and Zhao Yun (the “**2017 Concert Party Agreement**”), Mr. Xiong Jun was deemed to be interested in the A Shares held by the other parties to the 2017 Concert Party Agreement; and (ii) a concert party agreement dated 26 July 2019 entered into between Mr. Xiong Jun and Ms. Zhou Yuqing (the “**2019 Concert Party Agreement**”), Mr. Xiong Jun was further deemed to be interested in the 21,680,800 A Shares held by the other party to the 2019 Concert Party Agreement as at 31 December 2025 under the SFO; (iii) the entering into of the supplemental agreement to the 2017 Concert Party Agreement (“**Supplemental Agreement**”) and a concert party agreement among Mr. Xiong, Ms. Liu Xiaoling and Ms. Wang Lifang on 11 April 2025 (the “**2025 Concert Party Agreement**”), Suzhou Ruiyuan, Suzhou Benyu and Zhao Yun have ceased to be parties acting in concert with Mr. Xiong Jun, Mr. Xiong Jun has ceased to be interested in the shares held by Suzhou Ruiyuan, Suzhou Benyu and Zhao Yun, and Mr. Xiong has formed a concert party group with Xiong Fengxiang, Shanghai Baoying, Meng Xiaojun, Gao Shufang, Zhuhai Huapu Investment Co., Ltd.\* (the “**New 2017 Concert Party Group**”), and another concert party group with Liu Xiaoling and Wang Lifang (the “**2025 Concert Party Group**”, together with the New 2017 Concert Party Group and 2019 Concert Party Group, the “**New Concert Parties Groups**”). Mr. Xiong Jun was deemed to be interested in an aggregate of 96,126,568 A Shares held by the other members of the New Concert Parties Groups as at 31 December 2025 under the SFO.

As at 31 December 2025, Mr. Xiong Jun (i) was an executive director and was directly interested in 20% of the equity share capital of Shanghai Baoying, which directly held 4,372,144 A Shares; Shanghai Baoying was also a party to the 2017 Concert Party Agreement and was deemed to be interested in the 52,857,624 A Shares held by the New 2017 Concert Party Group other than Mr. Xiong; (ii) was the chairman of the board of directors and was directly interested in 40% of the equity share capital of Shenzhen Qianhai Yuanben Equity Investment Fund Management Co., Ltd.\* (“**Shenzhen Yuanben**”), which was the general partner of each of Suzhou Benyu and Suzhou Ruiyuan, which in turn directly held 4,600,000 A Shares and 43,584,000 A Shares, respectively. Shenzhen Yuanben also held a limited partner interest of approximately 86.28% of Suzhou Benyu. Mr. Xiong Jun was deemed to be interested in an aggregate of 105,413,768 A Shares held by the corporations he controlled under the SFO as at 31 December 2025.

3. As at 31 December 2025, Dr. Li Ning directly held 50,000 A Shares. Pursuant to the 2025 H Share Option Incentive Scheme, he was interested in 1,200,000 H share options.

4. As at 31 December 2025, pursuant to the 2025 H Share Option Incentive Scheme, Dr. Zou Jianjun was interested in 5,000,000 H share options.

5. As at 31 December 2025, Mr. Li Cong directly held 127,020 A Shares. Pursuant to the 2025 H Share Option Incentive Scheme, he was interested in 1,200,000 H share options.

## REPORT OF THE DIRECTORS

6. As at 31 December 2025, Mr. Zhang Zhuobing directly held 40,000 A Shares. Pursuant to the 2025 H Share Option Incentive Scheme, he was interested in 1,200,000 H share options.

Mr. Zhang Zhuobing's spouse, Ms. Liu Xiaoling, directly held 8,608,000 A Shares. Ms. Liu Xiaoling, being a party to the 2025 Concert Party Agreement, is deemed to be interested in the 104,562,018 A Shares and 2,600 H Shares held by the other parties to the 2025 Concert Party Agreement. Ms. Liu Xiaoling is also deemed to be interested in the 1,200,000 H share options held by Mr. Zhang Zhuobing. Mr. Zhang Zhuobing, as the spouse of Ms. Liu Xiaoling is further deemed to be interested in the 104,562,018 A Shares and 2,600 H Shares that Ms. Liu Xiaoling was interested in under the SFO.

7. As at 31 December 2025, pursuant to the 2025 H Share Option Incentive Scheme, Dr. Yao Sheng was interested in 1,200,000 H share options.
8. As at 31 December 2025, Dr. Wang was deemed to be interested in 10,000 A Shares. Pursuant to the 2025 H Share Option Incentive Scheme, he was interested in 1,200,000 H share options.
9. As at 31 December 2025, Dr. Li Xin directly held 12,060 A Shares and 41,200 H Shares. She also indirectly held 41,654 H Shares through an investment fund. Pursuant to the 2025 H Share Option Incentive Scheme, she was interested in 1,200,000 H share options.
10. As at 31 December 2025, Mr. Tang Yi directly held 7,774,500 A Shares. Mr. Tang Yi was a director of and directly interested in 60% of the equity share capital of Shenzhen Yuanben, which was the general partner of each of Suzhou Benyu and Suzhou Ruiyuan. Shenzhen Yuanben also held a limited partner interest of approximately 86.28% of Suzhou Benyu. Therefore, he was deemed to be interested in Shares in which Suzhou Benyu and Suzhou Ruiyuan were interested under the SFO.

Save as disclosed above, as at 31 December 2025, none of the Directors and the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded in the register of the Company required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and Hong Kong Stock Exchange pursuant to the Model Code.

### Interests in Associated Corporations

Save as disclosed above, as at 31 December 2025, none of the Directors and the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded in the register of the Company required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and Hong Kong Stock Exchange pursuant to the Model Code.

## REPORT OF THE DIRECTORS

### Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

As at 31 December 2025, to the best knowledge of the Directors, the following persons/entities (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares of the Company which fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO and recorded in the register required to be kept under Section 336 of the SFO were as follows:

Name of Shareholder	Nature of interests	Class of Shares	Number of Underlying Shares <sup>(1)</sup>	Approximate percentage in relevant class of Shares <sup>(2)</sup>	Approximate percentage in total share capital <sup>(2)</sup>
Xiong Fengxiang 熊鳳祥 <sup>(3)(4)</sup>	Beneficial owner	A Shares	41,060,000 (L)	5.36%	4.00%
Suzhou Ruiyuan Shengben Biological Medicine Management Partnership (LP)* 蘇州瑞源盛本生物醫藥管理合夥企業(有限合夥)	Parties acting in concert	A Shares	112,123,786 (L)	14.63%	10.92%
	Beneficial owner	A Shares	43,584,000 (L)	5.69%	4.25%
Shanghai Baoying Asset Management Co., Ltd* 上海寶盈資產管理有限公司 <sup>(4)</sup>	Beneficial owner	A Shares	4,372,144 (L)	0.57%	0.43%
	Parties acting in concert	A Shares	148,811,642 (L)	19.42%	14.49%
Meng Xiaojun 孟曉君 <sup>(4)</sup>	Beneficial owner	A Shares	4,288,400 (L)	0.56%	0.42%
	Parties acting in concert	A Shares	148,895,386 (L)	19.43%	14.50%
Gao Shufang 高淑芳 <sup>(4)</sup>	Beneficial owner	A Shares	3,789,720 (L)	0.49%	0.37%
	Parties acting in concert	A Shares	149,394,066 (L)	19.49%	14.55%
Zhuhai Huapu Investment Co., Ltd.* 珠海華樸投資有限公司 <sup>(4)</sup>	Beneficial owner	A Shares	3,719,504 (L)	0.49%	0.36%
	Parties acting in concert	A Shares	149,464,282 (L)	19.50%	14.56%
Zhou Yuqing 周玉清 <sup>(5)</sup>	Beneficial owner	A Shares	21,680,800 (L)	2.83%	2.11%
	Parties acting in concert	A Shares	95,954,018 (L)	12.52%	9.35%
Lin Lijun 林利軍 <sup>(6)</sup>	Interest in controlled corporations	A Shares	59,459,326 (L)	7.76%	5.79%
	Founder of discretionary trust	H Shares	15,758,673 (L)	6.05%	1.53%
Shanghai Tanying Investment Partnership (LP)* 上海檀英投資合夥企業(有限合夥) <sup>(6)</sup>	Beneficial owner	A Shares	59,459,326 (L)	7.76%	5.79%
Shanghai Lejin Investment Partnership (LP)* 上海樂進投資合夥企業(有限合夥) <sup>(6)</sup>	Interest in controlled corporations	A Shares	59,459,326 (L)	7.76%	5.79%
Shanghai Zhengxingu Investment Management Co., Ltd.* 上海正心谷投資管理有限公司 <sup>(6)</sup>	Interest in controlled corporations	A Shares	59,459,326 (L)	7.76%	5.79%

## REPORT OF THE DIRECTORS

Name of Shareholder	Nature of interests	Class of Shares	Number of Underlying Shares <sup>(1)</sup>	Approximate percentage in relevant class of Shares <sup>(2)</sup>	Approximate percentage in total share capital <sup>(2)</sup>
Liu Xiaoling 劉小玲 <sup>(7)</sup>	Beneficial owner	A Shares	8,608,000 (L)	1.12%	0.84%
Wang Lifang 王莉芳 <sup>(7)</sup>	Parties acting in concert	A Shares	104,562,018 (L)	13.64%	10.18%
LVC Innovate Limited <sup>(8)</sup>	Beneficial owner	A Shares	8,608,000 (L)	1.12%	0.84%
Jovial Champion Investments Limited <sup>(8)</sup>	Parties acting in concert	A Shares	104,562,018 (L)	13.64%	10.18%
Vistra Trust (Singapore) Pte. Limited <sup>(8)</sup>	Interest in controlled corporations	H Shares	15,758,673 (L)	6.05%	1.53%
Greenland Holdings Corporation Limited 綠地控股集團股份有限公司	Interest in controlled corporations	H Shares	15,758,673 (L)	6.05%	1.53%
Greenland Digital Technology Co., Ltd. 綠地數字科技有限公司	Interest in controlled corporations	H Shares	15,758,673 (L)	6.05%	1.53%
	Interest in controlled corporations	H Shares	51,386,400 (L)	19.74%	5.01%
	Interest in controlled corporations	H Shares	3,000,000 (S)	1.15%	0.29%
	Interest in controlled corporations	H Shares	51,386,400 (L)	19.74%	5.01%
	Interest in controlled corporations	H Shares	3,000,000 (S)	1.15%	0.29%

## REPORT OF THE DIRECTORS

### Notes:

1. The letter "L" denotes the long position in the Shares, the letter "S" denotes short position in the Shares and the letter "P" denotes lending pool.
2. As at 31 December 2025, the Company had 1,026,689,871 issued Shares, comprising 766,394,171 A Shares and 260,295,700 H Shares.
3. As at 31 December 2025, Mr. Xiong Fengxiang directly held 41,060,000 A Shares. Pursuant to the Supplemental Agreement, Mr. Xiong Fengxiang, was deemed to be interested in an aggregate of 112,123,786 A Shares in which the other members of the New 2017 Concert Party Group are interested under the SFO (including the 87,954,018 A Shares directly held by Mr. Xiong Jun, son of Mr. Xiong Fengxiang).
4. Each of them is a party to the 2017 Concert Party Agreement and the Supplemental Agreement, and was therefore deemed to be interested in the A Shares in which the other members of the New 2017 Concert Party Group are interested under the SFO.
5. Ms. Zhou Yuqing is a party to the 2019 Concert Party Agreement, and was therefore deemed to be interested in the A Shares in which Mr. Xiong Jun (who was the other party to the 2019 Concert Party Agreement) are interested under the SFO.
6. As at 31 December 2025, Shanghai Tanying Investment Partnership (LP)\* (上海檀英投資合夥企業(有限合夥)) ("**Shanghai Tanying**") was directly interested in 59,459,326 A Shares. Mr. Lin Lijun was a director and wholly interested in Shanghai Zhengxingu Investment Management Co., Ltd.\* (上海正心谷投資管理有限公司) (formerly Shanghai Shengge Asset Management Co., Ltd.\*) ("**Shanghai Loyal Valley**"), which was the general partner of Shanghai Tanying. Shanghai Loyal Valley was the general partner of Shanghai Lejin Investment Partnership (LP)\* (上海樂進投資合夥企業(有限合夥)) ("**Shanghai Lejin**"), which in turn held 99.99% interest in Shanghai Tanying. Therefore, Mr. Lin Lijun was deemed to be interested in the Shares held by Shanghai Tanying under the SFO. Each of Shanghai Loyal Valley and Shanghai Lejin was deemed to be interested in the 59,459,326 A Shares held by Shanghai Tanying under the SFO.
7. Each of them is a party to the 2025 Concert Party Agreement, and was therefore deemed to be interested in the Shares in which the other parties to the 2025 Concert Party Agreement was interested under the SFO.
8. As at 31 December 2025, Loyal Valley Capital Advantage Fund II LP ("**LVC Fund II**") and LVC Renaissance Fund LP ("**LVC Renaissance Fund**"), directly held 7,842,673 H Shares and 7,916,000 H Shares, respectively. Loyal Valley Capital Advantage Fund II Limited ("**LVC Fund II GP**") was the general partner of LVC Fund II and was deemed to be interested in the H Shares held by it. LVC Renaissance Limited ("**LVC Renaissance GP**") was the general partner of LVC Renaissance Fund and was deemed to be interested in the H Shares held by it. LVC Fund II GP was wholly-owned by LVC Holdings Limited, which was wholly-owned by LVC Management Holdings Limited. Therefore, LVC Management Holdings Limited was deemed to be interested in the H Shares held by LVC Fund II. Each of LVC Fund II GP and LVC Renaissance GP was directly or indirectly controlled by LVC Innovate Limited (previously known as LVC Bytes Limited), which was wholly-owned by Jovial Champion Investments Limited, which was in turn wholly-owned by Vistra Trust (Singapore) Pte. Limited, which was controlled by Mr. Lin Lijun. Therefore, each of LVC Innovate Limited (previously known as LVC Bytes Limited), Jovial Champion Investments Limited and Vistra Trust (Singapore) Pte. Limited was deemed to be interested in the H Shares held by LVC Fund II and LVC Renaissance Fund under the SFO. Vistra Trust (Singapore) Pte. Limited was controlled by Mr. Lin Lijun. Also, Mr. Lin Lijun was deemed to be interested in an aggregate of 15,758,673 H Shares held by LVC Fund II and LVC Renaissance Fund under the SFO.

## REPORT OF THE DIRECTORS

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

In June 2025, the Company allotted and issued an aggregate of 41,000,000 new H shares at the placing price of HK\$25.35 per H share to no less than six placees (the “**Placing**”). The completion of the Placing took place on 20 June 2025. For further details, please refer to the announcements of the Company dated 13 June 2025 and 20 June 2025. As of the end of the Reporting Period, the Company held a total of 815,871 treasury A shares, representing 0.0795% of the total share capital of the Company, which will be used for the purpose of share incentives and/or employee stock ownership plan(s) at an appropriate time in the future. All of such shares have not been cancelled.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities (including any sale of treasury shares) during the Reporting Period. For details on the changes in treasury shares, please refer to the paragraph headed “Treasury Share” in Note 33 to the consolidated financial statements.

### CONNECTED TRANSACTION

During the Reporting Period, the Group did not have any connected transactions that are required to be disclosed under Chapter 14A of the Listing Rules.

### CONTINUING CONNECTED TRANSACTION

During the Reporting Period, the Group did not have any continuing connected transactions that are required to be disclosed under Chapter 14A of the Listing Rules.

### RELATED PARTY TRANSACTIONS

During the Reporting Period, the Group entered into certain transactions with “related parties” as defined under applicable accounting standards. Related party transactions are disclosed in note 37 to the consolidated financial statements. They include the following connected transactions under the Listing Rules:

Compensation to the Directors in note 12 to the consolidated financial statements	They are exempted under Rule 14A.76 or 14A.95 of the Listing Rules
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The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of the above related party transactions.

### DONATIONS

During the Reporting Period, the Group made donations of approximately RMB24 million.

### PRE-EMPTIVE RIGHTS

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

# REPORT OF THE DIRECTORS

## TAX RELIEF AND EXEMPTION (H SHAREHOLDERS)

According to the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法》) and its implementation rules, dividends paid to individuals by PRC companies are generally subject to an individual income tax levied at a flat rate of 20%. For an individual who has no domicile in the PRC and is not resident in the territory of the PRC or who has no domicile in the PRC and has been resident in the territory of the PRC for less than 183 days cumulatively within a tax year, his/her receipt of dividends from a PRC company is normally subject to a PRC withholding tax of 20% unless specifically exempted or reduced by an applicable tax treaty and other tax laws and regulations.

Pursuant to the Notice of the State Administration of Taxation on Issues Concerning Withholding the Enterprise Income Tax on Dividends Paid by Chinese Resident Enterprises to Holders of H Shares who are Overseas Non-resident Enterprises (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外 H 股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897 號)), a PRC resident enterprise, when distributing dividends for 2008 and for the years afterwards to holders of H Shares who are overseas non-resident enterprises, shall withhold the enterprise income tax at a flat rate of 10%.

The Company did not have any distributable profit in 2025. The Company did not pay any dividend. Accordingly, the shareholders of the Company (including the holders of H Shares) are not subject to income tax.

## COMPANY'S COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group is able to comply with relevant requirements of laws, regulations, rules and provisions of the Companies Ordinance, the Hong Kong Listing Rules and SFO in Hong Kong, the PRC Company Law and the STAR Market Listing Rules in the PRC, the Drug Administration Law (《藥品管理法》), the Measures for the Administration of Drug Registration (《藥品註冊管理辦法》) and the Measures for the Supervision over and Administration of Pharmaceutical Production (《藥品生產監督管理辦法》), etc. regarding information disclosure, corporate governance and standard industry operation, etc. during the Reporting Period.

## PERMITTED INDEMNITY PROVISION

As at the date of this report, all Directors were covered under the liability insurance purchased by the Company for its Directors.

## COMPLIANCE OF THE MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. Having made specific enquiry with each of the Directors, they have confirmed that they had complied with such code of conduct throughout the Reporting Period.

## CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance practices. As at the date of this report, the Board comprises eight executive Directors, one non-executive Director and five Independent Non-executive Directors. The Board has adopted the code provisions as set out in the CG Code as its corporate governance code. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 58 to 74 of this annual report.

## REPORT OF THE DIRECTORS

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE

For further details of the Company's environmental, social and governance efforts and performance, please refer to the Environmental, Social and Governance Report on pages 75 to 76 of this report.

### SUFFICIENCY OF PUBLIC FLOAT

The Company has applied for, and Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rule 8.08(1) of the Listing Rules that the minimum public float be reduced and the minimum percentage of the H Shares from time to time held by the public to be the highest of:

- (a) 16%;
- (b) such percentage of H Shares to be held by the public immediately after completion of the Global Offering (assuming the Over-allotment Option is not exercised); or
- (c) such percentage of H Shares to be held by the public after the exercise of the Over-allotment Option,

but the percentage of minimum public float so decided above shall be reduced as a result of any increase in the Company's issued share capital following any issue of A Shares by the Company upon exercise of any Pre-IPO Options and/or the 2018 Convertible Bonds, provided that (i) the market capitalization of the portion of the total number of the Company's issued shares held by the public shall exceed HK\$375 million at the time of the H Share Listing pursuant to Rule 18A.07 of the Listing Rules and (ii) the minimum percentage of public float from time to time shall not be lower than 15.71% of the Company's issued share capital.

Further details of the waiver are set out in the Prospectus.

Based on information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, the Directors confirmed that the Company has maintained the required public float under the above public float waiver granted by Hong Kong Stock Exchange.

### FINANCIAL SUMMARY

A summary of the Group's results, assets and liabilities for the last five financial years (prepared in accordance with IFRS) are set out on page 9 of this annual report. This summary does not form part of the audited consolidated financial statements.

# REPORT OF THE DIRECTORS

## AUDIT COMMITTEE

The Audit Committee consists of two Independent Non-executive Directors, being Mr. Zhang Chun (Chairman) and Mr. Li Zhongxian, and one Non-executive Director, being Mr. Tang Yi. The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of the Group and overseeing the audit process.

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

## AUDITOR

The financial statements for the year ended 31 December 2025 has been audited by Deloitte Touche Tohmatsu. Deloitte Touche Tohmatsu shall retire in the forthcoming AGM and, being eligible, will offer themselves for re-appointment. A resolution to re-appoint Deloitte Touche Tohmatsu as auditor of the Company and to authorize the Directors to fix its remuneration will be proposed at the forthcoming AGM.

## CLOSURE OF THE REGISTER OF MEMBERS OF H SHARES

The date of the AGM and the closure of the register of members of H Shares will be announced in due course.

All references above to other sections, reports or notes in this annual report form part of this report.

By order of the Board of  
**Shanghai Junshi Biosciences Co., Ltd.\***  
**Mr. Xiong Jun**  
*Chairman*

13 March 2026

\* *For identification purpose only*

# INDEPENDENT AUDITOR'S REPORT

## TO THE SHAREHOLDERS OF SHANGHAI JUNSHI BIOSCIENCES CO., LTD.\*

上海君實生物醫藥科技股份有限公司

*(incorporated in the People's Republic of China with limited liability)*

## OPINION

We have audited the consolidated financial statements of Shanghai Junshi Biosciences Co., Ltd.\* 上海君實生物醫藥科技股份有限公司 (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 105 to 228, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("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 ("HKSA") 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 the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

# INDEPENDENT AUDITOR'S REPORT

## Key audit matter

### Cut-off of research and development expenses

The Group incurred significant research and development (“R&D”) expenses of RMB1,383,970,000 as disclosed in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2025. In addition, R&D expenses of RMB291,963,000 were accrued as at 31 December 2025 as set out in Note 24 to the consolidated financial statements. A large portion of these accrued R&D expenses were service fees payable to outsourced service providers including contract research organisations and clinical trial centres (collectively referred to as the “Outsourced Service Providers”).

We identified the cut-off of R&D expenses as a key audit matter due to its significant amount and risk of not accruing R&D costs incurred for services provided by the Outsourced Service Providers in the appropriate reporting period.

## How our audit addressed the key audit matter

Our procedures in relation to the cut-off of R&D expenses included:

- Obtaining an understanding of key controls, management’s basis and assessment in relation to the accrual process of the R&D expenses including service fees paid and payable to Outsourced Service Providers;
- For the service fees paid and payable to contract research organisations, reading the key terms set out in research agreements and evaluating the completion status with reference to the progress reported by the representatives of the relevant contract research organisations, on a sample basis, to determine whether the service fees were recorded based on the respective contract sums and progress achieved; and
- For the service fees paid and payable to clinical trial centres, testing the accrual of the clinical trial related costs, on a sample basis, against the clinical trial data and terms of services.

## OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor’s report thereon.

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

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

## INDEPENDENT AUDITOR'S REPORT

### RESPONSIBILITIES OF DIRECTORS OF THE COMPANY AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with 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 of the Company determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's 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 HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Company.

## INDEPENDENT AUDITOR'S REPORT

- 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 group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine 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 matter. We describe this matter in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Li Jiali (practising certificate number: P08019).

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*

Hong Kong  
13 March 2026

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	NOTES	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
Revenue	5	2,498,420	1,948,317
Cost of sales and services		(522,756)	(498,861)
Gross profit		1,975,664	1,449,456
Other income	6	87,828	101,509
Other gains and losses	7	118,471	(16,101)
Impairment losses (including reversals of impairment losses) on financial assets		3,359	19,726
Research and development expenses		(1,383,970)	(1,275,270)
Selling and distribution expenses		(1,052,990)	(984,554)
Administrative expenses		(519,742)	(547,713)
Share of losses of joint ventures		(54,033)	(13,201)
Share of losses of associates		(62,069)	(21,825)
Other expenses		(24,320)	(19,703)
Finance costs	8	(74,772)	(51,352)
Loss before tax	9	(986,574)	(1,359,028)
Income tax credit (expense)	10	13,881	(22,552)
Loss for the year		(972,693)	(1,381,580)
<b>Other comprehensive expense for the year</b>			
<i>Item that will not be reclassified to profit or loss</i>			
Fair value loss on equity instruments at fair value through other comprehensive income ("FVTOCI")		(6,777)	(21,619)
<i>Item that may be reclassified subsequently to profit or loss</i>			
Exchange differences arising on translation of foreign operations		28	3,749
Other comprehensive expense for the year		(6,749)	(17,870)
Total comprehensive expense for the year		(979,442)	(1,399,450)

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	NOTES	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
<b>Loss for the year attributable to:</b>			
Owners of the Company		(840,910)	(1,282,398)
Non-controlling interests		(131,783)	(99,182)
		<b>(972,693)</b>	<b>(1,381,580)</b>
<b>Total comprehensive expense for the year attributable to:</b>			
Owners of the Company		(847,659)	(1,300,268)
Non-controlling interests		(131,783)	(99,182)
		<b>(979,442)</b>	<b>(1,399,450)</b>
<b>Loss per share</b>			
Basic (RMB yuan)	11	(0.84)	(1.30)
Diluted (RMB yuan)		(0.84)	(1.30)

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2025

		At 31 December	
	NOTES	2025 RMB'000	2024 RMB'000
<b>Non-current assets</b>			
Property, plant and equipment	14	4,819,215	4,163,872
Right-of-use assets	15	468,848	456,500
Intangible assets	16	170,519	120,504
Interests in joint ventures	17	208,478	70,154
Interests in associates	18	299,299	153,181
Deferred tax assets	31	88,309	87,045
Other assets, prepayments and other receivables	21	505,056	461,945
Other financial assets	22	1,381,556	1,003,070
		<b>7,941,280</b>	6,516,271
<b>Current assets</b>			
Inventories	19	573,110	584,471
Trade and bill receivables	20	506,747	509,817
Other assets, prepayments and other receivables	21	162,490	256,820
Other financial assets	22	600,782	430,508
Restricted bank deposits	23	20,575	15,522
Bank balances and cash	23	2,594,000	2,486,679
		<b>4,457,704</b>	4,283,817
<b>Current liabilities</b>			
Trade and other payables	24	1,456,728	1,548,420
Income tax payable		4,769	12,443
Bank borrowings	25	1,262,590	894,601
Deferred income	26	33,700	30,640
Contract liabilities	27	22,184	8,166
Provisions and other liabilities	28	–	9,567
Lease liabilities	29	32,008	30,294
		<b>2,811,979</b>	2,534,131
<b>Net current assets</b>		<b>1,645,725</b>	1,749,686
<b>Total assets less current liabilities</b>		<b>9,587,005</b>	8,265,957

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2025

	NOTES	At 31 December	
		2025 RMB'000	2024 RMB'000
<b>Non-current liabilities</b>			
Other payables	24	30,000	–
Bank borrowings	25	2,793,608	1,979,680
Deferred income	26	133,471	151,273
Contract liabilities	27	93,570	–
Other financial liabilities	30	406,490	158,434
Lease liabilities	29	56,616	26,313
		<b>3,513,755</b>	2,315,700
<b>Net assets</b>		<b>6,073,250</b>	5,950,257
<b>Capital and reserves</b>			
Share capital	32	1,026,690	985,690
Treasury share	33	(30,892)	(30,892)
Reserves		5,051,292	4,923,753
Equity attributable to owners of the Company		<b>6,047,090</b>	5,878,551
Non-controlling interests		<b>26,160</b>	71,706
<b>Total equity</b>		<b>6,073,250</b>	5,950,257

The consolidated financial statements on pages 105 to 228 were approved and authorised for issue by the board of directors on 13 March 2026 and are signed on its behalf by:

**Xiong Jun**  
Director

**Zou Jianjun**  
Director

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	Attributable to owners of the Company											
	Share capital	Treasury share	Share-based					Translation reserve	Accumulated losses	Sub-total	Non-controlling interests	Total
			Share premium	payments reserve	Other reserve	Revaluation reserve						
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
At 1 January 2024	985,690	(26,891)	14,796,560	86,110	512,203	(180,535)	38,467	(9,040,782)	7,170,822	169,386	7,340,208	
Loss for the year	-	-	-	-	-	-	-	(1,282,398)	(1,282,398)	(99,182)	(1,381,580)	
Other comprehensive (expense) income for the year	-	-	-	-	-	(21,619)	3,749	-	(17,870)	-	(17,870)	
Total comprehensive (expense) income for the year	-	-	-	-	-	(21,619)	3,749	(1,282,398)	(1,300,268)	(99,182)	(1,399,450)	
Capital contribution to subsidiaries by non-controlling shareholders	-	-	-	-	-	-	-	-	-	1,502	1,502	
Repurchase of A Shares (Note 33)	-	(4,001)	-	-	-	-	-	-	(4,001)	-	(4,001)	
Lapse of restricted share units under the 2020 restricted A Share Incentive Scheme (RSUs)	-	-	86,110	(86,110)	-	-	-	-	-	-	-	
Other	-	-	-	-	11,998	-	-	-	11,998	-	11,998	
At 31 December 2024	985,690	(30,892)	14,882,670	-	524,201	(202,154)	42,216	(10,323,180)	5,878,551	71,706	5,950,257	

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	Attributable to owners of the Company										
	Share capital	Treasury share	Share-based payments			Other reserve	Revaluation reserve	Translation reserve	Accumulated losses	Non-controlling interests	Total
			premium	reserve	reserve						
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Loss for the year	-	-	-	-	-	-	-	(840,910)	(840,910)	(131,783)	(972,693)
Other comprehensive (expense) income for the year	-	-	-	-	-	(6,777)	28	-	(6,749)	-	(6,749)
Total comprehensive (expense) income for the year	-	-	-	-	-	(6,777)	28	(840,910)	(847,659)	(131,783)	(979,442)
Capital contribution to subsidiaries by non-controlling shareholders	-	-	-	-	-	-	-	-	-	84,634	84,634
H shares issued (Note 32)	41,000	-	908,270	-	-	-	-	-	949,270	-	949,270
Transaction costs attributable to issuance of H shares	-	-	(12,240)	-	-	-	-	-	(12,240)	-	(12,240)
Recognition of equity settled share-based payment expenses-share option (Note 35)	-	-	-	76,456	-	-	-	-	76,456	747	77,203
Others	-	-	-	-	2,712	-	-	-	2,712	856	3,568
At 31 December 2025	1,026,690	(30,892)	15,778,700	76,456	526,913	(208,931)	42,244	(11,164,090)	6,047,090	26,160	6,073,250

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
OPERATING ACTIVITIES		
Loss before tax	<b>(986,574)</b>	(1,359,028)
Adjustments for:		
Depreciation of property, plant and equipment	<b>207,139</b>	213,133
Depreciation of right-of-use assets	<b>49,734</b>	50,649
Amortisation of intangible assets	<b>23,630</b>	20,093
Impairment loss on intangible assets	<b>41,847</b>	–
Write-down of inventories	<b>64,472</b>	112,855
Share-based payment expenses	<b>77,151</b>	–
Bank interest income	<b>(31,885)</b>	(43,630)
Finance costs	<b>74,772</b>	51,352
Government grants related to property, plant and equipment	<b>(16,002)</b>	(9,600)
(Gain) loss from change in fair value of other financial assets measured at fair value through profit or loss (“FVTPL”)	<b>(65,052)</b>	38,620
Gain on deemed disposal of a subsidiary	<b>(1,337)</b>	–
Gain on capital reduction of a joint venture and an associate	<b>–</b>	(2,476)
Gain on deemed disposal of associates	<b>(38,171)</b>	–
Loss on disposal of property, plant and equipment	<b>2,228</b>	809
Other gain	<b>(37,757)</b>	(12,645)
(Gain) loss on termination of leases	<b>(61)</b>	59
Net exchange losses (gains)	<b>21,679</b>	(8,266)
Reversals of impairment losses on financial assets	<b>(3,359)</b>	(19,726)
Reversals of impairment loss of other assets and prepayments	<b>(8,220)</b>	(24,676)
Share of losses of joint ventures	<b>54,033</b>	13,201
Share of losses of associates	<b>62,069</b>	21,825
Operating cash flows before movements in working capital	<b>(509,664)</b>	(957,451)
Increase in inventories	<b>(9,819)</b>	(114,596)
Decrease (increase) in trade and bill receivables	<b>16,098</b>	(7,491)
Decrease (increase) in other assets, prepayments and other receivables	<b>36,778</b>	(25,897)
Decrease in trade and other payables	<b>(152,131)</b>	(167,324)
Increase (decrease) in contract liabilities	<b>107,588</b>	(138,132)
Increase (decrease) in deferred income	<b>1,260</b>	(3,051)
Decrease in provisions and other liabilities	<b>(9,567)</b>	(17,537)
Cash used in operations	<b>(519,457)</b>	(1,431,479)
Income tax paid	<b>(17,185)</b>	(11,362)
Withholding tax refund received	<b>22,128</b>	–
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(514,514)</b>	(1,442,841)

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
<b>INVESTING ACTIVITIES</b>		
Interest received	32,707	44,160
Payments for acquisition of property, plant and equipment	(768,273)	(684,199)
Proceeds on disposal of property, plant and equipment	–	1,865
Payments for acquisition of intangible assets	(26)	(6,789)
Proceeds on transfer of pipelines	13,017	–
Payments for rental deposits	(2,655)	(41)
Release of rental deposits	–	6,350
Placement of restricted bank deposit	(20,575)	(15,522)
Release of restricted bank deposit	15,522	9,521
Investments in joint ventures	(192,500)	(35,000)
Proceeds on disposal of joint ventures	–	39,151
Investment in an associate	(156,290)	(30,000)
Proceeds on disposal of an associate	–	300,000
Proceeds from capital reduction in a joint venture and an associate	–	71,372
Acquisition of other financial assets	(2,767,967)	(2,094,062)
Proceeds on disposal of other financial assets	2,279,539	1,500,720
Repayment from a partner of a joint operation	–	3,900
Receipt of government grants related to property, plant and equipment	–	11,100
Net cash outflow on deemed disposal of a subsidiary (Note 42)	(20,918)	–
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(1,588,419)</b>	<b>(877,474)</b>
<b>FINANCING ACTIVITIES</b>		
Net proceeds from issuance of H shares	939,583	–
Payments for transaction costs for issuance of H Shares	(2,553)	–
New borrowings raised	3,583,540	2,306,749
Repayments of borrowings	(2,397,592)	(1,174,018)
Interest paid	(94,329)	(73,790)
Repayments for lease liabilities	(38,289)	(39,605)
Capital contribution to a subsidiary by non-controlling shareholders	600	1,502
Capital injection received from other limited partners	241,000	–
Payment on repurchase of A Shares	–	(4,001)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>2,231,960</b>	<b>1,016,837</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	129,027	(1,303,478)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	2,486,679	3,778,142
Effect of foreign exchange rate changes	(21,706)	12,015
TOTAL CASH AND CASH EQUIVALENTS AT END OF THE YEAR	2,594,000	2,486,679

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 1. GENERAL

Shanghai Junshi Biosciences Co., Ltd.\* (the “Company”) was established in the People’s Republic of China (the “PRC”) on 27 December 2012 and converted into a joint stock company with limited liability in May 2015. In August 2015, the Company’s domestic shares became listed on the National Equities Exchange and Quotations (“NEEQ”) (stock code: 833330). On 24 December 2018, the Company’s H shares became listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (stock code: 1877). The domestic shares of the Company were delisted from NEEQ since 8 May 2020, and were converted to A shares and listed on the STAR Market of the Shanghai Stock Exchange on 15 July 2020 (stock code: 688180). The Company is ultimately controlled by Mr. Xiong Jun, who is also the Chairman, legal representative and executive director of the Company, and Mr. Xiong Fengxiang, father of Mr. Xiong Jun. The respective addresses of the registered office and principal place of business of the Company are disclosed in the “Corporate Information” section to the annual report.

The principal activities of the Company and its subsidiaries (the “Group”) are mainly discovery, development and commercialisation of innovative drugs.

The consolidated financial statements are presented in Renminbi (“RMB”), which is also the functional currency of the Company.

## 2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

*Amendments to an IFRS Accounting Standard that are mandatorily effective for the current year*

In the current year, the Group has applied the following amendments to an IFRS Accounting Standard as issued by the International Accounting Standards Board (the “IASB”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability
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The application of the amendments to an IFRS Accounting Standard in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS (CONTINUED)

*New and Amendments to IFRS Accounting Standards in issue but not yet effective*

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

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

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027

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

### *IFRS 18 Presentation and Disclosure in Financial Statements*

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

### 3.1 Basis of preparation of consolidated financial statements

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

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

### 3.2 Material accounting policy information

#### *Basis of consolidation*

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group is an investor of a fund in which the Group also acts as a fund manager, the Group determines whether it is a principal or an agent for the purpose of assessing whether the Group controls the relevant fund.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

### 3.2 Material accounting policy information (Continued)

#### *Basis of consolidation (Continued)*

An agent is a party primarily engaged to act on behalf and for the benefit of another party or parties (the principal(s)) and therefore does not control the investee when it exercises its decision-making authority. In determining whether the Group is an agent to the fund, the Group would assess:

- the scope of its decision-making authority over the investee;
- the rights held by other parties;
- the remuneration to which it is entitled in accordance with the remuneration agreements; and
- the decision maker's exposure to variability of returns from other interests that it holds in the investee.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

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

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

### 3.2 Material accounting policy information (Continued)

*Basis of consolidation (Continued)*

#### **Changes in the Group's interests in existing subsidiaries**

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

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

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRS Accounting Standards).

#### **Business combinations**

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

### 3.2 Material accounting policy information (Continued)

*Basis of consolidation (Continued)*

#### **Business combinations (Continued)**

The identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the *Conceptual Framework for Financial Reporting* (the "Conceptual Framework") except for transactions and events within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, in which the Group applies IAS 37 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 *Share-based payment* at the acquisition date (see the accounting policy below);
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Noncurrent Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard; and
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in IFRS 16 *Leases*) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

### 3.2 Material accounting policy information (Continued)

#### *Basis of consolidation (Continued)*

#### ***Business combinations (Continued)***

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net asset.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income and measured under IFRS 9 would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

#### *Revenue from contracts with customers*

Information about the Group's accounting policies relating to revenue from contracts with customers is provided in Notes 5 and 27.

#### *Investments in associates and joint ventures*

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

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

### 3.2 Material accounting policy information (Continued)

#### *Investments in associates and joint ventures (Continued)*

For the investments in associates and joint ventures in ordinary shares and other instruments that are substantively the same as the investee's ordinary shares, the results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The Group does not apply equity method for other financial instruments in an associate or joint venture, including investments in preference shares, which are not substantively the same as the investee's ordinary shares. The Group applies IFRS 9 *Financial Instruments* to such long-term interests and the Group does not take account of any adjustments to the carrying amount of the long-term interests that arise from applying IAS 28. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or the joint venture. Changes in net assets of the associate or joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are provided for, and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

### 3.2 Material accounting policy information (Continued)

#### *Investments in associates and joint ventures (Continued)*

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

When the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss.

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

#### ***Changes in the Group's interests in associates and joint ventures***

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

### 3.2 Material accounting policy information (Continued)

#### *Acquisition of additional interests in associates or joint ventures*

When the Group increases its ownership interest in an associate or a joint venture but the Group continues to use the equity method, goodwill is recognised at acquisition date if there is excess of the consideration paid over the share of carrying amount of net assets attributable to the additional interests in associates or joint ventures acquired. Any excess of share of carrying amount of net assets attributable to the additional interests in associates or joint ventures acquired over the consideration paid are recognised in the profit or loss in the period in which the additional interest are acquired.

#### *Leases*

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

#### ***The Group as a lessee***

Allocation of consideration to components of a contract

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

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

#### Short-term leases and leases of low-value assets

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

### 3.2 Material accounting policy information (Continued)

*Leases (Continued)*

#### ***The Group as a lessee (Continued)***

Right-of-use assets

The cost of right-of-use assets include:

- the amounts of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date, less any lease incentives received; and
- any initial direct costs incurred by the Group.

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

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

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

Refundable rental deposits

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

### 3.2 Material accounting policy information (Continued)

*Leases (Continued)*

#### ***The Group as a lessee (Continued)***

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment whether the risk profile of the entity that enters into the lease is different to that of the Group.

The lease payments include:

- fixed payments (including in-substance fixed payments); and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

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

- the lease term has changed, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for "lease modifications").

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

### 3.2 Material accounting policy information (Continued)

*Leases (Continued)*

#### ***The Group as a lessee (Continued)***

Lease modifications

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

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

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

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use assets. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

#### *Foreign currencies*

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

### 3.2 Material accounting policy information (Continued)

#### *Borrowing costs*

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general bank borrowings. Investment income earned on the temporary investment of specific bank borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### *Government grants*

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

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

#### *Employee benefits*

##### **Retirement benefits costs**

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

##### **Termination benefits**

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

### 3.2 Material accounting policy information (Continued)

*Employee benefits (Continued)*

#### **Short-term employee benefits**

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries) after deducting any amount already paid.

*Equity-settled share-based payment transactions*

#### **Share options granted to employees**

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve.

When share options are exercised, the amount previously recognised in share-based payments reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payments reserve will be transferred to share premium.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

### 3.2 Material accounting policy information (Continued)

#### *Taxation*

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from “loss before tax” because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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

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

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

### 3.2 Material accounting policy information (Continued)

#### *Taxation (Continued)*

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred taxes are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

#### *Property, plant and equipment*

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress as described below). Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment losses. Costs include the depreciation of right-of-use assets provided during the construction period as part of costs of buildings under construction, and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable to operating in the manner intended by management, including costs of testing whether the related assets is functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

### 3.2 Material accounting policy information (Continued)

#### *Property, plant and equipment (Continued)*

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to write off the cost of assets other than properties under construction less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

#### *Intangible assets*

##### ***Intangible assets acquired separately***

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

### 3.2 Material accounting policy information (Continued)

*Intangible assets (Continued)*

#### ***Internally-generated intangible assets – research and development expenditure***

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible assets so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

### 3.2 Material accounting policy information (Continued)

*Intangible assets (Continued)*

#### ***Intangible assets acquired in a business combination***

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

*Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill*

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any). Intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

The recoverable amounts of property, plant and equipment, right-of-use assets, intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

### 3.2 Material accounting policy information (Continued)

*Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill (Continued)*

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

#### *Cash and cash equivalents*

Cash and cash equivalents (represented by bank balances and cash presented on the consolidated statement of financial position) include:

- (a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- (b) cash equivalents, which comprises of short-term deposits (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

### 3.2 Material accounting policy information (Continued)

#### *Inventories*

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale, including costs to be incurred in marketing, selling and distribution. Trial batches manufactured prior to regulatory approval (including raw materials cost) is charged to research and development expenses when they are produced.

#### *Provisions*

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

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

#### ***Onerous contracts***

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the net cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

When assessing whether a contract is onerous or loss-making, the Group includes costs that relate directly to the contract, consisting of both the incremental costs and an allocation of other costs that relate directly to fulfilling contracts.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

### 3.2 Material accounting policy information (Continued)

#### *Financial instruments*

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

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributed to the acquisition of financial assets at FVTPL are recognised immediately in profit or loss.

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

#### ***Financial assets***

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

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

#### Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

### 3.2 Material accounting policy information (Continued)

*Financial instruments (Continued)*

#### **Financial assets (Continued)**

Classification and subsequent measurement of financial assets (Continued)

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 *Business Combinations* applies.

A financial asset is held for trading if:

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

#### (i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

#### (ii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss is not be reclassified to profit or loss on disposal of the equity investments, and is transferred to accumulated loss.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

### 3.2 Material accounting policy information (Continued)

*Financial instruments (Continued)*

#### **Financial assets (Continued)**

Classification and subsequent measurement of financial assets (Continued)

#### (iii) Financial assets at FVTPL

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

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

Impairment of financial assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including trade and bill receivables, deposits and other receivables, restricted bank deposits and bank balances and cash) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

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

The Group always recognises lifetime ECL for trade receivables.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

### 3.2 Material accounting policy information (Continued)

*Financial instruments (Continued)*

#### **Financial assets (Continued)**

Impairment of financial assets subject to impairment assessment under IFRS 9 (Continued)

(i) Significant increase in credit risk

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

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

### 3.2 Material accounting policy information (Continued)

*Financial instruments (Continued)*

#### **Financial assets (Continued)**

Impairment of financial assets subject to impairment assessment under IFRS 9 (Continued)

##### (ii) Definition of default

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

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

##### (iii) Credit-impaired financial assets

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

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

##### (iv) Write-off policy

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

### 3.2 Material accounting policy information (Continued)

*Financial instruments (Continued)*

#### **Financial assets (Continued)**

Impairment of financial assets subject to impairment assessment under IFRS 9 (Continued)

#### (v) Measurement and recognition of ECL

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

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

Lifetime ECL for certain trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

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

- Past-due status; and
- Nature, size and industry of debtors.

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

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

### 3.2 Material accounting policy information (Continued)

*Financial instruments (Continued)*

#### **Financial assets (Continued)**

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other gains and losses' line item (Note 7) as part of the exchange (losses) gains;
- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other gains and losses' line item as part of the (loss) gains from changes in fair value of other financial assets measured at FVTPL (Note 7);
- For equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the fair value through revaluation reserve.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

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

#### **Financial liabilities and equity**

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

### 3.2 Material accounting policy information (Continued)

*Financial instruments (Continued)*

#### **Financial liabilities and equity (Continued)**

Equity instruments

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

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

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

Financial liabilities at amortised cost

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

Financial liabilities at FVTPL

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

A financial liability is held for trading if:

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

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'Other gains and losses' line item in profit or loss (Note 7) as part of exchange (loss) gain for financial liabilities.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 4. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the directors of the Company are required to make judgment, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

### Critical judgment in applying accounting policies

The following is the critical judgments, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

#### *Research and development expenses*

Development expenses 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 expenses which do not meet these criteria are expensed when incurred. Management of the Group will assess the progress of each of the research and development projects and determine the criteria met for capitalisation. All development expenses were expensed when incurred during the current and prior years.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 4. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

### Key sources of estimation uncertainty

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

#### *Deferred tax assets*

As at 31 December 2025, deferred tax assets (after offsetting deferred tax liabilities) of RMB88,309,000 (2024: RMB87,045,000) in relation to unused tax losses and other deductible temporary differences for an operating subsidiary has been recognised in the Group's consolidated statement of financial position. No deferred tax asset has been recognised on deductible temporary differences of RMB1,585,454,000 (2024: RMB1,542,243,000) and the tax losses of RMB12,999,987,000 (2024: RMB11,569,845,000) for other entities in the Group due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient taxable profits will be available in the future or taxable temporary differences are expected to reverse in the same period as the expected reversal of the deductible temporary differences, which is a key source of estimation uncertainty. In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal or further recognition takes place.

#### *Write-down of inventories to net realisable value*

Write-down of inventories to net realisable value is made for those inventories with a carrying amount higher than net realisable value. The assessment of the net realisable value of inventories involves high degree of estimation uncertainties associated with estimated selling prices, future sales quantities and related processing fees and selling expenses. Where the actual outcome or expectation in future is different from the original estimates, such differences will have impact on the carrying amounts of inventories and the write-down/write-back of inventories in the period in which such estimates have been changed.

As at 31 December 2025, the gross amounts of inventories were approximately RMB708,269,000 (2024: RMB737,644,000), with write-down of inventories of approximately RMB135,159,000 (2024: RMB153,173,000).

#### *Fair value measurement of financial assets*

As at 31 December 2025, the Group's level 3 unlisted equity investments, unlisted equity investments in partnership and investments in preference shares amounting to RMB869,342,000 (2024: RMB773,349,000) are measured at fair value with fair value being determined based on significant unobservable inputs using valuation techniques. Judgment and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could result in material adjustments to the fair value of these assets. See Note 40b for further disclosures.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 4. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

### Key sources of estimation uncertainty (Continued)

#### Provision of ECL for trade receivables

Trade receivables with significant balances are assessed for ECL individually. For ECL assessed individually, the recoverable amounts of the trade receivables are determined by management based on the historical settlement patterns of the customers, management's judgement about credit risk and forward-looking information.

In addition, the Group uses practical expedient in estimating ECL on trade receivables which are not assessed individually using a provision matrix. The provision rates are based on aging of debtors and internal credit ratings as groupings of various debtors taking into consideration the Group's historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables are disclosed in Notes 20 and 40b.

## 5. REVENUE AND SEGMENT INFORMATION

The Group derives its revenue from the transfer of goods and services over time and at a point in time in the following major revenue sources:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
<b>Timing of revenue recognition</b>		
<i>At a point in time</i>		
Sale of pharmaceutical products	2,301,400	1,640,138
Licensing income	152,949	235,446
Others	2,363	1,814
	<b>2,456,712</b>	<b>1,877,398</b>
<i>Over time</i>		
Service income	33,822	70,919
Licensing income	7,886	–
	<b>2,498,420</b>	<b>1,948,317</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

### Sales of pharmaceutical products

Revenue is recognised when control of the goods has been transferred, being when the goods have been delivered to the customer's specific location. Transportation and handling activities that occur before customers obtain control are considered as fulfilment activities. Following delivery, the customer bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the goods are delivered to the customer. The normal credit term is ranged from 30 to 60 days (2024: 30 to 60 days) upon delivery.

Under the Group's standard contract terms, customers have a right to return products which are close to expiry dates. The Group uses its accumulated historical experience to estimate the number of return on a portfolio level using the expected value method. Revenue is recognised for sales which are considered highly probable that a significant reversal in the cumulative revenue recognised will not occur. A refund liability is recognised for sales in which revenue has yet to be recognised. The Group's right to recover the product when customers exercise their right is recognised as a right to returned goods asset and a corresponding adjustment to cost of sales.

The transaction price received by the Group is recognised as a contract liability until the goods have been delivered to the customers. All sales of goods are for a period of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

### Licensing income

During the years ended 31 December 2025 and 2024, the Group has several exclusive license development and commercialisation agreements, pursuant to which the Group may receive upfront payment, milestone payments and sales-based royalty. Where control of a right to use license passes at the outset of an arrangement, revenue is recognized at the point in time control is transferred. Where the substance of an arrangement is that of access rights attributable to a license, revenue is recognized over time, normally on a straight-line basis over the life of the contract.

For contracts that contain variable consideration in relation to milestone payment and sales-based royalty from license agreement, the Group estimates the amount of consideration to which it will be entitled using the most likely amount, which best predicts the amount of consideration to which the Group will be entitled. The potential milestone payments that the Company is eligible to receive were considered as variable consideration as all milestone amounts were fully constrained due to uncertainty of achievement.

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

### Licensing income (Continued)

Notwithstanding the above criteria, the Group shall recognise revenue for a sales-based royalty promised in exchange for a licence of intellectual property only when (or as) the later of the following events occurs:

- the subsequent sale occurs; and
- the performance obligation to which some or all of the sales-based royalty has been allocated has been satisfied (or partially satisfied).

The normal credit term is ranged from 30 to 120 days (2024: 30 to 120 days) upon issuance of invoices.

#### *Transaction price allocated to the remaining performance obligation for contracts with customers*

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2025 and the expected timing of recognising revenue are as follows:

	<b>Licensing income</b>
	RMB'000
Within one year	11,847
More than one year but not more than two years	9,357
More than two years	84,213
	105,417

### Service income

The Group provides research and development services. Service income is recognised over time for time-based service income as the Group does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date. For over time revenue recognition, the progress towards complete satisfaction of a performance obligation is measured using either the output method or the input method. Under the output method, the progress of performance is determined based on the goods or services delivered to customers. Under the input method, the progress of performance is determined based on the actual costs incurred.

The transaction price received by the Group is recognised as a contract liability until the services have been delivered to the customer. All sales of services are for a period of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

The normal credit term is ranged from 15 to 45 days (2024: 15 to 45 days) upon issuance of invoices.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

### Segment information

For the purpose of resources allocation and performance assessment, the Group's management, 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. The Group has only one reportable segment. Accordingly, only geographical information and major customers are presented.

### Geographical information

The Group's operations are mainly located in the PRC and the United States of America (the "USA").

Information about the Group's revenue from external customers is presented based on the operating location of customers.

	<b>Revenue from external customers</b>	
	<b>Year ended 31 December</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Mainland China	<b>2,309,132</b>	1,853,570
The USA	<b>91,865</b>	58,993
India	<b>25,718</b>	20,519
Others	<b>71,705</b>	15,235
	<b>2,498,420</b>	1,948,317

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

### Geographical information (Continued)

Information about the Group's non-current assets, excluding non-current financial assets and deferred tax assets, is presented based on the geographical location of the assets as below:

	Non-current assets As at 31 December	
	2025 RMB'000	2024 RMB'000
The PRC	6,430,367	5,398,548
The USA	6,898	19,903
	<b>6,437,265</b>	5,418,451

### Information about major customers

There were no revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group.

## 6. OTHER INCOME

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Bank interest income	31,885	43,630
Government grants related to property, plant and equipment ( <i>Note a</i> )	16,002	9,600
Other subsidies ( <i>Note b</i> )	39,164	46,027
Others	777	2,252
	<b>87,828</b>	101,509

### Notes:

- (a) Amounts represent subsidies from the PRC government specifically for the capital expenditure incurred for the acquisition of buildings situated on leasehold land in the PRC and machineries, which is recognised as other income over the estimated useful life of the respective assets.
- (b) Amounts mainly represent subsidies from PRC government for research and development activities, which are recognised as other income upon meeting specific conditions and incentives which have no specific conditions attached to the grants.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 7. OTHER GAINS AND LOSSES

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Fair value change of other financial assets measured at fair value through profit or loss ("FVTPL"), net	65,052	(38,620)
Gain on deemed disposal of a subsidiary ( <i>Notes 18 and 42</i> )	1,337	–
Gain on deemed disposal of associates	38,171	–
Gain on capital reduction of a joint venture and an associate	–	2,476
Loss on disposal of property, plant and equipment	(2,228)	(809)
Other gain ( <i>Note</i> )	37,250	14,234
Gain (loss) on termination of leases	61	(59)
Exchange (loss) gain, net	(21,679)	8,266
Others	507	(1,589)
	<b>118,471</b>	<b>(16,101)</b>

*Note:*

During the year ended 31 December 2025, the Group transferred several developing pipelines to an independent third party and recognised a gain of RMB7,547,000. In addition, the Group also transferred one developing pipeline to an associate and recognised a gain of RMB29,703,000.

During the year ended 31 December 2024, the Group transferred certain rights under the license agreement to Excellmab Pte. Ltd. ("Excellmab") in exchange of 40% equity interest in Excellmab and recognised a gain of RMB14,234,000.

## 8. FINANCE COSTS

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Interest on borrowings	93,489	74,285
Less: amounts capitalised in the cost of qualifying assets	(28,672)	(30,343)
	<b>64,817</b>	<b>43,942</b>
Interest on other financial liabilities	7,056	5,643
Interest on lease liabilities	2,899	1,767
	<b>74,772</b>	<b>51,352</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 9. LOSS BEFORE TAX

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Loss before tax has been arrived at after charging (crediting):		
Auditor's remuneration	3,320	3,420
Depreciation of property, plant and equipment	254,136	258,991
Less: amounts capitalised in the cost of construction in progress	(3,703)	(1,181)
amounts included in the cost of inventories	(43,294)	(44,677)
	207,139	213,133
Depreciation of right-of-use assets	49,734	50,649
Amortisation for intangible assets	23,630	20,093
Reversal of impairment losses recognised on prepayments included in cost of sales	(8,220)	(24,676)
Impairment losses recognised on intangible assets included in research and development expenses	41,847	–
Cost of inventories recognised as an expense (including write-down of inventories amounting to RMB64,472,000 (2024: RMB112,855,000)):		
– Cost of sales	496,887	462,586
– Research and development expenses	234,321	146,979
Staff costs (including directors' emoluments):		
– Salaries and other benefits	1,119,154	1,146,570
– Retirement benefit scheme contributions	101,450	99,295
– Share-based payment expenses	77,203	–
	1,297,807	1,245,865
Less: amounts capitalised in the cost of construction in progress	(8,702)	(9,828)
amounts included in the cost of inventories	(74,727)	(78,286)
	1,214,378	1,157,751

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 10. INCOME TAX (CREDIT) EXPENSE

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Current tax		
United States Corporate Income Tax	1,056	414
Hong Kong Profits Tax	1,156	–
	2,212	414
Withholding tax	(14,829)	5,787
Deferred tax ( <i>Note 31</i> )	(1,264)	16,351
	(13,881)	22,552

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

The Company and its certain subsidiaries have been accredited as “High and New Technology Enterprises” for a period of three years starting from 2024 to 2027. Accordingly, the profit derived by the Company and these subsidiaries is subject to 15% Enterprise Income Tax rate for the reporting period.

Under the two-tiered profits tax rates regime in Hong Kong Profits Tax, the first Hong Kong dollar (“HK\$”) 2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.50% during the reporting period.

During the year ended 31 December 2025, the Company is subject to withholding tax on licensing income received from various customers located in different countries where withholding tax is required. A total amount of RMB7,299,000 (2024: RMB5,787,000) was withheld. The withholding tax rate was 10% (2024: 10%). In addition, a refund of withholding tax, being withheld in previous years, amounting RMB22,128,000 (2024: nil) was received during the year ended 31 December 2025.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 10. INCOME TAX (CREDIT) EXPENSE (CONTINUED)

The income tax (credit) expense for the year can be reconciled to loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Loss before tax	<b>(986,574)</b>	(1,359,028)
Tax credit at the PRC EIT rate of 25% (2024: 25%)	<b>(246,644)</b>	(339,757)
Tax effect of share of losses of joint ventures	<b>13,508</b>	3,300
Tax effect of share of losses of associates	<b>15,516</b>	5,456
Tax effect of expenses not deductible for tax purpose	<b>64,444</b>	49,393
Tax effect of research and development expenses that are additionally deducted ( <i>Note</i> )	<b>(201,773)</b>	(237,975)
Tax effect on other deductible temporary differences not recognised	<b>25,397</b>	56,069
Utilisation of deductible temporary differences previously not recognised	<b>(14,594)</b>	(69,195)
Tax effect of tax losses not recognised	<b>293,069</b>	498,952
Utilisation of tax losses previously not recognised	<b>(4,290)</b>	(6)
Income tax at concessionary rate	<b>56,315</b>	50,528
Withholding tax	<b>(14,829)</b>	5,787
Income tax (credit) expense	<b>(13,881)</b>	22,552

*Note:* Pursuant to Caishui [2018] circular No. 99 and Caishui [2021] circular No. 6, the Company and certain subsidiaries enjoy super deduction of 200% (2024: 200%) on qualifying and research and development expenditures for the year ended 31 December 2025.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 11. LOSS PER SHARE

### (a) Basic

The calculation of the basic loss per share attributable to owners of the Company is based on the following data:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Loss for the year attributable to owners of the Company for the purpose of basic loss per share	<b>(840,910)</b>	(1,282,398)

Number of shares:

	Year ended 31 December	
	2025	2024
Weighted average number of ordinary shares for the purpose of basic loss per share	<b>1,006,778,110</b>	984,908,447

During the year ended 31 December 2024, the Company repurchased 136,844 ordinary shares (A Shares) and had accumulated a total of 815,871 treasury shares. The weighted average number of ordinary shares for the purpose of basic loss per share for the years ended 31 December 2025 and 2024 excludes treasury shares repurchased.

### (b) Diluted

The computation of diluted loss per share for the year ended 31 December 2025 do not assume the exercise of the Company's outstanding A share options and H share options as set out in Note 35 as these share options would be anti-dilutive. The computation of diluted loss per share for the year ended 31 December 2024 do not assume the exercise of the Company's outstanding RSUs as this would be anti-dilutive. Accordingly, diluted loss per share for the years ended 31 December 2025 and 2024 are the same as basic loss per share for the respective year.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 12. DIRECTORS', CHIEF EXECUTIVE'S, SUPERVISORS' AND EMPLOYEES' EMOLUMENTS

### Directors and supervisors

Details of the emoluments paid or payable to the directors and the chief executive and supervisors of the Company for the services provided to the Group during both years are as follows:

	Fees RMB'000	Salaries and other benefits RMB'000	Performance bonus RMB'000	Retirement benefit scheme contributions RMB'000	Subtotal RMB'000	Share- based payment expenses RMB'000	Total RMB'000
<i>(Note o)</i>							
For the year ended 31 December 2025							
<b>Chief executive and executive director</b>							
Dr. Zou Jianjun <i>(Note a)</i>	-	5,532	4,288	75	9,895	17,407	27,302
<b>Executive directors</b>							
Mr. Xiong Jun	-	2,743	1,097	73	3,913	8,111	12,024
Mr. Zhang Zhuobing	-	2,537	921	73	3,531	4,178	7,709
Dr. Yao Sheng	-	2,365	578	-	2,943	4,178	7,121
Dr. Li Ning <i>(Note b)</i>	-	3,603	-	-	3,603	4,178	7,781
Mr. Li Cong	-	1,780	-	-	1,780	4,178	5,958
Dr. Wang Gang	-	2,846	2,135	-	4,981	4,178	9,159
Dr. Li Xin <i>(Note c)</i>	-	1,848	450	73	2,371	4,178	6,549
<b>Non-executive director</b>							
Mr. Tang Yi	-	-	-	-	-	-	-
<b>Supervisors <i>(note p)</i></b>							
Ms. Wang Pingping	-	-	-	-	-	-	-
Ms. Huo Yilian	-	238	44	46	328	25	353
Ms. Kuang Hongyan <i>(Note d)</i>	-	-	-	-	-	-	-
<b>Independent non-executive directors</b>							
Dr. Feng Xiaoyuan	200	-	-	-	200	-	200
Mr. Zhang Chun	200	-	-	-	200	-	200
Dr. Yang Yue <i>(Note e)</i>	149	-	-	-	149	-	149
Mr. Li Zhongxian <i>(Note f)</i>	200	-	-	-	200	-	200
Ms. Lu Kun <i>(Note g)</i>	200	-	-	-	200	-	200
Dr. Yang Jin <i>(Note h)</i>	51	-	-	-	51	-	51
	1,000	23,492	9,513	340	34,345	50,611	84,956

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 12. DIRECTORS', CHIEF EXECUTIVE'S, SUPERVISORS' AND EMPLOYEES' EMOLUMENTS (CONTINUED)

### Directors and supervisors (Continued)

	Fees RMB'000	Salaries and other benefits RMB'000	Performance bonus RMB'000 (Note o)	Retirement benefit scheme contributions RMB'000	Subtotal RMB'000	Share- based payment expenses RMB'000	Total RMB'000
<u>For the year ended 31 December 2024</u>							
<b>Chief executive and executive director</b>							
Dr. Zou Jianjun (Note a)	–	6,853	2,061	73	8,987	–	8,987
<b>Executive directors</b>							
Mr. Xiong Jun	–	2,917	843	73	3,833	–	3,833
Mr. Zhang Zhuobing	–	2,667	2,585	73	5,325	–	5,325
Dr. Yao Sheng	–	2,990	824	–	3,814	–	3,814
Dr. Li Ning (Note b)	–	4,917	1,447	–	6,364	–	6,364
Mr. Li Cong	–	2,828	1,260	–	4,088	–	4,088
Dr. Wang Gang	–	3,709	540	–	4,249	–	4,249
Dr. Li Xin (Note c)	–	444	–	18	462	–	462
<b>Non-executive directors</b>							
Dr. Feng Hui (Note i)	–	1,482	–	–	1,482	–	1,482
Mr. Tang Yi	–	–	–	–	–	–	–
<b>Supervisors</b>							
Ms. Wang Pingping	–	–	–	–	–	–	–
Mr. Wu Yu (Note j)	–	–	–	–	–	–	–
Ms. Huo Yilian	–	256	105	55	416	–	416
Ms. Kuang Hongyan (Note d)	–	–	–	–	–	–	–
<b>Independent non-executive directors</b>							
Dr. Feng Xiaoyuan	200	–	–	–	200	–	200
Mr. Qian Zhi (Note k)	95	–	–	–	95	–	95
Dr. Roy Steven Herbst (Note l)	1,017	–	–	–	1,017	–	1,017
Mr. Zhang Chun	200	–	–	–	200	–	200
Dr. Meng Anming (Note m)	291	–	–	–	291	–	291
Dr. Yang Yue (Note e)	106	–	–	–	106	–	106
Dr. Shen Jinggang (Note n)	72	–	–	–	72	–	72
Mr. Li Zhongxian (Note f)	–	–	–	–	–	–	–
Ms. Lu Kun (Note g)	–	–	–	–	–	–	–
	1,981	29,063	9,665	292	41,001	–	41,001

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 12. DIRECTORS', CHIEF EXECUTIVE'S, SUPERVISORS' AND EMPLOYEES' EMOLUMENTS (CONTINUED)

### Directors and supervisors (Continued)

Notes:

- (a) Dr. Zou Jianjun was re-designated from deputy general manager of the Company to general manager of the Company in January 2024.
- (b) Dr. Li Ning was re-designated from general manager of the Company to vice chairman of the board in January 2024.
- (c) Dr. Li Xin was re-designated from non-executive director to executive director in February 2024. Her emoluments disclosed above also included those services rendered by her as the non-executive director.
- (d) Ms. Kuang Hongyan was appointed as chairperson of the board of supervisors of the Company in June 2024.
- (e) Dr. Yang Yue resigned as independent non-executive director in September 2025.
- (f) Mr. Li Zhongxian was appointed as independent non-executive director of the Company in December 2024.
- (g) Ms. Lu Kun was appointed as independent non-executive director of the Company in December 2024.
- (h) Dr. Yang Jin was appointed as independent non-executive director in September 2025.
- (i) Dr. Feng Hui was re-designated from executive director to non-executive director in August 2023 and resigned as non-executive director in June 2024.
- (j) Mr. Wu Yu resigned as supervisor in June 2024.
- (k) Mr. Qian Zhi resigned as independent non-executive director in June 2024.
- (l) Dr. Roy Steven Herbst resigned as independent non-executive director in June 2024.
- (m) Dr. Meng Anming was appointed as independent non-executive director of the Company in June 2023 and resigned as independent non-executive director of the Company in December 2024.
- (n) Dr. Shen Jinggang was appointed as independent non-executive director of the Company in June 2024 and resigned in October 2024.
- (o) The performance bonus are determined by the board of directors based on the Group's performance for the years ended 31 December 2025 and 2024.
- (p) The Company has discontinued the board of supervisors upon approval at the general meeting held in September 2025.

The executive directors' and supervisors' emoluments shown above were for their services in connection with the management or supervision of the affairs of the Company and the Group.

The non-executive directors' and independent non-executive directors' emoluments shown above were for their services as directors of the Company.

There was no arrangement under which a director or chief executive waived or agreed to waive any remunerations during both years.

During the year, certain directors and supervisors were granted share options, in respect of their services to the Group under the share option scheme of the Company. Details of the share option scheme are set out in Note 35 to the consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 12. DIRECTORS', CHIEF EXECUTIVE'S, SUPERVISORS' AND EMPLOYEES' EMOLUMENTS (CONTINUED)

### Employees

The five highest paid individuals of the Group during the year 2025 included five (2024: three) directors and chief executive of the Company.

Details of their emoluments are set out above. The emoluments of the remaining nil (2024: two) highest paid employees who are neither a director, chief executive nor supervisor of the Company are as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Salaries and other benefits	–	8,275
Performance bonus	–	2,586
	–	10,861

Emoluments of the five highest paid individuals fell within the following bands:

	Year ended 31 December	
	2025	2024
HK\$5,000,001 to HK\$5,500,000	–	1
HK\$5,500,001 to HK\$6,000,000	–	1
HK\$6,500,001 to HK\$7,000,000	–	2
HK\$8,000,001 to HK\$8,500,000	1	–
HK\$8,500,001 to HK\$9,000,000	1	–
HK\$9,500,001 to HK\$10,000,000	–	1
HK\$10,000,001 to HK\$10,500,000	1	–
HK\$13,000,001 to HK\$13,500,000	1	–
HK\$29,500,001 to HK\$30,000,000	1	–

No emoluments were paid by the Group to the directors of the Company or the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office for both years.

## 13. DIVIDENDS

No dividend was paid or proposed by the Company during the years ended 31 December 2025 and 2024, nor has any dividend been proposed since the end of the reporting period.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 14. PROPERTY, PLANT AND EQUIPMENT

	Properties	Machinery	Furniture, fixtures and equipment	Vehicles	Leasehold improvement	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
COST							
At 1 January 2024	1,607,136	1,112,830	593,523	48,447	72,046	1,327,684	4,761,666
Additions	75	1,462	4,664	-	5,026	622,381	633,608
Transfer	(39,875)	86,328	16,834	-	-	(63,287)	-
Disposals	-	(358)	(4,918)	(434)	-	-	(5,710)
Exchange realignment	-	-	212	-	-	-	212
At 31 December 2024	1,567,336	1,200,262	610,315	48,013	77,072	1,886,778	5,389,776
Additions	-	2,119	7,785	644	294	885,554	896,396
Acquired on acquisition of a subsidiary (Note 41)	-	865	8,395	-	5,190	1,224	15,674
Transfer	45,184	107,728	12,817	4,310	3,600	(178,422)	(4,783)
Disposals	-	(4,229)	(2,124)	(161)	-	-	(6,514)
Exchange realignment	-	-	(319)	-	-	-	(319)
At 31 December 2025	<b>1,612,520</b>	<b>1,306,745</b>	<b>636,869</b>	<b>52,806</b>	<b>86,156</b>	<b>2,595,134</b>	<b>6,290,230</b>
DEPRECIATION							
At 1 January 2024	175,815	378,012	324,959	34,024	59,447	-	972,257
Provided for the year	48,873	118,855	74,975	4,784	11,504	-	258,991
Transfer	(5,533)	(20,977)	(1,704)	-	-	28,214	-
Disposals	-	(340)	(4,592)	(412)	-	-	(5,344)
At 31 December 2024	219,155	475,550	393,638	38,396	70,951	28,214	1,225,904
Provided for the year	52,128	126,676	65,794	4,092	5,446	-	254,136
Transfer	-	-	-	-	-	(4,783)	(4,783)
Disposals	-	(2,143)	(1,946)	(153)	-	-	(4,242)
At 31 December 2025	<b>271,283</b>	<b>600,083</b>	<b>457,486</b>	<b>42,335</b>	<b>76,397</b>	<b>23,431</b>	<b>1,471,015</b>
CARRYING VALUES							
At 31 December 2025	<b>1,341,237</b>	<b>706,662</b>	<b>179,383</b>	<b>10,471</b>	<b>9,759</b>	<b>2,571,703</b>	<b>4,819,215</b>
At 31 December 2024	1,348,181	724,712	216,677	9,617	6,121	1,858,564	4,163,872

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The above items of property, plant and equipment except for construction in progress are depreciated on a straight-line basis after taking into account of the residual value as follows:

Properties	2.38% – 4.75% per annum
Machinery	6.33% – 9.50% per annum
Furniture, fixtures and equipment	9.50% – 31.67% per annum
Vehicles	19.00% per annum
Leasehold improvement	33.33% – 50.00% per annum

As at 31 December 2025 and 2024, certain of the Group's property, plant and equipment have been pledged to secure bank borrowings of the Group as detailed in Note 25.

The Group has obtained the property ownership certificate for all properties except for certain properties with carrying amount RMB78,529,000 (2024: RMB80,635,000) in which the Group is in the process of obtaining.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 15. RIGHT-OF-USE ASSETS

	Leasehold lands RMB'000	Leased properties RMB'000	Total RMB'000
<b>As at 31 December 2025</b>			
Carrying amount	389,255	79,593	468,848
<b>As at 31 December 2024</b>			
Carrying amount	400,901	55,599	456,500
<b>For the year ended 31 December 2025</b>			
Depreciation charge	11,647	38,087	49,734
<b>For the year ended 31 December 2024</b>			
Depreciation charge	11,647	39,002	50,649
		<b>Year ended 31 December</b>	
		<b>2025</b>	2024
		<b>RMB'000</b>	RMB'000
Expenses relating to short-term leases and low-value assets		9,952	12,803
Total cash outflow for leases		50,896	52,407
Additions to right-of-use assets		64,229	49,490

For both years, the Group leases leasehold lands and leased properties for its operations. Except for lease contracts for leasehold lands which are entered into for a fixed term of 20 to 50 years, lease contracts for leased properties are entered into for fixed term of two to nine years (2024: one to five years). Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 15. RIGHT-OF-USE ASSETS (CONTINUED)

In addition, the Group owns several industrial buildings where its manufacturing facilities are primarily located. The Group is the registered owner of these property interests, including the underlying leasehold lands. Lump sum payments were made upfront to acquire these property interests. The leasehold land components of these owned properties are presented separately only if the payments made can be allocated reliably.

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

As at 31 December 2025 and 2024, certain of the Group's right-of-use assets (leasehold lands) have been pledged to secure bank borrowings of the Group as detailed in Note 25.

Included in the additions to right-of-use assets is RMB11,342,000 arising from the acquisition of subsidiaries as disclosed in Note 41.

### Restrictions or covenants on leases

In addition, lease liabilities of RMB88,624,000 are recognised with related right-of-use assets of RMB79,593,000 as at 31 December 2025 (2024: lease liabilities of RMB56,607,000 are recognised with related right-of-use assets of RMB55,599,000). The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

As at 31 December 2025 and 2024, the Group did not enter into new leases that have not yet commenced.

Details of the lease maturity analysis of lease liabilities are set out in Notes 29 and 40b.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 16. INTANGIBLE ASSETS

	<b>Computer software</b>	<b>In-license</b>	<b>Patents</b>	<b>Technical known- how</b>	<b>Total</b>
	RMB'000	RMB'000 <i>(Note a)</i>	RMB'000 <i>(Note b)</i>	RMB'000	RMB'000
<b>COST</b>					
At 1 January 2024	89,837	19,811	877	57,733	168,258
Additions	6,789	–	–	–	6,789
Disposals	–	–	(779)	–	(779)
At 31 December 2024	96,626	19,811	98	57,733	174,268
Additions	5,294	–	84,034	–	89,328
Acquired on acquisition of a subsidiary <i>(Note 41)</i>	–	–	–	26,164	26,164
At 31 December 2025	<b>101,920</b>	<b>19,811</b>	<b>84,132</b>	<b>83,897</b>	<b>289,760</b>
<b>AMORTISATION AND IMPAIRMENT</b>					
At 1 January 2024	27,897	–	187	5,757	33,841
Additions	16,916	–	37	3,140	20,093
Disposals	–	–	(170)	–	(170)
At 31 December 2024	44,813	–	54	8,897	53,764
Additions	17,425	–	2,424	3,781	23,630
Impairment loss recognised in profit or loss	–	19,811	–	22,036	41,847
At 31 December 2025	<b>62,238</b>	<b>19,811</b>	<b>2,478</b>	<b>34,714</b>	<b>119,241</b>
<b>CARRYING VALUES</b>					
At 31 December 2025	<b>39,682</b>	<b>–</b>	<b>81,654</b>	<b>49,183</b>	<b>170,519</b>
At 31 December 2024	51,813	19,811	44	48,836	120,504

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 16. INTANGIBLE ASSETS (CONTINUED)

The above intangible assets with finite useful lives are amortised on a straight-line basis as follow:

Computer software	20% – 50% per annum
Patents	5% – 10% per annum
Technical know-how	5% per annum

*Notes:*

- a) In 2020, the Group entered into an in-license agreement with an independent third party under which the Group was granted a world-wide exclusive, sub-licensable license to use certain pipeline, for the purpose of conducting preclinical development, clinical research and commercialisation of certain drug. The Group paid an upfront payment of RMB19,811,000 and such payment was capitalised as intangible asset. Having decided to discontinue the development pathway, the Group impaired this asset in full during this year.
- b) During the year, the Company and Huapu Biotechnology (Hebei) Co., Ltd.\*華普生物技術(河北)股份有限公司("Huapu"), an independent third party, set up Shanghai Pushi Pharmaceutical Technology Co., Ltd.\*上海普蒔醫藥科技有限公司("Pushi"). Based on the investment agreement, the Group controls Pushi. Capital contribution made by Huapu was intangible assets worthy RMB84,034,000, the value of which was determined by directors of the Company with reference to a valuation report prepared by an independent valuer.

## 17. INTERESTS IN JOINT VENTURES

	At 31 December	
	2025 RMB'000	2024 RMB'000
Cost of investments in joint ventures	267,500	85,000
Share of post-acquisition losses	(59,022)	(14,846)
	<b>208,478</b>	70,154

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 17. INTERESTS IN JOINT VENTURES (CONTINUED)

Details of the Group's interests in joint ventures are as follows:

Name of entities	Country of establishment	Principal place of business	Proportion of ownership interest held by the Group		Proportion of voting rights held by the Group		Principal activities
			As at 31 December 2025	As at 31 December 2024	As at 31 December 2025	As at 31 December 2024	
Shanghai Ruotuo Biotechnology Co., Ltd. * 上海諾妥生物科技有限公司 ("Ruotuo Bio") (Note a)	The PRC	The PRC	49%	49%	49%	49%	Discovery, development and commercialisation of innovative drugs
Shanghai Anwantai Biotechnology Co., Ltd.* 上海安萬泰生物科技有限公司 ("Shanghai Anwantai") (Note b)	The PRC	The PRC	50%	N/A	50%	N/A	Discovery, development and commercialisation of innovative drugs
Nanjing Ningze Innovation and Entrepreneurship Investment Partnership (Limited Partnership) * 南京寧澤創新創業投資合夥企業 (有限合夥) ("Nanjing Ningze") (Note c)	The PRC	The PRC	50%	N/A	40%	N/A	Investment Fund
Anhui Gaotou Guotai Haitong Health M&A Equity Investment Fund Partnership (Limited Partnership)* (安徽高投國泰海通健康並購股權投資基金合夥企業(有限合夥)) ("Anhui Gaotou") (Note c)	The PRC	The PRC	45%	N/A	40%	N/A	Investment Fund

### Notes:

- During each of the years ended 31 December 2025 and 2024, an additional capital injection of RMB25,000,000 was made by the Group to Ruotuo Bio.
- On 29 July 2025, the Group invested into Shanghai Anwantai with the investment cost of RMB50,000,000. Based on the terms stipulated in the investment agreement, the Group jointly controls Shanghai Anwantai and accounts for the investment as a joint venture.
- During the year ended 31 December 2025, the Group invested into Nanjing Ningze and Anhui Gaotou with the investment cost of RMB50,000,000 and RMB67,500,000, respectively. Based on the terms stipulated in respective investment agreements, the Group jointly controls Nanjing Ningze and Anhui Gaotou and accounts for the investments as joint ventures.

A joint venture entity became a subsidiary of the Group as disclosed in Note 41.

No additional disclosure of financial information of joint ventures as there is no individually material joint venture.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 17. INTERESTS IN JOINT VENTURES (CONTINUED)

Aggregate information of joint ventures that are not individually material

	Year ended/As at 31 December	
	2025 RMB'000	2024 RMB'000
The Group's share of loss and total comprehensive expense	(54,033)	(13,201)
Aggregate carrying amount of the Group's interests in these joint ventures	208,478	70,154

## 18. INTERESTS IN ASSOCIATES

	At 31 December	
	2025 RMB'000	2024 RMB'000
Cost of investments in associates	390,083	224,684
Share of post-acquisition losses	(112,928)	(55,476)
Gain on deemed disposal of associates	38,171	–
Less: elimination of unrealised downstream transactions	(16,027)	(16,027)
	299,299	153,181

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 18. INTERESTS IN ASSOCIATES (CONTINUED)

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

Name of entities	Country of incorporation	Principal place of business	Proportion of ownership interest held by the Group		Proportion of voting rights held by the Group		Principal activities
			As at	As at	As at	As at	
			31 December 2025	31 December 2024	31 December 2025	31 December 2024	
Anwita Biosciences, Inc. ("Anwita") (Note a)	U.S.A	U.S.A	22.44%	18.03%	22.44%	18.03%	Discovery, development and commercialisation of innovative drugs
Shanghai Junshi Runjia Pharmaceutical Co., Ltd.* 君實潤佳(上海)醫藥科技有限公司("Junshi Runjia")	The PRC	The PRC	50%	50%	50%	50%	Discovery, development and commercialisation of innovative drugs
Shanghai Junshi Xihai Biotechnology Co., Ltd.* 上海君實西海生物科技有限公司("Junshi Xihai")	The PRC	The PRC	50%	50%	50%	50%	Inactive
Shanghai Qingsheng Qianyuan Biotechnology Co., Ltd.* 上海輕勝謙遠生物科技有限公司 ("Shanghai Qingsheng") (Note b)	The PRC	The PRC	22.46%	30%	22.46%	30%	Discovery, development and commercialisation of innovative drugs
Hainan Junshi Phase I Equity Investment Fund Partnership (Limited Partnership)* 海南君實一期股權投資基金合夥企業(有限合夥) ("Junshi Phase I Fund") (Note c)	The PRC	The PRC	0.33%	0.33%	0.33%	0.33%	Investment fund
Excellmab	Singapore	Singapore	40%	40%	40%	40%	Discovery, development and commercialisation of innovative drugs
Suzhou Kebo Ruijun Biosciences Co., Ltd.* 蘇州科博瑞君生物醫藥科技有限公司 ("Kebo Ruijun")	The PRC	The PRC	20%	20%	20%	20%	Discovery, development and commercialisation of innovative drugs
Shanghai Junkang Litai Biomedical Technology Co., Ltd.* 上海君康立泰生物醫藥 科技 有限公司("JKLT") (Note d)	The PRC	The PRC	22.22%	N/A	22.22%	N/A	Discovery, development and commercialisation of innovative drugs
Shanghai Zhecheng Biomedical Technology Co., Ltd.* 上海蔗成生物醫藥科技有限公司 ("Shanghai Zhecheng")	The PRC	The PRC	20%	N/A	20%	N/A	Discovery, development and commercialisation of innovative drugs

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 18. INTERESTS IN ASSOCIATES (CONTINUED)

Name of entities	Country of incorporation	Principal place of business	Proportion of ownership interest held by the Group		Proportion of voting rights held by the Group		Principal activities
			As at 31 December 2025	As at 31 December 2024	As at 31 December 2025	As at 31 December 2024	
Sanya Zhezhiyuan Biotechnology Co., Ltd.* 三亞拓之源生物科技有限公司 ("Sanya Zhezhiyuan ")	The PRC	The PRC	20%	N/A	20%	N/A	Discovery, development and commercialisation of innovative drugs
Suzhou Ruiming Biotechnology Co., Ltd.* 蘇州睿明生物技術有限公司 ("Suzhou Ruiming")	The PRC	The PRC	27.93%	N/A	27.93%	N/A	Clinical application research of next-generation sequencing in the field of oncology
Shanghai Junze Chuangyao Biotechnology Co., Ltd.* 上海筠澤創耀生物技術有限公司 ("Junze Chuangyao")	The PRC	The PRC	40.94%	N/A	40.94%	N/A	Discovery, development and commercialisation of innovative drugs

*Notes:*

- During the year ended 31 December 2025, an additional capital injection of RMB111,790,000 was made by the Group to Anwita. The Group has significant influence over the investee as one out of five members in the board of directors is designated by the Company.
- Shanghai Qingsheng is formerly known as Chengdu Qingsheng Biopharmaceutical Technology Co., Ltd.\* 成都輕勝生物醫藥科技有限公司. The Group's equity interest in Shanghai Qingsheng decreased from 30% to 22.46% following capital injections by other investors into Shanghai Qingsheng during the year ended 31 December 2025.
- The Group is able to exercise significant influence over Junshi Phase I Fund because the Group manages the fund's day to day investment and disposition activities on behalf of the fund under the partnership agreement of Junshi Phase I Fund.
- The Group's equity interest in JKLT decreased from 100% to 22.22% following capital injections by other investors into JKLT during the year ended 31 December 2025. JKLT became an associate thereafter with cost of investment of approximately RMB9,109,000. The gain on deemed disposal amounts to RMB1,337,000.

No additional disclosure of financial information of associates as there is no individually material associate.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 18. INTERESTS IN ASSOCIATES (CONTINUED)

### Aggregate information of associates that are not individually material

	Year ended/As at 31 December	
	2025 RMB'000	2024 RMB'000
The Group's share of losses and total comprehensive expense	(58,498)	(9,827)
Aggregate carrying amount of the Group's interests in these associates	299,299	153,181

## 19. INVENTORIES

	At 31 December	
	2025 RMB'000	2024 RMB'000
Raw materials	251,693	275,653
Work in progress	221,591	238,865
Finished goods	99,826	69,953
	573,110	584,471

## 20. TRADE AND BILL RECEIVABLES

	At 31 December	
	2025 RMB'000	2024 RMB'000
Trade receivables	507,476	513,899
Bills receivables	302	–
Less: Allowance for expected credit losses	(1,031)	(4,082)
	506,747	509,817

The trade and bill receivables are receivables from contracts with customers.

As at 1 January 2024, the trade receivables from contracts with customers amounted to RMB479,723,000, after net off allowance for credit losses RMB18,357,000.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 20. TRADE AND BILL RECEIVABLES (CONTINUED)

The aged analysis of the Group's trade and bill receivables net of allowance for credit losses, based on invoice date, at the end of each reporting period are as follows:

	At 31 December	
	2025 RMB'000	2024 RMB'000
0 – 90 days	490,887	400,070
91 – 180 days	5,078	18,506
Over 180 days	10,782	91,241
	<b>506,747</b>	509,817

As at 31 December 2025, included in the Group's trade and bill receivables balance are debtors with aggregate carrying amount of RMB22,936,000 (2024: RMB113,828,000) which are past due and the impairment amount is RMB1,031,000 (2024: RMB4,082,000).

Out of the past due balance, RMB1,443,000 (2024: RMB108,987,000) has been past due 90 days or more and is not considered as in default as they are due from customers with good reputation and lower risk of default.

Details of impairment assessment of trade and bill receivables are set out in Note 40.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 21. OTHER ASSETS, PREPAYMENTS AND OTHER RECEIVABLES

	At 31 December	
	2025 RMB'000	2024 RMB'000
Deposits		
– current	5,192	38,936
– non-current	9,447	7,705
Prepayments		
– current ( <i>Note a</i> )	143,908	199,825
– non-current ( <i>Note b</i> )	140,386	195,599
Other receivables		
– non-current	24,703	–
Value added tax (“VAT”) recoverable ( <i>Note c</i> )		
– current	13,390	18,367
– non-current	330,520	258,641
	667,546	719,073
Less: Allowance for expected credit losses	–	(308)
	667,546	718,765
Analysis as		
– current	162,490	256,820
– non-current	505,056	461,945
	667,546	718,765

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 21. OTHER ASSETS, PREPAYMENTS AND OTHER RECEIVABLES (CONTINUED)

*Notes:*

- (a) Prepayments mainly include fee paid for research and development services for the clinical and non-clinical study of the drugs. Prepayments also include other prepaid operating expenses and prepayments for purchase of raw materials. As of 31 December 2025, impairment losses of nil (2024: RMB8,220,000) were recognised on prepayments relating to purchase of raw materials, due to anticipated decrease of product selling price.
- (b) Amount mainly represents prepayments for construction in progress and acquisition of property, plant and equipment.
- (c) VAT recoverable of RMB13,390,000 (2024: RMB18,367,000) are presented as current assets as at 31 December 2025 since they are expected to be deducted from future VAT payable arising on the Group's revenue which are expected to be generated within the next twelve months from the end of the reporting period. The remaining VAT recoverable of RMB330,520,000 (2024: RMB258,641,000) are therefore presented as non-current assets as at 31 December 2025.

Details of impairment assessment of other receivables are set out in Note 40.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 22. OTHER FINANCIAL ASSETS

	At 31 December	
	2025 RMB'000	2024 RMB'000
<b>Current assets</b>		
Financial assets measured at FVTPL		
– Financial products	600,782	430,508
<b>Non-current assets</b>		
Financial assets measured at FVTPL		
– Unlisted equity investments in partnership (Note a)	226,708	188,869
– Unlisted equity investments (Note b)	368,001	46,898
– Investments in preference shares (Note c)	731,060	704,738
Financial assets designated as FVTOCI (Note d)	1,325,769	940,505
	55,787	62,565
	<b>1,381,556</b>	<b>1,003,070</b>

Notes:

- (a) The amount represents unlisted equity investments in limited partnership enterprises, which are specialised in equity investment. According to the partnership enterprises agreement, the Group does not have any right on making operating, investing and financing decisions of the partnership enterprises.
- (b) The amounts represent unlisted equity interest in entities which are mainly engaged in drug discovery. These investments are not held for trading but for long-term strategic purposes. For a new investment with cost of RMB20,000,000, the Group holds a 40% equity interest through a subsidiary whose principal activities is fund investment.
- (c) The amounts represent investments in preference shares and ordinary shares with preferred rights in unlisted entities, which are mainly engaged in drug discovery. For an investment with fair value of RMB84,131,000 (2024: RMB84,131,000), the Group has the right to designate one out of seven members in the board. For a new investment with fair value of RMB30,231,000, one out of three members in the board of directors is designated by the Group.
- (d) These investments are not held for trading, instead, they are held for long-term strategic purposes. The management of the Group have elected to designate these investments in equity instruments as at FVTOCI.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 23. RESTRICTED BANK DEPOSITS/BANK BALANCES AND CASH

Restricted bank deposits represent the deposits placed in restricted bank accounts as security for bank borrowings. As at 31 December 2025 and 2024, the restricted bank deposits will be released in one year and are therefore classified as current assets.

Bank balances and cash of the Group comprised of cash and short-term bank deposits with an original maturity of three months or less. Bank balances carrying interest at market rates which ranged from 0.0001% to 3.73% per annum at 31 December 2025 (2024: from 0.0001% to 4.39% per annum).

Details of the impairment assessment of restricted bank deposits and bank balances are set out in Note 40.

## 24. TRADE AND OTHER PAYABLES

	At 31 December	
	2025 RMB'000	2024 RMB'000
Trade payables		
– third parties	111,044	208,356
Accrued expenses in respect of:		
– construction costs	509,233	465,730
– research and development expenses ( <i>Note a</i> )	291,963	310,884
– selling and distribution expenses	155,430	146,565
– payables under collaboration agreement	55	10,088
– others	74,991	91,061
Salary and bonus payables	252,624	252,681
Other tax payables	22,377	27,287
Other payables ( <i>Note b</i> )	69,011	35,768
	<b>1,486,728</b>	1,548,420
Analysis as		
– current	1,456,728	1,548,420
– non-current	30,000	–
	<b>1,486,728</b>	1,548,420

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 24. TRADE AND OTHER PAYABLES (CONTINUED)

Payment terms with suppliers are mainly with credit term of 0 days to 90 days (2024: 0 days to 90 days) from the time when the goods and services are received from the suppliers.

The following is an aged analysis of trade payables presented based on invoice date at the end of the reporting period:

	At 31 December	
	2025 RMB'000	2024 RMB'000
0 – 30 days	71,167	98,434
31 – 60 days	1,768	17,062
61 – 180 days	16,744	14,982
Over 180 days	21,365	77,878
	<b>111,044</b>	208,356

*Notes:*

- (a) Amounts included service fees payable to outsourced service providers including contract research organisations and clinical trial centres.
- (b) Included in the balance, amount of RMB35,000,000 is non-trade in nature, unsecured and interest-free. Amount of RMB15,000,000 is non-trade in nature, unsecured, and carrying interest rate of 5% per annum and will mature within one year.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 25. BANK BORROWINGS

	At 31 December	
	2025 RMB'000	2024 RMB'000
Bank borrowings		
– secured	2,077,250	990,063
– unsecured	1,978,948	1,884,218
	<b>4,056,198</b>	2,874,281
The maturity profile of bank borrowings is as follows:		
– within one year	1,262,590	894,601
– within a period of more than one year but not exceeding two years	1,139,312	623,668
– within a period of more than two years but not exceeding five years	708,681	790,641
– within a period of more than five years	945,615	565,371
	<b>4,056,198</b>	2,874,281
Less: Amount due within one year shown under current liabilities	<b>(1,262,590)</b>	(894,601)
Amount shown under non-current liabilities	<b>2,793,608</b>	1,979,680

All bank borrowings are denominated in RMB as at 31 December 2025 and 2024.

The exposure of the Group's bank borrowings are as follows:

	2025 RMB'000	2024 RMB'000
Fixed-rate borrowings	1,298,707	1,052,157
Variable-rate borrowings	2,757,491	1,822,124
	<b>4,056,198</b>	2,874,281

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 25. BANK BORROWINGS (CONTINUED)

The effective interest rates (which are also equal to contracted interest rates) on the Group's bank borrowings are as follows:

Effective interest rate:	At 31 December	
	2025	2024
Fixed-rate bank borrowings	1.17% -2.79% per annum	2.50% -3.25% per annum
Variable-rate bank borrowings	2.24% -3.05% per annum	2.49% -3.40% per annum

The Group has pledged the following assets as securities for the Group's bank borrowings at the end of reporting period:

	2025	2024
	RMB'000	RMB'000
Restricted bank deposits	20,000	–
Property, plant and equipment	2,409,148	606,785
Right-of-use assets	212,798	135,200
	<b>2,641,946</b>	741,985

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 26. DEFERRED INCOME

	At 31 December	
	2025 RMB'000	2024 RMB'000
Government grants related to property, plant and equipment ( <i>Note a</i> )	105,021	121,023
Other subsidies ( <i>Note b</i> )	62,150	60,890
	<b>167,171</b>	181,913
Analysis as:		
– current	33,700	30,640
– non-current	133,471	151,273
	<b>167,171</b>	181,913

*Notes:*

- a) The Group received government grants for capital expenditure incurred for the acquisition of buildings situated on leasehold land in the PRC and machineries. The amounts are deferred and amortised over the estimated useful lives of the respective assets.
- b) Other subsidies are generally provided in relation to the research and development activities of the Group which are recognised as income upon meeting the specific conditions.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 27. CONTRACT LIABILITIES

	At 31 December	
	2025 RMB'000	2024 RMB'000
Service income	8,903	2,830
Licensing income ( <i>Note</i> )	105,417	2,490
Sale of pharmaceutical products	1,434	2,846
	<b>115,754</b>	8,166
Analysis as:		
– current	22,184	8,166
– non-current	93,570	–
	<b>115,754</b>	8,166

As at 1 January 2024, contract liabilities amounted to RMB146,298,000. Contract liabilities, that are not expected to be settled within the Group's normal operating cycle, are classified as current and non-current based on the Group's earliest obligation to transfer goods or services to customers.

During the year ended 31 December 2025, RMB2,846,000 are recognised as revenue that was included in the contract liability balance as at 1 January 2025.

*Note:* During the year ended 31 December 2025, the Group entered into a license agreement with an independent third party, granting exclusive rights to store, distribute, promote, market and sell toripalimab in the European Union, the European Economic Area, Switzerland and the United Kingdom of Great Britain and Northern Ireland. The agreement has a fixed term. Pursuant to the agreement, the Group is entitled to an upfront payment, additional milestone payments, if any, and revenue sharing based on net sales as stipulated in the agreement. In March 2025, the Group received a non-refundable upfront payment of Euro15,000,000 (equivalent to RMB112,709,000), which was recognised as contract liability. During the year ended 31 December 2025, RMB7,886,000 was amortised and recognised in revenue.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 28. PROVISIONS AND OTHER LIABILITIES

	At 31 December	
	2025 RMB'000	2024 RMB'000
Provisions	–	9,567

During the year ended 31 December 2024, the provision for onerous contracts relates to certain purchase contracts under which the unavoidable costs of meeting the obligation exceed the economic benefits to be received due to anticipated decrease of product selling price.

## 29. LEASE LIABILITIES

	At 31 December	
	2025 RMB'000	2024 RMB'000
<b>Lease liabilities payable:</b>		
Within one year	32,008	30,294
Within a period of more than one year but not exceeding two years	17,182	18,233
Within a period of more than two years but not exceeding five years	22,379	8,080
More than five years	17,055	–
	<b>88,624</b>	56,607
Less: Amount due for settlement with 12 months shown under current liabilities	<b>(32,008)</b>	(30,294)
Amount due for settlement after 12 months shown under non-current liabilities	<b>56,616</b>	26,313

The incremental borrowing rates applied to lease liabilities range from 3.00% to 5.25% (2024: 3.10% to 5.23%) per annum for the year ended 31 December 2025.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 30. OTHER FINANCIAL LIABILITIES

	At 31 December	
	2025 RMB'000	2024 RMB'000
Financial liabilities measured at amortised cost <i>(Note a)</i>	255,490	158,434
Financial liabilities measured at FVTPL <i>(Note b)</i>	151,000	–
	<b>406,490</b>	<b>158,434</b>

*Notes:*

- a) The amounts represent capital injection received from other limited partners of Wuxi Runyuan Biomedical Venture Capital Investment Partnership (Limited Partnership) \* 無錫潤元生物醫藥創業投資合夥企業(有限合夥) (“Wuxi Runyuan”), a subsidiary of the Company. The amount is measured at amortised cost based on the terms stipulated in the investment agreement.
- b) The amounts represent capital injection received from other limited partners of Ningbo Yongyuan Xinglun Junjin Venture Capital Investment Partnership (Limited Partnership)\* 寧波甬元興侖君金創業投資合夥企業(有限合夥) (“Ningbo Yongyuan”) and Wenzhou Renze Kaidi Venture Capital Partnership (Limited Partnership) \* 溫州仁澤凱狄創業投資合夥企業(有限合夥) (“Wenzhou Renze”), subsidiaries of the Company. The amount is measured at FVTPL based on the terms stipulated in the investment agreements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 31. DEFERRED TAXATION

The following is a summary of the deferred tax balances after offsetting for financial reporting purposes:

	At 31 December	
	2025 RMB'000	2024 RMB'000
Deferred tax assets	88,309	87,045

The following are the major deferred tax assets recognised and movements thereon before offsetting during the current and prior years.

	ECL provision RMB'000	Allowance for inventories RMB'000	Deferred income RMB'000	Lease liabilities RMB'000	Unused tax losses RMB'000	Unrealised gains of intercompany sales inventories RMB'000	Total RMB'000
At 1 January 2024	61	3,187	6,147	6,404	103,883	6,068	125,750
(Charge) credit to profit or loss	(61)	(21)	(318)	597	(22,569)	(708)	(23,080)
At 31 December 2024	–	3,166	5,829	7,001	81,314	5,360	102,670
Credit (charge) to profit or loss	–	11,363	14,417	6,949	(14,830)	1,785	19,684
At 31 December 2025	–	14,529	20,246	13,950	66,484	7,145	122,354

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 31. DEFERRED TAXATION (CONTINUED)

The following are the major deferred tax liabilities recognised and movements thereon before offsetting during the current and prior years.

	Financial assets at FVTPL RMB'000	Right-of-use assets RMB'000	Total RMB'000
At 1 January 2024	(15,426)	(6,928)	(22,354)
Credited (charge) credited to profit or loss	7,110	(381)	6,729
At 31 December 2024	(8,316)	(7,309)	(15,625)
Charge to profit or loss	(11,630)	(6,790)	(18,420)
At 31 December 2025	<b>(19,946)</b>	<b>(14,099)</b>	<b>(34,045)</b>

As at 31 December 2025, the Group had deductible temporary differences and unused tax losses of RMB1,859,897,000 (2024: RMB1,643,503,000) and RMB13,442,954,000 (2024: RMB12,109,885,000), respectively, available for offset against future profits. A deferred tax asset has been recognised in respect of RMB274,443,000 (2024: RMB101,260,000) and RMB442,967,000 (2024: RMB540,040,000) of such deductible temporary differences and tax losses respectively as at 31 December 2025. Balance of deductible temporary differences and unused tax losses for which no deferred tax assets have been recognised due to the unpredictability of future profit streams are as follows:

	At 31 December	
	2025 RMB'000	2024 RMB'000
Accrued expenses	1,031,671	920,921
Share-based payment expenses	–	6,514
Deferred income	32,195	43,075
Tax losses	12,999,987	11,569,845
Others	521,588	571,733
	<b>14,585,441</b>	13,112,088

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 31. DEFERRED TAXATION (CONTINUED)

The unrecognised unused tax losses for the PRC subsidiaries of RMB12,882,539,000 (2024: RMB11,528,351,000) will be expired in next ten years.

At the end of reporting period, the Group has an accumulated operating loss in the non-PRC subsidiary of RMB117,448,000 (2024: RMB41,494,000) that are available to offset future profits. All tax losses may carry forward indefinitely.

## 32. SHARE CAPITAL

	Total number of shares	Amount RMB'000
Registered, issued and fully paid at RMB1.0 per share:		
At 1 January 2024 and 31 December 2024	985,689,871	985,690
H shares issued	41,000,000	41,000
At 31 December 2025	<b>1,026,689,871</b>	<b>1,026,690</b>

*Note:* On 20 June 2025, the Company issued 41,000,000 new H shares at HK\$25.35 (equivalent to RMB23.15) per share for a total gross proceeds of HK\$1,039,000,000 (equivalent to RMB949,270,000) from placing of H shares. The proceeds of RMB41,000,000 representing the par value of the shares of the Company, were credited to the Company's share capital. The remaining proceeds of RMB908,270,000 were credited to the share premium of the Company. Transaction costs attributable to the issuance amounting to RMB12,240,000 was debited to share premium directly.

The new shares rank pari passu with the existing shares of the same class in all respects.

Save for disclosed elsewhere, none of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 33. TREASURY SHARE

During the year ended 31 December 2025, no repurchase or cancellation of treasury shares was made by the Company.

During the year ended 31 December 2024, the Company repurchased its own ordinary shares (A Shares) through the STAR Market of the Shanghai Stock Exchange as follows:

Month of repurchase	No. of ordinary shares	Price per share		Aggregate consideration paid in 2024 RMB'000
		Highest RMB	Lowest RMB	
March 2024	102,459	29.35	29.21	3,001
June 2024	34,385	29.14	29.03	1,000
	136,844			4,001

## 34. CAPITAL AND OTHER COMMITMENTS

	At 31 December	
	2025 RMB'000	2024 RMB'000
Capital expenditure contracted for but not provided in the consolidated financial statements:		
– acquisition of property, plant and equipment	885,558	928,144
Other commitments in respect of investments	357,500	56,000

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 35. SHARE-BASED PAYMENT TRANSACTIONS

### A Share Option Scheme

In September 2025, in order to provide incentives to eligible persons for their contributions to the Group, the Company's A share incentive scheme ("A Share Option Scheme") was approved and adopted. Under the A Share Option Scheme, the Company granted 25,150,000 share options to eligible grantees which include directors and employees in September 2025. The exercise price of each option is RMB46.67 per A share. The options are vested as follows:

On 1st anniversary of the first trading day following the end of the 12 months from grant date	50% vest
On 2nd anniversary of the first trading day following the end of the 24 months from grant date	remaining 50% vest

The share options are also subject to performance vesting conditions, including the fulfilment of both personal and the Group's performance targets.

Subject to the respective terms of issue, options may be exercised before the expiry date. If the employees choose not to exercise the options before the expiry date, the options will expire at the end of the date and no longer exercisable.

As at 31 December 2025, the number of options which remain outstanding under the A Share Option Scheme was 24,700,000 which, if exercise in full, representing 2.35% of the shares of the Company in issue at that date.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 35. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

### A Share Option Scheme (Continued)

The table below discloses movement of the Company's A share options held by the Group's employees for the year ended 31 December 2025:

Date of grant	Exercise price RMB	Vesting date	Expiry date	Number of A share incentive options				
				Outstanding at 1 January 2025	Granted during the year	Exercised during the year	Forfeited during the year	Outstanding at 31 December 2025
Tranch 1	46.67	29 September 2026	28 September 2027	-	12,575,000	-	(225,000)	12,350,000
Tranch 2	46.67	29 September 2027	28 September 2028	-	12,575,000	-	(225,000)	12,350,000
Exercisable at the end of the year				-	25,150,000	-	(450,000)	24,700,000
Weighted average exercise price (RMB)				-	46.67	-	46.67	46.67

The share options outstanding at 31 December 2025 had a weighted average remaining contractual life of 2.42 years.

The estimated weighted average fair value of the options granted on grant date is RMB7.69. The fair value of share options was estimated as at the date of grant, using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

Key assumptions	Tranche 1	Tranche 2
Grant date share price	RMB41.09	RMB41.09
Exercise price	RMB46.67	RMB46.67
Option life	2 years	3 years
Volatility rate	40.18%	40.82%
Expected dividend yield	0%	0%
Risk-free interest rate	1.51%	1.53%

During the year ended 31 December 2025, total share-based payment expenses of RMB31,161,000 (net of RMB52,000 capitalized in property, plant and equipment) have been recognised in profit or loss.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 35. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

### H Share Option Scheme

In September 2025, in order to provide incentives to eligible persons for their contribution to the Group, the Company's H share incentive scheme ("H Share Option Scheme") was approved and adopted. Under the H Share Option Scheme, the Company granted 13,210,000 share options to eligible grantees which include directors and employees in September 2025. The exercise price of each option is HK\$32.30 per H share. The options are vested as follows:

On 1st anniversary of the first trading day following the end of the 12 months from grant date	50% vest
On 2nd anniversary of the first trading day following the end of the 24 months from grant date	remaining 50% vest

The share options are also subject to performance vesting conditions, including the fulfilment of both personal and Group's performance targets.

Subject to the respective terms of issue, options may be exercised before the expiry date. If the employees choose not to exercise the options before the expiry date, the options will expire at the end of the date and no longer exercisable.

As at 31 December 2025, the number of options which remain outstanding under the H Share Option Scheme was 13,210,000 which, if exercise in full, representing 1.27% of the shares of the Company in issue at that date.

The table below discloses movement of the Company's H share options held by the Group's employees for the year ended 31 December 2025:

Date of grant	Exercise price HK\$	Vesting date	Expiry date	Number of H share incentive options				
				Outstanding at 1 January 2025	Granted during the year	Exercised during the year	Forfeited during the year	Outstanding at 31 December 2025
Tranche 1	32.30	2 September 2026	2 September 2030	-	6,605,000	-	-	6,605,000
Tranche 2	32.30	2 September 2027	2 September 2030	-	6,605,000	-	-	6,605,000
					13,210,000	-	-	13,210,000
Exercisable at the end of the year								-
Weighted average exercise price (HK\$)				-	32.30	-	-	32.30

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 35. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

### H Share Option Scheme (Continued)

The share options outstanding at 31 December 2025 had a weighted average remaining contractual life of 4.67 years.

The estimated weighted average fair value of the options granted on grant date is HK\$15.47.

The fair value of equity-settled share options granted during the period was estimated as at the date of grant, using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

Key assumptions	Tranche 1	Tranche 2
Grant date share price	HK\$32.30	HK\$32.30
Exercise price	HK\$32.30	HK\$32.30
Option life	5 years	5 years
Volatility rate	56.93%	56.93%
Expected dividend yield	0%	0%
Risk-free interest rate	2.50%	2.50%

During the year ended 31 December 2025, total share-based payment expenses of RMB45,990,000 (2024: nil) have been recognised in profit or loss.

### Restricted A Share Incentive Scheme

Pursuant to a resolution passed on 16 November 2020, the Company adopted the Restricted A Share Incentive Scheme (the "Restricted A Share Scheme") for the purpose of attract and retain the Group's personnel and to ensure the Group's development strategy and business goals. Eligible persons including the Group's directors, senior management and employees. Under the Restricted A Share Scheme, 28,519,000 RSUs are granted to eligible persons. The RSUs are vested as follows:

On 1st anniversary of the first trading day following the end of the 12 months from 16 November 2020	40% vest
On 2nd anniversary of the first trading day following the end of the 24 months from 16 November 2020	further 30% vest
On 3rd anniversary of the first trading day following the end of the 36 months from 16 November 2020	remaining 30% vest

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 35. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

### Restricted A Share Incentive Scheme (Continued)

Movement in the number of RSUs granted under the Restricted A Share Scheme is as follows:

*For the year ended 31 December 2024*

Date of grant	Exercise price RMB	Vesting date	Expiry date	Outstanding at 1 January 2024	Number of RSUs			Outstanding at 31 December 2024
					Granted during the year	Exercised during the year	Lapsed during the year	
16 November 2020	55.50	16 November 2023	15 November 2024	6,159,540	-	-	(6,159,540)	-
Exercisable at the end of the year								-
Weighted average exercise price (RMB)				55.50	-	-	55.50	-

During the year ended 31 December 2024, share-based payment expense of nil has been recognised in profit or loss.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 35. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

### Reserved Restricted A Share Incentive Scheme

Pursuant to a resolution passed on 15 November 2021, the Company adopted the Reserved Restricted A Share Incentive Scheme (the "Reserved Restricted A Share Scheme") for the purpose of attract and retain the Group's personnel and to ensure the Group's development strategy and business goals. Eligible persons including the Group's directors, senior management and employees. Under the Reserved Restricted A Share Scheme, 7,129,000 RSUs are granted to eligible persons. The RSUs are vested as follows:

On 1st anniversary of the first trading day following the end of the 12 months from 15 November 2021	50% vest
On 2nd anniversary of the first trading day following the end of the 24 months from 15 November 2021	further 50% vest

Movement in the number of RSUs granted under the Reserved Restricted A Share Scheme is as follows:

*For the year ended 31 December 2024*

Date of grant	Exercise price RMB	Vesting date	Expiry date	Number of RSUs			
				Outstanding at 1 January 2024	Exercised during the year	Lapsed during the year	Outstanding at 31 December 2024
15 November 2021	55.50	15 November 2023	15 November 2024	2,418,850	-	(2,418,850)	-
Exercisable at the end of the year							-
Weighted average exercise price (RMB)				55.50	-	55.50	-

During the year ended 31 December 2024, share-based payment expense of nil has been recognised in profit or loss.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 36. RETIREMENT BENEFIT SCHEMES

The employees of the Group in the PRC are members of the state-managed retirement benefit schemes operated by the relevant local government. The Company and its subsidiaries situated in the PRC are required to contribute a specified percentage of payroll costs to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to these retirement benefits schemes is to make the specified contributions.

During the year ended 31 December 2025, the total amounts contributed by the Group to the schemes and costs charged to the profit or loss represents contributions paid or payable to the schemes by the Group at rates specified in the rules of the schemes. The retirement benefits scheme contributions incurred by the Group for employees in the PRC amounted to RMB98,669,000 (2024: RMB94,461,000) while retirement benefits scheme contributions incurred for employees in the non-PRC amounted to RMB2,781,000 (2024: RMB4,834,000).

## 37. RELATED PARTY DISCLOSURES

Save for disclosed elsewhere in the report, the Group had entered into the following material transactions with related parties:

### (a) Related party transactions

		Year ended 31 December	
		2025	2024
		RMB'000	RMB'000
<b>Associates and their subsidiaries:</b>			
Shanghai Kelaijie Biotechnology Co., Ltd.* ("KLJ ")	Service income	1,604	–
	Rent income	58	–
Anwita	R&D expenses incurred	1,199	10,782
Junshi Phase I Fund	Management fee income	1,010	1,000
Excellmab (Note a)	License income	–	16,344
	Sale of products	91	69
JKLT	Service and license income	8,530	–
	Asset Transfer	47	–
Junze Chuangyao	Pipeline Interest Transfer	29,703	–
Junshi Runjia (Xuzhou) Pharmaceutical Technology Co., Ltd.* 君實潤佳(徐州)醫藥科技有限公司 ("Junshi Runjia XZ") (note f)	Service income	6,019	–

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 37. RELATED PARTY DISCLOSURES (CONTINUED)

### (a) Related party transactions (Continued)

		Year ended 31 December	
		2025	2024
		RMB'000	RMB'000
<b>Joint ventures:</b>			
Ruotuo Bio	Service income	2,755	–
	Interest expenses on lease liability	70	130
	R&D expenses incurred	3,440	–
Nanjing Ningze	Management fee income	345	–
Anhui Gaotou	Executive Partner fee income	105	–
Shanghai Junyu Biotechnology Development Co., Ltd.* 上海君峪生物科技發展有限公司 ("SHJY") (note b)	Service income	594	1,321
<b>Others entity:</b>			
Allink (note c)	Service income	962	33,503

### (b) Related party balances

		As at 31 December	
		2025	2024
		RMB'000	RMB'000
<b>Associates and their subsidiaries:</b>			
Anwita	Trade payable	–	10,782
Junshi Phase I Fund	Trade receivable	3,060	2,040
Excellmab	Trade receivable	–	13,227
Junze Chuangyao	Other receivable	24,703	–
JKLT	Trade receivable	2,460	–
Junshi Runjia XZ	Trade receivable	6,380	–
<b>Joint ventures:</b>			
Nanjing Ningze	Trade receivable	349	–
Ruotuo Bio	Trade receivable	2,920	–
Ruotuo Bio	Trade payable	–	9,684
Anhui Gaotou	Trade receivable	112	–

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 37. RELATED PARTY DISCLOSURES (CONTINUED)

### (b) Related party balances (Continued)

		As at 31 December	
		2025	2024
		RMB'000	RMB'000
<b>Others entities:</b>			
Allink ( <i>note c</i> )	Trade receivable	–	19,220
Jiangsu Ruihe Environmental Engineering Research Centre Co., Ltd (“Ruihe”) ( <i>note d</i> )	Trade payable	1,497	1,497
<b>(Former) key management personnel:</b>			
Wang Zhengyu	Other payable	10	–
Feng Hui ( <i>note e</i> )	Other payable	–	250

*Notes:*

- a) The amount of RMB16,344,000 during the year ended 31 December 2024 is before offsetting the downstream transaction.
- b) The service income represents the amount incurred before SHJY becoming a subsidiary of the Group.
- c) One of the Company’s former non-executive directors, who resigned during the period ended 30 June 2024, is the controlling shareholder of Allink. It is still regarded as related party for 12 months following his resignation.
- d) One of the Company’s non-executive directors is a director of Ruihe.
- e) Feng Hui was one of the Company’s non-executive directors, who resigned during the period ended 30 June 2024, and is still regarded as related party for 12 months following his resignation.
- f) Junshi Runjia XZ is a wholly-owned subsidiary of Junshi Runjia.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 37. RELATED PARTY DISCLOSURES (CONTINUED)

### (c) Compensation of directors and key management personnel

The remuneration of directors of the Company and other members of key management during both years was as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Short-term benefits and performance bonus	36,890	43,908
Share-based payment expenses	54,023	–
Post-employment benefits	463	414
	<b>91,376</b>	44,322

The remuneration of key management personnel is determined by the management of the Group having regard to the performance of individuals and market trends.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 38. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Details of the principal subsidiaries directly and indirectly held by the Company at 31 December 2025 and 2024 are set out below.

Name of subsidiaries	Place of operation/ establishment, date of incorporation and form of legal entity	Issued and fully paid share capital/registered capital	Shareholding/equity interest attributable to the Company		Principal activities
			As at 31 December 2025	As at 31 December 2024	
<i>Directly held:</i>					
Shanghai Junshi Biotechnology Co., Ltd.* 上海君實生物工程有限公司	The PRC 29 June 2016 Limited liability company	Registered capital of RMB1,000,000,000 and paid-up capital of RMB1,000,000,000	100%	100%	Discovery, development and commercialisation of innovative drugs
Suzhou Junmeng Biopharm Co., Ltd.* 蘇州君盟生物醫藥科技有限公司	The PRC 12 October 2013 Limited liability company	Registered capital of RMB600,000,000 and paid-up capital of RMB600,000,000	100%	100%	Discovery, development and commercialisation of innovative drugs
Suzhou Union Biopharm Co., Ltd.* 蘇州眾合生物醫藥科技有限公司	The PRC 12 October 2013 Limited liability company	Registered capital of RMB750,000,000 and paid-up capital of RMB725,600,000	100%	100%	Discovery, development and commercialisation of innovative drugs
Suzhou TopAlliance Biosciences Co., Ltd.* 蘇州君實生物醫藥科技有限公司	The PRC 26 July 2017 Limited liability company	Registered capital of RMB500,000,000 and paid-up capital of RMB181,848,960	100%	100%	Discovery, development and commercialisation of innovative drugs

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 38. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Name of subsidiaries	Place of operation/ establishment, date of incorporation and form of legal entity	Issued and fully paid share capital/registered capital	Shareholding/equity interest attributable to the Company		Principal activities
			As at 31 December 2025	As at 31 December 2024	
TopAlliance Biosciences Inc.	The United States 6 March 2013	Registered capital of US\$8,750 (equivalent to RMB56,770) and paid-up capital of US\$8,750 (equivalent to RMB56,770)	100%	100%	Discovery, development and commercialisation of innovative drugs
Junshi Biomedical Technology (Hainan) Investment Management Co., Ltd.* 君實生物醫藥科技(海南)有限公司	The PRC 9 February 2021 Limited liability company	Registered capital of RMB50,000,000 and paid-up capital of RMB50,000,000	100%	100%	Discovery, development and commercialisation of innovative drugs
Shanghai JunTop Biosciences Co., Ltd.* 上海君拓生物醫藥科技有限公司 ("JunTop Biosciences")	The PRC 6 August 2021 Limited liability company	Registered capital of RMB440,366,972 and paid-up capital of RMB440,366,972	71.85%	71.85%	Discovery, development and commercialisation of innovative drugs
Suzhou Junjing Biosciences Co., Ltd.* 蘇州君境生物醫藥科技有限公司 ("Suzhou Junjing")	The PRC 23 September 2020 Limited liability company	Registered capital of RMB51,020,408 and paid-up capital of RMB51,020,408	51%	51%	Discovery, development and commercialisation of innovative drugs
Wuxi Runyuan	The PRC 29 May 2023 Limited partnership	Registered capital of RMB750,000,000 and paid-up capital of RMB630,000,000	60%	50%	Investment fund
Suzhou Junao Medicine Co., Ltd.* 蘇州君奧精準醫學有限公司	The PRC 10 January 2018 Limited liability company	Registered capital of RMB490,000,000 and paid-up capital of RMB488,324,000	100%	100%	Hospital operation

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 38. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Name of subsidiaries	Place of operation/ establishment, date of incorporation and form of legal entity	Issued and fully paid share capital/registered capital	Shareholding/equity interest attributable to the Company		Principal activities
			As at 31 December 2025	As at 31 December 2024	
<i>Indirectly held:</i>					
Beijing Union Biopharm Junshi Biosciences Co., Ltd.* 北京眾合君實生物醫藥科技有限公司	The PRC 12 June 2016 Limited liability company	Registered capital of RMB25,000,000 and paid-up capital of RMB11,200,000	100%	100%	Discovery, development and commercialisation of innovative drugs
Suzhou Junshi Biotechnology Co., Ltd.* 蘇州君實生物工程有限公	The PRC 19 June 2018 Limited liability company	Registered capital of RMB200,000,000 and paid-up capital of RMB87,950,000	100%	100%	Discovery, development and commercialisation of innovative drugs
Vinnerna Biosciences Co., Ltd.* 上海旺實生物醫藥科技有限公	The PRC 31 December 2021 Limited liability company	Registered capital of RMB10,000,000 and paid-up capital of RMB10,000,000	71.85%	71.85%	Discovery, development and commercialisation of innovative drugs

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 38. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

None of the subsidiaries had issued any debt securities at the end of both years or at any time during both years.

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

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. The principal activities of these subsidiaries are discovery, development and commercialisation of innovative drugs.

### Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly owned subsidiary of the Company that has material non-controlling interests as at 31 December 2025 and 2024:

Name of subsidiaries	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Loss allocated to non-controlling interests		Accumulated non-controlling interests	
		2025	2024	2025	2024	2025	2024
				RMB'000	RMB'000	RMB'000	RMB'000
JunTop Biosciences	The PRC	28.15%	28.15%	(101,957)	(83,761)	(4,869)	95,226
Individually immaterial subsidiary with non-controlling interests				(29,826)	(15,421)	31,029	(23,520)
				(131,783)	(99,182)	26,160	71,706

Summarised financial information in respect of the Company's subsidiaries that have material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 38. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

### JunTop Biosciences

	At 31 December	
	2025 RMB'000	2024 RMB'000
Current assets	311,836	293,033
Non-current assets	671,768	265,909
Current liabilities	(965,444)	(184,935)
Non-current liabilities	(36,445)	(39,895)
Equity attributable to owners of the Company	(13,416)	238,886
Non-controlling interests of JunTop Biosciences	(4,869)	95,226

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 38. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

### JunTop Biosciences (Continued)

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Loss attributable to owners of the Company	<b>(256,736)</b>	(213,792)
Loss attributable to the non-controlling interests of JunTop Biosciences	<b>(101,957)</b>	(83,761)
Loss and other comprehensive expense for the year	<b>(358,693)</b>	(297,553)
Net cash outflow from operating activities	<b>(13,989)</b>	(202,881)
Net cash (outflow) inflow from investing activities	<b>(340,931)</b>	26,440
Net cash inflow (outflow) from financing activities	<b>358,177</b>	(6,235)
Net cash inflow (outflow)	<b>3,257</b>	(182,676)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 39. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to its stakeholders and maintaining an adequate capital structure. The Group's overall strategy remained unchanged throughout the year.

The capital structure of the Group consists of net debt, which includes the borrowings and lease liabilities and other financial liabilities disclosed in Notes 25, 29 and 30, respectively, net of cash and cash equivalents and equity of the Group, comprising issued share capital, other reserves and non-controlling interests.

The management of the Group regularly reviews the capital structure on a continuous basis taking into account the cost of capital and the risk associated with the capital. The Group will balance its overall capital structure through the new shares issues as well as the issue of new debts and redemption of existing debts.

## 40. FINANCIAL INSTRUMENTS

### 40a. Categories of financial instruments

	At 31 December	
	2025 RMB'000	2024 RMB'000
<b>Financial assets</b>		
At amortised cost	3,160,664	3,058,351
Financial assets at FVTPL	1,926,551	1,371,013
Financial assets at FVTOCI	55,787	62,565
<b>Financial liabilities</b>		
At amortised cost	5,523,415	4,301,167
Financial liabilities at FVTPL	151,000	–

### 40b. Financial risk management objectives and policies

The Group's major financial instruments include trade and bill receivables, deposits and other receivables, other financial assets, restricted bank deposits, bank balances and cash, trade and other payables, bank borrowings, other financial liabilities and lease liabilities. Details of these financial instruments are disclosed in the respective notes.

The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 40. FINANCIAL INSTRUMENTS (CONTINUED)

### 40b. Financial risk management objectives and policies (Continued)

*Market risk*

#### (i) **Currency risk**

The Group has foreign currency bank balances, trade and other receivables and trade and other payables, which expose the Group to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of certain significant foreign currency denominated monetary assets and liabilities other than the functional currency of the entity to which they related at the end of the reporting period are as follows:

	<b>At 31 December</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
<b>Assets</b>		
US\$	<b>826,843</b>	732,704
<b>Liabilities</b>		
US\$	<b>(251)</b>	(4,702)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 40. FINANCIAL INSTRUMENTS (CONTINUED)

### 40b. Financial risk management objectives and policies (Continued)

*Market risk (Continued)*

#### (i) **Currency risk (Continued)**

Sensitivity analysis

The following table details the Group's sensitivity to a 5% (2024: 5%) increase and decrease in RMB against US\$. 5% is the sensitivity rate used which represents management's assessment of the reasonably possible change in foreign exchange rate. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation, for a change in foreign currency rates of 5% at the end of the reporting period. A negative number below indicates an increase in loss where RMB strengthens 5% against US\$. For a 5% weakening of RMB against US\$, there would be an equal and opposite impact on loss for the year.

	<b>At 31 December</b>	
	<b>2025</b> <b>RMB'000</b>	2024 RMB'000
<b>Impact on loss for the year</b>		
US\$	<b>(41,330)</b>	(36,400)

In the opinion of the directors of the Company, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during both years.

#### (ii) **Interest rate risk**

The Group is exposed to fair value interest rate risk in related to fixed-rate bank borrowings (Note 25) and lease liabilities (Note 29).

The Group is also exposed to cash flow interest rate risk in relation to variable-rate restricted bank deposits and bank balances (Note 23) and variable rate bank borrowings (Note 25). The Group cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank borrowings.

The Group currently does not have interest rate risk hedging policy. However, the directors of the Company closely monitor the exposure to future cash flow interest rate risk as a result of change on market interest rate and will consider hedging changes in market interest rates should the need arise.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 40. FINANCIAL INSTRUMENTS (CONTINUED)

### 40b. Financial risk management objectives and policies (Continued)

*Market risk (Continued)*

#### (ii) Interest rate risk (Continued)

Total interest income from financial assets that are measured at amortised cost is as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
<b>Interest income</b>		
Financial assets at amortised cost	31,885	43,630

Total interest expense for financial liabilities that are measured at amortised cost is as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
<b>Interest expenses</b>		
Financial liabilities at amortised cost	74,772	51,352

#### Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis point (2024: 50 basis point) increase or decrease in variable-rate bank borrowing is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. Bank balances are excluded from sensitivity analysis as the management considers that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant.

If interest rates had been 50 basis points (2024: 50 basis points) higher/lower and all other variables were held constant, the Group's loss for the year ended 31 December 2025 would increase/decrease by RMB8,373,000 (2024: RMB3,487,000) (net of RMB5,403,000 (2024: RMB4,434,000) capitalised in cost of construction in progress), this is mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 40. FINANCIAL INSTRUMENTS (CONTINUED)

### 40b. Financial risk management objectives and policies (Continued)

*Market risk (Continued)*

#### **(iii) Other price risk**

The Group is exposed to equity price risk through its equity investments included in other financial assets (Note 22). The management of the Group monitors the price risk and will consider hedging the risk exposure should the need arises.

*Sensitivity analysis*

The sensitivity analyses have been determined based on the exposure to equity price risk at the reporting date. The Group is exposed to equity price risk arising from financial asset measured at FVTPL and financial assets designated as FVTOCI.

If the fair value of the respective investments had been 5% higher/lower, the other comprehensive expense for the year ended 31 December 2025 would decrease/increase by RMB2,789,000(2024: decrease/increase by RMB3,128,000), as a result of the changes in fair value of financial assets designated as FVTOCI.

For sensitivity analysis of financial assets measured at FVTPL, if the fair value of the respective investments had been 5% (2024: 5%) higher/lower, the loss for the year ended 31 December 2025 would decrease/increase by RMB96,328,000(2024: RMB68,550,000) as a result of the changes in fair value.

*Credit risk and impairment assessment*

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade and bill receivables, other receivables, restricted bank deposits and bank balances. The Group does not hold any collateral or other credit enhancements to cover its credit risk associated with its financial assets.

The Group determines the ECL on these items based on the financial quality of debtors and historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

#### **Restricted bank deposits and bank balances**

Credit risk on restricted bank deposits and bank balances is limited because the counterparties are reputable banks with high credit ratings assigned by international credit agencies. The Group assessed 12m ECL for restricted bank deposits and bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12m ECL on restricted bank deposits and bank balances is considered to be insignificant.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 40. FINANCIAL INSTRUMENTS (CONTINUED)

### 40b. Financial risk management objectives and policies (Continued)

*Credit risk and impairment assessment (Continued)*

#### **Trade receivables arising from contracts with customers**

Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed annually. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group's concentration of credit risk by geographical locations is mainly in the PRC and the USA which accounted for 86% (2024: 74%) and 11% (2024: 21%) of the total trade receivables, respectively as at 31 December 2025. In addition, the Group has concentration of credit risk as 11% (2024: 17%) of the total trade and bill receivables was due from the Group's licensing for one (2024: one) of the five largest customers. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals.

The Group performs impairment assessment under ECL model on trade receivable balances individually and based on provision matrix. Except for items that are subject to individual evaluation, which are assessed for impairment individually, the remaining trade receivables are grouped under a provision matrix based on shared credit risk characteristics by reference to repayment histories and current past due exposure for the customers. An impairment loss of RMB3,051,000 is reversed during the year (2024: reversed RMB14,275,000). Details of the quantitative disclosures are set out below in this note.

#### **Deposits and other receivables**

For deposits and other receivables, the directors of the Company make periodic individual assessment on the recoverability of other receivables and deposits based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The directors of the Company believe that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL. For the year ended 31 December 2025, the Group assessed the ECL for other receivables and deposits and reversed impairment of RMB308,000 (2024: reversed RMB5,451,000) during the year.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 40. FINANCIAL INSTRUMENTS (CONTINUED)

### 40b. Financial risk management objectives and policies (Continued)

*Credit risk and impairment assessment (Continued)*

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL – not credit-impaired	12m ECL
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL – not credit-impaired	12m ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 40. FINANCIAL INSTRUMENTS (CONTINUED)

### 40b. Financial risk management objectives and policies (Continued)

*Credit risk and impairment assessment (Continued)*

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

	Notes	External credit rating	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	
					2025 RMB'000	2024 RMB'000
<b>Financial assets at amortised cost</b>						
Restricted bank deposits	23	AA	N/A	12m ECL	20,575	15,522
Bank balances and cash	23	AA	N/A	12m ECL	2,594,000	2,486,679
Deposits and other receivables	21	N/A	Low risk	12m ECL	39,342	46,641
Bill receivables	20	N/A	Low risk	12m ECL	302	–
Trade receivables	20	N/A	(Note)	Lifetime ECL (provision matrix)	507,476	424,044
Trade receivables	20	N/A	Watch list	Lifetime ECL (individually assessed)	–	89,855
					<b>3,161,695</b>	<b>3,062,741</b>

*Note:* For trade receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL on these items using a provision matrix, grouped by internal credit rating and past due status.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 40. FINANCIAL INSTRUMENTS (CONTINUED)

### 40b. Financial risk management objectives and policies (Continued)

#### *Credit risk and impairment assessment (Continued)*

As part of the Group's credit risk management, the Group uses debtors' aging and internal credit ratings to assess the impairment for its customers in relation to its operation of sales of pharmaceutical products, service income and license income. The following table provides information about the exposure to credit risk for trade receivables which are assessed based on provision matrix within lifetime ECL (not credit-impaired). Debtors with significant outstanding balances with gross carrying amounts of nil as at 31 December 2025 (2024: RMB89,855,000) were assessed individually.

#### *Gross carrying amount*

	2025		2024	
	Average loss rate %	Trade receivables RMB'000	Average loss rate %	Trade receivables RMB'000
Current-not past due	0	484,540	0	400,070
Current-past due 0-90 days	3	21,493	4	4,842
Current-past due over 90 days	30	1,443	19	19,132
		<b>507,476</b>		424,044

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

As at 31 December 2025, the Group provided RMB1,031,000(2024: RMB3,730,000) impairment allowance for trade receivables based on collective assessment. As at 31 December 2025, impairment allowance of nil (2024: RMB352,000) were made on debtors with significant balances assessed individually.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 40. FINANCIAL INSTRUMENTS (CONTINUED)

### 40b. Financial risk management objectives and policies (Continued)

*Credit risk and impairment assessment (Continued)*

The following table shows the reconciliation of loss, allowances that has been recognised for trade and bill receivables under the simplified approach.

	<b>Lifetime ECL (not credit-impaired)</b>
	RMB'000
As at 1 January 2024	18,357
– Impairment losses recognised	3,912
– Impairment losses reversed	(18,187)
As at 31 December 2024	4,082
– Impairment losses recognised	1,031
– Impairment losses reversed	(4,082)
As at 31 December 2025	<b>1,031</b>

The following table shows the reconciliation of loss, allowances that has been recognised for deposits and other receivables under 12m ECL approach.

	<b>12m ECL</b>
	RMB'000
As at 1 January 2024	5,759
– Impairment losses recognised	162
– Impairment losses reversed	(5,613)
As at 31 December 2024	308
– Impairment losses reversed	(308)
As at 31 December 2025	–

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 40. FINANCIAL INSTRUMENTS (CONTINUED)

### 40b. Financial risk management objectives and policies (Continued)

#### Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents as well as undrawn banking facilities deemed adequate by the directors of the Company to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The directors of the Company monitor the utilisation of bank borrowings and ensure compliance with loan covenants.

The Group relied on borrowings and the issuance of shares as significant sources of liquidity. Details of which are set out in Note 25 and Note 32, respectively.

The following table details the Group remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

#### Liquidity table

	Weighted average effective interest rate %	Repayable on demand or less than 1 year RMB'000	1 - 2 years RMB'000	2 - 5 years RMB'000	>5 years RMB'000	Total undiscounted cash flows RMB'000	Total carrying amount RMB'000
At 31 December 2025							
<b>Non-derivative financial liabilities measured at amortized cost</b>							
Trade and other payables	-	1,163,727	30,000	-	-	1,193,727	1,193,727
Other payables	5.00	18,750	-	-	-	18,750	18,000
Bank borrowings	2.62	1,375,073	1,235,466	828,637	1,007,593	4,446,769	4,056,198
Other financial liabilities	3.70	-	-	261,929	-	261,929	255,490
Lease liabilities	3.61	32,968	18,421	27,395	20,505	99,289	88,624
		2,590,518	1,283,887	1,117,961	1,028,098	6,020,464	5,612,039
<b>Non-derivative financial liabilities measured through fair value</b>							
Other financial liabilities	7.01	-	-	-	235,640	235,640	151,000

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 40. FINANCIAL INSTRUMENTS (CONTINUED)

### 40b. Financial risk management objectives and policies (Continued)

*Liquidity risk (Continued)*

**Liquidity table (Continued)**

	Weighted average effective interest rate %	Repayable on demand or less than 1 year RMB'000	1 - 2 years RMB'000	2 - 5 years RMB'000	>5 years RMB'000	Total undiscounted cash flows RMB'000	Total carrying amount RMB'000
At 31 December 2024							
<b>Non-derivative financial liabilities</b>							
Trade and other payables	-	1,268,452	-	-	-	1,268,452	1,268,452
Bank borrowings	3.05	963,073	676,155	890,315	639,815	3,169,358	2,874,281
Other financial liabilities	3.70	-	-	-	183,300	183,300	158,434
Lease liabilities	3.91	31,478	19,686	9,787	-	60,951	56,607
		2,263,003	695,841	900,102	823,115	4,682,061	4,357,774

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 40. FINANCIAL INSTRUMENTS (CONTINUED)

### 40b. Financial risk management objectives and policies (Continued)

*Fair value measurements of financial instruments*

#### (i) **Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis**

Certain of the Group's financial assets and liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and liabilities are determined.

Financial assets	Fair value at 31 December		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs
	2025 RMB'000	2024 RMB'000			
<b>Financial assets at FVTPL</b>					
2025: Unlisted equity investments	140,192	51,617	2025: Level 2	2025: Recent transaction price	2025: N/A
2024: Investments in preference shares			2024: Level 3	2024: Back-solve from recent transaction price	2024: Recent transaction price/Redemption/Liquidation/IPO probability/risk-free rate/expected volatility/liquidity discount
Unlisted equity investments	16,898	16,898	Level 3	Back-solve from recent transaction price	Recent transaction price/Redemption/Liquidation/IPO probability/risk-free rate/expected volatility/liquidity discount
Unlisted equity investments	50,000	30,000	Level 2	Recent transaction price	N/A
Investments in preference shares	59,684	12,255	Level 3	Back-solve from recent transaction price	Recent transaction price/Redemption/Liquidation/IPO probability/risk-free rate/expected volatility/liquidity discount
2025: Unlisted equity investments	84,131	84,131	Level 3	Back-solve from recent transaction price	Recent transaction price/Redemption/Liquidation/IPO probability/risk-free rate/expected volatility/liquidity discount
2024: Investments in preference shares					

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 40. FINANCIAL INSTRUMENTS (CONTINUED)

### 40b. Financial risk management objectives and policies (Continued)

*Fair value measurements of financial instruments (Continued)*

**(i) Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis (Continued)**

Financial assets	Fair value at 31 December		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs
	2025 RMB'000	2024 RMB'000			
Investments in preference shares	345,231	274,140	Level 3	Market comparison approach – in this approach, fair value was determined with reference to P/R&D multiple	Discount rate of 18%-27% and P/R&D multiple of 3.60-8.88, taking into account management's experience and knowledge of market conditions
Investments in preference shares	220,370	75,000	Level 2	Recent transaction price	N/A
Investments in preference shares	29,000	41,596	Level 3	2025: Back-solve from recent transaction price  2024: Market comparison approach – in this approach, fair value was determined with reference to P/R&D multiple	2025: Recent transaction price/ Redemption/Liquidation/ IPO probability/risk – free rate/expected volatility/ liquidity discount  2024: Discount rate of 16% and P/R&D multiple of 2.73, taking into account management's experience and knowledge of market conditions
Investments in preference shares	76,775	100,000	2025: Level 3	2025: Back-solve from recent transaction price	2025: Recent transaction price/ Redemption/Liquidation/ IPO probability/risk – free rate/expected volatility/ liquidity discount
			2024: Level 2	2024: Recent transaction price	2024: N/A

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 40. FINANCIAL INSTRUMENTS (CONTINUED)

### 40b. Financial risk management objectives and policies (Continued)

*Fair value measurements of financial instruments (Continued)*

**(i) Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis (Continued)**

Financial assets	Fair value at 31 December		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs
	2025 RMB'000	2024 RMB'000			
2025: Unlisted equity investments	76,780	65,999	2025: Level 2	2025: Recent transaction price	2025: N/A
2024: Investments in preference shares			2024: Level 3	2024: Market comparison approach – in this approach, fair value was determined with reference to P/R&D multiple	2024: Discount rate of 11% and P/R&D multiple of 5.8, taking into account management's experience and knowledge of market conditions
Investments in unlisted equity investments in partnership	226,708	188,869	Level 3	The fair value is determined based on the share of fair value of the underlying net assets held by the investee	The fair value of the underlying net assets of the investee
Financial products	600,782	430,508	Level 2	Discounted cash flow — Future cash flows are estimated based on expected return	N/A
	1,926,551	1,371,013			

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 40. FINANCIAL INSTRUMENTS (CONTINUED)

### 40b. Financial risk management objectives and policies (Continued)

*Fair value measurements of financial instruments (Continued)*

**(i) Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis (Continued)**

Financial assets	Fair value at 31 December		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs
	2025 RMB'000	2024 RMB'000			
<b>Financial assets at FVTOCI</b>					
Listed equity investments	24,872	24,721	Level 1	Quoted bid prices in an active market	N/A
Unlisted equity investments	30,915	37,844	Level 3	Back-solve from recent transaction price	Recent transaction price/ Redemption/Liquidation/ IPO probability/risk – free rate/expected volatility/ liquidity discount
	<b>1,982,338</b>	1,433,578			
<b>Other financial liabilities</b>	<b>151,000</b>	–	Level 2	The fair value is determined based on the share of fair value of the underlying net assets held by the investee	N/A

There were no transfers between Level 1 and Level 2 during both years.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 40. FINANCIAL INSTRUMENTS (CONTINUED)

### 40b. Financial risk management objectives and policies (Continued)

*Fair value measurements of financial instruments (Continued)*

#### (ii) Reconciliation of Level 3 fair value measurements

	Unlisted equity investments RMB'000	Unlisted equity investments in partnership RMB'000	Investments in preference shares RMB'000	Total RMB'000
At 1 January 2024	37,592	153,777	451,385	642,754
Additions	–	24,000	10,000	34,000
Transfer into Level 3 due to change of valuation technique	–	–	134,008	134,008
Dividend received	–	(1,660)	–	(1,660)
Change in fair value credited (charged) to profit or loss	4,716	12,752	(65,655)	(48,187)
Change in fair value charged to other comprehensive expense	12,434	–	–	12,434
At 31 December 2024	54,742	188,869	529,738	773,349
Additions	–	39,598	45,000	84,598
Transfer between investments in preference shares and unlisted equity investments	201,747	–	(201,747)	–
Transfer into Level 3 due to change of valuation technique ( <i>Note a</i> )	–	–	100,000	100,000
Transfer into Level 2 due to change of valuation technique ( <i>Note b</i> )	(117,616)	–	–	(117,616)
Dividend received	–	(1,639)	–	(1,639)
Change in fair value (charged) credited to profit or loss	–	(120)	37,699	37,579
Change in fair value charged to other comprehensive expense	(6,929)	–	–	(6,929)
At 31 December 2025	<b>131,944</b>	<b>226,708</b>	<b>510,690</b>	<b>869,342</b>

*Note a:* These investments were measured by recent transaction price as at the end of preceding reporting period.

*Note b:* These investments were measured by back-solve from recent transaction price or market comparison approach as at the end of preceding reporting period.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 40. FINANCIAL INSTRUMENTS (CONTINUED)

### 40b. Financial risk management objectives and policies (Continued)

*Fair value measurements of financial instruments (Continued)*

#### **(ii) Reconciliation of Level 3 fair value measurements (Continued)**

Of the total losses for the year included in profit or loss, RMB37,579,000 gain (2024: RMB48,187,000 loss) relates to financial assets measured at FVTPL held at the end of the current reporting period. Fair value gains or losses on financial assets measured at FVTPL are included in 'other gains and losses'.

Included in other comprehensive expense is an amount of RMB6,929,000 loss (2024: RMB12,434,000 gain) relating to unlisted equity investments designated as at FVTOCI held at the end of the current reporting period and is reported as changes of revaluation reserve.

#### **(iii) Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis**

The fair value of financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis with the most significant inputs being the discount rate that reflects the credit risk of the counterparty.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities of the Group recorded at amortised cost in the consolidated financial statements approximate to their fair value based on the discounted cash flow analysis.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 41. ACQUISITION OF SUBSIDIARIES

During the year ended 31 December 2025, the Group acquired a 99.2% equity interest in Shanghai Herun Yuan Biotechnology Co., Ltd.\*上海合潤遠生物技術有限公司("HRY") through Suzhou Chuangmei Biotechnology Co., Ltd.\*蘇州創美生物技術有限公司, the non-wholly owned subsidiary at nil consideration. Upon completion of the acquisition, the equity interest in HRY held by the Group was 99.6% and HRY has become a non-wholly owned subsidiary of the Group as the Group obtained the control over HRY by majority shareholding. Upon the completion of the acquisition, the Group's equity interest in an joint venture, SHJY, increased to 100% and SHJY became a subsidiary of the Group. The acquisition has been accounted for as acquisition of business using the acquisition method. The principal activities of HRY and SHJY are engaged in technical services, technological development, drug production, wholesale of drugs and commissioned production of drugs.

### Fair value of assets acquired and liabilities recognised at the date of acquisition

	RMB'000
Property, plant and equipment	15,674
Right-of-use assets	11,342
Intangible assets	26,164
Other assets, prepayments and other receivables	10,209
Other financial assets	2,000
Bank balances and cash	823
Trade and other payables	(53,896)
Lease liabilities	(12,173)
	143

The non-controlling interests 0.4% in HRY recognised at the acquisition date was measured by reference to the proportionate share of recognised amounts of net assets of HRY.

The consideration for the acquisition is less than the fair value of the net assets identified, resulting in a gain of RMB143,000 recognised.

### Net cash inflows arising on acquisition of HRY and SHJY

	RMB'000
Consideration paid in cash	–
Less: cash and cash equivalents acquired	(823)
	823

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 41. ACQUISITION OF SUBSIDIARIES (CONTINUED)

### Impact of acquisition on the results of the Group

Had the acquisition of HRY and SHJY been completed on 1 January 2025, revenue of the Group for the year ended 31 December 2025 would have been RMB2,503,015,000, and the loss for the year would have been RMB978,156,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2025, nor is it intended to be a projection of future results.

In determining the 'pro-forma' revenue and loss of the Group had HRY and SHJY been acquired at the beginning of the year, the directors of the Company calculated amortization/depreciation of intangible assets/property, plant and equipment based on the recognised amounts of intangible assets/property, plant and equipment at the date of the acquisition.

## 42. DEEMED DISPOSAL OF A SUBSIDIARY

As disclosed in Note 18, JKLT ceased to be a subsidiary of the Group during the year. The net assets of JKLT at the date of disposal were as follows:

	<b>As at 28 March 2025</b>
	RMB'000
Right-of-use assets	435
Other assets, prepayments and other receivables	148
Bank balances and cash	20,918
Trade and other payables	(13,305)
Lease liabilities	(424)
Net assets on the date of disposal	7,772
Fair value of equity interest retained	9,109
Gain on deemed disposal	1,337
Net cash outflow arising on disposal:	
Cash and cash equivalents disposed of	20,918

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 43. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	<b>Lease liabilities</b>	<b>Bank borrowings</b>	<b>Other financial liabilities</b>	<b>Other payables</b>	<b>Total</b>
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	<i>(Note 29)</i>	<i>(Note 25)</i>	<i>(Note 30)</i>	<i>(Note 24(b))</i>	
At 1 January 2024	53,382	1,735,185	152,791	–	1,941,358
Financing cash flows	(39,605)	1,058,941	–	–	1,019,336
<b>Non-cash transactions:</b>					
– Finance costs	1,767	80,155	5,643	–	87,565
– New lease entered	49,490	–	–	–	49,490
– Termination of leases	(8,427)	–	–	–	(8,427)
At 31 December 2024	56,607	2,874,281	158,434	–	3,089,322
Financing cash flows	(38,289)	1,086,619	241,000	5,000	1,294,330
<b>Non-cash transactions:</b>					
– Finance costs	2,899	94,548	7,056	500	105,003
– New lease entered	56,892	–	–	–	56,892
– Acquired on acquisition of a subsidiary	12,173	–	–	47,500	59,673
– Termination of leases	(1,234)	–	–	–	(1,234)
– Others	(424)	–	–	–	(424)
At 31 December 2025	<b>88,624</b>	<b>4,055,448</b>	<b>406,490</b>	<b>53,000</b>	<b>4,603,562</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 44. MAJOR NON-CASH TRANSACTIONS

During the year, the Group entered into new lease agreements for the use of leased properties for 2 to 9 years. On the lease commencement, the Group recognised right-of-use assets and lease liabilities of RMB52,887,000 and RMB56,892,000 (2024: RMB49,490,000 and RMB49,490,000) respectively.

During the year, the Company and Huapu set up Pushi. Based on the investment agreement, the Group controls Pushi. Capital contribution made by Huapu was intangible assets worthy RMB84,034,000, the value of which was determined by directors of the Company with reference to a valuation report prepared by an independent valuer.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 45. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	At 31 December	
	2025 RMB'000	2024 RMB'000
<b>Non-current assets</b>		
Investment property	179,349	183,847
Property, plant and equipment	573,519	569,540
Right-of-use assets	112,368	123,412
Investments in subsidiaries	4,929,344	4,179,752
Intangible assets	36,807	66,601
Interests in joint ventures	114,762	70,154
Interests in associates	166,774	143,048
Other assets, prepayments and other receivables	111,006	96,625
Amounts due from subsidiaries	2,663,258	2,283,963
Amounts due from related parties	24,703	–
Other financial assets	760,779	654,344
	<b>9,672,669</b>	<b>8,371,286</b>
<b>Current assets</b>		
Inventories	102,407	67,981
Trade receivables	424,402	450,297
Other assets, prepayments and other receivables	88,073	137,075
Amounts due from subsidiaries	2,685,881	2,741,316
Amounts due from related parties	7,452	32,447
Other financial assets	600,782	430,508
Restricted bank deposits	–	10,866
Bank balances and cash	1,677,269	1,499,756
	<b>5,586,266</b>	<b>5,370,246</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 45. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (CONTINUED)

	At 31 December	
	2025 RMB'000	2024 RMB'000
<b>Current liabilities</b>		
Trade and other payables	774,957	823,122
Income tax payable	3,627	12,442
Amounts due to subsidiaries	2,493,039	2,790,525
Amounts due to related parties	–	11,032
Bank borrowings	912,029	739,119
Deferred income	6,600	2,980
Contract liabilities	8,538	6,859
Lease liabilities	14,440	12,619
	<b>4,213,230</b>	4,398,698
<b>Net current assets</b>	<b>1,373,036</b>	971,548
<b>Total assets less current liabilities</b>	<b>11,045,705</b>	9,342,834
<b>Non-current liabilities</b>		
Bank borrowings	1,017,860	310,441
Deferred income	600	600
Lease liabilities	6,311	17,114
	<b>1,024,771</b>	328,155
<b>Net assets</b>	<b>10,020,934</b>	9,014,679
<b>Capital and reserves</b>		
Share capital	1,026,690	985,690
Treasury share	(30,892)	(30,892)
Reserves	9,025,136	8,059,881
<b>Total equity</b>	<b>10,020,934</b>	9,014,679

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 45. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (CONTINUED)

	Share premium RMB'000	Share-based payments reserves RMB'000	Other reserve RMB'000	Revaluation reserve RMB'000	Accumulated losses RMB'000	Sub-total RMB'000
At 1 January 2024	14,783,741	87,862	–	(180,535)	(6,663,960)	8,027,108
Profit for the year	–	–	–	–	42,394	42,394
Other comprehensive expense for the year	–	–	–	(21,619)	–	(21,619)
Total comprehensive (expense) income for the year	–	–	–	(21,619)	42,394	20,775
Lapse of RSUs	87,862	(87,862)	–	–	–	–
Other	–	–	11,998	–	–	11,998
At 31 December 2024	14,871,603	–	11,998	(202,154)	(6,621,566)	8,059,881
Loss for the year	–	–	–	–	(1,201)	(1,201)
Other comprehensive expense for the year	–	–	–	(6,777)	–	(6,777)
Total comprehensive expense for the year	–	–	–	(6,777)	(1,201)	(7,978)
H shares issued	908,270	–	–	–	–	908,270
Transaction costs attributable to issuance of H shares	(12,240)	–	–	–	–	(12,240)
Recognition of equity settled share-based payment expenses – share option	–	77,203	–	–	–	77,203
At 31 December 2025	<b>15,767,633</b>	<b>77,203</b>	<b>11,998</b>	<b>(208,931)</b>	<b>(6,622,767)</b>	<b>9,025,136</b>

The difference between the share premium of the Group and the Company arise from a merge by absorption during the initial public offering of H shares.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 46. SUBSEQUENT EVENTS

In January 2026, the Company completed the issuance of the 2026 first tranche of technology innovation bonds and received a total proceeds of RMB1,000,000,000. The bonds bear a coupon rate of 2.7% per annum and have a term of 3+2 years, maturing in January 2031. The bonds have a fixed term of 3 years. At the end of the third year, the Company has an option to adjust the coupon rate and the bondholders of the bonds have an option to extend the term for a further two years or to redeem the bonds.

## DEFINITIONS

<b>2018 Convertible Bonds</b>	innovative start-ups convertible bonds (創新創業可轉換公司債券) previously issued by the Company and listed and traded on the Shanghai Stock Exchange. All the 2018 Convertible Bonds have been fully redeemed by the Company in July 2019
<b>2020 Restricted A Share Incentive Scheme</b>	the Company's 2020 Restricted A Share Incentive Scheme approved and adopted by its Shareholders at the 2020 third extraordinary general meeting, the 2020 second class meeting of A Shareholders and the 2020 second class meeting of H Shareholders held on 16 November 2020
<b>2025 A Share Option Incentive Scheme</b>	the Company's 2025 A Share Option Incentive Scheme approved and adopted by its Shareholders at the 2025 first extraordinary general meeting
<b>2025 H Share Option Incentive Scheme</b>	the Company's 2025 H Share Option Incentive Scheme approved and adopted by its Shareholders at the 2025 first extraordinary general meeting
<b>ADC</b>	antibody-drug conjugate
<b>A Share(s)</b>	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid for in Renminbi and are listed on the STAR Market of the SSE
<b>A Shareholder(s)</b>	holder(s) of A Share(s)
<b>ALK</b>	anaplastic lymphoma kinase
<b>AGM</b>	annual general meeting of the Company
<b>Allink</b>	Shanghai Allink Biopharmaceutical Co., Ltd. (上海安領科生物醫藥有限公司)
<b>Articles of Association</b>	articles of association of the Company
<b>ASCO</b>	the American Society of Clinical Oncology
<b>Audit Committee</b>	the audit committee of the Company
<b>Board Diversity Policy</b>	board diversity policy of the Company
<b>Board or Board of Directors</b>	the Company's board of Directors
<b>Board of Supervisors</b>	the Company's board of supervisors, and the Board of Supervisors was abolished on 29 September 2025

## DEFINITIONS

<b><i>Bochuang Pharmaceuticals</i></b>	Chongqing Bochuang Pharmaceuticals Co., Ltd. (重慶博創醫藥有限公司)
<b><i>CG Code</i></b>	Corporate Governance Code in Appendix C1 of the Listing Rules
<b><i>Coherus</i></b>	Coherus BioSciences, Inc.
<b><i>CRR</i></b>	complete response rate
<b><i>Companies Ordinance</i></b>	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong
<b><i>Company or Junshi or Junshi Biosciences</i></b>	Shanghai Junshi Biosciences Co., Ltd.* (上海君實生物醫藥科技股份有限公司)
<b><i>CSCO</i></b>	Chinese Society of Clinical Oncology
<b><i>COVID-19</i></b>	coronavirus infections
<b><i>DCR</i></b>	disease control rate
<b><i>DLBCL</i></b>	diffuse large B-cell lymphoma
<b><i>Director(s)</i></b>	director(s) of the Company
<b><i>DoR</i></b>	median duration of response
<b><i>Dr. Reddy's</i></b>	Dr. Reddy's Laboratories Limited
<b><i>EU</i></b>	European Union
<b><i>EEA</i></b>	European Economic Area
<b><i>EGFR</i></b>	epidermal growth factor receptor
<b><i>ESCC</i></b>	esophageal squamous cell carcinoma
<b><i>ESMO</i></b>	European Society for Medical Oncology
<b><i>ESG</i></b>	environmental, social and governance
<b><i>ES-SCLC</i></b>	extensive-stage small cell lung cancer

## DEFINITIONS

<b><i>Excellmab</i></b>	Excellmab Pte. Ltd.
<b><i>Executive Director(s)</i></b>	executive director(s) of the Company
<b><i>FDA</i></b>	U.S. Food and Drug Administration
<b><i>Global Offering</i></b>	as defined in the Prospectus
<b><i>GMP</i></b>	Good Manufacturing Practice
<b><i>Group</i></b>	the Company and its subsidiaries
<b><i>G/GEJA</i></b>	gastric or gastro-oesophageal junction cancer
<b><i>HCC</i></b>	hepatocellular carcinoma
<b><i>HeFH</i></b>	heterozygous familial hypercholesterolemia
<b><i>HER2</i></b>	human epidermal growth factor receptor 2
<b><i>HER3</i></b>	human epidermal growth factor receptor 3
<b><i>Compliance Committee</i></b>	the compliance committee of the Company
<b><i>Hikma</i></b>	Hikma MENA FZE
<b><i>H Share Listing</i></b>	the listing of the Company's H Shares on the Hong Kong Stock Exchange on 24 December 2018
<b><i>H Share(s)</i></b>	overseas-listed share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are traded in Hong Kong dollars and are listed on Hong Kong Stock Exchange
<b><i>H Shareholder(s)</i></b>	holder(s) of H Share(s)
<b><i>HKD or HK\$</i></b>	Hong Kong dollars, the official currency of Hong Kong
<b><i>Hong Kong</i></b>	Hong Kong Special Administrative Region of the PRC

## DEFINITIONS

<b><i>Hong Kong Listing Rules or Listing Rules</i></b>	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
<b><i>Hong Kong Stock Exchange or Stock Exchange</i></b>	The Stock Exchange of Hong Kong Limited
<b><i>HSA</i></b>	Singapore Health Sciences Authority
<b><i>IFRS</i></b>	International Financial Reporting Standards
<b><i>IL-2</i></b>	interleukin-2
<b><i>IL-17A</i></b>	interleukin-17A
<b><i>IND</i></b>	Investigational New Drug
<b><i>Independent Non-executive Director(s)</i></b>	independent non-executive directors of the Company
<b><i>Junshi Biotechnology</i></b>	Shanghai Junshi Biotechnology Co., Ltd.* (上海君實生物工程有限公同), a limited liability company established in the PRC and a wholly-owned subsidiary of the Company
<b><i>JunTop Biosciences</i></b>	Shanghai JunTop Biosciences Co., Ltd.* (上海君拓生物醫藥科技有限公同), a limited liability company established in the PRC and a non-wholly owned subsidiary of the Company
<b><i>LDL-C</i></b>	low-density lipoprotein cholesterol
<b><i>LEO Pharma</i></b>	LEO Pharma A/S
<b><i>Lingang Production Base</i></b>	the production base of Shanghai Junshi Biotechnology Co., Ltd. in Lingang, Shanghai
<b><i>LS-SCLC</i></b>	limited-stage small cell lung cancer
<b><i>MAA</i></b>	marketing authorization application

## DEFINITIONS

<b><i>Model Code</i></b>	the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 of the Listing Rules
<b><i>NCCN</i></b>	National Comprehensive Cancer Network
<b><i>NDA</i></b>	new drug application
<b><i>NEEQ</i></b>	National Equities Exchange and Quotations
<b><i>NMPA</i></b>	National Medical Products Administration of China
<b><i>Nomination Committee</i></b>	the nomination committee of the Company
<b><i>NPC</i></b>	nasopharyngeal carcinoma
<b><i>NRDL</i></b>	National Drug List for Basic Medical Insurance, Work-Related Injury Insurance and Maternity Insurance (Year 2025) * 《(國家基本醫療保險、工傷保險和生育保險藥品目錄(2025)版》)
<b><i>NSCLC</i></b>	non-small cell lung cancer
<b><i>ORR</i></b>	objective response rate
<b><i>OS</i></b>	overall survival
<b><i>Over-allotment Option</i></b>	as defined in the Prospectus
<b><i>PFS</i></b>	progression free survival
<b><i>PsO</i></b>	moderate to severe plaque psoriasis
<b><i>Placing</i></b>	the placing of new H Shares under general mandate by the Company
<b><i>Placing Shares</i></b>	an aggregate of 41,000,000 H Shares allotted and issued at HK\$25.35 per H Share by the Company
<b><i>PRC or China</i></b>	the People's Republic of China
<b><i>PRC Company Law</i></b>	the Company Law of the PRC* (《中華人民共和國公司法》)

## DEFINITIONS

<b><i>PRC GAAP</i></b>	generally accepted accounting principles in the PRC
<b><i>PRC Securities Law</i></b>	the Securities Law of the PRC* (《中華人民共和國證券法》)
<b><i>Prospectus</i></b>	the prospectus of the Company dated 11 December 2018
<b><i>R&amp;D</i></b>	research and development
<b><i>RCC</i></b>	renal cell carcinoma
<b><i>RdRp</i></b>	RNA-dependent RNA polymeras
<b><i>Remuneration and Appraisal Committee</i></b>	the remuneration and appraisal committee of the Company
<b><i>Reporting Period</i></b>	the year ended 31 December 2025
<b><i>Restricted Share(s)</i></b>	A Share(s) to be granted by the Company to participants on such conditions stipulated under the 2020 Restricted A Share Incentive Scheme, which are subject to the attribution conditions stipulated under the 2020 Restricted A Share Incentive Scheme and can only be attributed and transferred after satisfaction of the attribution conditions
<b><i>RMB</i></b>	Renminbi
<b><i>Rxilient Biotech</i></b>	Rxilient Biotech Pte. Ltd.
<b><i>SCLC</i></b>	small cell lung cancer
<b><i>SFO</i></b>	the Securities and Futures Ordinance, Charter 571 of the laws of Hong Kong
<b><i>Shanghai Stock Exchange or SSE</i></b>	The Shanghai Stock Exchange
<b><i>Shanghai Union Biopharm</i></b>	Shanghai Union Biopharm Biosciences Co., Ltd.* (上海眾合醫藥科技股份有限公司), a limited liability company established in the PRC and merged with the Company by consolidation in June 2016
<b><i>Share(s)</i></b>	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, comprising H Shares and A Shares

## DEFINITIONS

<b><i>Shareholder(s)</i></b>	holder(s) of the Share(s)
<b><i>WCLC</i></b>	World Conference on Lung Cancer
<b><i>sNDA</i></b>	supplemental new drug application
<b><i>STAR Market Listing Rules</i></b>	the Rules Governing the Listing of Stocks on the STAR Market of Shanghai Stock Exchange * (《上海證券交易所科創板股票上市規則》)
<b><i>STAR Market</i></b>	the STAR Market of the Shanghai Stock Exchange
<b><i>Strategic Committee</i></b>	the strategic committee of the Company, which was adjusted to the Strategic and ESG Committee on 13 March 2026
<b><i>Supervisor(s)</i></b>	supervisor(s) of the Company, and the Board of Supervisors was abolished on 29 September 2025
<b><i>Suzhou Junao</i></b>	Suzhou Junao Medicine Co., Ltd.* (蘇州君奧精準醫學有限公司), a limited liability company established in the PRC, and a wholly-owned subsidiary of the Company
<b><i>Suzhou Junmeng</i></b>	Suzhou Junmeng Biosciences Co., Ltd.* (蘇州君盟生物醫藥科技有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of the Company
<b><i>Suzhou TopAlliance</i></b>	Suzhou TopAlliance Biosciences Co., Ltd.* (蘇州君實生物醫藥科技有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of the Company
<b><i>Suzhou Union</i></b>	Suzhou Union Biopharm Co., Ltd.* (蘇州眾合生物醫藥科技有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of the Company
<b><i>Suzhou Junshi Biotechnology</i></b>	Suzhou Junshi Biotechnology Co., Ltd.* (蘇州君實生物工程有限公), a limited liability company established in the PRC and a wholly-owned subsidiary of the Company

## DEFINITIONS

<b><i>Territory</i></b>	in respect of the distribution and marketing agreement between TopAlliance and LEO Pharma entered into in January 2025, all current member states and any future member states of the EU and the EEA, Switzerland as well as the UK
<b><i>TGA</i></b>	Therapeutic Goods Administration of the Australian Government Department of Health and Aged Care
<b><i>TNBC</i></b>	Triple-negative breast cancer
<b><i>TopAlliance</i></b>	TopAlliance Biosciences Inc., a corporation established in the United States and a wholly-owned subsidiary of the Company
<b><i>UC</i></b>	urothelial carcinoma
<b><i>UK</i></b>	United Kingdom
<b><i>U.S. or United States</i></b>	the United States of America
<b><i>USD or US\$</i></b>	United States dollars
<b><i>VAT</i></b>	Value Added Tax
<b><i>%</i></b>	per cent

In this annual report, the terms “close associate”, “connected person”, “connected transaction”, “controlling shareholder”, “core connected person”, “subsidiary” and “substantial shareholder” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

The English translation of the PRC entities, enterprises, nationals, facilities, regulations in Chinese are translations of the Chinese names. To the extent there is any inconsistency between the Chinese names of the PRC entities, enterprises, nationals, facilities, regulations and their English translations, the Chinese names shall prevail.

\* For identification purpose only