同源康醫藥
TYK medicines

浙江同源康醫藥股份有限公司

TYK Medicines, Inc

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

Stock Code : 2410

2025 ANNUAL REPORT

CONTENTS

CORPORATE INFORMATION

Directors

Executive Director:

Dr. WU Yusheng (吳豫生) *(Chairman of the Board and Chief Executive Officer)*

Non-executive Directors:

Dr. LI Jun (李鈞)
Dr. GU Eric Hong (顧虹)
Dr. JIANG Mingyu (蔣鳴昱)
Mr. HE Chao (何超)
Dr. ZHU Xiangyang (朱向陽)

Independent Non-executive Directors:

Dr. LENG Yuting (冷瑜婷)
Dr. XU Wenqing (許文青)
Dr. SHEN Xiuhua (沈秀華)
Mr. JIANG Xiaolin (江曉林)
(appointed on December 12, 2025)

Audit Committee

Mr. JIANG Xiaolin (江曉林) *(Chairperson)*
(appointed on December 12, 2025)
Dr. GU Eric Hong (顧虹)
Dr. LENG Yuting (冷瑜婷)

Remuneration and Appraisal Committee

Dr. LENG Yuting (冷瑜婷) *(Chairperson)*
Dr. WU Yusheng (吳豫生)
Mr. JIANG Xiaolin (江曉林)
(appointed on December 12, 2025)

Nomination Committee

Dr. WU Yusheng (吳豫生) *(Chairperson)*
Dr. LENG Yuting (冷瑜婷)
Mr. JIANG Xiaolin (江曉林)
(appointed on December 12, 2025)

Scientific Committee

Dr. WU Yusheng (吳豫生) *(Chairperson)*
Dr. LI Jun (李鈞)
Dr. XU Wenqing (許文青)

Company Secretary

Ms. WONG Wing Yee (黃詠儀)
(Associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom)

Authorized Representatives

Dr. JIANG Mingyu (蔣鳴昱)
Ms. WONG Wing Yee (黃詠儀)
(Associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom)

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Stock Code

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Company Website

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CHAIRMAN'S STATEMENT

As a biopharmaceutical company that is about to enter the commercialization stage, we are committed to the discovery, acquisition, development and commercialization of differentiated targeted therapies to address unmet clinical needs in cancer treatment. Since our inception in 2017, we have built a pipeline with 10 drug candidates, including Core Product TY-9591, five clinical stage products, and four preclinical stage or early clinical development stage products.

Over the past year, amid a complex and ever-changing market environment and increasingly fierce industry competition, the Company has united as one to overcome challenges and steadfastly drive its strategic initiatives forward, delivering remarkable progress in project execution. Specifically, the pivotal Phase II clinical trial of the Company's Core Product TY-9591 monotherapy as first-line treatment for brain metastases in EGFR-mutant lung cancer has completed the enrollment of 224 patients that is qualified for conditional marketing approval in December 2024 (patient enrollment qualified for full marketing approval is still ongoing). We have submitted the relevant Pre-NDA application in November 2025 and have formally submitted a conditional NDA in December 2025 with the consent of CDE. The conditional NDA was officially designated by CDE for priority review in January 2026. In February 2026, the NDA application was officially accepted by CDE and expected to be granted marketing approval in the third quarter (Q3) of 2026 based on the priority review process. The registrational Phase III clinical trial of TY-9591 monotherapy as first-line treatment for locally advanced (stage IIIb to IV) or metastatic lung cancer with EGFR L858R mutation has completed a patient enrollment of 548 subjects in April 2026. We expect to complete the enrollment of all patients for this clinical trial in the fourth quarter (Q4) of 2026 and to submit NDA in 2028. We also obtained IND approval from the NMPA for the Phase II and Phase III clinical trials of TY-9591 in combination with pemetrexed and cisplatin or carboplatin as first-line treatment for advanced or metastatic lung cancer with EGFR mutations. We have completed the preliminary data cleansing and analysis for the Phase II trial in Q4 2025 and have communicated with CDE for confirmatory clinical study in February 2026. Phase III clinical trials will be conducted in the second half of 2026. Meanwhile, we are steadily advancing the development of key products TY-302, TY-2136b, and several other candidates in preclinical or early clinical development stages. These efforts are designed to further enrich our product pipeline and strengthen the Company's core competitiveness and market position in the pharmaceutical sector. The CDK2/4 inhibitor TY-0540 has entered the expansion phase for monotherapy in platinum-resistant ovarian cancer (OC) and in combination with Fulvestrant (氟維司群) in HR+/Her2- breast cancer (BC), showing promising preliminary clinical efficacy (evaluable data: OC [escalation + expansion phase]: ORR=3/10=30%; BC [dose selection + expansion phase]: ORR=3/8=37.5%). The Company's preclinical new drug projects, namely, the selective CDK4 inhibitor and EGFR/FAK Protac, are both undergoing PCC validation. PCC validation will be confirmed in the first half of the year, followed by IND enabling trials, with clinical trials commencing next year. TY-3002 is currently in the IND enabling process and is expected to initiate an IND study in 2027.

Looking ahead to 2026, the Company will remain firmly focused on the development of Best-in-class & First-in-class small-molecule antitumor drugs. We will continue to increase R&D investment, accelerate IND filings and NDA approvals, and strive to better address the significant unmet clinical needs in oncology worldwide. At the same time, the Company will further strengthen market promotion and commercialization systems to steadily increase product market share and enhance brand influence. Additionally, the Company will deepen strategic collaborations with global partners to jointly advance the R&D and commercialization of innovative drugs, providing strong support for the steady implementation of its internationalization strategy.

I hereby would like to express my sincere gratitude to all Shareholders, Board members, the management, all employees, and our partners. The Company will remain deeply committed to innovative R&D and continue to reinforce its commercialization capabilities. We are dedicated to delivering sustainable, long-term value for our shareholders and offering patients better access to superior treatment options.

Dr. WU Yusheng
Chairman of the Board and Chief Executive Officer of the Company
March 30, 2026

FINANCIAL HIGHLIGHTS

	Year ended December 31,			
	2025	2024	2023	2022
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Research and development costs	**244,064**	235,446	249,252	229,809
Administrative expenses	**78,478**	108,332	59,306	33,539
Total comprehensive loss for the year	**305,972**	387,928	383,171	311,802
Total assets	**779,737**	915,693	573,138	558,361
Total liabilities	**493,127**	443,131	1,453,171	1,059,110
Net assets	**286,610**	472,562	(880,033)	(500,749)

BUSINESS HIGHLIGHTS

During the Reporting Period, we have made the following progress with respect to our product pipeline and business operations:

• Critical Developments of Our Core Product TY-9591

We commenced the subject enrollment for a pivotal Phase II clinical trial of TY-9591 monotherapy as first-line treatment for brain metastases in EGFR-mutant lung cancer in August 2023. We have completed the enrollment of 224 patients that is qualified for conditional marketing approval in December 2024 (patient enrollment qualified for full marketing approval is still ongoing). We have submitted the relevant Pre-NDA application in November 2025 and have formally submitted a conditional NDA in December 2025 with the consent of CDE. The conditional NDA was officially designated by CDE for priority review in January 2026. In February 2026, the NDA application was officially accepted by CDE and expected to be granted marketing approval in the third quarter (Q3) of 2026 based on the priority review process. In addition, we are currently conducting a registrational Phase III clinical trial of TY-9591 monotherapy as first-line treatment for locally advanced (stage IIIb to IV) or metastatic lung cancer with EGFR L858R mutation in China, for which we had completed a patient enrollment of 548 subjects at the end of April 2026. We expect to complete the enrollment of all patients for this clinical trial in Q4 2026 and to submit NDA in 2028. To fully explore the potential of TY-9591, we also applied for and received IND approval for conducting Phase II and Phase III clinical trials of TY-9591 in combination with pemetrexed and cisplatin or carboplatin as first-line treatment for advanced or metastatic lung cancer with EGFR mutations in March 2024. Up to the date of this annual report, we did not receive any concerns or objections regarding to our clinical development plans from the NMPA. We completed the preliminary data cleansing and analysis for the Phase II trial by Q4 2025 and communicated with CDE for confirmatory clinical study in February 2026. The Phase III clinical trial will commence in the second half of 2026.

• Critical Developments of Our Key Product TY-302

We are currently conducting a Phase II clinical trial of TY-302 as treatment for breast cancer. Approval for a Phase II clinical trial of TY-302 in combination with abiraterone for the first-line treatment of prostate cancer was granted by the hospital ethics committee on July 10, 2025, and the trial was publicly registered on the CDE Clinical Trial Registration Platform on July 28, 2025.

• Critical Developments of Our Key Product TY-2136b

We obtained implied IND approval from the FDA in November 2021 and are conducting a Phase I clinical trial in the U.S. Leveraging Phase I clinical data collected, we plan to communicate with the FDA and carefully design our future clinical development plan of TY-2136b in the U.S.

• Critical Developments of Other Drug Candidates

TY-2699a

In January 2025, we obtained an approval from the NMPA for a clinical trial of TY-2699a in combination with various dosing regimens for the treatment of advanced/metastatic solid tumors (breast cancer, pancreatic cancer, and head and neck squamous cell carcinoma (HNSCC) such as nasopharyngeal carcinoma (NPC)). As of January 2026, the Phase I dose-escalation clinical trial of TY-2699a monotherapy for locally advanced or metastatic solid tumors (especially for HR+/HER2-breast cancer, triple-negative breast cancer (TNBC), SCLC, pancreatic cancer and head and neck cancer, etc.) has been completed. A total of 30 patients were enrolled across 7 dose groups (5mg, 10mg, 20mg, 40mg and 30mg, bid, on a continuous schedule; and 25mg, 35mg, bid, on a 5-day-on/2-day-off schedule) for the single-dose escalation studies. The extension study of monotherapy for triple-negative breast cancer (TNBC) and ovarian cancer (OC) was initiated in July 2025. Currently, enrollment has been completed for 4 patients and 3 patients at the 20mg, bid, on a continuous schedule, respectively. Subsequently, dose optimization studies on more subtypes of TNBC treated with monotherapy will be carried out.

TY-0540

A formal approval was obtained from the NMPA in February 2025 for TY-0540 to be used in the clinical trials of TY-0540 in combination with Fulvestrant (氟維司群) for the treatment in patients with locally advanced/recurring metastatic breast cancer and the clinical trials of TY-0540 in combination with Enzalutamide (恩扎盧胺) for the treatment in patients with locally advanced/recurring metastatic prostate cancer. As of September 2025, the Phase I dose-escalation clinical trial of TY-0540 monotherapy for advanced solid tumors was fully completed, with dose-escalation studies completed for 5 dose groups (5mg, 10mg, 20mg, 30mg and 40mg, bid). At the Phase I dose-escalation stage, 26 patients were enrolled, including 17 with HR+/HER2 – breast cancer, 5 with triple-negative breast cancer, 2 with platinum-resistant ovarian cancer, and 1 each with HR+/HER2+ breast cancer and non-small cell lung cancer. 2 patients with CDK4/6 inhibitor-resistant HR+/HER2 – breast cancer and 1 with platinum-resistant ovarian cancer achieved partial response (PR). The extended cohort studies of monotherapy (30mg) for platinum-resistant ovarian cancer was officially initiated in March 2025, and 9 patients with platinum-resistant ovarian cancer had been enrolled in this cohort as of April 2026, with 2 patient achieving PR among those evaluable. The clinical study of TY-0540 in combination with Fulvestrant (氟維司群) for the treatment of breast cancer was officially initiated in June 2025, and as of April 2026, 10 patients were enrolled, with 6 patients evaluable, among whom 2 achieved PR. Approval for the clinical study of TY-0540 in combination with Enzalutamide (恩扎盧胺) for the treatment of pancreatic cancer was granted by the hospital ethics on July 10, 2025, and the study was publicly registered on the CDE Clinical Trial Registration Platform on July 25, 2025.

TY-1054

We have obtained FDA's implied IND approval for conducting a clinical trial of TY-1054 for treatment of solid tumors in April 2024. In addition, we have submitted an IND application to the NMPA for conducting a clinical trial of TY-1054 for treatment of solid tumors in April 2024, and had obtained IND approval in July 2024. We are preparing to initiate Phase 1 clinical trials at four sites. On December 9, 2025, we obtained the ethics approval from the lead institution, Shanghai Chest Hospital. On December 26, 2025, the results were publicly registered on the CDE Clinical Trial Registration Platform. The first site was initiated in February 2026 and the first patient enrollment was completed in March 2026.

CDK4 Pipeline

We expect to submit the IND application in June 2027.

GLP-1 Pipeline

The product is currently in the preclinical development stage and is expected to initiate an IND study in 2027.

MANAGEMENT DISCUSSION AND ANALYSIS

I. Business Review

Overview

We are a biopharmaceutical company that is about to enter the commercialization stage, and are committed to the discovery, acquisition, development and commercialization of differentiated targeted therapies to address unmet clinical needs in cancer treatment. Since our inception in 2017, we have built a pipeline with 10 drug candidates, including Core Product TY-9591, five clinical stage products, and four preclinical stage or early clinical development stage products. The NDA application of TY-9591 has been accepted by the Center for Drug Evaluation ("**CDE**") of the National Medical Products Administration ("**NMPA**") and granted priority review for its first-line treatment of brain metastases from lung cancer with epidermal growth factor receptor ("**EGFR**") mutations. Additionally, we are conducting a registrational Phase III clinical trial of TY-9591 monotherapy as first-line treatment for locally advanced (stage IIIb to IV) or metastatic NSCLC with EGFR L858R mutation in China.

Products and Pipeline

The following chart shows our drug candidates as of the date of this annual report:

	Product	Target	Indication	Regimen	Preclinical / IND-Enabling / Ph I/Ia / Ph Ib/II / Pivotal/ Registrational II/III	Current Status/ Upcoming Milestone	Commercial Rights/ Partner
Clinical Stage	**TY-9591**	3rd-Generation EGFR-TKI	NSCLC with brain metastasis (1L)	Mono	Pivotal/ Registrational II/III	NDA accepted by the CDE and included in the priority review	China
			EGFR L858R NSCLC (1L)	Mono	Pivotal/ Registrational II/III	Registrational Phase III ongoing	
			NSCLC (1L)	Combo	Ph Ib/II	Ph II ongoing	
	TY-302	CDK4/6	Breast cancer (2L+)	Combo	Ph Ib/II	Ph II ongoing	China
			Prostate cancer (1L)	Combo	Ph Ib/II	Ph II ongoing	
	TY-2136b	ROS1/NTRK	ROS1/NTRK-mutant NSCLC	Mono	Ph I/Ia	Ph I ongoing	Ex-Greater China
	TY-2699a	CDK7	Breast cancer, Pancreatic cancer, Head and neck squamous cell carcinoma	Mono	Ph Ib/II	Ph Ib/II ongoing	Global
				Combo	Ph I/Ia	IND approved	
	TY-0540	CDK2/4	Breast cancer, Ovarian cancer, prostate cancer	Mono	Ph Ib/II	Ph Ib/II ongoing	Global
				Combo	Ph Ib/II	Ph Ib ongoing	
	TY-1054	YAP-TEAD	Solid tumor	-	Ph I/Ia	Ph I ongoing	Global
Preclinical Stage	CDK4	CDK4	Solid tumor	-	Preclinical	PCC confirmation in progress	Global
	EGFR/FAK (PROTAC)	EGFR/FAK (PROTAC)	Solid tumor	-	Preclinical	PCC confirmation in progress	Global
	PI3K α	PI3K α	Solid tumor	-	Preclinical	Preclinical Stage	Global
	GLP-1	GLP-1R	Metabolic disorder	-	Preclinical	IND enabling	Global

Abbreviations: 1L = first line; 2L+ = second or later-line; EGFR = epidermal growth factor receptor; CDK = cyclin-dependent kinase; ROS1 = ROS proto-oncogene 1; NTRK = neurotrophic tyrosine receptor kinase; YAP = yes associated protein; TEAD = transcriptional enhanced associate domain; PROTAC = proteolysis-targeting chimera; NSCLC = non-small cell lung cancer; LC = lung cancer; Ph = Phase; NDA = new drug application.

Note:

(1) The relevant intellectual property rights for TY-9591 and TY-302 were acquired from Changzhou Runnuo Biotechnology Co., Ltd. (常州潤諾生物科技有限公司) and Boji Medical Technology Co., Ltd. (博濟醫藥科技股份有限公司), and Tetranov Pharmaceutical, respectively. We have developed these two drug candidates at our own costs since preclinical stage. Except for these two drug candidates, all other drug candidates were internally discovered and developed by us.

Source: Company data

Our Products and Product Candidates

As a company focused on the development of small molecule targeted therapies for cancer treatment, we have built a pipeline with 10 drug candidates. An introduction to these products is listed below:

Core Product TY-9591 — A Third-Generation EGFR-TKI

TY-9591 is a tyrosine kinase inhibitor ("**TKI**") developed for patients with brain metastases from EGFR-mutated lung cancer and has outstanding efficacy for patients with brain metastases from EGFR-mutated lung cancer. TY-9591 can effectively cross the blood-brain barrier and irreversibly bind to EGFR mutants including exon 19 deletion, exon 21 L858R mutation, exon 19 deletion/T790M mutation, and L858R/T790M mutation, ultimately inhibiting the proliferation and metastasis of cancer cells. TY-9591 was developed through modifications of osimertinib to enhance its safety, allowing for a higher administration dosage and thus, potentially, improved efficacy. Specifically, TY-9591 was modified by replacing certain hydrogens in osimertinib with deuterium to reduce or slow down the breakdown of osimertinib. Such modification may retain the advantages of osimertinib, but also affect the way that osimertinib is metabolized, which may reduce the formation of the metabolite TY-9591-D1 (AZ5104). Based on preclinical studies, TY-9591-D1 (AZ5104) is showed to have much higher affinity to normal cells that express EGFR without mutations, and thus is the major cause of adverse events ("**AEs**") of TY-9591 and osimertinib. By reducing the production of TY-9591-D1, TY-9591 is expected to be safer than osimertinib and can be administered at a higher dose level, leading to improved antitumor efficacy and a higher level of blood-brain entry. In a Phase I clinical trial in healthy subjects, we investigated the mean drug metabolite concentration-time profiles after a single oral dose of 80mg TY-9591 and osimertinib in healthy subjects. Compared to osimertinib, the results showed an approximately 50% reduction in metabolite TY-9591-D1 exposure levels after TY-9591 administration, indicating that TY-9591 may have an improved safety profile than osimertinib.

We are currently investigating TY-9591 in brain metastases from lung cancer with EGFR mutations and in locally advanced (stage IIIb to IV) or metastatic lung cancer with EGFR L858R mutation. While there are a number of third-generation EGFR-TKIs approved for marketing in China and worldwide, no drug for brain metastases from lung cancer has been approved for marketing, demonstrating urgent unmet clinical needs. Results from our Phase Ib and Phase II clinical studies of TY-9591 monotherapy in advanced NSCLC have demonstrated a strong clinical efficacy. Among 29 evaluable lung cancer treatment-naïve patients with brain metastases enrolled in these studies, we observed that 25 patients reached intracranial partial response ("**PR**") and four reached complete response ("**CR**"), with an intracranial ORR of 100%. Although not a head-to-head comparison, this outcome outperformed the confirmed 77% intracranial ORR observed in NSCLC patients with brain metastases treated by osimertinib in the Phase III FLAURA trial. In the Phase II study, we observed that the overall incidence of serious adverse events ("**SAEs**") was only 8.3% and treatment-related SAEs was as low as 8.3%, demonstrating a favorable safety profile.

Based on the results from the pivotal Phase II registrational clinical trial, as of April 20, 2026, 378 EGFR mutation-positive NSCLC patients with brain metastases had been enrolled. As of December 6, 2024, 224 cases had been successfully randomized and enrolled, meeting the number of cases required for conditional marketing approval. Based on interim analysis of 224 patients, according to the RECIST v1.1 assessment criteria, BICR-assessed iORR in the asandeutertinib group was 95.5% (95% CI: 89.8%-98.5%) vs. 79.6% (95% CI: 71.0%-86.6%) in the osimertinib group, P=0.0004; investigator-assessed iORR in the asandeutertinib group was 92.8% (95% CI: 86.3%-96.8%) vs. 77.9% (95% CI: 69.1%-85.1%) in the osimertinib group, P = 0.0019. According to the RANO-BM assessment criteria, investigator-assessed confirmed iORRs were 91.9% (95% CI: 86.3%-96.8%) and 77.9% (95% CI: 69.1%-85.1%), in the asandeutertinib group and osimertinib group, respectively P = 0.0039. The overall objective response rate (ORR) also showed a benefit. The rate was 89.2% (95% CI: 81.9%-94.3%) in the asandeutertinib group and 77.9% (95% CI: 69.1%-85.1%) in the osimertinib group, P=0.0301. The iPFS and PFS efficacy data are not yet mature, but preliminary results show a favorable trend. The iPFS in the asandeutertinib group and osimertinib group were NA (95% CI: 22.24-NA) months and 17.51 months (95% CI: 15.18-NA), respectively, with an HR of 0.46 (95% CI: 0.28-0.76); the PFS were NA (95% CI: 17.22-NA) months and 17.22 months (95% CI: 15.18-19.55), respectively, with an HR of 0.64 (95% CI: 0.41-1.00).

The incidence of Grade 3 treatment-related adverse events (TRAEs) was 43.2% in the asandeutertinib group vs. 15.9% in the osimertinib group. The most common Grade 3 adverse events in the asandeutertinib group include decreased neutrophil count, decreased white blood cell count, increased creatine phosphokinase, and decreased lymphocyte count. The incidence of interstitial lung disease (ILD) was 6.3%, and the incidence of QTcf prolongation was 4.5%, both within a manageable range.

Furthermore, TY-9591 may deliver improved efficacy as compared to osimertinib in lung cancer patients with the EGFR L858R mutation. Osimertinib exhibited a median progression-free survival ("**PFS**") of 18.9 months for both EGFR exon 19 deletion and L858R mutation. However, lung cancer patients with EGFR L858R mutation showed significantly shorter PFS of 14.4 months as compared to 21.4 months PFS observed in EGFR exon 19 deletion cases, according to the Phase III FLAURA study. Therefore, there exists an unmet clinical need to enhance the clinical outcomes for lung cancer patients with EGFR L858R mutation. Clinical data from our Phase Ib study showed that among lung cancer patients with EGFR L858R mutation, first-line TY-9591 treatment achieved a significantly prolonged median PFS as compared to osimertinib treatment in the Phase III FLAURA trial (19.3 months in 36 patients vs. 14.4 months in 104 patients) based on a non-head-to-head comparison. Since the PFS data for lung cancer patients with EGFR L858R mutation from the FLAURA China cohort is not publicly available, and the efficacy data from the FLAURA global cohort is generally better than that of the China cohort, we compared our clinical results with the data for lung cancer patients with EGFR L858R mutation from the FLAURA global cohort.

We commenced the subject enrollment for a pivotal Phase II clinical trial of TY-9591 monotherapy as first-line treatment in brain metastases from lung cancer with EGFR mutations in August 2023. We have completed the enrollment of 224 patients that is qualified for conditional marketing approval in December 2024 (patient enrollment qualified for full marketing approval is still ongoing). We have submitted the relevant Pre-NDA application in November 2025 and have formally submitted a conditional NDA in December 2025 with the consent of CDE. The conditional NDA was officially designated by CDE for priority review in January 2026. In February 2026, the NDA application was officially accepted by CDE and expected to be granted marketing approval in the third quarter (Q3) of 2026 based on the priority review process. In addition, we are currently conducting a registrational Phase III clinical trial of TY-9591 monotherapy as first-line treatment for locally advanced (stage IIIb to IV) or metastatic lung cancer with EGFR L858R mutation in the PRC, for which we completed a patient enrollment of 548 subjects in April 2026. We expect to complete the enrollment of all patients for this clinical trial in the fourth quarter (Q4) of 2026 and to submit NDA in 2028. To fully explore the potential of TY-9591, we also applied for and obtained IND approval for conducting Phase II and Phase III clinical trials of TY-9591 in combination with pemetrexed and cisplatin or carboplatin as first-line treatment for advanced or metastatic lung cancer with EGFR mutations in March 2024. Up to the date of this annual report, we did not receive any concerns or objections regarding our clinical development plans from the NMPA. We have completed the preliminary data cleansing and analysis for the Phase II trial in Q4 2025 and have communicated with CDE for confirmatory clinical study in February 2026. Phase III clinical trials will be initiated in the second half of 2026.

TY-302

TY-302 is a potent, selective oral cyclin-dependent kinase 4/6 ("**CDK4/6**") inhibitor developed for the treatment of advanced solid tumors, including breast cancer and prostate cancer. Targeting CDK4/6, a key cell cycle regulator, TY-302 suppresses the phosphorylation of retinoblastoma protein ("**Rb**"), preventing proliferation of cancer cells. TY-302 was modified by H/D exchange of palbociclib, the best-selling CDK4/6 inhibitor in the world. Based on the preliminary safety data collected through our current Phase I/II clinical trial, TY-302 achieved an improved safety profile in respect of AEs in general, especially AEs related to infectious disease, skin and subcutaneous tissue and GI system, based on a non-head-to-head comparison.

We are currently conducting a Phase II clinical trial of TY-302 for the treatment of breast cancer. We observed that TY-302 achieved a DCR of 71.4% in 14 enrolled breast cancer patients who had previously failed second-line or multiple lines of therapy. We expect to further investigate the combination therapy of TY-302 with toremifene in third – or later-line estrogen receptor positive ("**ER+**")/human epidermal growth factor receptor 2-negative ("**HER2-**") breast cancer that has progressed after second-line endocrine therapy. Breast cancer is the most common cancer in women, and its incidence rises with age, increasing year by year as women age. ER+/HER2 – breast cancer is the most common breast cancer subtype, accounting for approximately 70% of the patients.

Approval for a Phase II clinical trial of TY-302 in combination with abiraterone for the first-line treatment of prostate cancer was granted by the hospital ethics committee on July 10, 2025, and the trial was publicly registered on the CDE Clinical Trial Registration Platform on July 28, 2025. We explored TY-302 in combination with abiraterone for the treatment of metastatic castration-resistant prostate cancer ("**mCRPC**"), an advanced prostate cancer that is challenging to treat with and does not respond to the standard of care treatment, endocrine therapy. Prostate cancer is an epithelial malignant tumor of the prostate and the most common malignant tumor in the male genitourinary system. After receiving hormone therapy, almost all patients with advanced prostate cancer eventually develop CRPC, and mCRPC is the leading cause of death among them. The primary goals of treatment for mCRPC are symptom control and delaying progression.

TY-2136b

TY-2136b is an independently developed, oral ROS proto-oncogene 1 ("**ROS1**")/neurotrophic tyrosine receptor kinase ("**NTRK**") inhibitor used for the treatment of solid tumors. It was designed to efficiently bind with the active kinase conformation and avoid steric interference from a variety of clinically drug-resistant mutations. The compact structure is believed to allow TY-2136b to precisely and efficiently bind into the adenosine triphosphate ("**ATP**") binding pocket of the kinase, and potentially circumvent the steric interference that results in resistance to bulkier kinase inhibitors. Our current primary focus lies on NSCLC with ROS1 or NTRK mutation.

TY-2136b has demonstrated encouraging safety profile in preclinical studies. In addition, according to our preclinical data, TY-2136b is not only effective against ROS1/NTRK oncogenic gene mutations, but also exhibits high selectivity of ROS1 and NTRK mutations such as ROS1 G2032R mutation and NTRK G595R, which commonly contribute to resistance against existing ROS1/NTRK drugs. Specifically, despite its targeting multiple mutations, TY-2136b does not interfere with JAK/STAT signaling pathway, inhibit Ba/F3 cells overexpressing ABL1 (H396P) mutant kinase, or disrupt SRC kinase activity. In addition, its preliminary efficacy against ROS1 and NTRK mutations has been demonstrated across multiple animal models, showcasing its potential to address drug resistance against existing ROS1/NTRK drugs. As a result, the FDA has granted Orphan Drug Designation to TY-2136b for the treatment of ROS1-positive, NTRK fusion-positive, anaplastic lymphoma kinase ("**ALK**")-positive or leukocyte receptor tyrosine kinase ("**LTK**")-positive NSCLC. Furthermore, its potential has been recognized and endorsed by Livzon and we have out-licensed the Greater China rights of TY-2136b to Livzon.

We are conducting a Phase I clinical trial in the U.S. under the FDA's implied IND approval obtained in November 2021. Leveraging Phase I clinical data, we will communicate with the FDA and prudently design our future clinical development plan of TY-2136b in the U.S.

Other Pipeline Products

Our clinical products include the followings:

- TY-2699a is a selective CDK7 inhibitor designed for the treatment of advanced/metastatic solid tumors. Our preclinical studies showed that TY-2699a potentially has improved safety window with blood-brain barrier penetration capability. TY-2699a obtained implied IND approval from the FDA and IND approval from the NMPA in February 2023 and May 2023, respectively. We received NMPA approval for conducting clinical trials of TY-2699a under different administration regimens for the treatment of advanced/metastatic solid tumors (breast cancer, pancreatic cancer, nasopharyngeal carcinoma, and other head and neck squamous cell carcinomas) in January 2025. As of January 2026, we have completed the Phase I dose-escalation clinical trial of TY-2699a monotherapy in locally advanced or metastatic solid tumors (especially in HR+/HER2-breast cancer, triple-negative breast cancer (TNBC), SCLC, pancreatic cancer and head and neck cancer), while completing monotherapy dose-escalation studies in 7 dose groups (5mg, 10mg, 20mg, 40mg and 30mg, bid, continuous administration; and 25mg, 35mg, bid, continuous administration for 5 days followed by a 2-day break) involving a total of 30 patients. We carried out the extended study of monotherapy in triple-negative breast cancer (TNBC) and ovarian cancer (OC) in July 2025. To date, enrollment has been completed for 4 patients in the TNBC cohort and 3 patients in the OC cohort at the continuous dosing level of 20mg, bid. Subsequently, dose optimization studies will be conducted for monotherapy in more specific subtypes of TNBC.

- TY-0540 is a selective CDK2/4 inhibitor intended for the treatment of breast cancer, ovarian cancer, prostate cancer and other solid tumors. We obtained implied IND approval from the FDA for conducting Phase I/II clinical trials of TY-0540 for the treatment of advanced solid tumors and IND approval from the NMPA for conducting Phase I clinical trials of TY0540 in June 2023 and September 2023, respectively. A formal approval from the NMPA was obtained in February 2025 for the product to be used in the clinical trials of TY-0540 in combination with Fulvestrant (氟維司群) for the treatment in patients with locally advanced/recurrent metastatic breast cancer and the clinical trials of TY-0540 in combination with Enzalutamide (恩扎盧胺) for the treatment in patients with locally advanced/recurrent metastatic prostate cancer. As of September 2025, the Phase I dose-escalation clinical trial of TY-0540 monotherapy for advanced solid tumors was fully completed, with dose-escalation studies completed for 5 dose groups (5mg, 10mg, 20mg, 30mg and 40mg, bid). At the Phase I dose-escalation stage, 26 patients were enrolled, including 17 with HR+/HER2 – breast cancer, 5 with triple-negative breast cancer, 2 with platinum-resistant ovarian cancer, and 1 each with HR+/HER2+ breast cancer and non-small cell lung cancer. 2 patients with CDK4/6 inhibitor-resistant HR+/HER2-breast cancer and 1 with platinum-resistant ovarian cancer achieved partial response (PR). The extended cohort studies of monotherapy (30mg) in platinum-resistant ovarian cancer was officially initiated in March 2025. As of April 2026, 9 patients with platinum-resistant ovarian cancer had been enrolled in this cohort, with 2 patient achieving PR among those evaluable. The clinical study of TY-0540 in combination with Fulvestrant (氟維司群) for the treatment of breast cancer was officially initiated in June 2025, and as of April 2026, 10 patients were enrolled, with 6 patients evaluable, among whom 2 achieved PR. Approval for the clinical study of TY-0540 in combination with Enzalutamide (恩扎盧胺) for the treatment of prostate cancer was granted by the hospital ethics committee on July 10, 2025, and the study was publicly registered on the CDE Clinical Trial Registration Platform on July 25, 2025.

- TY-1054 is a small molecule, oral YAP-TEAD inhibitor developed for cancer treatment. The Hippo pathway plays an essential role in cell proliferation, tissue regeneration, and tumorigenesis, the hyperactivation of which induces metastasis, chemoresistance, and the attribute of cancer stem cells. Its dysregulation contributes to 10% of all cancers, including lung cancer, gastric cancer, colon cancer, cervical cancer, ovarian cancer, breast cancer, melanoma, hepatocellular carcinoma and squamous cell carcinoma. The pathway is activated through binding of the YAP/TAZ complex to palmitoylated TEAD. Despite the urgent need to develop a therapeutic strategy to curb the dysregulated pathway, YAP/TAZ is difficult to be directly targeted with small molecule inhibitors, because of the lack of a catalytic niche. Therefore, targeting small molecules that block the palmitoylation of TEAD is an effective strategy. We obtained the implied approval from the FDA for conducting clinical trials of TY-1054 in solid tumors in April 2024. In addition, we submitted an IND application to the NMPA for conducting clinical trials of TY-1054 in solid tumors in April 2024, and obtained IND approval in July 2024. Preparation is underway to initiate Phase 1 clinical trials across four sites. The ethics approval was obtained from the lead unit, Shanghai Chest Hospital, on December 9, 2025, and the trial was publicly disclosed on the CDE clinical trial registration platform on December 26, 2025. The first site was initiated in February 2026 and the first patient enrollment was completed in March 2026.

- A preclinical-stage CDK4 pipeline asset, developed as a highly selective oral CDK4 inhibitor for cancer treatment. Cell cycle regulation plays a crucial role in cell proliferation and tumorigenesis. Its abnormal activation can induce uncontrolled division, invasion, metastasis, and drug resistance in tumor cells. Dysregulation of this pathway contributes to approximately 30% of cancers, including breast cancer, prostate cancer, and Ewing's sarcoma. The pathway is activated through the formation of the CDK4/6-Cyclin D complex, which subsequently phosphorylates the Rb protein, driving the cell cycle transition from the G1 phase to the S phase. Traditional CDK4/6 inhibitors exhibit off-target inhibition of CDK6, which can easily lead to hematological toxicities such as neutropenia. Therefore, developing a small molecule that selectively targets CDK4 represents an effective strategy. This candidate is a highly selective, orally available CDK4 kinase inhibitor with a favorable safety profile. We anticipate submitting an IND application for this program in June 2027.

- TY-3002, currently in preclinical development, is a small-molecule, orally administered glucagon-like peptide-1 receptor agonist (GLP-1RA) intended for the treatment of type 2 diabetes mellitus (T2DM) and obesity. GLP-1 receptor agonists are already approved for the treatment of T2DM and overweight or obesity. Pharmacologically, they improve glycemic control and reduce weight by activating the glucagon-like peptide-1 receptor (GLP-1R), promoting insulin secretion, inhibiting glucagon release, delaying gastric emptying, and promoting satiety. Currently, only two marketed GLP-1 receptor agonists are available in oral tablet form. TY-3002, independently developed by us, is a small-molecule, orally administered, biased GLP-1 receptor agonist that does not recruit β-arrestin, does not cause GLP-1 receptor internalization, and has the potential for better efficacy. In a preclinical head-to-head (H2H) study of hGLP-1R diet-induced obese (DIO) mice (1.0 mg/kg, orally, once daily for 21 days), the results showed that after 21 days of treatment, the mice in the TY-3002 group experienced a weight loss of -31.51% vs. -22.82% in the Orforglipron group at the equivalent dose. After deducting the -6.93% natural weight loss in the Vehicle control group, the net weight loss efficacy of TY-3002 (-24.58%) was 54.6% higher than that of Orforglipron (-15.89%), demonstrating a superior weight loss effect. Furthermore, TY-3002, while achieving greater weight loss, demonstrated excellent body composition regulation, not only reducing adipose tissue (fat percentage decreased to 21.4% in the TY-3002 group and 28.7% in the Orforglipron group) but also exhibiting a relatively "muscle-preserving" effect, with a lean mass percentage of 61.6% vs. 55.6% in the Orforglipron group and 49.3% in the Vehicle group. TY-3002 was well-tolerated across all dosage groups, with no abnormal liver weight observed in the animals. A slight decrease in treatment-related AST and ALT liver enzyme levels was also observed, demonstrating its hepatoprotective safety. Overall, the gastrointestinal tolerability and ADME toxicology of TY-3002 are comparable to first-generation drugs. TY-3002 is currently in preclinical development, with an IND study expected to begin in 2027.

In addition, we are developing a number of drug candidates in preclinical or early clinical development stage, including EGFR/FAK (PROTAC) and PI3Kα.

Cautionary Statement as required by Rule 18A.08(3) of the Listing Rules: There is no assurance that our Company will ultimately develop, market and/or commercialize TY-9591, TY-302, TY-2136b, TY-2699a, TY-0540, TY-1054, CDK4, EGFR/FAK (PROTAC), PI3Kα, TY-3002 or any other product candidates successfully. Shareholders and potential investors of our Company are advised to exercise due care when dealing in the Shares.

OUR TECHNOLOGY PLATFORMS

We have established four proprietary and fully-integrated technology platforms centered around the development of new small molecule drugs, which enable us to direct our efforts towards candidates with the best potential to become clinically active, cost-effective and commercially viable drugs:

- **Drug design and screening platform:** Our drug design and screening platform is a small molecule drug discovery platform, currently focusing on kinase. This platform comprises two important functions, namely, kinase biology and small molecule drug discovery. Notably, all our drug candidates (except TY-9591 and TY-302) were conceived and synthesized within this platform, and have garnered recognition from domestic pharmaceutical companies. For example, we out-licensed the Greater China rights of TY-2136b to Livzon when it was in the preclinical stage.

- **Druggability evaluation platform:** Equipped with a druggability evaluation platform, we are capable of conducting a wide range of R&D activities in-house, including drug metabolism and pharmacokinetics ("**DMPK**") studies, in vivo and in vitro bioactivity studies (including animal modeling), toxicity studies, physicochemical characterization, and chemistry, manufacture, and controls processes ("**CMC**") of drug candidates. We are capable to evaluate the efficacy of our drug candidates including kinase inhibitors in-house.

- **Translational medicine platform:** Our translational medicine platform enables us to conduct research on the pathogenesis of tumors and neurological disorders, and systematically search for and identify potential biomarkers and new drug targets. Using genomics, transcriptomics and proteomics methods, we can systematically assess drug effects.

- **AIDD/CADD platform:** Our artificial intelligence drug design (AIDD)/computer-aided drug design (CADD) platform is dedicated to aiding our internal drug discovery team. The artificial intelligence drug design (AIDD) platform integrates cutting-edge computational methods and tools to enhance and refine the computing power and the construction of algorithmic systems. Leveraging extensive internal data and existing business strengths, the Company has expanded into the artificial intelligence drug design (AIDD) sector through a combination of in-house R&D and external collaborations. The project is progressing smoothly, with the local deployment of large language model (LLM) to be completed. Subsequent tasks, including algorithm optimization, training with the latest biomedical data, and application scenario development, will be carried out in a structured manner. AIDD/CADD platform has yielded several pipeline products. For example, TY-2136b, designed to target tyrosine kinases ROS1/NTRK, emerged during lead optimization in CADD. TY-2699a, a CDK7 inhibitor, employed AIDD/CADD in compound design, highlighting the value of AIDD in identifying overlooked aspects to improve therapeutic window. At the same time, the Company is vigorously leveraging external AIDD resources, adopting a combined internal and external approach to strengthen its AIDD platform layout. The Company has now actively cooperated with several renowned AIDD companies in the industry to expand its layout into other therapeutic areas beyond oncology, such as autoimmunity, as well as emerging technology platforms including molecular glues and PROTACs. The Company will continuously enhance its AIDD capabilities to empower and support its project research and development, thereby improving the efficiency of project translation.

RESEARCH AND DEVELOPMENT

We consistently devote resources to R&D to pave way for long-term growth. Our R&D costs in 2024 and 2025 amounted to RMB235.4 million and RMB244.1 million respectively. Our in-house R&D capabilities, built on our proprietary technology platforms, are backed by our R&D centers in Huzhou, Zhejiang and Zhengzhou, Henan. Our R&D centers are equipped with advanced laboratories and state-of-art equipment and instruments such as liquid chromatography, liquid chromatography mass spectrometer, and nuclear magnetic resonance. We believe that our integrated capabilities give us the agility to formulate our innovation, registration, commercialization and product optimization strategies that can navigate us through rapidly changing market needs, enable us to improve pipeline viability and expedite the product development cycle at a lower cost. As of December 31, 2025, we had 117 members in our R&D team, around 60% of whom held master's or doctoral degrees in relevant fields. The expertise of our team members spans the entire spectrum of drug development, encompassing drug discovery, medicinal chemistry design and virtual screening, preclinical pharmaceutical research, drug testing and purification, formulation development, clinical research, regulatory submissions and platform construction.

COMMERCIALIZATION

Building upon the existing organizational structure, the Company is progressively expanding its commercialization team to tap into market potential by continuously exploring product sales opportunities and diversifying brand promotion efforts. Through participation in academic conferences, industry partnerships, and platform collaborations, the Company aims to elevate brand recognition within the industry in diversified brand promotion forms.

II. FINANCIAL REVIEW

Other Income and Gains

During the Reporting Period, our other income and gains primarily consisted of government grants related to income, government grants related to interest-free financing and gain on disposals of a subsidiary.

The Group's other income and gains for the year ended December 31, 2025 was RMB37,609,000, representing an increase of RMB7,067,000 compared to RMB30,542,000 for the year ended December 31, 2024, mainly due to the increase in gain on disposals of a subsidiary, gain on termination of a lease contract and government grants related to interest-free financing.

Research and Development Costs

During the Reporting Period, our R&D costs consisted of (i) trial and testing expenses for our drug candidates, primarily in relation to the engagement of CROs, CDMOs, principal investigators, and other service providers; (ii) staff costs mainly relating to salaries, bonus and other welfare for our R&D personnel; (iii) depreciation and amortization expenses in relation to our R&D equipment and instruments, as well as intangible assets which were used for R&D purpose; (iv) costs of materials consumed in the course of our R&D activities; (v) milestone payment for TY-9591 and (vi) other R&D costs, mainly comprising travelling and transportation expenses of our R&D personnel, utilities incurred for our R&D activities and other miscellaneous expenses.

The Group's R&D costs for the year ended December 31, 2025 was RMB244,064,000, representing an increase of 3.7% compared to RMB235,446,000 for the year ended December 31, 2024. The increase was primarily attributable to milestone payment for TY-9591 to Changzhou Runnuo Biotechnology Co., Ltd. and Boji Medical Technology Co., Ltd.

The following table sets forth a breakdown of our R&D costs for the Reporting Period as of the dates indicated:

	The year ended December 31,	
	2025	2024
	RMB'000	*RMB'000*
Trial and testing expenses	**128,660**	154,608
Staff costs	**43,737**	45,417
Depreciation and amortization expenses	**16,606**	19,677
Materials consumed	**6,010**	2,998
Milestone payment	**40,219**	-
Others	**8,832**	12,746
Total	**244,064**	235,446

Administrative Expenses

During the Reporting Period, our administrative expenses primarily consisted of (i) staff costs mainly relating to salaries, bonus and other welfare for our administrative personnel; (ii) general office expenses mainly comprising office expenses, hospitality expenses, travelling and transportation expenses, and utilities used for administrative purpose; (iii) depreciation and amortization expenses for offices, equipment and other assets which were used for administrative purpose; (iv) professional service fees mainly paid to legal advisors, auditors, asset valuers and recruitment consultants; and (v) other administrative expenses, mainly including tax and surcharges and other miscellaneous expenses.

The Group's administrative expenses for the year ended December 31, 2025 was RMB78,478,000, representing a decrease of 27.6% compared to RMB108,332,000 for the year ended December 31, 2024. The decrease was primarily attributable to the decrease in listing expenses.

Finance Costs

During the Reporting Period, our finance costs primarily consisted of interest expenses on government funding, interest on bank loans and interest on lease liabilities.

The Group's finance costs for the year ended December 31, 2025 was RMB14,916,000 representing an increase of 16.4% compared to RMB12,817,000 for the year ended December 31, 2024. The increase in finance costs was primarily attributable to the increase in interest on bank loans and interest expenses on government funding.

Other Expenses and Losses

Our other expenses and losses increased from RMB1,131,000 for the year ended December 31, 2024 to RMB6,123,000 for the year ended December 31, 2025, which was primarily attributable to the increase in foreign exchange losses.

Income Tax Expenses

The Group did not generate any profits for the years ended December 31, 2024 and 2025. Therefore, there was no income tax.

Loss for the Year

Based on the factors described above, our loss for the Reporting Period decreased by 21.1% from RMB387,928,000 for the year ended December 31, 2024 to RMB305,972,000 for the year ended December 31, 2025.

Liquidity and Capital Resources

As at December 31, 2025, the Group had cash and bank balances of RMB367,285,000, including, cash and cash equivalents of RMB316,493,000, and pledged deposits of RMB50,792,000. The cash and bank balances decreased by 20.2% from RMB460,463,000 as at December 31, 2024. The decrease was primarily due to the followings:

For the year ended December 31, 2025, our net cash used in operating activities was RMB215,768,000, mainly attributable to (i) our loss before tax of RMB305,972,000, as adjusted to reflect non-cash and/or non-operating items, which principally included gain on disposals of a subsidiary of RMB4,921,000, depreciation of right-of-use assets of RMB12,742,000, amortization of intangible assets of RMB5,659,000, finance costs of RMB14,916,000, foreign exchange losses of RMB5,119,000 and government grants related to interest-free financing of RMB9,314,000; (ii) decrease in prepayments and other receivables of RMB24,643,000; and (iii) an increase in trade and other payables of RMB38,605,000.

For the year ended December 31, 2025, our net cash generated from investing activities was RMB35,950,000, mainly attributable to (i) purchase of financial assets at FVTPL of RMB691,482,000; and (ii) purchase of time deposits with original maturity of more than 3 months of RMB50,000,000, partially offset by (i) the disposal of financial assets at FVTPL of RMB691,797,000; and (ii) proceeds from withdrawal of time deposits with original maturity of more than three months of RMB60,917,000.

For the year ended December 31, 2025, our net cash generated from financing activities was RMB126,384,000, primarily as a result of new bank loans of RMB110,000,000 and net proceeds from the placing of RMB141,366,000.

Treasury Policy

The Group has adopted a prudent financial management approach towards its treasury policy. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities, and other commitments can meet its funding requirements all the time.

Capital Expenditure

During the Reporting Period, the Group's total capital expenditure amounted to approximately RMB39,413,000, which was mainly used in purchases of items of property, plant and equipment.

We regularly incur capital expenditures to purchase and maintain our property, plant and equipment in order to enhance our research and development capabilities and expand our business operations. Historically, we have funded our capital expenditures mainly through equity financing and bank borrowings.

Borrowings

As at December 31, 2025, our borrowings were RMB134,115,000 and as at December 31, 2024, our borrowings were RMB144,175,000. The borrowings were secured and unsecured short-term bank loans with various commercial banks, with effective interest rates ranging from 2.7% to 3.3% per annum. All of them were floating-rate loans. As at December 31, 2025, the Group has no unutilized bank facilities available. As of December 31, 2025, the Group's gearing ratio (total liabilities as a percentage of total assets) was approximately 63.2%, while it was approximately 48.4% as of December 31, 2024.

Commitments

The Group had the following contractual commitments at the end of the Reporting Period:

	Year ended December 31	
	2025	2024
	RMB'000	*RMB'000*
Property, plant and equipment	**8,348**	36,433
Investment to an associate	**12,189**	–
Total	**20,537**	36,433

Pledge of Assets

As of December 31, 2025, save for the pledge of certain deposit of the Group as security for the Group's borrowings, the Group did not have any major assets pledged.

Contingent Liabilities

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

Material Acquisitions and Disposals of a Subsidiary, Associates and Joint Ventures

On April 24, 2025, the Company, Tengyuan Changxing, Huzhou Innovation, Huzhou Industrial Investment, Changxing Xingqiang Investment and Shanghai Younan entered into the Joint Venture Agreement, pursuant to which the parties agreed to establish the Fund and the Company will participate in the newly formed Fund as a limited partner. Pursuant to the Joint Venture Agreement, the Company agreed to invest RMB18.0 million to the Fund. Dr. Wu Yusheng, the chairman of the Board and chief executive officer of the Company is indirectly interested in Tengyuan Changxing, a general partner to the Fund. Therefore, Tengyuan Changxing is a connected person of the Company under Rule 14A.07 of the Listing Rules. Accordingly, the entering into of the Joint Venture Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. For further details, please refer to the announcement of the Company dated April 24, 2025.

The Group had, for the period between February 18, 2025 and March 15, 2025, subscribed for five wealth management products from China CITIC Bank, and on January 2, 2025, the Company also made investment into 6 funds (in the form of segregated portfolio company (SPC) interest and limited partnership fund (LPF) interest). Such interests were subsequently redeemed in full by the Company. For further details, please refer to the announcement of the Company dated August 31, 2025.

The Group entered into an equity transfer agreement dated December 18, 2023 and supplemental agreements dated March 13, 2024 and June 5, 2024 to transfer the entire equity interest of Shanghai Yabao to an independent third party with a consideration of RMB34,900,000. In January 2026, the disposal was completed upon obtaining regulatory approval from the relevant authority.

Save as disclosed in this annual report and prior announcements of the Company, during the year ended December 31, 2025, we did not make any other material acquisitions, disposals or significant investments accounting for more than 5% of the Group's total assets as of December 31, 2025.

Foreign Currency Risk

The Group was not exposed to significant currency risk, and did not experience any material impact on our operations resulting from fluctuation in exchange rates during the Reporting Period. However, our management monitors our foreign currency risk exposure and will review and adjust our currency risk measures in accordance with our needs. During the Reporting Period, we did not hedge against any foreign exchange fluctuations.

Employees and Remuneration Policies

As at December 31, 2025, we had 173 employees in total (As at December 31, 2024: 153 employees). The remuneration package of our employees includes basic salaries, bonuses, and employee benefits, which are generally determined by their qualifications, industry experience, position and performance. We make contributions to social insurance and housing provident funds as required by the PRC laws and regulations. In addition, we provide relevant training to our employees in order to improve their skills and knowledge. We have also adopted the Employee Incentive Scheme and the 2025 H Share Incentive Scheme in recognition of the contribution of our employees.

Future Plan of Material Investment or Acquisition of Assets

Save as disclosed in the Prospectus, the Group did not have detailed future plans for any material investment or acquisition of capital assets as of the date of this annual report.

III. FUTURE AND OUTLOOK

Continuously enhance R&D capabilities and drive business development

Our core competitiveness lies in our understanding of diseases and the mechanisms of drug action. To date, we have achieved remarkable results, and in the future, we will continue to strengthen these capabilities. Meanwhile, we recognize that drugs with new targets and mechanisms of action will enhance our competitiveness in the pharmaceutical industry. Therefore, we have developed several innovative candidate drugs targeting the following relevant targets: CDK4, EGFR/FAK (PROTAC), PI3Kα and GLP-1, and plan to continue developing these candidates. Additionally, we plan to actively invest in in-house R&D to seize market opportunities and identify and develop innovative compounds.

In addition, we intend to leverage Dr. Wu's experience in the development of innovative drugs for central nervous system diseases and seek opportunities to expand into other therapeutic areas, including central nervous system diseases, autoimmune diseases and cardiovascular diseases.

Incorporate artificial intelligence models and gradually build an industrial production system

The Company will always be anchored in real market demand and focus on independent R&D and technological innovation of cutting-edge products. Leveraging the technological empowerment of artificial intelligence models, the Company will deepen collaborative research between its core domestic R&D team and top overseas scientific research forces to efficiently advance the development process of new molecules. Meanwhile, on the basis of consolidating internal R&D capabilities, the Company will actively cooperate with leading external AI drug discovery platforms, striving to achieve breakthroughs in key areas of drug R&D, continuously improving R&D translation efficiency and core competitiveness, injecting strong impetus into the iterative upgrading of the Company's business, and ultimately helping to achieve the strategic goal of long-term sustainable development. The "New Solid Preparation Factory Project" is the Company's industrialization project, which will add tablet production lines and capsule production lines. Upon completion, the Company's annual production capacity will reach 150 million tablets or capsules, which will simultaneously support the production of clinical drugs and part of the commercial production of the TY-9591 product. The Phase I project completed civil engineering acceptance on June 30, 2024. The Phase I production lines are expected to obtain GMP compliance certification and be ready for production in 2026. We believe the completion of this project will provide production support for the commercialization of a broader pipeline of products. In addition, in January 2026, the Company obtained the Drug Production License issued by the Zhejiang Provincial Medical Products Administration. The granting of the Drug Production License is expected to exert a long-term positive effect on the Company's capacity expansion and market development, laying a solid foundation for subsequent commercial production. For further details, please refer to the Company's announcement dated January 23, 2026.

Explore partnership opportunities and establish commercialization capability to increase the value of our drug candidates

In terms of its commercialization roadmap, the Company will adopt a strategy that combines external collaboration and independent construction, implemented in phases. In the initial stage, the Company will actively cooperate with external partners possessing mature market operation experience, extensive channel networks and abundant resource reserves. By fully leveraging their sophisticated commercialization models, marketing expertise and channel advantages, the Company will rapidly supplement its practical experience in market expansion, brand promotion and sales execution, so as to achieve complementary strengths and synergistic effects, and steadily establish a market presence. On this basis, the Company will simultaneously accumulate, summarize and internalize the commercial operation capabilities and market experience gained from such cooperation, and gradually build an independently controllable, professional and full-chain sales and marketing system, continuously strengthening its core capabilities in independent operation and promotion. Going forward, the Company will gradually transition from a collaborative model to a commercialization pattern dominated by independent operation supplemented by external cooperation. It will independently drive market expansion and business growth, fully accelerate its overall commercialization process, and achieve sustainable high-quality development. The Company will continue to integrate its core advantages in capital, talent, technology and other dimensions. On the one hand, it will optimize the functional layout of its clinical research platform; on the other hand, it will accelerate the construction of its industrialization base. Through such dual-wheel drive model, the Company will efficiently implement its commercialization strategy.

DIRECTORS AND SENIOR MANAGEMENT

Executive Director

Dr. WU Yusheng (吳豫生), aged 62, is the chairperson of our Board, our executive Director and chief executive officer. He founded our Group in November 2017, and has served as a Director and the chief executive officer of our Company since then and was re-designated as an executive Director on January 17, 2024. He is primarily responsible for overseeing the overall management, business operation, and strategies of our Group.

Dr. Wu has more than 26 years of experience in biomedical research and management. He conducted research at California Institute of Technology. From July 1996 to February 2009, he worked at Schering-Plough Corporation, a pharmaceutical company principally engaged in new drug development with last position as senior principal scientist, where he was primarily responsible for novel drug discovery such as for thrombosis, obesity and Alzheimer's disease. From February 2011 to October 2017, he served as the chairman of the board of directors and chief executive officer at Tetranov Pharmaceutical, a company used to be primarily engaged in providing customized pharmaceutical intermediates synthesis services where he was primarily responsible for its overall operations. Since December 2020, Dr. Wu has served as an independent non-executive Director of Shanghai Tenry Pharmaceutical Co., Ltd. (上海騰瑞製藥股份有限公司), a pharmaceutical company principally engaged in research, development and commercialization of biological drugs, covering chemical raw materials and oral solid preparations, with a focus on treatment of deep burn wound and chronic ulcer wound, where he has been primarily responsible for providing independent advice and judgment to the board of directors of the company.

In addition to roles in our Group, Dr. Wu is also currently an executive Director at LeadMed (Zhejiang) Medical Technology Co., Ltd. (浙江藥領醫藥科技有限公司), an executive Director at LeadMed (Zhengzhou) Medical Technology Co., Ltd. (鄭州藥領醫藥科技有限公司) and chairman of the board of directors of Zhejiang SynthonTech Pharmaceutical Co., Ltd. (浙江雅辰藥物科技股份有限公司).

Dr. Wu obtained his bachelor's degree in organic chemistry from Zhengzhou University (鄭州大學) in Henan in July 1985. Dr. Wu further obtained his doctor's degree in organic chemistry from Iowa State University of Science and Technology in Iowa in December 1993. Dr. Wu has also authored more than 120 scientific publications in leading chemistry and medicinal chemistry journals and has been granted more than 40 granted patents.

Dr. Wu obtained various awards during his professional career, including the New Jersey Minority Award from the Plainfield and Metuchen-Edison YMCA in 2004, and the 2006 President's Award for Discovery from Schering-Plough Research Institute. Further, Dr. Wu has been a "State Specially Recruited Expert" (國家特聘專家) as conferred by the Ministry of Human Resources and Social Security of the PRC (中華人民共和國人力資源和社會保障部) since 2013.

Non-executive Directors

Dr. LI Jun (李鈞), aged 63, is our non-executive Director. He joined our Group as our vice president and chief scientific officer in June 2018 and served as our vice president and chief scientific officer until May 2021. He has served as a Director since January 2021. He was re-designated as a non-executive Director on January 17, 2024. He is primarily responsible for providing strategic advice on the development of our Group.

Dr. Li has over 24 years of experience in pharmaceutical research and investments. Dr. Li was a research scientist and group leader at the Institute of Materia Medica, Chinese Academy of Medical Sciences (中國醫學科學院藥物研究所), where he was involved in setting up the PRC's first doping control laboratory accredited by the International Olympic Committee. Dr. Li was a research scientist at Vion Pharmaceuticals, Inc., a biopharmaceutical company specializing in cancer treatment technologies, where he was involved in the development of the novel anti-cancer agent Triapine (currently conducting Phase III clinical trial). From September 1997, he worked for over 20 years as a principal scientist and program leader at Bristol-Myers Squibb Co., USA, a company principally engaged in the R&D and sales of pharmaceutical products, where his last position was principal scientist and where he was primarily responsible for new drug discovery, among which, one is currently undergoing Phase III clinical trial. Since June 2021, Dr. Li has been a scientific advisor engaged by HCA (Shanghai) Consulting Co., Ltd. (known as "**Morningside Ventures**" (晨興創投)).

Dr. Li obtained his bachelor's degree in applied chemistry from the University of Science and Technology of China (中國科學技術大學) in Hefei in July 1985 and his master of science from the Chinese Academy of Sciences (中國科學院) in Beijing in July 1988. Dr. Li further obtained his doctor's degree in organic chemistry from Iowa State University of Science and Technology in August 1994. Dr. Li was a post-doctoral associate at Cornell University in New York from August 1994 to July 1997.

Dr. Li co-authored over 50 peer-reviewed research papers and has been granted more than 50 U.S. or Patent Cooperation Treaty (PCT) patents. Dr. Li obtained various awards during his professional career, including the PRC "First Prize of the State Scientific and Technological Progress Award" (國家科學技術進步一等獎) from the national government of the PRC, the "Special Prize" of the China Association for Instrumental Analysis (CAIA) (中國分析測試協會特等獎獲得者), along with two "Molecule of the Year" awards and a "Chemistry Leadership Award" from Bristol Myers Squibb Co., USA.

Dr. GU Eric Hong (顧虹), aged 60, is our non-executive Director. He joined our Group in November 2017 and has served as a Director since then. He was re-designated as a non-executive Director on January 17, 2024. He is primarily responsible for providing strategic advice on the development of our Group.

Dr. Gu has extensive experience in the pharmaceutical industry. Prior to joining our Group, he worked at Mallinckrodt Pharmaceuticals plc (formerly known as Mallinckrodt Inc.), a company engaged in R&D of drugs for autoimmune diseases and other diseases. He also worked at Zhejiang Huahai Pharmaceutical Co., Ltd. (浙江華海藥業股份有限公司) ("**Zhejiang Huahai**"), a company principally engaged in sales of active pharmaceutical ingredient ("**API**"), sales of finished drugs, technical services, and import and export. Since December 2020, he has been a director and the general manager of Shanghai Aobo Pharmtech, Inc., Ltd. (上海奧博生物醫藥股份有限公司) ("**Shanghai Aobo**"), a company primarily engaged in the production and R&D of API. He has also been the general manager of Aobo Biotechnology Hubei Co., Ltd. (奧博生物醫藥科技湖北有限責任公司), a subsidiary of Shanghai Aobo, since September 2022 and a director of Hubei Sai'ao BioPharm Co., Ltd. (湖北賽奧生物製藥有限責任公司) ("**Hubei Sai'ao**"), a joint venture of Zhejiang Huahai and Shanghai Aobo, since May 2021.

Dr. Gu obtained his bachelor's degree from Fudan University (復旦大學) in Shanghai in 1987 and he further obtained his doctor's degree in chemistry from the University of Missouri-St. Louis in Missouri in January 1996. Further, Dr. Gu obtained his master's degree in business administration from the University of Washington in Washington in July 2004. Since July 2017, he has been certified as a professor-level senior engineer in drug development by the Zhejiang Provincial Department of Human Resources and Social Security (浙江省人力資源和社會保障廳).

Dr. JIANG Mingyu (蔣鳴昱), aged 38, is our non-executive Director. He joined our Group as our vice president and Board secretary from July 2019 to June 2025. He served as an executive Director and joint company secretary of the Company from January 17, 2024 to June 13, 2025, and was re-designated as a non-executive Director on June 13, 2025. He is primarily responsible for providing strategic advice on the development of our Group.

Dr. Jiang has more than 13 years of experience in audits, risk management and equity research. From October 2009 to November 2011, he worked at KPMG Huazhen LLP (畢馬威華振會計師事務所), an accounting firm. From December 2011 to January 2013, he worked at KPMG Advisory (China) Co., Ltd. (畢馬威企業諮詢(中國)有限公司), a consultancy firm. From June 2015 to March 2018, he worked at Shanghai Pudong Science & Technology Investment Co., Ltd. (先導匯芯(上海)科技投資有限公司), an investment and private equity firm. From March 2018 to July 2019, he was a senior analyst at Zheshang Securities Co., Ltd. (浙商證券股份有限公司) (stock code: 601878), a securities company listed on the Shanghai Stock Exchange. He has served as chief financial officer and secretary to the board of directors of Shanghai Ark Biopharmaceutical Co., Ltd. ("**Ark Biopharmaceutical**") since June 2025. He has been appointed as the joint company secretary and executive Director of Ark Biopharmaceutical since July 2025 and September 2025 respectively.

Dr. Jiang obtained his bachelor's degree in financial management from Shanghai University of International Business and Economics (上海對外經貿大學) in Shanghai in July 2009. He obtained his master's degree in global finance from Fordham University in New York in May 2014. He further obtained his doctor's degree in pharmacoeconomics at China Pharmaceutical University (中國藥科大學) in Jiangsu in June 2024.

Dr. Jiang has been certified as a financial risk manager by the Global Association of Risk Professionals since September 2012.

Mr. HE Chao (何超), aged 45, is our non-executive Director. He joined our Group in June 2022 and has served as a Director since then. He was re-designated as a non-executive Director on January 17, 2024. He is primarily responsible for providing strategic advice on the development of our Group.

Mr. He has approximately 12 years of experience in investment and finance. From July 2011 to April 2015, he successively served as a business director, branch general manager, and partner of Kunwu Jiuding Investment Management Co., Ltd. (昆吾九鼎投資管理有限公司), an equity investment company. He has been working at Beijing Huge Capital Management Co., Ltd. (北京融辰厚紀投資管理有限公司), an equity investment company, as the general manager since July 2015 and as an executive Director since February 2017 where he has been primarily responsible for overall strategy and development.

Mr. He obtained his master's degree in business administration from Peking University in Beijing in June 2011.

Dr. Zhu Xiangyang (朱向陽), aged 65, is our non-executive Director. He was appointed as a non-executive Director on June 26, 2025. Dr. Zhu currently serves as a consultant to the Company. He is primarily responsible for providing strategic advice on the development of our Group.

Dr. Zhu has over 20 years of experience in the biopharmaceutical industry. From May 1997 to May 2000, he conducted postdoctoral research at the National Institute of Diabetes and Digestive and Kidney Diseases, National Institutes of Health. From June 2000 to December 2005, he served successively as the senior scientist and laboratory director at Metamorphix. From January 2006 to August 2012, he served successively as the Head of Lead Expression in Biotherapeutics and the Principal Scientist at Boehringer Ingelheim. From August 2012 to March 2014, he served as the Head of Biopharm Process Development and TechTransfer at Boehringer Ingelheim in Shanghai, China. Since April 2014, he has served as a director and the general manager of Shanghai Huaota Biopharmaceutical Co., Ltd., an integrated R&D platform for new biological drugs. Since December 2020, he has served as a director of Zhejiang Huahai Biopharmaceutical Co., Ltd., a manufacturer of macromolecular pharmaceuticals.

Dr. Zhu obtained a bachelor degree in medicine from Jiangxi Medical College (currently known as Jiangxi Medical College of Nanchang University) in October 1983. He obtained a master degree in medicine from Peking Union Medical College in October 1988, and a Ph.D. degree in immunology from University of Illinois in May 1997.

Independent Non-executive Directors

Dr. LENG Yuting (冷瑜婷), aged 42, is our independent non-executive Director. She was appointed as an independent non-executive Director on January 17, 2024. She is responsible for providing independent advice and judgment to our Board.

Dr. Leng has more than 13 years of experience in organic chemistry research and in management. From July 2011 to March 2012, Dr. Leng was a research secretary at the College of Chemistry at Zhengzhou University (鄭州大學化學學院). From April 2012 to September 2018, she served as a chemistry teacher and academic secretary at the College of Chemistry at Zhengzhou University (鄭州大學化學學院). From October 2018 to December 2019, Dr. Leng was a visiting scholar at Harvard Medical School and the Massachusetts General Hospital under the Visiting Scholar Program of the China Scholarship Council. From April 2012 to December 2023, Dr. Leng has been a lecturer at the College of Chemistry at Zhengzhou University (鄭州大學化學學院), where she is primarily responsible for teaching and conducting research. Since January 2024, Dr. Leng has served as an associate professor at the College of Chemistry at Zhengzhou University (鄭州大學化學學院), and has been long engaged in teaching and scientific research work.

Dr. Leng obtained her bachelor's degree of science in chemistry from Zhoukou Normal University (周口師範學院) in Henan in July 2006. She further obtained her doctor's degree in organic chemistry from Zhengzhou University (鄭州大學) in Henan in July 2011. Since December 2016, she was appointed as a postdoctoral researcher in medicinal chemistry at Zhengzhou University (鄭州大學) in Henan. Since April 2012, she has been certified as an intermediate university lecturer by the Henan Provincial Department of Human Resources and Social Security (河南省人力資源和社會保障廳). Since January 2024, Dr. LENG Yuting has been awarded the Associate Professor Qualification Certificate accredited by Zhengzhou University.

Dr. XU Wenqing (許文青), aged 61, is our independent non-executive Director. He was appointed as an independent non-executive Director on January 17, 2024. He is responsible for providing independent advice and judgment to our Board.

Dr. Xu has over 16 years of experience in teaching and academia. Prior to joining our Group, he conducted research for Harvard Medical School. From July 2009 to August 2019, Dr. Xu was a tenured full professor at the University of Washington School of Medicine. Prior to joining our Group, he was also director of the National Facility for Protein Science in Shanghai, Chinese Academy of Sciences (中國科學院國家蛋白質科學研究(上海)設施), which was involved in launching the Protein Data Bank China, an associate member of the Worldwide Protein Data Bank which manages the 3D structure archive of proteins, nucleic acids and complex assemblies. Since August 2019, he has been a tenured full professor at Shanghai Tech University (上海科技大學).

Dr. Xu obtained his doctor's degree in biology from the Massachusetts Institute of Technology in Massachusetts in September 1995. Dr. Xu received the Investigator's Award in the pathogenesis of infectious disease from the Burroughs Wellcome Fund in 2003.

Dr. SHEN Xiuhua (沈秀華), aged 54, is our independent non-executive Director. She was appointed as an independent non-executive Director on January 17, 2024. She is responsible for providing independent advice and judgment to our Board.

Dr. Shen has approximately 30 years of experience in teaching and academia. Since August 1995, Dr. Shen consecutively worked as a teaching assistant in the Department of Pathology of the School of Medicine, a lecturer, an associate professor and currently a professor in the Department of Nutrition of the School of Medicine at Shanghai Jiao Tong University (上海交通大學). From September 2007 to February 2008, she was a visiting scholar at the Division of Nutritional Sciences at Cornell University. From November 2013 to October 2014, she was a visiting scholar at Harvard University.

Dr. Shen obtained her bachelor's degree in clinical medicine (medical nutrition) and her master's degree in medicine, with a major in nutrition and food hygiene, from Shanghai Jiao Tong University (上海交通大學) in Shanghai in July 1995 and June 2001, respectively. Dr. Shen further obtained her doctor's degree in pediatrics from Shanghai Jiao Tong University (上海交通大學) in Shanghai in July 2007.

Mr. JIANG Xiaolin (江曉林), aged 61, is our independent non-executive Director. He was appointed as an independent non-executive Director on December 12, 2025. He is responsible for providing independent advice and judgment to our Board.

Mr. Jiang has over 36 years of experience in the field of accounting, auditing and financial management. Since October 2025, he has served as the deputy chief accountant of Huzhou Jinling Yongda Accounting Firm (General Partnership) (湖州金陵永達會計師事務所(普通合夥)). Mr. Jiang began his career working for the Changxing County Audit Bureau of Zhejiang Province. From January 2000 to May 2011, he worked at Changxing Yongcheng United Certified Public Accountants (General Partnership) (長興永誠聯合會計師事務所(普通合夥)), where he last served as their chief accountant. Subsequently, from June 2011 to December 2013, he worked at Zhejiang Puhua Certified Public Accountants Co., Ltd. (浙江普華會計師事務所有限公司), where he last served as a department manager. From January 2014 to December 2019, he worked at Zhejiang Henghui Certified Public Accountants Co., Ltd. (浙江恒惠會計師事務所有限公司), where he last served as a department manager. From January 2020 to March 2025, Mr. Jiang worked at Zhejiang Zhengrui Certified Public Accountants (General Partnership) (浙江正瑞會計師事務所(普通合夥)), where he last served as their chief accountant.

Mr. Jiang obtained a bachelor degree in mathematical statistics from Hangzhou University (currently known as Zhejiang University) in July 1989. He is also qualified as a certified public accountant in the People's Republic of China in May 1996.

Senior Management

Dr. WU Yusheng (吳豫生) is the chairperson of our Board, executive Director and chief executive officer. For details, please see "Executive Director" in this section.

Dr. CHEN Shaoqing (陳少清), aged 60, joined our Group in May 2021 and has served as the senior vice president of the medicinal chemistry department of our Company since then. He is responsible for overseeing the early drug discovery and pharmaceutical synthesis of our Group.

Dr. Chen has more than 25 years of experience in medicinal chemistry. From September 1996 to April 1998, he was a postdoctoral fellow at The Scripps Research Institute in the U.S., where he was primarily responsible for conducting research on the development of new chemical technologies. From November 1994 to August 1996, Dr. Chen was a postdoctoral fellow at University of Pittsburgh, where he was primarily responsible for conducting medical research. He was a senior scientist at Vicuron Pharmaceuticals Inc., where he was primarily responsible for pharmaceutical R&D. From June 1999 to October 2012, Dr. Chen was a senior principal scientist at Hoffman-La Roche Inc., where he was primarily responsible for pharmaceutical R&D. From November 2012 to June 2013, he was an executive Director at Pharmaron Inc. (康龍化成(北京)新藥技術股份有限公司), a pharmaceutical company listed on the Hong Kong Stock Exchange (stock code: 3759) and Shenzhen Stock Exchange (stock code: 300759). From July 2013 to October 2019, he was the general manager at RenHe Hetero Pharmaceuticals Ltd. (仁合熙德隆藥業有限公司), a pharmaceutical company, where he was primarily responsible for overseeing the daily operations of the company. From October 2019 to December 2020, he was the chief scientific officer and president of the Shanghai Research Center of KPC Pharmaceuticals, Inc. (昆藥集團股份有限公司). From December 2020 to May 2021, he was the president of the research institute at GranPharm (China) Co. Ltd. (遠大醫藥(中國)有限公司).

Dr. Chen obtained his bachelor's degree in chemistry from Nanjing University (南京大學) in Jiangsu in July 1986. He obtained his master's degree and doctor's degree in chemistry from the Shanghai Institute of Organic Chemistry, Chinese Academy of Sciences (中國科學院上海有機化學研究所) in Shanghai in May 1989 and June 1992, respectively.

Dr. Chen received the dean's scholarship excellence award from the Chinese Academy of Sciences in February 1993. He also received the 2022 innovation leading talent award under Huzhou South Taihu Elite Program from the People's Government of Huzhou City (湖州市政府). In addition, Dr. Chen has been named as a Zhejiang provincial level talent (浙江省級人才) by the People's Government of Zhejiang Province (浙江省人民政府) since 2022, and he has further been accredited as a national level talent (國家級人才) by the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部) since October 2023.

Mr. CHEN Xiugui (陳修貴), aged 56, joined our Group in August 2018 and has served as senior vice president of the clinical medicine department of our Company since then. He is primarily responsible for the overall clinical development and registration affairs of our Group.

Mr. Chen has more than 18 years of experience in clinical development and registration of pharmaceutical products. From September 2002 to October 2011, he worked at Hangzhou Minsheng Pharmaceutical Co., Ltd. (杭州民生藥業股份有限公司), a controlling shareholder of Hangzhou Minsheng Healthcare Co., Ltd. (杭州民生健康藥業股份有限公司), a pharmaceutical company listed on the Shenzhen Stock Exchange (stock code: 301507). From November 2011 to April 2013, he worked at Ascletis Pharmaceutical (Hangzhou) Co., Ltd. (世方科技(杭州)有限公司), a company listed on the Hong Kong Stock Exchange (stock code: 1672). From July 2013 to February 2017, he worked at Betta Pharmaceuticals Co., Ltd. (貝達藥業股份有限公司), a company principally engaged in the R&D, production and sales of pharmaceutical products and listed on the Shenzhen Stock Exchange (stock code: 300558), where his last held position was medical manager. From May 2017 to July 2018, he served as a clinical director of Beijing Haisha Consulting Co., Ltd. (北京海莎諮詢有限公司), which is a wholly owned subsidiary of Yangtze River Pharmaceutical (Group) Co., Ltd. (揚子江藥業集團有限公司), where he was primarily responsible for the overall clinical development.

Mr. Chen obtained his bachelor's degree in acupuncture from Jiangxi University of Chinese Medicine (江西中醫藥大學) in Jiangxi in July 1993. He obtained his master's degree in acupuncture from Shanghai University of Traditional Chinese Medicine (上海中醫藥大學) in Shanghai in July 1996.

Mr. Chen has been qualified as an attending traditional Chinese medicine physician by the Hangzhou Personnel Bureau (杭州市人事局) since September 1999. He has been qualified as a senior engineer in new drug development by the Zhejiang Personnel Bureau (浙江省人事廳) since February 2009 and has received the practicing traditional Chinese medicine physician certificate from the Lin'an Health Bureau of Hangzhou since July 2019.

Company Secretary

Ms. WONG Wing Yee (黃詠儀) was appointed as a company secretary of our Company on January 17, 2024. Ms. Wong has been a manager of corporate services of Vistra Corporate Services (HK) Limited. She has over 8 years of experience in the corporate services industry. Ms. Wong has been an associate member of The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and the Chartered Governance Institute (formerly known as the Institute of Chartered Secretaries and Administrators) in United Kingdom since June 2022. Ms. Wong obtained a bachelor of arts (Chinese) from The Lingnan University in November 2015.

Disclosure of Changes in Directors' Information Pursuant to Rule 13.51B(1) of the Listing Rules

Upon the approval of the relevant resolutions regarding the adjustment to remuneration of executive Director and independent non-executive Directors at the first extraordinary general meeting of the Company of 2025 held on January 3, 2025, the remuneration of Dr. Wu Yusheng, the executive Director, and Dr. Leng Yuting, Dr. Xu Wenqing and Dr. Shen Xiuhua, the independent non-executive Directors, have been adjusted accordingly. For details, please refer to the circular issued by the Company on December 19, 2024. Except as disclosed in this annual report, during the Reporting Period and up to the date of this annual report, there are no other changes in directors' information that require to be disclosed in accordance with Rule 13.51B(1) of the Listing Rules.

Remuneration of Directors and Senior Management

The emoluments of the Directors and senior management of the Group are decided by the Board with reference to the recommendation given by the Remuneration Committee, having regard to the Group's operating results, individual performance and comparable market statistics. Details of the Directors' emoluments and emoluments of the five highest paid individual in the Group are set out in Notes 10 & 11 to the consolidated financial statements of this annual report.

For the year ended December 31, 2025, no emoluments were paid by the Group to any Director or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the Directors has waived or agreed to waive any emoluments for the year ended December 31, 2025.

Continuous Disclosure Obligations in Accordance with the Listing Rules

The Company does not have any disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules. Other parts, reports or notes mentioned in this annual report are all integral parts of the annual report.

DIRECTORS' REPORT

The Board is pleased to present the Directors' Report and the audited consolidated financial statements of the Group for the year ended December 31, 2025.

Directors

During the Reporting Period and as of the date of this annual report, the Board is composed of the following members:

Executive Director:

Dr. WU Yusheng *(Chairperson of our Board and Chief Executive Officer)*

Non-executive Directors:

Dr. LI Jun
Dr. GU Eric Hong
Dr. JIANG Mingyu *(re-designated on June 13, 2025)*
Dr. MENG Xiaoying *(resigned on August 31, 2025)*
Mr. HE Chao
Dr. ZHU Xiangyang *(appointed on June 26, 2025)*

Independent non-executive Directors:

Mr. ZHANG Senquan *(resigned on September 15, 2025)*
Dr. LENG Yuting
Dr. XU Wenqing
Dr. SHEN Xiuhua
Mr. JIANG Xiaolin *(appointed on December 12, 2025)*

The biographical details of directors can be found in the section "Directors and Senior Management" on pages 24 to 28 of this annual report.

Basic Information

The Company was incorporated as a joint stock limited company in the PRC on November 2, 2017. On August 20, 2024, the Company was successfully listed on the Stock Exchange upon completion of issuance of 47,880,000 H Shares.

Principal Business

We are a biopharmaceutical company that is about to enter the commercialization stage and are committed to the discovery, acquisition, development and commercialization of differentiated targeted therapies to address unmet medical needs in cancer treatment. Since our inception in 2017, we have built a pipeline with 10 drug candidates, including Core Product TY-9591, five products in clinical stage and four products in preclinical stage or early clinical development stage.

Business Review

Pursuant to the provisions of Schedule 5 of the Companies Ordinance, the business review of the Group, which includes a fair review of the Company's operations, details of significant events impacting the Company that occurred after the end of the financial year, insights into the possible future developments of the Company's business, an analysis using key financial performance indicators, and the relationships with key stakeholders that significantly affect the Group and upon which its prosperity relies, is set out in the "Management Discussion and Analysis" section of this annual report on pages 9 to 23. These reviews and discussions form part of this annual report.

Major Risks and Uncertainties

Our business faces various risks, including those that may hinder us from achieving our business objectives or have adverse effects on our business, financial condition, results of operations, cash flow and outlook.

Below is a summary of the major risks and uncertainties faced by the Group, some of which are beyond the control of the Group. For further details regarding the risks and uncertainties faced by the Group, please refer to the "Risk Factors" section of the Prospectus.

Risks Relating to the Research and Development of Our Drug Candidates

- We face intense competition and our competitors may discover, develop or commercialize competing drugs faster or more successfully than we do, which may adversely affect our ability to successfully commercialize our drug candidates.

- Our business and financial prospects depend substantially on the success of our clinical stage and preclinical stage drug candidates. If we are unable to successfully complete their clinical development, obtain their regulatory approvals and achieve their commercialization, or if we experience significant delays in doing any of the foregoing, our business will be materially harmed.

- We may not be able to identify, discover or develop new drug candidates, or to identify or develop new indications for our drug candidates, to expand or maintain our product pipeline.

- We invest substantial resources in research and development in order to develop, enhance or adapt to new technologies and methodologies, which may not be successful attempts.

- Clinical drug development involves a lengthy and expensive process with uncertain outcomes, and we may encounter unexpected difficulties in executing our clinical trials and commercializing our drug candidates on a timely basis.

- If we encounter difficulties in enrolling patients in our clinical trials, our clinical development activities could be delayed or otherwise adversely affected.

- AEs or undesirable side effects caused by our drug candidates could interrupt, delay or halt clinical trials, delay or prevent regulatory approval, limit the commercial profile of an approved drug, or result in other significant negative consequences.

- Results of early clinical trials may not be predictive of future trial results.
- We may allocate our limited resources to pursuing particular drug candidates or indications and fail to capitalize on other drug candidates or indications that may later prove to be more profitable, or for which there is a greater likelihood of success.
- We may be unable to successfully develop or market our drug candidates or may experience significant regulatory delays, if safety, efficacy or other issues arise from any pharmaceutical product or medical treatment used, or intended to be used, in combination with our drug candidates.
- The data and information that we gather in our research and development process could be inaccurate or incomplete, which could harm our business, reputation, financial condition and results of operations.
- In conducting drug discovery, development and commercialization, we face potential liabilities, in particular, product liability claims or lawsuits that could cause us to incur substantial liabilities.
- The FDA has granted orphan drug designation to TY-2136b for the treatment of NSCLC, but we may be unable to maintain or receive the benefits associated with orphan drug status, including market exclusivity.

Risks Relating to Manufacturing of Our Drug Candidates

- We have no experience in manufacturing pharmaceutical products, and our business could be materially and adversely affected if we encounter problems in manufacturing our future drug products.
- Failure to obtain and maintain regulatory approvals for our manufacturing facility, and any disruption or suspension of manufacturing activities may affect our business and results of operations.
- We procure certain raw materials from third-party suppliers for our manufacturing needs. Such supplies may not be available to us on acceptable terms or at all, and an increase in the market prices of such supplies may adversely affect our results of operations.

Risks Relating to Commercialization of Our Drug Candidates

- We have no experience in the commercialization of drugs. If we are unable to build, manage, expand and optimize an effective sales and distribution network for our drug candidates, either by ourselves or through third parties, we may not be able to successfully create or increase market awareness of our products or sell our products, which will materially affect our ability to generate product sales revenue.

- The size of the potential market for our current or future drug candidates is difficult to estimate and, if any of our assumptions are inaccurate, the actual markets for our current or future drug candidates may be smaller than our estimates.

- Our drug candidates, once approved, may fail to achieve the degree of market acceptance by physicians, patients, third-party payers and others in the medical community that would be necessary for our drug candidates' commercial success.

- The illegal and/or counterfeit pharmaceutical products may reduce demand for our drug candidates, which could have a negative impact on our reputation and business.

- Guidelines, recommendations and studies published by various organizations could disfavor our drug candidates.

- Our drug candidates may not be covered by insurance or reimbursement programs or may become subject to unfavorable insurance policies or reimbursement practices, either of which could harm our business, and we may be subject to unfavorable pricing regulations, which could make it difficult for us to sell our drugs profitably.

Risks Relating to Our Intellectual Property Rights

- If we and our collaboration partner are unable to obtain and maintain adequate patent and other intellectual property protection for our drug candidates throughout the selected markets in the world, or if the scope of such intellectual property rights obtained is not sufficiently broad or a compulsory license is issued, third parties could develop and commercialize drug candidates and technologies similar or identical to ours and compete directly against us, and our ability to successfully develop and commercialize any of our drug candidates or technologies would be materially and adversely affected.

- Our patent rights may be challenged and invalidated.

- Even if we obtain patent protection for our drug candidates, the term of such protection, if any, is limited, and third parties could develop and commercialize products and technologies similar or identical to ours and compete directly against us after the expiration of our patent rights, if any, and our ability to successfully commercialize any product or technology would be materially and adversely affected.

- We may become involved in lawsuits to protect or enforce our intellectual property, which could be expensive, time-consuming and unsuccessful.

- If we are sued for infringing, misappropriating or otherwise violating intellectual property rights of third parties or engaging in unfair competition, such litigation could be costly and time-consuming and could prevent or delay us from developing or commercializing our drug candidates.
- We may not be able to enjoy additional protection over drug-related patents in the U.S.
- Failure to obtain the patent term adjustment or extension for NMPA-approved pharmaceutical products could increase the risk of early generic competition for our products in China.
- If our trademarks and trade names are not adequately protected, then we may not be able to build name recognition in our markets of interest and our business may be adversely affected.
- If we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed.
- We may be subject to claims that our employees have wrongfully used or disclosed alleged trade secrets of their former employers, or claims asserting ownership of what we regard as our own intellectual property.
- Intellectual property and other laws and regulations are subject to development, which could diminish the value of our intellectual property and impair the intellectual property protection of our drug candidates.
- Patent protection depends on compliance with various procedural, regulatory and other requirements, and our patent protection could be reduced or eliminated due to non-compliance with those requirements.
- We may not be successful in obtaining or maintaining necessary rights for our development pipeline through in-licenses and acquisitions.
- Intellectual property rights do not necessarily protect us from all potential threats.

Risks Relating to Government Regulations

- All material aspects of the research, development and commercialization of pharmaceutical products are heavily regulated. Any failure to comply with existing or future regulations and industry standards or any adverse actions by drug approval authorities against us could negatively impact our reputation and our business, financial condition, results of operations and prospects.

- The regulatory approval processes of the NMPA, the FDA and other comparable regulatory authorities are time-consuming and inherently uncertain. If we are unable to obtain without undue delay any regulatory approval for our drug candidates in our targeted markets, our business may be substantially harmed.

- We are subject to registration, review and other requirements of the PRC and the overseas regulatory authorities for cross-border sales or licensing of technology as well as operations related to genetics and data safety.

- We primarily conduct clinical trials for our drug candidates in China, and FDA or comparable foreign regulatory authorities may not accept data from such trials.

- We are subject to stringent privacy laws, information security policies and contractual obligations related to data privacy and security, and we may be exposed to risks related to our management of the medical data of subjects enrolled in our clinical trials and other personal or sensitive information.

- Even if we receive regulatory approval for our drug candidates, we will be subject to ongoing or additional regulatory obligations and continued regulatory review, which may result in significant additional expenses and we may be subject to penalties and other negative consequences if we fail to comply with these regulatory requirements or experience unanticipated problems with our drug candidates.

- Changes in laws and regulations relating to the pharmaceutical industry may result in additional compliance risks and costs.

- We may be directly or indirectly subject to applicable anti-kickback, anti-bribery, false claims laws, physician payment transparency laws, fraud and abuse laws or similar healthcare and security laws and regulations in China and other jurisdictions, which could expose us to criminal sanctions, civil penalties, contractual damages, reputational harm and diminished profits and future earnings.

- We face certain risks relating to laws and regulations on social insurance and housing provident fund.

- We are subject to environmental protection, health and safety laws and regulations, and if we fail to comply with these laws and regulations, we could be subject to fines or penalties or incur costs that could have a material adverse effect on the success of our business.

- We may be affected by currency exchange regimes.

- There exist uncertainties in effecting service of legal process, enforcing foreign judgments or bringing original actions in China against us or our management based on Hong Kong or other foreign laws.

Risks Relating to Our Financial Position and Need for Additional Capital

- We have incurred net losses since inception. We expect to continue to incur net losses for the foreseeable future and may not be able to generate sufficient revenue to achieve or maintain profitability.
- We had net operating cash outflows, net liabilities, net current liabilities during the Track Record Period, which may continue into the foreseeable future and expose us to liquidity risk.
- We have a limited operating history, which may make it difficult to predict our future performance.
- We may need to obtain substantial additional financing to fund our operations and expansion, and if we fail to do so, we may be unable to complete the development and commercialization of our drug candidates.
- Our results of operations, financial condition, and prospects may be adversely affected by fair value changes and credit risk associated with our financial assets at fair value through profit or loss.
- We are entitled to certain preferential tax treatments and government grants, and the expiration of or changes to which or our failure to satisfy any condition for which would have an adverse effect on our results of operations.
- We may incur impairment losses for prepayments and other receivables.
- We may incur impairment losses for intangible assets which could materially impact our financial position.
- Change in fair value of redemption liabilities on equity shares may affect our financial condition and results of operations.

Risks Relating to Our Operations

- The loss of any key members of our senior management team or our inability to attract and retain highly skilled and qualified employees could adversely affect our business.
- As we have significantly increased the size and capabilities of our organization since our inception, we may experience difficulties in managing our growth.
- We may engage in acquisitions or strategic partnerships in the future, which may increase our capital requirements, cause dilution for our Shareholders, cause us to incur debt or assume contingent liabilities or subject us to other risks.
- We are subject to the risks of doing business globally. Disruptions in the financial markets and economic conditions could affect our ability to raise capital.
- Our Directors, employees, principal investigators, CDMOs, CROs and other commercial partners may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements, which could harm our reputation and subject us to penalties and significant expenses that have a material and adverse effect on our business, financial condition and results of operations.

- We may be involved in claims, disputes, litigation, arbitration or other legal proceedings in the ordinary course of business.
- We have limited insurance coverage, and any claims beyond our insurance coverage may result in our incurring substantial costs and a diversion of resources.
- Increased labor costs may slow our growth and affect our operations.
- We may be subject to natural disasters, acts of war or terrorism or other factors beyond our control.
- Our property valuation is based on certain assumptions which, by their nature, are subjective and uncertain and may materially differ from actual results.
- Our internal information technology systems, or those used by our CROs, CDMOs or other contractors, may fail or suffer security breaches.
- Our reputation is important to our business success, and damage to our reputation may adversely affect our business.
- We are subject to risks associated with leased properties.
- Our risk management and internal control systems may not fully protect us against various risks inherent in our business.
- Changes in the economic, political or social conditions in our major operation location may materially and adversely affect our business, financial condition, results of operations and prospects.
- Changes in the international trade policies may affect our business operations.

Risks Relating to Our Reliance on Third Parties

- We work with various third parties to develop our drug candidates, such as those who help us conduct our preclinical studies and clinical trials. If these third parties do not successfully carry out their contractual duties or meet expected timelines, we may not be able to obtain regulatory approval for, or commercialize, our drug candidates, and our business could be materially harmed.
- We rely on third parties to manufacture our clinical drug candidates and currently expect to rely on third parties to manufacture our drugs when approved, and our business could be harmed if those third parties fail to provide us with sufficient quantities of the drug product or fail to do so at acceptable quality levels or prices.
- We have entered into an out-licensing arrangement with Livzon and may seek additional collaboration opportunities and strategic alliances or enter into licensing arrangements in the future, but we may not realize the benefits of such collaboration, alliances or licensing arrangements as expected.

Environmental Policy and Performance

We are committed to fulfilling social responsibilities, promoting employee welfare and development, protecting the environment, contributing to the community, and achieving sustainable growth. Details are set out in the section headed “Environmental, Social and Governance Report” in this annual report.

Compliance with Relevant Laws and Regulations

Except for the disclosures in the annual report and the ESG report and as far as the Board and management are aware, the Company complied with all relevant laws and regulations that had a material impact on the Group's operations during the Reporting Period. During the Reporting Period, there was no material breach of, or non-compliance with, applicable laws and regulations, by the Group.

Connected Transactions and Continuing Connected Transactions

TY-9591 CCT Agreements

On December 29, 2023, the Company entered into a technology service agreement for TY-9591 tablets ("**TY-9591 Tablets Service Agreement**") and a technology service agreement for TY-9591 active pharmaceutical ingredient (API) ("**TY-9591 API Service Agreement**"), which are further supplemented by a supplemental agreement dated July 19, 2024 (together with the TY-9591 API Service Agreement and the TY-9591 Tablets Service Agreement, the "**TY-9591 CCT Agreements**") with Sichuan Huiyu Pharmaceutical Co., Ltd. ("**Huiyu Pharmaceutical**"). Huiyu Pharmaceutical was held as to approximately 26.93% by Dr. DING Zhao, our former non-executive Director, who through a weighted voting rights structure and together with his controlled entities, was able to exercise 60.95% voting rights in Huiyu Pharmaceutical. As such, Huiyu Pharmaceutical is an associate of our former Director and therefore a connected person of our Company. The TY-9591 CCT Agreements will continue in full force from the date of entering into the agreements until the end of the year of 2025.

Huiyu Pharmaceutical provided technology services for TY-9591 tablets to our Company, including, among others, procurement of ancillary materials required for the production of TY-9591 tablets, production of TY-9591 tablets in accordance with the Company's instructions, drafting the documents required for registration and application for TY-9591 tablets and ensuring that TY-9591 tablets meet GMP compliance requirements. Huiyu Pharmaceutical provided technology services of TY-9591 API to our Company, including, among others, procurement of ancillary materials required for the production of TY-9591 API, manufacturing process transfer and production of TY-9591 API. Accordingly, our Company has paid technology service fees and ancillary materials procurement fees to Huiyu Pharmaceutical under the TY -9591 CCT Agreements with reference to the specific milestones specified thereunder.

As the transactions contemplated under the TY-9591 CCT Agreements constitutes a partially exempt continuing connected transactions under the Listing Rules upon Listing, the Company had applied to the Stock Exchange for, and the Stock Exchange had granted, a waiver under Rule 14A.105 of the Listing Rules from compliance with the announcement requirement under the Listing Rules in respect of such transactions for a term of two years ended December 31, 2025, subject to the condition that the total amount of transactions under the TY-9591 CCT Agreements for each of the two years ended December 31, 2025 shall not exceed the proposed annual caps as set out in the "CONNECTED TRANSACTIONS" section of the prospectus dated July 29, 2024.

For the year ended December 31, 2025, the caps on technology service fees and ancillary materials procurement fees payable to Huiyu Pharmaceutical under the TY-9591 CCT Agreements were RMB4,410,000 and RMB2,620,000 respectively. The actual transaction amounts were RMB0 and RMB1,230,000, respectively.

Details of aforesaid continuing connected transactions are set out in the prospectus published by the Company on July 29, 2024.

Advancement in Relation to Individual Income Tax Arising from the Awards under the Employee Incentive Scheme

On December 13, 2024, the Company (as lender), Dr. Jiang Mingyu ("**Dr. Jiang**") (as borrower) and the ESOP Platforms entered into the Advancement Agreement, pursuant to which the Company agreed to advance cash in the principal amount of RMB3,100,861.50 to Dr. Jiang for a term from the date of the Advancement Agreement to December 15, 2026 for payment of ESOP Taxes payable by Dr. Jiang arising from the awards granted to him under the Employee Incentive Scheme.

Dr. Jiang is a non-executive Director and therefore is a connected person of the Company under Rule 14A.07(1) of the Listing Rules. As such, the transaction contemplated under the Advancement Agreement constitutes a continuing connected transaction of the Company under Chapter 14 of the Listing Rules.

The advancement was provided to Dr. Jiang on an interest bearing basis with a duration up to December 15, 2026. The advancement is unsecured and may be repaid in one or more installment during the term of the advancement.

For the year ended December 31, 2025, the maximum loan amount provided to Dr. Jiang was RMB3,201,201.98, with the actual transaction amount being RMB3,101,000.

Details of aforesaid continuing connected transactions are set out in the announcement of the Company dated December 13, 2024.

Participation in Establishment of Fund

On April 24, 2025, the Company, Tengyuan Changxing, Huzhou Innovation, Huzhou Industrial Investment, Changxing Xingqiang Investment and Shanghai Younan entered into the Joint Venture Agreement, pursuant to which the parties agreed to establish the Fund and the Company will participate in the newly formed Fund as a limited partner. Pursuant to the Joint Venture Agreement, the Company agreed to invest RMB18.0 million to the Fund. The purpose of the Fund is to seek investment with a focus on biopharmaceutical businesses to incubate and develop high quality pharmaceutical ventures (including those that may have potential synergies with the Group).

Dr. Wu Yusheng, the chairman of the Board and chief executive officer of the Company is indirectly interested in Tengyuan Changxing, a general partner to the Fund. Therefore, Tengyuan Changxing is a connected person of the Company under Rule 14A.07 of the Listing Rules. Accordingly, the entering into of the Joint Venture Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

For further details, please refer to the announcement of the Company dated April 24, 2025.

The Company confirmed it has complied with the relevant requirements in Chapter 14A of the Listing Rules. The Company confirmed that it has complied with the pricing policies and guideline for each of the continuing connected transactions outlined herein. Details of the related party transactions of the Group for the year ended December 31, 2025 are set out in Note 31 to the consolidated financial statements contained herein. Saved as disclosed herein, none of the related party transactions constitute a connected transaction or continuing connected transaction under Chapter 14A of the Listing Rules.

Confirmation of Independent Non-executive Directors

The independent non-executive Directors have confirmed that the above continuing connected transactions: (i) were entered into in the ordinary course of business of the Group, on normal commercial terms or better, pursuant to the relevant agreements, with terms that are fair and reasonable and in the interests of the Company and its shareholders as a whole; and (ii) the annual caps set out above are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Confirmation of Auditor

The Company's auditor has confirmed in their letter to the Board that regarding the continuing connected transactions identified above:

- Nothing has come to the auditor's attention that causes it to believe the disclosed continuing connected transactions were not approved by the Board of the Company.

- Nothing has come to the auditor's attention that causes it to believe the disclosed continuing connected transactions were not entered into in all material respects in accordance with the relevant agreements governing such transactions.

- With respect to the aggregate amounts of the above continuing connected transactions, nothing has come to the auditor's attention that causes it to believe the disclosed continuing connected transactions exceeded the annual caps set by the Company.

Non-competition Undertaking

Dr. Wu has provided a non-competition undertaking, pursuant to which he had undertaken that he will not, and will use his best endeavors to procure his close associates (except any member of our Group) not to, whether directly or indirectly, as principal or agent either on his/their own account or in conjunction with or on behalf of any person, engage in any business that competes, or is likely to compete, directly or indirectly with our Group. In addition, under the Non-competition Undertaking, Dr. Wu unconditionally and irrevocably granted us the option to acquire new business opportunities, options for acquisitions, and pre-emptive rights in respect of the Restricted Business.

The Company has received a confirmation letter from Dr. Wu regarding compliance with the non-competition undertaking for the year ended December 31, 2025. The independent non-executive Directors have also reviewed Dr. Wu's adherence to the non-competition undertaking. No offer notice or selling notice were submitted by Dr. Wu in accordance with the terms of the non-competition undertaking for the year ended December 31, 2025.

Employee Incentive Scheme

The purpose of the Employee Incentive Scheme is to improve the long-term incentive mechanism of our Company in order to enhance the enthusiasm and innovation of our employees, enable our Company to attract and retain high-end talents and promote our Company's continued growth.

In recognition of the contribution of our employees, we have adopted the Employee Incentive Scheme prior to the Global Offering. The Employee Incentive Scheme is not subject to the provisions of Chapter 17 of the Listing Rules as it does not involve the grant of Shares or the grant of options by our Company to subscribe for the Shares after the Listing. Pursuant to the Articles of Association and the Employee Incentive Scheme rules, our Board is responsible for reviewing and approving the implementation, alteration and termination of the Employee Incentive Scheme. Our Board has further established an employee equity incentive scheme daily management working committee (the "**Employee Incentive Scheme Working Committee**"), whose members are appointed at the sole discretion of our Board, to assist in the implementation of the Employee Incentive Scheme and carry out other matters delegated by our Board. The participants of the Employee Incentive Scheme include senior managers, key mid-level managers and core technical personnel of our Company as well as key employees with outstanding contributions who have been nominated by the chairman and approved by the Employee Incentive Scheme Working Committee (the "**Participants**").

Under the Employee Incentive Scheme rules, where the Participant's employment relationship with our Company terminates without misconduct during the lock-up period, or where the Participant applies to redeem his equity interest in the ESOP Platform, the relevant Participant shall, with the consent of the Employee Incentive Scheme Working Committee and at the exit price calculated pursuant to the Employee Incentive Scheme, (i) transfer all of his equity interest in the ESOP Platform to the executive partner or any third party approved by the Employee Incentive Scheme Working Committee or (ii) withdraw the capital contribution corresponding to the partnership interest held by him in the ESOP Platforms, upon which the executive partner or any third party approved by the Employee Incentive Scheme Working Committee shall make the corresponding capital contribution to the ESOP Platform. For more details of the Employee Incentive Scheme, please refer to "Further Information about our Directors, Supervisors and Substantial Shareholders — Employee Incentive Scheme" in Appendix VII of the Prospectus.

2025 H Share Incentive Scheme

The Company adopted the 2025 H Share Incentive Scheme (the "**Scheme**") on October 30, 2025. The Scheme constitutes a share scheme involving existing H Shares under Chapter 17 of the Listing Rules. In accordance with the disclosure requirements under Rule 17.12 of the Listing Rules, a summary of the principal terms of the scheme rules (the "**Scheme Rules**"), together with details of the share awards granted during the Reporting Period (as defined below), is set out below.

Principal Terms of the Scheme

- Purpose of the scheme

  The purpose of the Scheme is to (i) provide the Company with flexible means of remunerating, incentivizing, retaining, rewarding, compensating and/or providing benefits to Eligible Participants ("**Eligible Participants**"); (ii) align the interests of Eligible Participants with those of the Company and Shareholders by providing such Eligible Participants with the opportunity to acquire proprietary interests in the Company; and (iii) encourage Eligible Participants to contribute to the long-term growth and profits of the Company and to enhance the value of the Company and its H Shares for the benefit of the Company and Shareholders as a whole.

- Form of awards

  Awards granted under the Scheme (the "**Awards**") may take the following forms: (i) share awards (the "**Share Awards**"), which entitle the grantee to receive or purchase a specified number of H Shares with the number of H Share and the purchase price determined by the Board or the scheme administrator (the "**Scheme Administrator**") in accordance with the terms of the Scheme Rules; or (ii) share options (the "**Share Options**"), which entitle the grantee to purchase a specified number of H Shares during a specified exercise period with the number of H Share and the exercise price determined by the Board or the Scheme Administrator in accordance with the terms of the Scheme Rules.

- Participants of the scheme

  Eligible Participants who may be granted Awards under the Scheme include (i) any person who is an employee of any member of the Group, including persons who are granted Awards under the Scheme as an inducement to enter into employment contracts with any member of the Group, provided that such person shall not cease to be an employee in the case of (a) any leave of absence approved by the relevant member of the Group; or (b) any transfer of employment amongst members of the Group or any successor, and provided further that such person shall, for the avoidance of doubt, cease to be an employee with effect from (and including) the date of termination of his/her employment, and (ii) any other person as determined to be eligible in the sole and absolute discretion of the Board or the Scheme Administrator.

- Total number of shares available under the scheme

  The total number of H Shares which may be subject to Awards granted under the Scheme shall not exceed 2% of the total number of issued Shares of the Company as of the adoption date of the Scheme (the "**Adoption Date**"). The Scheme will be solely satisfied by existing H Shares.

  As of the date of this annual report, the total number of H Shares available for grant under the Scheme is 7,601,316, representing approximately 2% of the total issued share capital of the Company (excluding treasury shares, if any).

- Maximum entitlement of each participant

  The Scheme does not specify a maximum entitlement for any individual Eligible Participant.

- Period within which share options may be exercised

  For Awards granted as Share Options, the period during which a vested Share Option may be exercised shall be determined by the Board or the Scheme Administrator but shall not extend beyond 10 years from the grant date of the relevant Share Option.

- Vesting period of Awards

  The Board or the Scheme Administrator may, in its absolute discretion, determine the vesting criteria, conditions, and periods for any Award. These terms will be specified in the award letter issued to each grantee.

- Amount payable on application or acceptance

  The Board or the Scheme Administrator may, in its absolute discretion, determine the amount (if any) payable by a grantee and the period within which payments must be made, upon application for or acceptance of an Award.

- Basis for determining the exercise price or purchase price

  The basis for determining the exercise price or purchase price of each Award is at the absolute discretion of the Board or the Scheme Administrator.

- Duration and remaining validity period

  The Scheme shall be valid for a period of 10 years commencing on the Adoption Date (the "**Scheme Period**"). After the Scheme Period, no further Awards may be granted, but the provisions of the Scheme will remain in effect to the extent necessary to give effect to any Awards granted during the Scheme Period that remain outstanding. As of the date of this annual report, the remaining life of the Scheme is around nine years and seven months.

For the year ended December 31, 2025 and up to the date of this annual report, no Awards had been granted.

Save as disclosed above, neither the Company nor its subsidiaries had any other share scheme.

Major Customers and Major Suppliers

During the year ended December 31, 2025, the Group's purchases from our five largest suppliers amounted to RMB89,429,000 (2024: RMB73,302,000), accounting for 32.9% (2024: 42.6%) of the Group's total purchases for the same period. The Group's purchases from our largest supplier amounted to RMB22,352,000 (2024: RMB24,335,000), accounting for approximately 8% (2024: 14.1%) of the Group's total purchases for the same period.

During the Reporting Period, the Group had no commercialized product and therefore had no major customers.

During the Reporting Period, none of our Directors, their close associates or any Shareholders (who, to the knowledge of our Directors, hold more than 5% of the issued Shares) were interested in the Group's five largest suppliers.

Relationship with Stakeholders

The Group recognizes that various stakeholders are key to the Group's success. The Group strives to achieve corporate sustainability through engaging, collaborating, and cultivating strong relationships with them.

The Group believes that employees are important and valuable assets. The Group provides training for employees to enhance their knowledge in corporate values and culture and to implement them thoroughly. The Group also aims to provide competitive and attractive remuneration packages to retain its employees. Meanwhile, for the purpose of providing incentives and rewards to eligible participants who have contributed to the success of the Group's operations, the Company has adopted the Employee Incentive Scheme and the 2025 H Share Incentive Scheme, details of both schemes are also set out in this annual report.

A detailed description of the Company's relationships with employees, customers and suppliers and other persons with significant influence on the Company is set out in the section headed "Environmental, Social and Governance Report" of this annual report.

Pre-emptive Rights

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

Tax Relief and Exemption

According to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法》) and its implementation rules, dividends paid to individual investors by PRC companies are generally subject to an individual income tax levied at a flat rate of 20%. For an individual investor 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税有關問題的通知》(國税函[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.

Subsidiaries

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

Property, Plant and Equipment

Details of the Group's property, plant and equipment during the Reporting Period, are set out in Note 15 to the consolidated financial statements.

During the Reporting Period, the Company did not have any properties for development and/or sale or investment purposes.

Use of Listing Proceeds

Use of Net Proceeds from the Global Offering

Our Company was successfully listed on the Main Board of the Stock Exchange on August 20, 2024. The net proceeds from the Global Offering, after deduction of the underwriting fees and commissions and expenses payable by our Company in connection with the Global Offering, amounted to approximately HK$506.31 million. As of the date of this annual report, as previously disclosed in the Prospectus, to the extent that the net proceeds from the listing are not immediately applied to the disclosed purposes and to the extent permitted by applicable law and regulations, the Group intends to apply the net proceeds in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or the applicable laws and regulations in other jurisdictions). The Board has resolved that, to the extent that the net proceeds from the listing are not immediately applied to the disclosed purposes, provided that the expected demand for the use of funds is ensured, the Group may deposit the net proceeds from the listing as demand deposits or fixed-term deposits in licensed banks or financial institutions or subscribe for wealth management products with high security and good liquidity and a period not exceeding twelve months, so as to improve the utilization efficiency of the Group's funds and its return. For further details, please refer to the announcement of the Company dated August 31, 2025. Save as stated above, there has been no change in the intended use of net proceeds.

Net proceeds from the Global Offering will be utilised in accordance with the proportion of use allocation as set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

The table below sets forth the intended use of the net proceeds:

Item	Net proceeds from the Global Offering *HK$ million*	Unutilized net proceeds as of January 1, 2025 *HK$ million*	Net proceeds utilized during the reporting period *HK$ million*	Net proceeds utilized at the end of the reporting period *HK$ million*	Net unutilized proceeds at the end of the reporting period *HK$ million*	Expected timeline for full utilization of the remaining proceeds[2]
• 70.0%, or approximately HK$354.4 million, will be used for the research, development and commercialization of our Core Product, namely, TY-9591:						
– 26.0%, or approximately HK$131.6 million, will be used to fund the ongoing clinical trial of TY-9591 monotherapy as a first-line treatment for brain metastases in EGFR-mutant lung cancer. We commenced patient enrollment for a pivotal Phase II clinical trial in August 2023.	131.6	87.42	66.87	111.05	20.55	By the end of 2028

Item	Net proceeds from the Global Offering *HK$ million*	Unutilized net proceeds as of January 1, 2025 *HK$ million*	Net proceeds utilized during the reporting period *HK$ million*	Net proceeds utilized at the end of the reporting period *HK$ million*	Net unutilized proceeds at the end of the reporting period *HK$ million*	Expected timeline for full utilization of the remaining proceeds[2]
– 19.0%, or approximately HK$96.2 million, will be used to fund the ongoing clinical trial of TY-9591 monotherapy as first-line treatment for locally advanced or metastatic lung cancer with EGFR exon 21 L858R mutation. We commenced patient enrollment for a registrational Phase III clinical trial in June 2022.	96.2	79.16	18.06	35.1	61.1	By the end of 2027
– 23.0%, or approximately HK$116.5 million, will be used to fund the planned Phase II and III clinical trials of TY-9591 in combination with pemetrexed and cisplatin or carboplatin as first-line treatment for advanced or metastatic lung cancer with EGFR mutations.	116.5	115.72	3.4	4.18	112.32	By the end of 2030
– 2.0%, or approximately HK$10.1 million, will be used to prepare for the anticipated commercial launch of TY-9591.	10.1	10.10	0.99	0.99	9.11	By the end of 2027
• 20.0%, or approximately HK$101.3 million, will be used for the research and development of our other product candidates, including:						
– 6.0%, or approximately HK$30.4 million, will be used to fund the clinical development of TY-302, of which	30.4	24.55	1.21	7.06	23.34	By the end of 2029
i. 2.0%, or approximately HK$10.1 million, will be used to fund the planned registrational Phase III clinical trial of TY-302 in combination with toremifene citrate as third-or later-line treatment in breast cancer in China; and	10.1	8.05	0.45	2.5	7.6	By the end of 2029
ii. 4.0%, or approximately HK$20.3 million, will be used to fund the planned Phase II and Phase III trials of TY-302 in combination with abiraterone as first-line treatment for prostate cancer in China, respectively	20.3	16.50	0.76	4.56	15.74	By the end of 2030
– 3.0%, or approximately HK$15.2 million, will be used to fund the clinical development of TY-2136b in solid tumors in the U.S.	15.2	14.38	12.06	12.88	2.32	By the end of 2028
– 4.0%, or approximately HK$20.3 million, will be used to fund the clinical development of TY-2699a, including the ongoing Phase I clinical trial of TY-2699a in monotherapy or combination therapy in locally advanced or metastatic solid tumors, a planned Phase Ib clinical trial and a planned pivotal Phase II clinical trial	20.3	18.15	2.68	4.83	15.47	By the end of 2028

Item	Net proceeds from the Global Offering *HK$ million*	Unutilized net proceeds as of January 1, 2025 *HK$ million*	Net proceeds utilized during the reporting period *HK$ million*	Net proceeds utilized at the end of the reporting period *HK$ million*	Net unutilized proceeds at the end of the reporting period *HK$ million*	Expected timeline for full utilization of the remaining proceeds[2]
– 3.0%, or approximately HK$15.2 million, will be used to fund the clinical development of TY-0540, including the ongoing Phase I clinical trial of TY-0540 monotherapy or combination therapy in solid tumors, a planned Phase Ib clinical trial and a planned pivotal Phase II clinical trial	15.2	14.26	2.77	3.71	11.49	By the end of 2028
– 2.0%, or approximately HK$10.1 million, will be used to fund the clinical development of TY-1091, including the ongoing Phase I clinical trial of TY-1091 in RET fusion-positive solid tumors; and	10.1	9.41	0.85	1.54	8.56	By the end of 2027
– 2.0%, or approximately HK$10.1 million, will be used to fund the clinical development of TY-4028, including a planned Phase I clinical trial in NSCLC with EGFR exon 20 insertion	10.1	9.54	0.08	0.64	9.46	By the end of 2028
• 3.0%, or approximately HK$15.2 million, will be used for potential strategic acquisition, investment, in-licensing or collaboration opportunities. In the future, we may selectively acquire or invest in innovative technologies to enhance our research and development capabilities or explore potential combination therapy partners for TY-9591. In addition, we may collaborate with leading universities or research institutions to develop new technologies or product candidates. We may also enter into in-licensing arrangements to expand our product portfolio. As of the Latest Practicable Date, we have not identified any specific target for acquisition, investment, licensing, collaboration, strategic partnerships or co-development; and	15.2	14.81	8.77	9.16	6.04	By the end of 2026
• 7.0%, or approximately HK$35.4 million, will be used for working capital and other general corporate purposes	35.4	10.18	10.18	35.4	–	–

Notes:

1. Figures presented in the table are rounded to two decimal places.

2. The expected timeline to use the remaining proceeds is prepared based on the best estimate made by the Group, which is subject to change according to the current and future development of the market condition.

Use of Net Proceeds from the Placing

Pursuant to the general mandate granted to the Board by the shareholders of the Company by way of a special resolution at the annual general meeting held on June 26, 2025, pursuant to which the Board is authorised to allot, issue and deal with no more than 74,167,163 new H shares (representing approximately 20% of the issued shares as at the date of the resolution passed at the annual general meeting), the Company allotted and issued new shares. The Company entered into a placing agreement with CLSA Limited on July 28, 2025. The closing price of H Shares was HK$21.0 per H Share on July 28, 2025. All conditions set out in the placing agreement have been fulfilled and the completion took place on August 4, 2025. The placing agent has successfully placed an aggregate of 9,230,000 new H shares to not fewer than six placees at the placing price of HK$17.01 per placing share. The net proceeds raised from the placing was approximately HK$154.73 million, representing a net placing proceeds of HK$16.76 per placing share. The aggregate nominal value of the placing shares was RMB9,230,000. The Company undertook the placing to strengthen the Group's liquidity and financial position, broaden its Share base and optimize the capital structure of the Group. For further details, please refer to the announcements of the Company dated July 29, 2025 and August 4, 2025.

The table below sets forth the intended use of the net proceeds:

Item	Net proceeds of the Placing *HK$ million*	Utilized net proceeds of the Placing during the year ended December 31, 2025 *HK$ million*	Unutilized net proceeds as of December 31, 2025 *HK$ million*	Expected timeline for full utilization of the remaining proceeds
Research, development and commercialization of existing pipelines	92.84	0.00	92.84	By the end of 2028
Enhancing its internal research and development technology capabilities and expand its product portfolio	46.42	0.00	46.42	By the end of 2028
Working capital and general corporate purposes	15.47	15.47	0.00	–

The Group has utilized and will continue to apply the net proceeds from the placing for the purposes previously disclosed. There has been no material change to the use of net proceeds from the placing.

Material Litigation

As of December 31, 2025, our Company was not involved in any litigation, arbitration, administrative proceedings of material importance which could have a material adverse effect on its financial condition or results of operations, and, so far as our Company is aware, no litigation, arbitration, administrative proceedings of material importance is pending or threatened against our Company.

Share Capital and Shares Issued

Details of the changes in the Company's share capital during the financial year ended December 31, 2025 are set out on page 163 of the Consolidated Statement of Changes in Equity.

Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors during the Reporting period and up to the date of this annual report, the Company has maintained the required percentage of public float of the Company's total number of issued H Shares (excluding treasury Shares (as defined under the Listing Rules)) in accordance with the Listing Rules.

Donations

During the Reporting Period, the Group made charitable donations of RMB1 million (2024: RMB1.1 million).

Bond Issuance

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

Equity Linked Agreement

During the Reporting Period, no equity-linked agreements were entered into or subsisted by the Group.

Dividend

The Board does not recommend the payment of a final dividend for the year ended December 31, 2025 (2024: Nil). No arrangement was reached pursuant to which the Shareholders waived or agreed to waive their dividends.

Purchase, Sale or Redemption of Listed Securities of the Company

The Board of the Company exercised its powers under a mandate from the Shareholders passed on October 30, 2025, to instruct a trustee to acquire H Shares for its share incentive plan. A total 1,410,500 Shares were acquired at a total consideration of HK$19,562,000 (equivalent to approximately RMB17,669,000) for the year ended December 31, 2025.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury Shares) for the year ended December 31, 2025. As at December 31, 2025, our Company did not hold any treasury Shares (as defined under the Listing Rules).

Placing of H Shares

On August 4, 2025, the Company completed the placing where a total of 9,230,000 new Shares have been placed to not less than six placees, who are professional, institutional, corporate or other investors, at the placing price of HK$17.01 per H Share pursuant to the terms and conditions of the placing agreement (the "**Placing**"), the price represents a discount of approximately 19.00% to the closing price of HK$21.0 per H Shares on July 28, 2025, being the date on which the terms of the issue was fixed. The net proceeds (after deducting the Placing commission and other relevant costs and expenses of the Placing) from the Placing are approximately HK$154.73 million.

Permitted Indemnity Articles

Director and senior management liability insurance has been effected for directors and senior management, which can provide guarantee for possibly incurred expenses and liabilities during the Reporting Period.

Reserves

Detailed changes in reserves for the year ended December 31, 2025 are presented in the consolidated statement of changes in equity on page 163 and Note 26 to the consolidated financial statements, respectively.

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

Directors' Service Agreement

Each Director has entered into a service agreement with the Company in respect of, among other things, compliance with relevant laws and regulations, observance of the Articles of Association and provisions on arbitration. The material terms of these service agreements include (a) a tenure of three years from the date of appointment; and (b) termination clauses in accordance with their respective terms. Our Directors can be re-elected subject to the approval of the shareholders.

Save as disclosed above, none of our Directors have entered into or intend to enter into a service contract with any member of the Group that cannot be terminated by the Group within one year without compensation (except for statutory compensation).

The Interest of Directors in Transactions, Arrangements or Contracts of Significant

Saved as disclosed under the "Connected Transactions and Continuing Connected Transactions" section hereof, during the Reporting Period, none of the Directors or their connected entities were materially interested in a direct or indirect manner in any transaction, arrangement or contract that is significant in relation to our business with the Company or any of its subsidiaries.

Contracts of Controlling Shareholders

During the Reporting Period, no contract of significance or contracts for the provision of services were entered into between the Company or any of its subsidiaries and the controlling shareholder or its subsidiaries, saved as disclosed in this annual report.

Management Contract

During the Reporting Period, the Company did not enter into or maintain any management and administrative contracts involving the whole part or significant aspects of its business.

Auditors

The Group's consolidated financial statements have been audited by Ernst & Young, which will terminate its service at the Company's upcoming Annual General Meeting and be reappointed consecutively upon self-recommendation under the premise that it is eligible. The Company's independent external auditors have not changed since the Listing.

Entitlement of Directors to Acquire Shares or Debentures

During the Reporting Period, neither the Company nor any of its subsidiaries entered into any arrangements to enable the Directors to profit from the acquisition of shares or debentures in the Company or any other corporation; and none of the Directors and any of their spouses and children under 18 are entitled to subscribe for, and exercise any such related rights, the equities or debt securities of the Company or any other corporation.

Competing Business of Directors and Controlling Shareholders

It is acknowledged by each Director that, as at the date of the annual report, he/she did not have any interest in a business that directly or indirectly causes or may cause competition with our business, which shall be disclosed in accordance with Rule 8.10 of the Listing Rules.

Dr. Wu, our Controlling Shareholder, has entered into a non-competition undertaking in favor of the Company. Detailed information on the non-competition undertaking is set forth in the section headed "Relationship with Our Controlling Shareholders – Deed of Non-competition" in the Prospectus.

Dr. Wu has confirmed to the Company that the Controlling Shareholders have complied with the non-competition undertakings under the Deed of Non-competition during Reporting Period. The Controlling Shareholders have also confirmed that save as disclosed in this annual report, they have no interest in any business, other than the business of the Group, which competes or is likely to compete, either directly or indirectly, with the business of the Group during the Reporting Period.

Closure of the H Share Register and Ascertaining of Eligibility for Attending the AGM

In order to determine the holders of H Shares who are entitled to attend and vote at the upcoming Annual General Meeting, the H Share register of the Company will be closed from June 17, 2026 to June 23, 2026 (both dates inclusive), during which no H Share transfer will be registered.

To be eligible to attend the Annual General Meeting and vote, all completed transfer documents (accompanied by the relevant share certificates) must be submitted to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration before 4:30 p.m. on June 16, 2026.

MATERIAL EVENTS AFTER THE REPORTING PERIOD

H Share Full Circulation

On January 23, 2026, The China Securities Regulatory Commission ("**CSRC**") issued a filing notice ("**Filing Notice**") to the Company regarding the application submitted by the Company on behalf of one Shareholder to the CSRC for converting a total of 4,608,000 Unlisted Shares it held into H Shares and listing on the Stock Exchange ("**Conversion and Listing**"). According to the Filing Notice, the CSRC Filing in relation to the H Share Full Circulation, in respect of the conversion of 4,608,000 Unlisted Shares held by one Shareholder into 4,608,000 H shares has been completed. Furthermore, the Listing Approval was granted by the Stock Exchange on February 11, 2026. The conversion of 4,608,000 Unlisted Shares into H Shares had been completed on March 4, 2026, and the listing of the Converted H Shares on the Stock Exchange have commenced at 9:00 a.m. on March 5, 2026.

Please refer to the announcements of the Company dated June 6, 2025, January 23, 2026, February 12, 2026 and March 4, 2026 for details.

Deemed Disposal

On February 27, 2026 (after trading hours), TYK Biotechnology Co., Ltd. (浙江同源康生物藥業有限公司) ("**TYK Bio**"), existing shareholders of TYK Bio which includes but not limited to the Company, and Shenzhen Innovation Venture Capital Co., Ltd. (深圳市創新資本投資有限公司), Ningbo Hongtu Gongtou Jingyu Equity Investment Partnership (Limited Partnership) (寧波紅土工投璟鈺股權投資合夥企業(有限合夥)), Quzhou Qizhen Equity Investment Fund Partnership (Limited Partnership) (衢州啟真股權投資基金合夥企業(有限合夥)), Quzhou High-Quality Development Equity Investment Partnership (Limited Partnership) (衢州高質量發展股權投資合夥企業(有限合夥)), Changxing Tongyuan Enterprise Management Partnership (Limited Partnership) (長興同源企業管理合夥企業(有限合夥)) and Shenzhen Guohai Zhongheng Medical and Health Venture Capital Partnership (Limited Partnership) (深圳市國海中恒醫藥健康創業投資合夥企業(有限合夥)) (collectively, the "**Subscribers**") entered into a capital increase agreement (the "**Capital Increase Agreement**"). Pursuant to the Capital Increase Agreement, the parties agreed to increase the registered capital of TYK Bio by approximately RMB6.49 million at an aggregate consideration of approximately RMB83.5 million (the "**Deemed Disposal**"). The capital increase is expected to help generating working capital for TYK Bio, which is an early stage start-up venture that is expected to see significant need for funding in its near future before reaching commercialization. Upon completion of the Deemed Disposal, the total registered capital of TYK Bio will increase from RMB14.0 million to approximately RMB20.49 million, and the Company's interest in TYK Bio will decrease from approximately 57.14% to 39.03%, and TYK Bio will cease to be a subsidiary of the Group. Dr. Wu Yusheng, the chairman of the Board and chief executive officer of the Company is indirectly interested in 33.30% of the general partner of Changxing Tongyuan Enterprise Management Partnership (Limited Partnership) (being one of the Subscriber). Accordingly, the entering into of the Capital Increase Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Please refer to the announcement of the Company dated February 27, 2026 for details. Furthermore, as disclosed in the announcement, one of the general partner of Quzhou High-Quality Development Equity Investment Partnership (Limited Partnership) (being one of the subscriber) is Zhejiang JintouShengyuan Equity Investment Co. Ltd (浙江金投盛源股權投資有限公司). The Company wishes to supplement that Zhejiang JintouShengyuan Equity Investment Co. Ltd. is controlled by Zhejiang Provincial Innovation Investment Group Co. Ltd., which is in turn controlled by the Zhejiang Province Department of Finance.

Save as disclosed above, the Group did not have any other material subsequent events after the Reporting Period.

For and on behalf of the Board
TYK Medicines, Inc.
Chairman
Dr. WU Yusheng

March 30, 2026

CORPORATE GOVERNANCE REPORT

The Board is pleased to present the Corporate Governance Report of the Company for the Reporting Period.

Corporate Culture

The Board firmly believes that corporate culture is the cornerstone of long-term business, economic success, and sustainable growth of the Group. A strong corporate culture enables a company to achieve long-term sustainable performance and fulfill its role as a responsible corporate citizen. The vision of the Company is to aim at "best-in-class" and "first-in-class", and to reach the global advanced level of new drug R&D. The commitment of the Company is to address the issue of drug accessibility for patients and to make the best drugs available and affordable to average patients.

The Board sets and promotes the corporate culture and expects all employees to better understand and reinforce the corporate culture, structure, and policies, and further enhance their quality awareness. In addition, from time to time, the Company invites external experts to provide training for our executives to enhance their relevant knowledge and management skills.

The Board always ensures that the objectives, values, and strategies set are aligned with the corporate culture and that all Directors are committed to promoting the corporate culture by example. Please refer to the "Management Discussion and Analysis" section for the performance of the Company during the Reporting Period.

The Board is of the view that the current business model of the Company is in line with the objectives and long-term strategy of the Company and that the corporate culture is consistent with the objectives, values, and strategies of the Group.

Corporate Governance Practice

We are committed to achieving high standards of corporate governance with a view to safeguarding the interest of our Shareholders. The Company has adopted the CG Code as its own code of corporate governance during the year ended December 31, 2025.

During the Reporting Period, the Company has complied with all the code provisions as set out in Part 2 of the CG Code*, save and except for the following deviation:

Under paragraph C.2.1 of part 2 of the CG Code, the roles of chairperson and chief executive officer should be separate and should not be performed by the same individual. Dr. Wu Yusheng ("**Dr. Wu**") is the chairperson of the Board and the chief executive officer of the Company. With abundant experience in the pharmaceutical industry and having served in the Company since its establishment, Dr. Wu is in charge of overseeing the overall management, business operation and strategies of the Group. Despite the fact that the roles of the chairperson of the Board and the chief executive officer of the Company are both performed by Dr. Wu, which constitutes a deviation from paragraph C.2.1 of part 2 of the CG Code, the Board considers that vesting the roles of both the chairperson of the Board and the chief executive officer of the Company all in Dr. Wu has the benefit of ensuring consistent leadership and more effective and efficient overall strategic planning of the Company.

The balance of power and authority is ensured by the operation of the Board and the senior management, each of which comprises experienced and diverse individuals. The Board currently comprises one executive Director, five non-executive Directors and four independent non-executive Directors. Therefore, the Board possesses a strong independence element in its composition. The Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether separation of the roles of chairperson and the chief executive officer is necessary.

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

* The amendments to the CG Code effective on July 1, 2025 will apply to the corporate governance reports and annual reports of the Company for the financial years commencing on or after July 1, 2025.

Model Code for Securities Transactions

During the Reporting Period, the Company has adopted the Model Code as its own code of conduct regarding dealings in the securities of the Company by the Directors and Supervisors until abolishment of the Board of Supervisors on October 30, 2025.

On August 20, 2025, Pivot Pharma Tech (Shanghai) Co., Ltd. (貝沃特醫藥技術(上海)有限公司), a company wholly-owned by Dr. GU Eric Hong ("**Dr. Gu**"), a non-executive Director of the Company, entered into an on-market transaction disposing of a total of 10,000 H Shares of the Company at a consideration of HK$14.99 per H Share (the "**Transfer**") without first having notified the Company prior to the Transfer in accordance with the requirements paragraph B.8 of Appendix C3 to the Listing Rules. The Transfer fell within 30 days immediately preceding the publication date of the interim results of the Company for the six months ended June 30, 2025 and constituted a dealing of Shares by Dr. Gu and a non-compliance incident of paragraphs A.3 and B.8 of Appendix C3 to the Listing Rules (the "**Non-compliance Incident**"). Dr. Gu reported the Non-compliance Incident to the Company and confirmed that the non-compliance was an inadvertent oversight and he did not intend to commit such breach. Dr. Gu further confirmed that he does not possess any inside information of the Company when the Transfer took place. For further details, please refer to the announcement of the Company dated August 21, 2025.

Upon specific enquiries, save for the aforementioned, all Directors and Supervisors confirmed that they have complied with the Model Code during the Reporting Period and the period from January 1, 2025 to October 30, 2025, respectively.

Relevant employees of the Company who may have access to the Company's inside information are also required to comply with the Model Code for securities transactions. During the Reporting Period, the Company has not noticed any incidents of relevant employees of the Company violating the Model Code.

The Company also refers to its announcement dated August 21, 2025, where it was made aware of breaches of the paragraphs A.3 and B.8 of the Model Code in relation to the Transfer. As disclosed in the announcement, upon becoming aware of the incident, the Company has immediately reminded the Directors and senior management again of the requirements of the Model Code and the importance of compliance with such provision and provide remedies in order to ensure compliance with the Appendix C3 to the Listing Rules and prevent similar incidents in the future.

Board

Board Composition

During the Reporting Period and up to the date of this annual report, the Board consisted of the following individuals:

Executive Director:

Dr. WU Yusheng *(Chairman of the Board and Chief Executive Officer)*

Non-executive Directors:

Dr. LI Jun
Dr. GU Eric Hong
Dr. JIANG Mingyu *(re-designated on June 13, 2025)*
Dr. MENG Xiaoying *(resigned on August 31, 2025)*
Mr. HE Chao
Dr. ZHU Xiangyang *(appointed on June 26, 2025)*

Independent Non-executive Directors:

Mr. ZHANG Senquan *(resigned on September 15, 2025)*
Dr. LENG Yuting
Dr. XU Wenqing
Dr. SHEN Xiuhua
Mr. JIANG Xiaolin *(appointed on December 12, 2025)*

Biographical details of the Directors are set out in the section headed "Directors and Senior Management" on pages 24 to 28 of this annual report. As disclosed in this annual report, there are no material/relevant relationships (including financial, business, or family relationships) between members of the Board.

Independent Non-executive Directors

The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers all of the independent non-executive Directors to be independent.

Mr. ZHANG Senquan has resigned as an independent non-executive Director of the Company, the chairman of the audit committee of the Board, a member of the remuneration and appraisal committee of the Board, and a member of the nominations committee of the Board, with effective from September 15, 2025. The Company was temporarily unable to comply with Rules 3.10(2), 3.21, 3.25 and 3.27A of the Listing Rules. Following Mr. JIANG Xiaolin's appointment as an independent non-executive Director, the chairman of the Audit Committee, and a member of the Remuneration Committee and Nominations Committee on December 12, 2025, the Company has re-complied with Rules 3.10(2), 3.21, 3.25 and 3.27A of the Listing Rules.

Saved as disclosed above, during the Reporting Period, the Board has consistently met the requirements of the Listing Rules for the appointment of at least three independent non-executive Directors comprising at least one-third of the Board, one of whom has appropriate professional qualifications or accounting or related financial management expertise.

Director Training and Continuous Professional Development

Pursuant to Code Provision C.1.4 of the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills, so as to ensure that their contributions to the Board remain informed and relevant.

In accordance with Code Provision C.1.1 of the CG Code, every newly appointed Director should receive a comprehensive, formal and tailored induction upon appointment and should subsequently receive any necessary briefings and professional development to ensure that he or she has a proper understanding of the operations and business of the Company, as well as his or her responsibilities under the relevant statutes and common law, the Listing Rules, legal and other regulatory requirements, and the business and governance policies of the issuer.

Dr. ZHU Xiangyang (appointed on June 26, 2025) and Mr. JIANG Xiaolin (appointed on December 12, 2025) obtained legal advice on May 14, 2025 and December 9, 2025, respectively, as required under rule 3.09D of the Listing Rules from the legal advisor of the Company and confirmed they understood their obligations as the director of a listed company.

The Directors are continuously updated on developments in laws and regulations, as well as changes in business and market conditions through various Board meetings and Board papers to facilitate the discharge of their duties. According to the records provided by the Directors, the participation of each Director in continuous professional development ("**CPD**") during the year is recorded as follows:

Directors	Read materials about the duties of directors	Attend training courses/briefings/ seminars/meetings related to regulatory updates or the industry
Executive Director		
Dr. WU Yusheng	✓	✓
Non-executive Directors		
Dr. LI Jun	✓	✓
Dr. GU Eric Hong	✓	✓
Dr. JIANG Mingyu *(re-designated on June 13, 2025)*	✓	✓
Dr. MENG Xiaoying *(resigned on August 31, 2025)*	N/A	N/A
Mr. HE Chao	✓	✓
Dr. ZHU Xiangyang *(appointed on June 26, 2025)*	✓	✓
Independent Non-executive Directors		
Mr. ZHANG Senquan *(resigned on September 15, 2025)*	N/A	N/A
Dr. LENG Yuting	✓	✓
Dr. XU Wenqing	✓	✓
Dr. SHEN Xiuhua	✓	✓
Mr. JIANG Xiaolin *(appointed on December 12, 2025)*	✓	✓

Board Skills Matrix

In line with the Company's nature and business objectives, the Board has maintained a balanced set of skills and experience suitable for the Company's business needs. Biographical details of the existing Directors are set out on pages 24 to 28 of this annual report.

Mechanisms for Independent Views and Opinions of the Board

The Company has established formal and informal channels to ensure that the Board has access to independent views and opinions. In particular:

(i) Four members of the Board are independent non-executive Directors;

(ii) The independence of each independent non-executive Director is assessed at the time of his or her appointment and continues to be assessed annually; and

(iii) Directors and members of Board Committees may obtain independent professional opinions on matters relating to the Company at the expense of the Company as and when required.

Based on the above measures, the Board believes that these mechanisms are effective in ensuring that the Board has access to independent views and opinions in 2025. The Board reviews the implementation and effectiveness of these mechanisms on an annual basis.

Board Meetings, Committee Meetings and General Meetings

Pursuant to Code Provision C.5.1 of the CG Code, the Board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals and to involve active participation of a majority of directors. Schedules for regular Board meetings are normally agreed with Directors in advance to facilitate their attendance. At least 14 days' notice for all regular Board meetings will be given to all Directors and all Directors are given the opportunity to include items or businesses for discussion in the agenda. For all other Board meetings, reasonable notice will be given. Relevant agenda and accompanying meeting papers will be sent to all Directors in a timely manner and at least three days in advance of every regular Board meeting.

During the Reporting Period, the Company held 5 Board meetings, 10 Committee meetings and 3 General meeting. The forthcoming Annual General Meeting is expected to be held on June 23, 2026.

During the Reporting Period, the Remuneration and Appraisal Committee deliberated on and approved the 2025 H Share Incentive Scheme.

Summary of the attendance records of each Director at the general meetings, Board meetings and Committee meetings during the Reporting Period are set out below:

	Number of Meetings Attended in Person/by proxy(ies)/Eligible to attend					
Directors	**General meetings**	**Board meetings**	**Audit Committee**	**Remuneration and Appraisal Committee**	**Nomination Committee**	**Scientific Committee**
WU Yusheng	3/3	5/5	N/A	3/3	3/3	1/1
LI Jun	3/3	5/5	2/2	N/A	N/A	1/1
GU Eric Hong	3/3	5/5	N/A	N/A	N/A	N/A
JIANG Mingyu	3/3	5/5	N/A	N/A	N/A	N/A
MENG Xiaoying	2/2	2/2	N/A	N/A	N/A	N/A
HE Chao	3/3	5/5	N/A	N/A	N/A	N/A
DING Zhao	1/1	N/A	N/A	N/A	N/A	N/A
ZHU Xiangyang	1/1	3/3	N/A	N/A	N/A	N/A
ZHANG Senquan	2/2	3/3	2/2	2/2	2/2	N/A
LENG Yuting	3/3	5/5	3/3	3/3	3/3	N/A
XU Wenqing	3/3	5/5	N/A	N/A	N/A	1/1
SHEN Xiuhua	3/3	5/5	N/A	N/A	N/A	N/A
JIANG Xiaolin	N/A	1/1	1/1	N/A	N/A	N/A

Notes:

- *The Board passed five written resolutions by circulation.*
- *The Nomination Committee passed one written resolution by circulation.*
- *The Remuneration and Appraisal Committee passed one written resolution by circulation.*

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

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board is the primary decision-making body of the Company and is responsible for overseeing the Group's businesses, strategic decisions, preparation of financial accounts and performance and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. The Board makes decisions objectively in the interests of the Company. All Directors, including 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 Group's senior management is responsible for the day-to-day management of the Group's business and is responsible for overseeing the general operation, business development, finance and marketing.

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

The Company has purchased liability insurance for its Directors and Senior Management, covering legal liability which may arise in the course of performing their duties.

Appointment, Re-Election and Removal of Directors

The term of office of the Directors is 3 years, and they are eligible for re-election upon expiry of the term. Directors are elected or replaced by the general meeting and may be removed by the general meeting before the expiry of the term.

The term of office of a Director shall commence from the date at which the Director is appointed until the expiry of the term of office of the current session of the Board of Directors. Where the re-election of Directors is not held in time after the term of office of the existing Directors has expired, the original Director shall, before the newly-elected Director assumes his post, perform duties as a Director in accordance with the laws, administrative regulations, departmental rules and the Articles of Association.

Any person appointed by the Board of Directors to fill up a casual vacancy or as an addition to the Board of Directors shall hold office only until the first annual general meeting after his/her appointment, and shall then be eligible for re-election.

Any Director (including a Director who is chief executive officer or other executive Directors) can be removed before the expiry of his/her term of office by an ordinary resolution passed at a general meeting, subject to compliance with the relevant laws and administrative regulations and the regulations of the stock exchange on which the Company's shares are listed. Such removal shall not affect the rights of such Director to make any claim for damages under any contract.

The Nomination Committee evaluates the skills, knowledge and experience of the Board, and identifies any special requirements when vacancies on the Board exist. The Nomination Committee identifies suitable candidates and convenes Nomination Committee meetings for discussion and voting, and makes recommendations to the Board regarding nominated directors.

The Nomination Committee considers candidates with the personal skills, experience and professional expertise necessary to facilitate and enhance the Board's effective functioning.

In considering the Board composition, the Nomination Committee would take into account the Company's Board Diversity Policy.

In assessing and identifying Director candidates, both the Nomination Committee and the Board shall consider the following factors: candidate's character and integrity, professional qualifications, skills, knowledge and experience relevant to the Group's business and strategy; willingness to devote sufficient time to fulfill duties as a director and member of Board committees; compliance with the Listing Rules (including the independence requirements for independent non-executive Directors); alignment with the Company's Board Diversity Policy and any measurable objectives adopted by the Nomination Committee for a diversified Board.

Accordingly, Mr. JIANG Xiaolin shall retire at the Annual General Meeting and, being eligible, will offer himself for re-election.

Board Committees

The Board has established four committees, namely the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Scientific Committee, being responsible for overseeing specific matters of the Company. Each committee has established clearly-defined terms of reference. The terms of reference of the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee are accessible on the official websites of the Company and the Hong Kong Stock Exchange.

Audit Committee

The Board has established the Audit Committee with written terms of reference in accordance with Rule 3.21 of the Listing Rules and the Corporate Governance Code. The Audit Committee is composed of two independent non-executive Directors, Mr. JIANG Xiaolin and Dr. LENG Yuting, and one non-executive Director, Dr. GU Eric Hong. Mr. JIANG Xiaolin serves as the Chairman of the Audit Committee, and he possesses the appropriate professional qualifications required by Rules 3.10(2) and 3.21 of the Listing Rules.

The main responsibilities of the Audit Committee include, but not limited to:

(i) Supervising the issuer's financial reporting system, risk management and internal control system;

(ii) Acting as the main representative between the Company and the external auditor, and being responsible for monitoring the relationship between the two;

(iii) Performing other duties and responsibilities assigned by the Board, including but not limited to:

- Proposing the engagement or replacement of the external auditor, and supervising and evaluating the work of the external auditor;
- Directing the internal audit work, and supervising the Company's internal audit system and its implementation;
- Coordinating the communication among the management, the internal audit department and relevant departments with the external audit firm;
- Reviewing the Company's financial reports and expressing opinions thereon, and examining the Company's financial information and its disclosure;
- Reviewing the Company's internal control system and evaluating the effectiveness of internal control;
- Examining matters related to the appointment or dismissal of the Company's chief financial officer, and providing professional opinions to the Board for consideration;
- Exercising the functions and powers of the supervisory committee as stipulated in the Company Law; and
- Other matters stipulated by laws, administrative regulations, rules, securities regulatory authorities, provisions of the Articles of Association and authorized by the Company's Board.

The Audit Committee, together with the management, has reviewed the accounting standards and policies adopted by the Group, and discussed internal control and financial reporting matters, including the review of the audited consolidated financial statements for the year ended December 31, 2025.

The Audit Committee convened three meetings during the Reporting Period. Attendance records of directors at these meetings are disclosed in the section titled "Corporate Governance Report – Board meetings, committee meetings and general meetings".

During the meetings, the Audit Committee reviewed the financial statements, annual results announcement and annual report for the year ended 31 December 2024, and the financial statements, interim results announcement and interim report for the six months ended 30 June 2025, and reviewed the Company's financial control, risk management and internal control systems, etc.

Remuneration and Appraisal Committee

The Board has established the Remuneration and Appraisal Committee in accordance with Rule 3.25 of the Listing Rules and paragraph E.1 of part 2 of the Corporate Governance Code. The Remuneration and Appraisal Committee is composed of two independent non-executive Directors, Mr. JIANG Xiaolin and Dr. LENG Yuting, and one executive Director, Dr. WU Yusheng. Dr. LENG Yuting serves as the Chairwoman of the Remuneration and Appraisal Committee.

The primary duties of the Remuneration and Appraisal Committee include, but are not limited to:

(i) Advising the Board on the overall remuneration policy and structure for the Company's directors and senior management, and on establishing a formal and transparent procedure for formulating the remuneration policy;

(ii) Reviewing and approving the management's remuneration suggestions in accordance with the corporate policies and objectives set by the Board; and

(iii) Examining and approving compensation proposals based on the Company's polices and objectives, including but not limited to:

- Developing the overall remuneration policy and structure for directors and senior management based on the main scope, responsibilities, importance of their management positions, and the compensation levels of similar positions in society. The remuneration plan or scheme primarily includes but is not limited to: performance evaluation criteria, procedures, and the main evaluation system, as well as the primary schemes and mechanisms for rewards and penalties, etc.;

- Advising the Board on establishing a formal and transparent procedure for formulating the remuneration policy;

- Reviewing and approving the management's remuneration suggestions in accordance with the corporate policies and objectives set by the Board;

- (If delegated by the Board) Determining the remuneration for individual executive Director and senior management (including non-monetary benefits, pension entitlements, and compensation amounts, covering compensation for loss or termination of office or appointment);

- Advising the Board on the remuneration of non-executive Directors;

- Reviewing the performance of non-independent non-executive Directors and senior management in fulfilling their duties and conducting annual performance appraisal;

- Supervising the implementation of the Company's remuneration system;

- Considering the remuneration paid by comparable companies, the time and responsibilities required, and the employment conditions of other positions within the Group;

- Reviewing and approving the compensation to be paid to executive Director and senior management in the event of loss or termination of office or appointment, ensuring that such compensation is consistent with the contractual terms; if not, the compensation must be fair and reasonable and not excessive;

- Reviewing and approving the compensation arrangements for the dismissal or removal of directors due to misconduct, ensuring that such arrangements are consistent with the contractual terms; if not, the compensation must be reasonable and appropriate;

- Ensuring that no director or any of their associates (as defined in the Hong Kong Listing Rules) participates in determining their own remuneration;

- Reviewing the performance of directors and senior management of the Company in fulfilling their duties, conducting annual performance appraisal, and submitting a specialized report to the Board;

- Reviewing and/or approving matters related to share schemes as described in Chapter 17 of the Hong Kong Listing Rules;

- The responsibilities and authority of the remuneration and assessment committee shall include those set out in the relevant code provisions of the Corporate Governance Code in Appendix C1 of the Hong Kong Listing Rules (as amended from time to time); and

- Other matters as required by required by current laws, regulations, normative documents, the Company's Articles of Association, and working rules, as well as those required by the securities regulatory authority in the listing jurisdiction and those authorized by the Board.

During the Reporting Period, the Remuneration and Appraisal Committee convened three meetings.

For the year ended December 31, 2025, the details of remuneration payable to each director are presented in Note 10 to the consolidated financial statements.

For the year ended December 31, 2025, the remuneration of senior management is presented by remuneration bands as follows:

Remuneration Band (HK$)	**Number of Individuals**
2,000,001-3,000,000	1
3,000,001-4,000,000	2
Total	**3**

Nomination Committee

The Board has established a nomination committee in compliance with Rule 3.27A of the Listing Rules and paragraph B.3 of part 2 of the Corporate Governance Code. The Nomination Committee consists of two independent non-executive Directors, namely Mr. JIANG Xiaolin and Dr. LENG Yuting, and one executive Director, namely Dr. WU Yusheng, with Dr. WU Yusheng serving as the Chairman of the Nomination Committee.

The primary duties of the Nomination Committee include, but are not limited to:

(i) reviewing the structure, size and composition of the Board of Directors of the Company;

(ii) assessing the independence of independent non-executive Directors; and

(iii) making recommendations to the Board of Directors of the Company on matters relating to the appointment of Directors, including but not limited to:

- reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually, assist the Board in maintaining a board skills matrix, and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- making recommendations to the Board of Directors on the size and composition of the Board of Directors on the basis of the Company's operation, asset scale and equity structure;
- studying the selection criteria and procedures of Directors and senior management and making recommendations to the Board of Directors;
- conducting an extensive search for qualified candidates for the positions of Directors and senior management, identifying individuals suitably qualified to become Directors and selecting and nominating such candidates to fill in the positions of Directors or making recommendations to the Board of Directors;
- examining the candidates for Directors and senior management and making recommendations to the Board of Directors;
- assessing the independence of independent non-executive Directors;
- making recommendations to the Board of Directors on the appointment or reappointment of Directors and succession planning for Directors, in particular the Chairman and the Chief Executive Officer;
- assessing each Director's time commitment and contribution to the Board, as well as Director's ability to discharge his or her responsibilities effectively;
- supporting the Company's regular evaluation of the board's performance; and
- other powers authorised by the Board of Directors.

During the Reporting Period, the Nomination Committee held three meetings and had reviewed the structure, size and composition of the Board.

Scientific Committee

The Scientific Committee comprises one executive Director, namely Dr. WU Yusheng, one non-executive Director, namely Dr. LI Jun, and one independent non-executive Director, namely Dr. XU Wenqing, with Dr. WU Yusheng serving as the Chairman of the Scientific Committee.

The primary duties of the Scientific Committee include, but are not limited to:

(i) identifying and discussing emerging trends in pharmaceutical science, technology and regulation, and ensuring that the Company makes informed choices when making investments in R&D resources;

(ii) reviewing, evaluating and providing recommendations to the Board of Directors on the quality, direction and competitiveness of the Company's R&D projects;

(iii) reviewing, evaluating and providing recommendations to the Board of Directors on the Company's progress towards achieving its long-term strategic R&D goals and mission;

(iv) reviewing and providing recommendations to the Board of Directors on the Company's internal and external science and technology projects and investments. For any external R&D investments (e.g., potential acquisitions, collaborations, equity investments, contracts and grants) that require approval by all members of the Board of Directors, the Scientific Committee shall provide its recommendations to the Board of Directors before the Board of Directors takes action, unless time does not permit; and

(v) reviewing the Company and its R&D capabilities (quality) and its organizational capabilities, including product development processes.

During the Reporting Period, the Scientific Committee held one meeting.

Director Nomination Policy

The Company has established the rules of work of the Nomination Committee of the Board of Directors, which ensures that the Board has a balance of skills, experience and diversity of perspectives to meet the requirements of the Company's business. The procedures for nominating Directors are also stipulated in the Articles of Association.

In reviewing and assessing suitable candidates to serve as a Director, the Nomination Committee will consider a range of diversity perspectives with reference to the Company's business model and specific needs, including but not limited to gender, age, language, cultural and educational background, professional qualifications, skills, knowledge, industry and regional experience and/or length of service before making recommendations to the Board.

Corporate Governance Function

The Board is responsible for the fulfilment of the terms of reference set out in Rules A.2.1 of part 2 of the Corporate Governance Code.

As of the date of this annual report, the Board of Directors has fulfilled the following responsibilities:

(i) formulating and reviewing the Company's corporate governance policies and practices;

(ii) reviewing and monitoring the training and continuous professional development of Directors and senior management;

(iii) reviewing and monitoring the Company's policies and practices in relation to compliance with legal and regulatory requirements;

(iv) developing, reviewing and monitoring codes of conduct and compliance manuals for employees and Directors; and

(v) reviewing the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report.

Board Diversity Policy

We have complied with the requirements relating to Board Diversity in the Corporate Governance Code to enhance the effectiveness of the Board and to maintain a high standard of corporate governance. Pursuant to the requirements, in reviewing and assessing suitable candidates to serve as a Director, the Nomination Committee will consider a range of diversity perspectives with reference to the Company's business model and specific needs, including but not limited to gender, age, language, cultural and educational background, professional qualifications, skills, knowledge, industry and regional experience and/or length of service.

The Directors have a balanced mix of knowledge and skills, including but not limited to R&D, management, finance, audits and accounting, risk management, teaching and academia. They obtained degrees in various majors including chemistry, finance, organic chemistry, business administration, medicine, immunology, mathematical statistics, and clinical medicine. Furthermore, as of December 31, 2025, the Board has a relatively wide range of ages, ranging from 38 years old to 65 years old, and consists of eight male members and two female members. The Board of Directors is of the view that the Board satisfies the Board Diversity Policy and the Board targets to maintain at least the current level of female representation and will continue to take steps to promote gender diversity at the Board of our Company in the coming years. The Nomination Committee is responsible for reviewing the diversity of the Board, reviewing the Board Diversity Policy from time to time, developing and reviewing measurable objectives for implementing the Board Diversity Policy, and monitoring the progress on achieving these measurable objectives in order to ensure that the policy remains effective. The Group will take opportunities to increase the proportion of female members of the Board when selecting and recommending suitable candidates for Board appointments to help enhance gender diversity in accordance with stakeholder expectations and recommended best practices. The Group also intends to promote gender diversity when recruiting staff at the mid to senior level so that the Company will have a pipeline of female senior management and potential successors to the Board. We believe that such merit-based selection process with reference to the Board Diversity Policy and the nature of our business will be in the best interests of the Group and Shareholders as a whole.

Gender Diversity

The Company has taken and will continue to take steps to promote gender diversity at all levels of the Company, including but not limited to the Board and senior management. For gender diversity at the Board level, please refer to the "Board Diversity Policy" section above. The Group also intends to promote gender diversity in the recruitment of middle and senior staff, with a view to building a pipeline of female senior management and potential Board successors.

As of December 31, 2025, the Group had 173 employees, 82 of whom (47.40%) were male and 91 (52.60%) were female. Additional data on the Group's gender diversity at various level, including amongst different ranking employees are detailed in our Environmental, Social and Governance Report. The Board believes that the Company has achieved gender diversity in its employees and as of the date of this annual report, no gender diversity plans or measurable targets have been developed and it is not aware of any factors that would make achieving gender diversity of employees more challenging or less important for the Group. For details on gender ratio and initiatives to promote gender diversity, please refer to the Environmental, Social and Governance Report disclosed in this annual report.

The Board members of the Company changes as follows: Dr. DING Zhao resigned as a non-executive Director of the Company on March 27, 2025; Dr. ZHU Xiangyang was appointed as a non-executive Director of the Company on June 26, 2025; Dr. MENG Xiaoying resigned as a non-executive Director of the Company on August 31, 2025; Mr. ZHANG Senquan resigned as an independent non-executive Director of the Company on September 15, 2025; Mr. JIANG Xiaolin was appointed as an independent non-executive Director of the Company on December 12, 2025 and there was no change in other Board members.

Board Evaluation

To evaluate the effectiveness and performance of the Board, a Board Performance Review had been conducted internally for the year ended December 31, 2025. Each Director has completed a Board Performance Review Questionnaire by providing ratings and comments (if any). The board evaluation covered the following scope of review:

The roles and responsibilities of Board members, the composition and structure of the Board, the quality of supporting factors for the effectiveness of the Board (including meeting operations and information provision, etc.), and the performance of core duties of the Board.

Details of the questionnaire results:

(i) Each Director has a clear understanding of their own duties and the functions of the Board. The Company regularly provides training and development programmes for Directors.

(ii) The Board has a diverse, balanced and independent composition. All Board members are satisfied that the board provides an open space for sharing and discussing ideas. Directors also unanimously agree that there is a clear division of responsibilities between the Board and the management.

(iii) Board meetings are well-organised, with sufficient information provided in a timely manner.

(iv) Directors are satisfied with the Board's oversight role in internal control and risk management.

The Board will continue to enhance its effectiveness, with performance evaluations conducted internally or by external providers at least once every two years.

Dividend Policy

The Company attaches importance to the reasonable return on investment to shareholders, and the profit distribution should follow the principle of paying attention to the reasonable return on investment to shareholders and benefiting the long-term development of the Company. The Company's profit distribution policy should maintain continuity and stability, and comply with the relevant provisions of laws and regulations. The Company may distribute dividends in cash or stock.

We did not declare or pay any dividend during the Reporting Period. We do not currently have a formal dividend policy or a fixed dividend payout ratio. We currently intend to retain all available funds and earnings, if any, to fund the development and expansion of our business and we do not anticipate paying any cash dividends in the foreseeable future. Investors should not purchase our ordinary shares with the expectation of receiving cash dividends. Any future determination to pay dividends will be made at the discretion of our Directors and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors may deem relevant. Regulations in the PRC currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make, as determined in accordance with its Articles of Association and the accounting standards and regulations in China. As advised by our PRC legal adviser, taking into account the aforesaid, we may not have sufficient or any distributable profits to make dividend distributions to our Shareholders in a given year, in view of our accumulated losses, or even if we become profitable, as we will only be able to declare or pay dividends out of our distributable profits until (i) the accumulated losses are covered by our after-tax profits, and (ii) sufficient statutory and other reserves are drawn in accordance with the relevant laws, regulations and our constitutional documents. In light of our accumulated losses as disclosed in this annual report, it is unlikely that we will be eligible to pay dividends out of our profits in the foreseeable future.

Whistleblowing Policy

The Company has adopted a whistleblowing policy (the "**Whistleblowing Policy**"). The Whistleblowing Policy is designed to raise awareness of internal corporate justice and is part of the Group's general internal control mechanisms. It provides channels and guidance for employees and those who have business relationship with the Group (including but not limited to customers and suppliers) to anonymously report possible misconducts to Board members of the Group and to head of audit of the Group. The whistleblower policy aims to encourage whistleblowers to report internal issues in a responsible and effective manner, rather than ignoring issues or resorting to external whistleblowing.

During the year ended December 31, 2025, no incidents of fraud or misconduct were identified that had a material adverse impact on the Group's financial statements or overall operations. The Audit Committee and/or the Board regularly review the whistleblowing policy to ensure its effectiveness.

Anti-Corruption Compliance Policy

The Company has adopted anti-corruption regulations (the "**Anti-Corruption Regulations**"). The Group is committed to integrity and ethical conduct in conducting business. The Anti-Corruption Regulations are an integral part of the Group's corporate governance framework. The Anti-Corruption Regulations set out specific code of conduct that must be followed by all employees of the Group in combating corruption. They demonstrate the Group's commitment to ethical business conduct and compliance with anti-corruption laws and regulations in applicable jurisdictions. To align with this commitment and ensure transparency in Group practices, the Anti-Corruption Regulations have been developed to guide the conduct of all Group employees in the performance of their duties. The Anti-Corruption Regulations are regularly reviewed and updated to align with applicable laws, regulations and industry best practices.

In addition, as part of our risk management measures, we implement specific measures against corruption and bribery, including providing business ethics and anti-corruption training for Directors, senior management and employees to enhance their understanding of applicable laws and regulations. We require employees, particularly those involved in procurement and other business functions that are more vulnerable to bribery and corruption, to comply with our compliance requirements. We have also established a monitoring system that allows the reporting of non-compliance conducted by internal employees to the Company.

Directors' Continuous Professional Development

Directors should keep abreast of regulatory developments and changes in order to discharge their responsibilities effectively and ensure that their contributions to the Board remain informed and relevant.

Directors should participate in continuous professional development to develop and refresh their knowledge and skills.

During the Reporting Period, each Director met the requirements of continuous professional development by attending training courses and/or reading relevant materials.

Directors' Responsibility for the Financial Statements

The Directors acknowledge their responsibility for the preparation of the Company's financial statements for the year ended December 31, 2025. The Directors are not aware of any events or circumstances that may cast significant doubt upon the Company's ability to continue as a going concern.

The auditor's statement of their reporting responsibilities on the financial statements are set out on pages 158 to 159 of the Independent Auditor's Report in this annual report.

Risk Management and Internal Control

The Board acknowledges its responsibility for risk management and internal control systems, as well as for reviewing their effectiveness annually. These systems are designed to manage, rather than eliminate, the risks that may prevent the achievement of business targets, and provide reasonable, rather than absolute, assurance against material misstatements or losses.

In order to monitor the continued implementation of risk management and corporate governance measures, we have adopted, among others, risk management measures as follows:

The Audit Committee oversees and manages the overall risks associated with our business operations, including (i) reviewing the risk management and internal control systems of the Company; (ii) discussing the risk management system with the management and ensure that the management has fulfilled its responsibilities in setting up effective systems; (iii) conducting study on major investigation findings on risk management and internal monitoring matters as well as the management's feedback on those findings, on its own initiative or as delegated by the Board.

The Board is responsible for (i) continuously overseeing the Company's risk management systems; (ii) reviewing, at least annually, the effectiveness of the risk management systems of the Company and its subsidiaries; and (iii) ensuring that the Company has adequate resources, staff qualifications and experience, training programs, and relevant budgets related to accounting, internal audit, financial reporting functions, as well as the Company's environmental, social, and governance (ESG) performance and reporting during such annual review.

The relevant departments of the Company, including but not limited to the finance, legal, and human resources departments, are responsible for implementing our risk management policies, internal audit function and carrying out day-to-day risk management practices. In order to formalize risk management within the Group and establish common levels of transparency and performance of risk management, the relevant departments will (i) gather risk information related to their operations or functions; (ii) conduct risk assessments, including the identification, prioritization, measurement, and classification of all key risks that may affect their objectives; (iii) continuously monitor key risks associated with their operations or functions; (iv) implement appropriate risk mitigation measures when necessary; and (v) develop and maintain appropriate mechanisms to facilitate the application of our risk management framework.

The Board is responsible for establishing our internal control systems and reviewing their effectiveness. We have engaged an independent internal control consultant (the "**Internal Control Consultant**") to perform certain agreed-upon procedures regarding the internal controls of the Company and our key operating subsidiaries (the "**Internal Control Review**"), including the overall corporate governance environment, entity-level controls, and operational controls such as expenditure to payment cycles, fixed asset management, human resources and payroll management, connected transactions and account management cycles with connected persons, and other procedures within our operations. The Internal Control Consultant conducted the Internal Control Review, identified deficiencies in internal control, and provided corresponding recommendations. We have implemented corresponding remedial measures to enhance the effectiveness of the internal control systems. As of the date of this annual report, there are no material unresolved issues with the Group's internal control.

The following is a summary of the internal control policies, measures and procedures that we have implemented or plan to implement across various aspects of our business operations:

We have implemented a range of measures and procedures across all aspects of our business operations. Our dedicated inspection personnel will monitor the execution of our internal control policies, report any identified weaknesses to our management and the Audit Committee, and ensure that corrective actions are promptly followed up.

Our Directors, who are responsible for overseeing the corporate governance of the Group, will, with the assistance of legal advisors, review our compliance with all relevant laws and regulations on a regular basis.

We have established the Audit Committee which (i) makes recommendations to our Directors on the appointment and removal of the external auditor; and (ii) reviews the financial statements and makes recommendations on financial reporting and oversight of the Group's internal control procedures.

We have engaged external legal advisers to advise our Directors and management team on matters relating to the Listing Rules.

We plan to provide a variety of ongoing training from time to time to update the understanding of our Directors, senior management and relevant employees on the latest PRC laws and regulations in order to proactively identify any concerns and issues related to potential non-compliance.

Prior to initiating any drug candidate or technology development project proposal or undertaking a technology modification, we will conduct thorough public literature searches and analyses in accordance with our internal policies to detect potential intellectual property disputes. We will also engage outside experts, such as legal advisers, to prepare and negotiate agreements on our behalf when entering into collaborations.

With regard to anti-corruption, we have established anti-corruption regulations. We also provide compliance training to our employees and have a system for reporting compliance violations and a process for dealing with them in place.

The Board believes that our risk management and internal control systems are effective and adequate.

The Board is responsible for the handling and disclosure of inside information. In order to ensure that the market and stakeholders are fully informed of significant developments in the Company's business in a timely manner, the Board has complied with the relevant regulations on disclosure of inside information to ensure that unauthorised access to and use of inside information is strictly prohibited.

Company Secretary

Following the resignation of Dr. JIANG Mingyu as the joint company secretary of the Company on June 13, 2025, Ms. WONG Wing Yee is the sole company secretary of the Company. Ms. WONG Wing Yee is an external secretarial services provider and her primary contact person at the Company is Ms. HUANG Yiting, the Board secretary of the Company.

During the Reporting Period, Ms. WONG Wing Yee took no less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

Scope of Work of the Auditor

The auditor's statement regarding its reporting responsibilities is set out in the section headed "Independent Auditor's Report" in this annual report.

Auditor's Remuneration

Details of the remuneration paid to the auditor for audit services provided to the Company for the year ended 31 December 2025 are as follows:

Type of Services	**Fees Paid** ***(RMB'000)***
Audit services	**2,100**
– Annual Audit Service	**2,100**
Non-audit services	**100**
– Continuing Connected Transactions Report Service	**100**
Total	**2,200**

Shareholders' Rights

Right to Convene an Extraordinary General Meeting

To safeguard shareholders' interests and rights, the Company encourages Shareholders to participate and vote at the general meetings. The Company holds once a year an annual general meeting at a venue determined by the Board. All general meetings other than an annual general meeting shall be extraordinary general meetings.

The Company's annual general meetings provide a platform for communication between the Board and Shareholders. The Board will respond to Shareholders' questions during the annual general meetings.

Pursuant to Article 51 of the Articles of Association, Shareholders individually or collectively holding 10% or more of the voting rights attached to the Company's share capital have the right to request the Board to convene an extraordinary general meeting by way of written request(s). The Board shall reply in writing regarding the acceptance or refusal to convene an extraordinary general meeting within 10 days upon receiving the request in accordance with the requirements of the laws, administrative regulations, securities regulatory rules for the place where the Company's shares are listed and the Articles of Association. If the Board agrees to convene an extraordinary general meeting, notice convening the meeting shall be issued within 5 days after the Board resolved to do so. If the Board makes alterations to the original proposal in the notice, consent has to be obtained from the related shareholders. If the Board does not agree to convene the extraordinary general meeting, or does not reply within 10 days upon receiving the request, Shareholders individually or collectively holding 10% or more of voting rights attached to the Company's share capital have the right to request the Audit Committee to convene an extraordinary general meeting by way of written request(s).

Procedures for Putting Forward Proposals at General Meetings

Pursuant to Article 56 of the Articles of Association, Shareholders individually or collectively holding 1% or more of voting rights attached to the Company's share capital shall have the right to propose proposals. Shareholders individually or collectively holding 1% or more of voting rights attached to the Company's share capital shall be entitled to propose provisional proposals and submit the same to the Board in writing 10 days prior to date of the meeting. Provisional proposals shall have clear agenda and specific resolutions. The Board shall dispatch a supplementary notice of the general meeting and advise the contents of such provisional proposal within 2 days upon receipt of the proposal, except that the provisional proposal violates the laws, administrative regulations or provisions of the Articles of Association, or does not fall within the scope of the general meeting. The Company shall not increase the shareholding of shareholders who submit the provisional proposal.

Procedures for Shareholders to Nominate a Candidate for Election as a Director

Shareholders may propose a person for election as a director, the procedures for which are available on the Company's website.

Putting Forward Enquiries to the Board

Shareholders may put forward their enquiries in writing to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Contact Details

Shareholders should send their enquiries regarding shareholdings and other related matters to the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at the following address:

Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

Shareholders and the investment community may contact the Company's Investor Relations Department at any time regarding information released by the Company.

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. The information of the Shareholder(s) may be disclosed as required by law.

Communication with Shareholders and Investors Relations

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

The Company has established a range of communication channels with the Shareholders, investors and other stakeholders, including: (i) publication of interim and annual reports and/or dispatching of circulars, notices and other announcements; (ii) the annual general meetings or extraordinary general meetings as a forum for the Shareholders to exchange views with the Board; (iii) latest updates and key information about the Group available on the respective websites of the Company and the stock exchange; (iv) the Company's website which offers communication channels between the Company and its stakeholders; and (v) the Company's H Share Registrar in Hong Kong to serve the Shareholders with respect to all share registration matters.

Having considered the multiple channels of communication in place, the Board is satisfied that the Shareholders' communication policy of the Company has facilitated sufficient communication and has been properly implemented and effective during 2025.

Material Changes to Constitutional Documents

The Company adopted a revised Articles of Association in connection with the listing and Global Offering in August 2024 and proposed to make certain amendments to its Articles of Association in December 2024 which was subsequently approved by the Shareholders in January 2025. In view of the business needs of the Company and to reflect the current Company Law of the People's Republic of China effective from July 1, 2024 and reflect the completion of the full circulation of H shares of the Company, the Company proposed to make certain amendments to the Articles of Association on March 27, 2025, which was subsequently approved by the Shareholders in June 2025. The Company changed its registered capital, the number of Board members and the number of vice presidents and proposed to make certain amendments to the Articles of Association on August 31, 2025, which were subsequently approved by the Shareholders in October 2025. The Company abolished the board of supervisors and proposed to make certain amendments to the Articles of Association on October 14, 2025, which were subsequently approved by shareholders in October 2025. Saved as disclosed above, there were no other material changes to the Articles of Association during the Reporting Period. The latest Articles of Association is available on the website of the Hong Kong Stock Exchange at www.hkexnews.hk and the Company's website at http://www.tykmedicines.com/.

Other Information

Abolishment of the Board of Supervisors

During the Reporting Period, the Company ceased to have the Board of Supervisors with effect from October 30, 2025 in line with revised Company Law of the People's Republic of China (《中華人民共和國公司法》) (the "**Company Law**") which came into effect on July 1, 2024. Please refer to announcements of the Company dated October 14, 2025 and October 30, 2025 and circular of the Company dated October 14, 2025 for details.

Interest Disclosure

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or its Associated Corporations

As of December 31, 2025, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporation (within the meaning of Part XV of the SFO), which have been notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of SFO (including any interest or short positions which they are taken or deemed to have under such provisions of the SFO) or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Name of Director/chief executive	Capacity/Nature of interest[1]	Class of Shares	Number of Shares	Approximate percentage of shareholding in the relevant class of Shares[2]	Approximate percentage of shareholding in the total share capital of the Company[3]
Dr. Wu[4] *(Executive Director, Chairman of the Board and Chief Executive Officer)*	Interest in controlled corporations	H Shares	126,196,000	33.61%	33.20%
Dr. GU Eric Hong[5] *(Non-executive Director)*	Interest in controlled corporations	H Shares	8,010,000	2.13%	2.11%
Mr. HE Chao[6] *(Non-executive Director)*	Interest in controlled corporations	H Shares	19,404,654	5.17%	5.11%

Notes:

(1) All interests stated are long position.

(2) The calculation is based on the total number of 4,608,000 Unlisted Shares and 375,457,818 H Shares in issue as of December 31, 2025.

(3) The calculation is based on the total number of 380,065,818 Shares in issue as of December 31, 2025.

(4) Tetranov Pharmaceutical beneficially owns 99,787,500 H Shares. As of December 31, 2025, Tetranov Pharmaceutical was held as to approximately 30.66% by Dr. Wu, approximately 20.15% by Zhengzhou Hongnuo and approximately 3.02% by Zhengzhou Derui, respectively. Zhengzhou Hongnuo is managed by its executive partner, Huzhou Derui, which is controlled by Zhengzhou Derui and Dr. Wu. Zhengzhou Derui is wholly owned by Dr. Wu. As such, under the SFO, Dr. Wu is deemed to be interested in the 99,787,500 H Shares held by Tetranov Pharmaceutical.

Changxing Liyuan beneficially owns 20,375,000 H Shares. As of December 31, 2025, Changxing Liyuan is managed by its executive partner, Zhengzhou Derui, which is wholly owned by Dr. Wu.

Each of Changxing Caiyuan and Changxing Gangyuan is our ESOP Platform. Changxing Caiyuan beneficially owns 3,246,500 H Shares. Changxing Gangyuan beneficially owns 2,787,000 H Shares. As of December 31, 2025, each of Changxing Caiyuan and Changxing Gangyuan is managed by its executive partner, Huzhou Derui, which is controlled by Zhengzhou Derui and Dr. Wu. Zhengzhou Derui is wholly owned by Dr. Wu.

As such, under the SFO, Dr. Wu is deemed to be interested in (i) the 3,246,500 H Shares held by Changxing Caiyuan; and (ii) the 2,787,000 H Shares held by Changxing Gangyuan.

(5) Pivot Pharma Tech (Shanghai) Co., Ltd. (貝沃特醫藥技術(上海)有限公司) ("**Pivot Pharma**") beneficially owns 8,010,000 H Shares. Pivot Pharma is wholly owned by Dr. GU Eric Hong (顧虹). As such, under the SFO, Dr. GU Eric Hong is deemed to be interested in 8,010,000 H Shares held by Pivot Pharma.

(6) Ningbo Meishan Bonded Port Area Houji Tongnuo Investment Management Partnership (Limited Partnership) (寧波梅山保税港區厚紀通諾投資管理合夥企業(有限合夥)) ("**Houji Tongnuo**") beneficially owns 14,146,619 H Shares. Ningbo Meishan Bonded Port Area Houyang Tongchi Investment Management Partnership (Limited Partnership) (寧波梅山保税港區厚揚通馳投資管理合夥企業(有限合夥)) ("**Houyang Tongchi**") beneficially owns 5,258,035 H Shares. As of December 31, 2025, each of Houji Tongnuo and Houyang Tongchi is managed by its executive partner, Beijing Houji Jingqiao Venture Capital Co., Ltd. (北京厚紀景橋創業投資有限公司), which is in turn wholly owned by Beijing Rongchen Houji Investment Management Co., Ltd. (北京融辰厚紀投資管理有限公司) ("**Rongchen Houji**"). Rongchen Houji is owned as to approximately 83% by Mr. HE Chao (何超), our non-executive Director. As such, under the SFO, Mr. HE Chao (何超) is deemed to be interested in (i) the 14,146,619 H Shares held by Houji Tongnuo; and (ii) the 5,258,035 H Shares held by Houyang Tongchi.

Save as disclosed above, as of December 31, 2025, so far as it was known to the Directors or chief executive of the Company, none of the Directors or chief executive of the Company had interests or short positions in the Shares, underlying Shares and debentures of the Company or its associated corporations as recorded in the register required to be kept, pursuant to Section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Substantial Shareholders' Interests and Short Positions in the Shares and Underlying Shares of the Company

As of December 31, 2025, so far as the Directors are aware, the following persons had or were deemed or taken to have interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provision of Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholder	Capacity/Nature of interest[1]	Class of Shares	Number of Shares	Approximate percentage of shareholding in the relevant class of Shares[2]	Approximate percentage of shareholding in the total share capital of the Company[3]
Dr. Wu[4][5]	Interest in controlled corporations	H Shares	126,196,000	33.61%	33.20%
Ms. Zhu[4][5]	Interest of spouse	H Shares	126,196,000	33.61%	33.20%
Tetranov Pharmaceutical[4]	Beneficial owner	H Shares	99,787,500	26.58%	26.26%
Changxing Liyuan[5]	Beneficial owner	H Shares	20,375,000	5.43%	5.36%
Mr. HE Chao[6]	Interest in controlled corporations	H Shares	19,404,654	5.17%	5.11%
Beijing Houji Jingqiao Venture Capital Co., Ltd. (北京厚紀景橋創業投資有限公司) ("**Huge Capital**")[6]	Interest in controlled corporations	H Shares	19,404,654	5.17%	5.11%
Beijing Rongchen Houji Investment Management Co., Ltd. (北京融辰厚紀投資管理有限公司)[6]	Interest in controlled corporations	H Shares	19,404,654	5.17%	5.11%
Zhuzhou Guohai Guochuang Qianjin Pharmaceutical Venture Capital Partnership (Limited Partnership) (株洲市國海國創千金醫藥創業投資合夥企業(有限合夥)[7]	Beneficial owner	Unlisted Shares	4,608,000	100.00%	1.21%
Sealand Innovation Capital Investment Management Co., Ltd. (國海創新資本投資管理有限公司) ("**Sealand Innovation**")[7]	Interest in controlled corporations	Unlisted Shares	4,608,000	100.00%	1.21%
Sealand Securities Co., Ltd. (國海證券股份有限公司) ("**Sealand Securities**")[7]	Interest in controlled corporations	Unlisted Shares	4,608,000	100.00%	1.21%

Notes:

(1) All interests stated are long position.

(2) The calculation is based on the total number of 4,608,000 Unlisted Shares and 375,457,818 H Shares in issue as of December 31, 2025.

(3) The calculation is based on the total number of 380,065,818 Shares in issue as of December 31, 2025.

(4) Tetranov Pharmaceutical beneficially owns 99,787,500 H Shares. As of December 31, 2025, Tetranov Pharmaceutical was held as to approximately 30.66% by Dr. Wu, approximately 20.15% by Zhengzhou Hongnuo and approximately 3.02% by Zhengzhou Derui, respectively. Zhengzhou Hongnuo is managed by its executive partner, Huzhou Derui, which is controlled by Zhengzhou Derui and Dr. Wu. Zhengzhou Derui is wholly owned by Dr. Wu. As such, under the SFO, Dr. Wu is deemed to be interested in the 99,787,500 H Shares held by Tetranov Pharmaceutical. Ms. Zhu is spouse of Dr. Wu. Therefore, under the SFO, Ms. Zhu is deemed to be interested in the same number of Shares in which Dr. Wu is interested in.

(5) Changxing Liyuan beneficially owns 20,375,000 H Shares. As of December 31, 2025, Changxing Liyuan is managed by its executive partner, Zhengzhou Derui, which is wholly owned by Dr. Wu. Each of Changxing Caiyuan and Changxing Gangyuan is our ESOP Platform. Changxing Caiyuan beneficially owns 3,246,500 H Shares. Changxing Gangyuan beneficially owns 2,787,000 H Shares. As of December 31, 2025, each of Changxing Caiyuan and Changxing Gangyuan is managed by its executive partner, Huzhou Derui, which is controlled by Zhengzhou Derui and Dr. Wu. Zhengzhou Derui is wholly owned by Dr. Wu. As such, under the SFO, Dr. Wu is deemed to be interested in (i) the 3,246,500 H Shares held by Changxing Caiyuan; and (ii) the 2,787,000 H Shares held by Changxing Gangyuan. Ms. Zhu is spouse of Dr. Wu. Therefore, under the SFO, Ms. Zhu is deemed to be interested in the same number of Shares in which Dr. Wu is interested in.

(6) Huge Capital is the executive partner of Houji Tongnuo and Houyang Tongchi, which is 100% owned by Beijing Rongchen Houji Investment Management Co., Ltd. (北京融辰厚紀投資管理有限公司). It is ultimately controlled by Mr. HE Chao (何超), our non-executive Director. As such, Beijing Rongchen Houji Investment Management Co., Ltd. (北京融辰厚紀投資管理有限公司), Huge Capital and Mr. HE Chao (何超) are deemed to be interested in the 14,146,619 H Shares and 5,258,035 H Shares held by Houji Tongnuo and Houyang Tongchi under the SFO.

(7) Sealand Innovation is the executive partner of Zhuzhou Guohai Guochuang Qianjin Pharmaceutical Venture Capital Partnership (Limited Partnership) (株洲市國海國創千金醫藥創業投資合夥企業(有限合夥)) ("**Guohai Guochuang**"). It is wholly owned by Sealand Securities, a company listed on the Shenzhen Stock Exchange (stock code: 000750). As such, Sealand Innovation and Sealand Securities are deemed to be interested in the 4,608,000 Unlisted Shares held by Guohai Guochuang under the SFO.

Save as disclosed above, as of December 31, 2025, apart from the Directors and the chief executive of the Company, the Company has not been informed of any other relevant interests or short positions in the issued share capital of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which are required to be recorded in the register required to be kept by the Company under Section 336 of the SFO.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

About This Report

The Environmental, Social, and Governance Report (hereinafter referred to as "the Report" or "ESG report") is the second ESG report published by TYK Medicines, Inc. (hereinafter referred to as "TYK Medicines", "we" or "the Company"). This Report aims to objectively and truthfully present the Company's strategies, policies, measures, and achievements in sustainable development, with a focus on disclosing relevant information regarding the Company's environmental, social, and governance (hereinafter referred to as "ESG").

Preparation Basis

This Report is prepared in accordance with Appendix C2 *Environmental, Social, and Governance Reporting Code* (hereinafter referred to as the *ESG Reporting Code*) of the *Main Board Listing Rules* (hereinafter referred to as the *Listing Rules*) of the Hong Kong Exchanges and Clearing Limited (hereinafter referred to as the HKEX).

Reporting Period

This Report covers the period from January 1, 2025, to December 31, 2025 (hereinafter referred to as "the Reporting Period" or "this year"). Some information may relate to periods outside the Reporting Period.

Reporting Scope

The scope of disclosure in this Report covers TYK Medicines, Inc. (02410.HK) and is consistent with the scope of our 2025 Annual Report.

Data Source and Reliability Assurance

Unless otherwise specified, the data in this Report comes from the Company's internal materials, interview records, and relevant documents. The Company's Board of Directors assures that this Report does not contain any false information or misleading statements, and is responsible for the truthfulness, accuracy, and completeness of its content.

Confirmation and Approval

This Report was confirmed by the management and approved by the Board of Directors on March 30, 2026.

Report Access

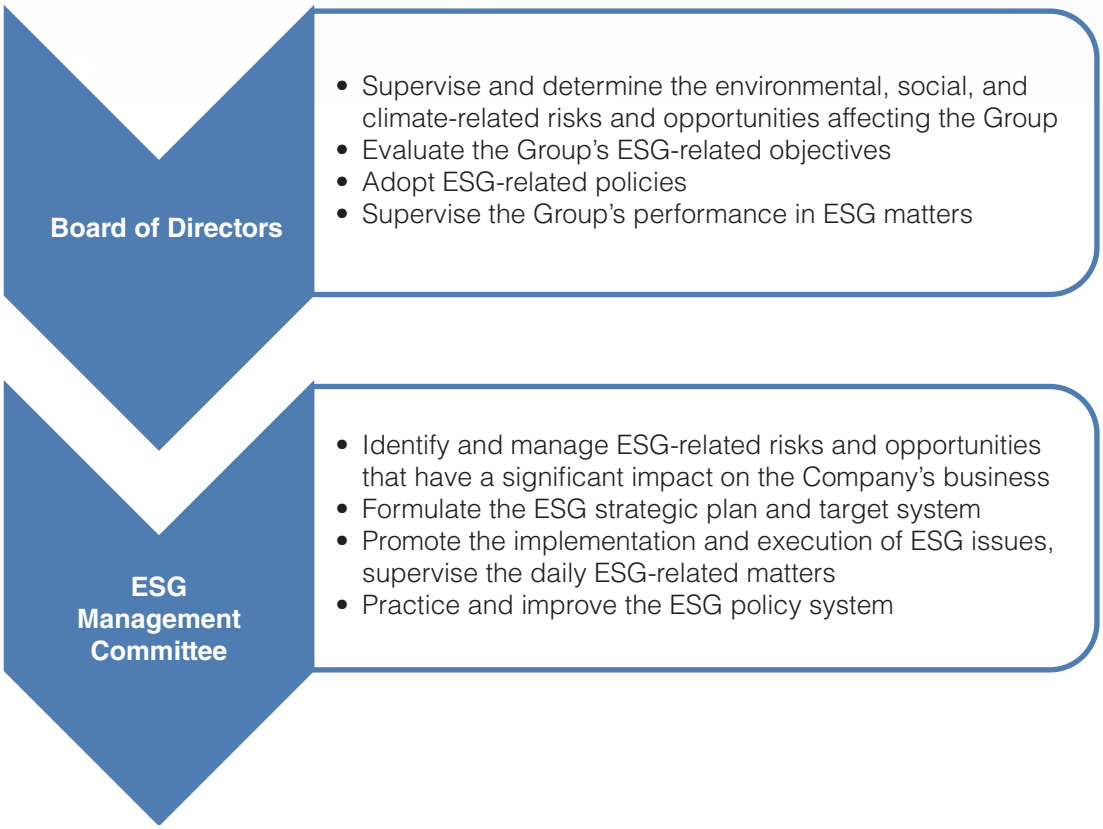
This Report is included in the Company's 2025 annual report. To protect the environment, we recommend reading the electronic version of the Report, which can be accessed on the website of HKEX (www.hkexnews.hk) and the Company's official website (https://www.tykmedicines.com/)

1. ESG Governance

TYK Medicines leverages a well-established ESG governance framework to effectively integrate ESG management strategies into its core business operations, thereby sustaining a high standard of ESG governance. Building on this foundation, we place strong emphasis on stakeholder engagement and feedback, actively listening to diverse perspectives and expectations, which provides ongoing impetus for driving the Company's sustainable and high-quality development.

1.1 ESG Management System

TYK Medicines has established a clearly defined and collaboratively efficient ESG governance structure, providing a solid organizational foundation for systematically advancing ESG governance. The Board of Directors serves as the highest authority for ESG oversight and accountability, responsible for approving the Company's ESG strategy, key policies, and objectives, and bears ultimate responsibility for ESG matters. Authorized by the Board, the General Manager has established an ESG Management Committee, which functions as the core executive and coordinating body for ESG initiatives. The Committee is tasked with implementing the ESG strategies and policies set by the Board, overseeing daily management, driving the execution of objectives and performance evaluation, and regularly reporting progress to the Board to ensure the orderly and standardized management of ESG practices.



ESG Governance Framework

Board Statement

Board Responsibilities	The Board of Directors is the highest decision-making body for the Company's ESG governance, responsible for the final approval of ESG strategies, policies, and implementation plans. The ESG Management Committee, established under the Board, serves as the executive body tasked with implementing the ESG strategies and policies approved by the Board. It regularly reports key progress and matters requiring resolution to the Board.
ESG Risk Management	The Board of Directors provides comprehensive oversight of the Company's ESG risks. It is responsible for the systematic identification, assessment, and management of risks that impact long-term sustainable development. The Board regularly reviews progress on ESG risk management strategies, evaluates the assessment results of significant ESG risks and opportunities, and ensures their deep integration with the business strategy, thereby supporting sustainable business practices.
Material Issues Analysis	The Company has established a bidirectional communication mechanism and issue assessment process to address the core concerns of its stakeholders. By gathering feedback through multiple channels and integrating substantive issue analysis, the Company ensures that its ESG strategy aligns with stakeholder expectations. The assessment outcomes are incorporated into corporate strategy and daily management, forming a closed-loop mechanism for continuous improvement.

1.2 Stakeholder Engagement

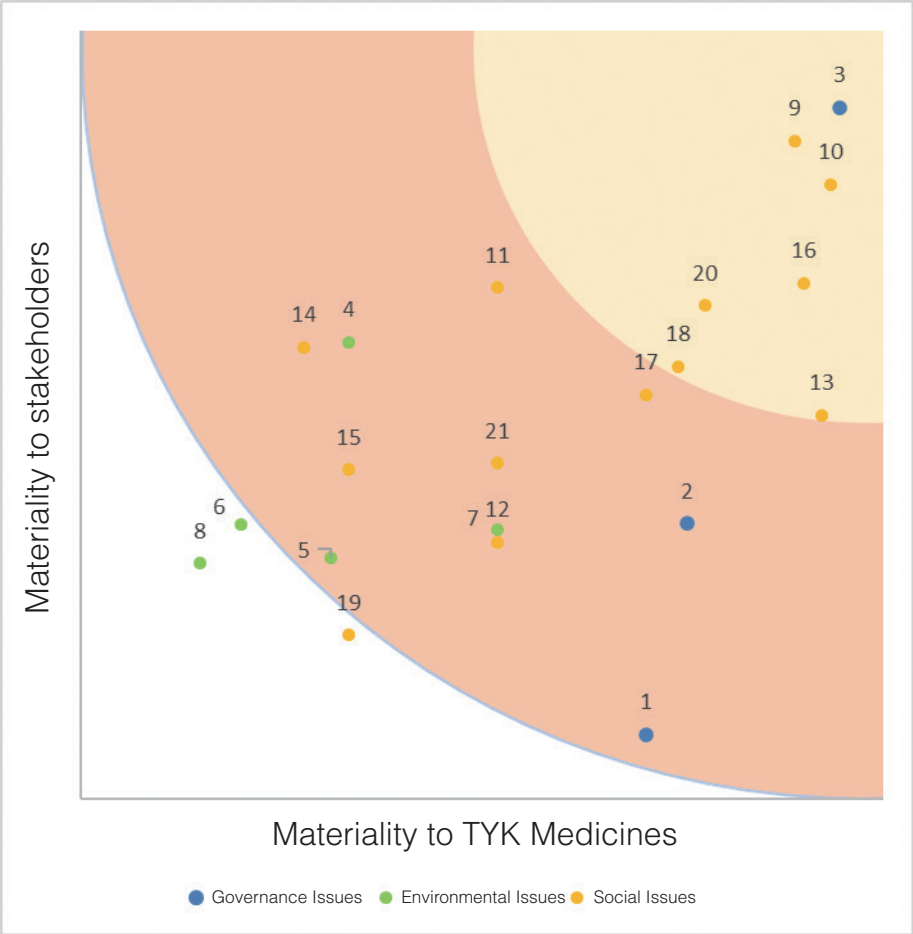
TYK Medicines maintains positive and ongoing interaction with its stakeholders. Through diverse and transparent channels, we conduct regular two-way communication to accurately identify their core needs and expectations. This serves as a critical basis for continuously optimizing the Company's ESG strategy and ensuring the effective implementation of related initiatives. During the Reporting Period, the Company's main stakeholders included shareholders (investors), creditors, employees, partners, customers, suppliers, community organizations, and relevant government departments.

The identification of and responses to their expectations and concerns are outlined below:

Stakeholder Identification	Sustainable Development Issues of Concern	Engagement Channels
Shareholders (Investors)/ Creditors	ESG Governance Risk Management R&D Innovation Product Quality and Safety Business Ethics and Anti-Corruption	Information Disclosure Shareholders' Meeting Company Announcements
Government and Regulatory Agencies	Environmental Management Community Co-construction Anti-corruption and Anti-bribery Climate Change Energy Management Resource Management Waste Management	Regular Communication News Media Communication and Cooperation
Customers	Information Security Protection Product and Service Quality Responsible Marketing Inclusive Healthcare	Customer Service and Complaint Handling Customer Satisfaction Survey Official Social Media Official Website Company Hotline (Email and Tel.)
Employees	Compliant Employment Talent Development Occupational Health and Safety Remuneration and Benefits	Employee Interviews Internal Emails Employee Care Activities Employee Training and Promotion Employee Satisfaction Survey Corporate Culture Activities
Suppliers	Responsible Supply Chain	Supplier Communication and Training Supplier Evaluation
Partners	Community Co-construction R&D Innovation	Industry Communication and Cooperation
Community and Public	Volunteer Service Community Activities Public Welfare and Charity Environmental Management Climate Change	Community Activities Volunteer Services Energy Management Resource Management Waste Management

1.3 Materiality Analysis

To precisely allocate the Company's ESG management resources, TYK Medicines, in alignment with its own business operations and in accordance with the requirements of the *ESG Code*, has identified and determined its material ESG issues. Furthermore, the Company has established a regular review mechanism for its materiality matrix. This matrix is periodically adjusted, resulting in the 2025 Materiality Matrix presented below. For issues identified as highly material, the Company will concentrate resources on their focused management and provide targeted disclosures in this ESG report.



Materiality Matrix

Governance Dimension	1.	ESG Governance
	2.	Risk Management
	3.	Business Ethics and Anti-Corruption
Environmental Dimension	4.	Environmental Management and Compliance
	5.	Energy Utilization
	6.	Water Resource Management
	7.	Emission Management
	8.	Climate Risk Management
Social Dimension	9.	Product Quality and Safety
	10.	Technology and Innovation
	11.	Intellectual Property Protection
	12.	Responsible Marketing
	13.	Supply Chain Management
	14.	Privacy Protection
	15.	Community Contribution
	16.	Occupational Health and Safety
	17.	Employee Rights and Interests
	18.	Employee Development
	19.	Public Welfare and Charity
	20.	Inclusive Healthcare
	21.	Industry Cooperation

2. Lean Governance

TYK Medicines is committed to establishing a systematic and standardized corporate governance framework and institutional system. The Company places high importance on internal risk prevention, control, and integrity development. Through the continuous optimization of its governance and control mechanisms, TYK Medicines lays a solid foundation for achieving sustainable, stable, and high-quality development.

2.1 Corporate Governance

TYK Medicines consistently regards compliant operation as the prerequisite for the Company's sustainable development, the Company complies with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Interim Measures for the Administration of Overseas Securities Offering* and *Listing by Domestic Enterprises,* and the *HKEX's Corporate Governance Code* and other relevant laws, regulations and regulatory requirements to ensure that the Company adheres to high standards of compliance in all its business activities.

2.1.1 Corporate Governance Structure

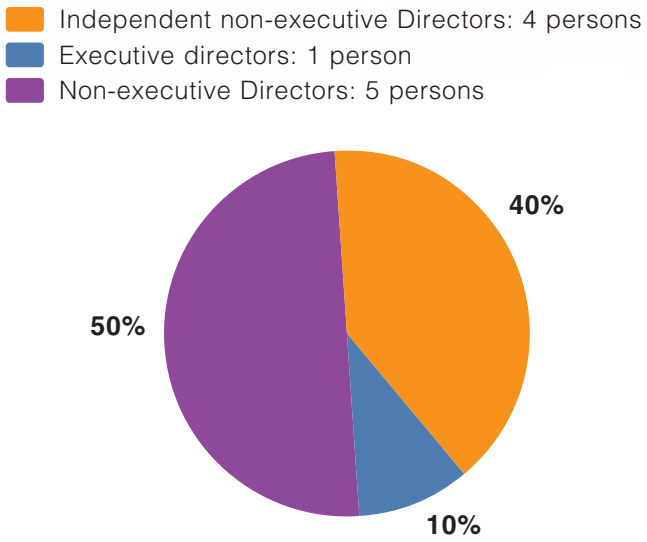
The Board of Directors of TYK Medicines serves as the core governance body, overseeing corporate management and strategy formulation, monitoring operational performance, and ensuring the soundness and effectiveness of the internal control and risk management systems. To achieve specialized and refined governance objectives, the Board has established the Audit Committee, the Nomination Committee, the Remuneration and Assessment Committee, and the Science Committee. Each committee, based on its respective mandate, exercises supervisory and advisory functions in key areas such as financial oversight, director nomination, incentive evaluation, and research ethics. The Company continuously refines its governance structure, striving to enhance diversity and professionalism in governance, thereby providing a solid foundation for sustainable development.

2.1.2 Board Diversity

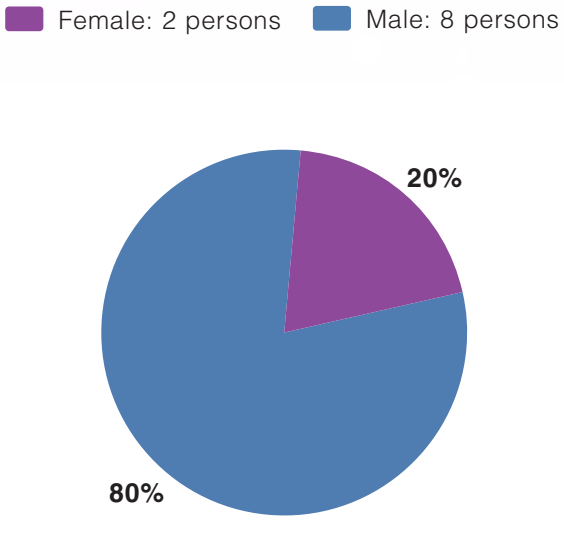
TYK Medicines adheres to a talent-centric employment philosophy. In the selection of Board members, the primary criterion is the alignment of candidates with the Company's strategic development needs, with competency fit serving as the core benchmark. The Company integrates the principles of diversity and inclusion, incorporating multidimensional differences such as gender, age, cultural background, and nationality into the considerations for Board elections. Furthermore, it systematically evaluates candidates based on their educational background, industry experience, professional expertise, knowledge base, and prior experience serving on boards. Through this comprehensive assessment, the Company aims to achieve an optimal match between individuals and roles, ensuring that talent is fully utilized.

As of the end of the Reporting Period, the Board of Directors of TYK Medicines consists of 10 members, comprising 1 Executive Director, 5 Non-Executive Directors, and 4 Independent Non-Executive Directors. Among them, there are 2 female directors, representing 20% of the total Board membership.

BREAKDOWN OF BOARD MEMBERS BY TYPE



BOARD COMPOSITION (BY GENDER)



2.2 Compliant Operation

TYK Medicines consistently upholds the principle of "Compliance First" as its core business philosophy and is committed to embedding ethical conduct and legal compliance requirements into all aspects of its operations and management. Based on a systematic compliance framework, the Company continuously improves its internal control and audit mechanisms, enhances the ability to identify, warn against, and prevent potential risks, and actively advances the construction of anti-fraud and anti-corruption systems. This fosters a corporate culture of integrity and self-discipline, providing a solid foundation for the Company's sustainable development.

2.2.1 Risk Management

TYK Medicines places high importance on the systematic development of compliance and risk management. The Company strictly adheres to applicable laws, regulations, and industry standards, including *Company Law of the People's Republic of China*, the *Basic Internal Control Norms for Enterprises*, and the *Pharmaceutical industry compliance management practices*, TYK has established a comprehensive internal policy framework centered on the *Comprehensive Risk Management System*. This framework fully covers critical management stages such as risk identification, assessment, response, monitoring, and improvement. The aim is to ensure lawful and compliant operations, maintain manageable risk levels, and establish a solid foundation for stable operation and sustainable development through standardized processes and continuous oversight.

Furthermore, by establishing a clear risk governance structure and institutional processes, TYK Medicines integrates risk management into all aspects of its business operations. This enables continuous identification, prudent assessment, dynamic monitoring, and effective management of various risks – including strategic, operational, financial, market, and legal risks, thereby helping to prevent losses or reputational damage resulting from risk incidents.

Risk Management Structure and Responsibilities

To precisely align with the Company's development needs and continuously enhance governance effectiveness, TYK Medicines conducted a systematic revision and optimization of the *Investment Management System* and the *Comprehensive Risk Management System* in 2025. The focus of this revision was on clarifying the organizational structure and assignment of authorities and responsibilities, refining the detailed management processes, and effectively strengthening the coordination mechanisms between different policies. This has significantly improved the systems' operability and implementation efficacy. The renewed policy framework further consolidates the structural foundation of the Company's risk management, making it more aligned with business realities and elevating risk control standards in key operational areas.

2.2.2 Anti-corruption

TYK Medicines strictly adheres to national laws and regulations, including the *Criminal Law of the People's Republic of China* and the *Anti-Unfair Competition Law of the People's Republic of China*. The Company has also established internal policies such as the *Anti-Fraud Management System* and the *Anti-Corruption Management System*, which set clear behavioral standards and ethical boundaries for all employees.

The Company has also established a clear anti-fraud and anti-corruption governance structure. The General Manager serves as the person and administrator responsible for anti-corruption efforts. The Legal Department acts as the daily management body for anti-corruption work. It is responsible for coordinating anti-corruption compliance across the Company and its subsidiaries, including developing and reviewing anti-corruption policies and guidelines, monitoring non-compliant conduct, screening and analyzing reports/audit/regulatory information to assess potential corruption risks, investigating suspected corrupt activities, issuing reports, administering disciplinary actions in accordance with regulations, deciding on judicial referrals, and conducting compliance education, training, consultation, and oversight. Simultaneously, the General Manager is responsible for daily supervision, handling reports, organizing investigations, formulating disciplinary recommendations, and reporting to Senior Management and the Board of Directors.

Furthermore, to effectively implement anti-corruption requirements, the Company has enacted a series of specific management measures:

Focus on High-Risk Areas	Detailed lists of prohibited conduct have been established for business processes with higher risks of fraud and corruption, such as procurement, clinical research, and investment/financing activities. This makes risk identification and control more targeted. Measures have been implemented to strengthen background checks for new hires in critical positions, enhance supervision and review of related-party transactions, and embed integrity clauses into supplier and partner management systems. This facilitates the deep integration of anti-corruption management requirements with core business operations.
Improving Reporting and Protection Mechanisms	Unified requirements for confidentiality, recusal, and whistleblower protection have been established. The entire management process, from report intake to investigation and accountability, has been refined to encourage internal oversight and safeguard the legitimate rights and interests of whistleblowers.
Promoting the Transformation of Management Model	The Company is committed to shifting the focus of integrity risk management from post-incident response to proactive prevention and in-process control. It seeks to deeply embed risk prevention measures into daily operations and decision-making processes, ultimately achieving the normalization and institutionalization of anti-corruption efforts.

Integrity Culture Development

The Company develops differentiated training themes tailored to the characteristics and risk profiles of various business scenarios. The training encompasses key modules such as interpretation of internal anti-corruption policies, analysis of external regulatory requirements, reviews of typical industry cases, and guidance on internal compliant operations. This approach enhances the relevance and effectiveness of the training, providing a solid foundation for fostering an ethical, upright, and compliance-oriented corporate environment.

Specialized Anti-Corruption Training: "Identification and Prevention of Clinical Corruption"

In November 2025, to actively respond to the *Compliance Guidelines for Pharmaceutical Enterprises on Prevention of Commercial Bribery Risks* issued by China's National Health Commission and other relevant authorities, TYK Medicines organized a specialized anti-corruption training titled "Identification and Prevention of Clinical Corruption". This training targeted key personnel from corporate functions, including administration, HR, finance, securities, and legal, as well as from clinical operations departments. The session systematically explained the policy context and compliance requirements of the *Pharmaceutical Enterprises on Prevention of Commercial Bribery Risks*, provided in-depth analysis of the characteristics and identification methods of typical corrupt practices in the pharmaceutical industry, and conducted practical scenario exercises based on industry cases. The training served to further strengthen the compliance awareness and risk identification capabilities of critical personnel, thereby establishing a more robust framework of internal controls and ethical safeguards for the Company's operations in high-risk areas such as clinical research.

Specialized Anti-Corruption Training in 2025

Annual Anti-Corruption Training for Directors and Senior Management in 2025

In 2025, in active response to national policy directives on strengthening corporate anti-corruption and compliance culture, and to further implement requirements for the board of directors' ethical performance of duties, TYK Medicines invited external professional legal counsel to conduct an annual specialized anti-corruption training for its board members and senior executives. Centered on the core theme of "Building a Company-Wide Anti-Corruption Cultural Ecosystem", the training systematically elucidated the key responsibilities and practical pathways for directors and management in upholding integrity governance. It effectively enhanced the compliance awareness and risk prevention capabilities of the board and senior leadership, laying a solid foundation for elevating the Company's overall governance standards and sustainable development.

Reporting Channels and Whistleblower Protection

To strengthen integrity development and anti-corruption efforts, TYK Medicines has established multiple reporting and grievance mechanisms. We sincerely invite internal employees, external partners, and other stakeholders to report any illegal or non-compliant conduct observed in the Company's daily operations, either anonymously or by name. To ensure the safety of whistleblowers, the Company strictly implements a whistleblower protection mechanism. *The Anti-Corruption Management Policy* explicitly prohibits any form of retaliation. Disciplinary action will be taken in accordance with Company policies against anyone found infringing upon the legitimate rights and interests of whistleblowers or witnesses, and cases involving suspected criminal activity will be referred to judicial authorities.

Anti-corruption Reporting Process

During the Reporting Period, the Company is not aware of any lawsuits or cases related to corruption or unfair competition brought against the Company or its employees.

3. Product Responsibility

TYK Medicines focuses on R&D innovation as its core strategy; by integrating innovation capacity building with responsible operations, the Company drives steady development. Focusing on R&D innovation and the commercialization of outcomes, the Company supports the orderly application of innovative results through systematic intellectual property management and strategy. Concurrently, we continuously improve the quality management system covering the entire product lifecycle, strictly controlling product quality and safety, and strengthening information security and privacy protection management. This approach enables the Company to earnestly fulfill its corporate social responsibilities and steadily advance its sustainable development goals.

3.1 Product Innovation

Regarding product innovation initiatives, TYK Medicines focuses on two key areas: building a robust R&D system and strengthening intellectual property protection. The Company continuously consolidates its innovation foundation to support steady development.

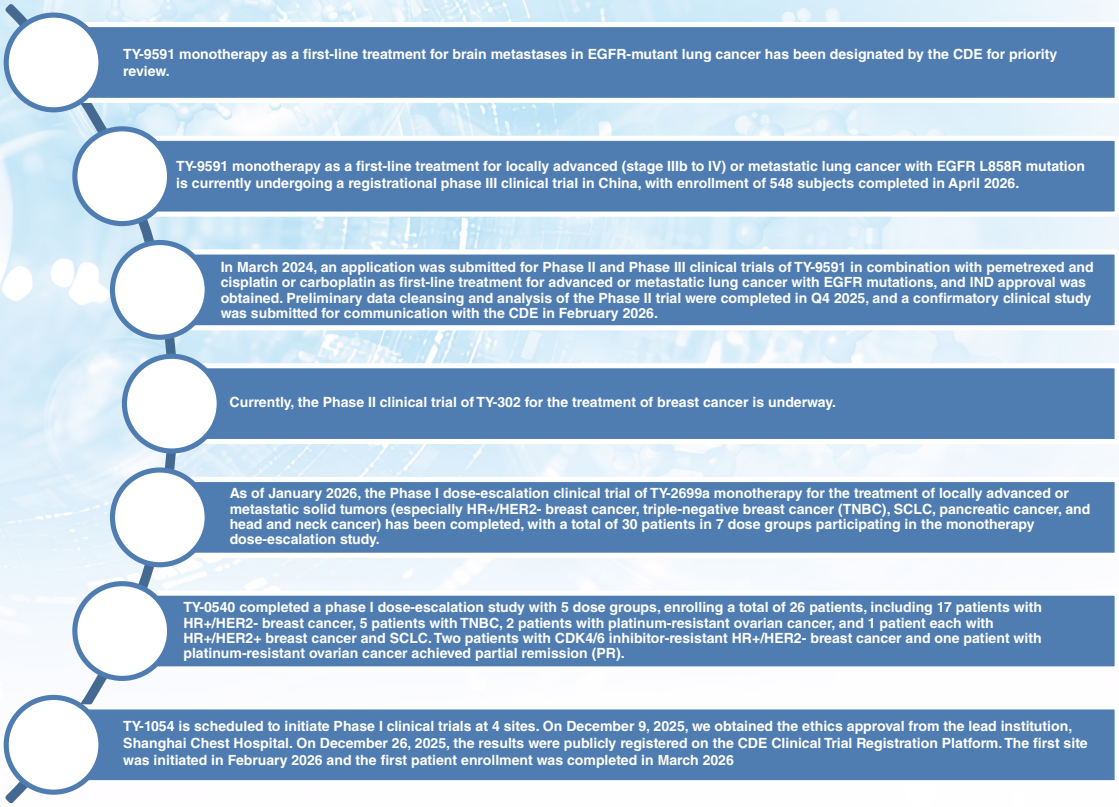
3.1.1 R&D Innovation System

TYK Medicines adheres to the development vision of "achieve world-leading standards in pharmaceutical R&D" and advances the construction of its R&D innovation system by focusing on three key areas: optimizing management processes, driving technological innovation and the translation of results, and cultivating talent. This approach continuously enhances its independent R&D capabilities and core competitiveness.

At the governance level, the Company has established a Science Committee composed of members of the Board of Directors. This committee is responsible for identifying and evaluating emerging trends in pharmaceutical science, as well as reviewing and assessing the initiation, progress, and key milestones of R&D projects. It provides professional advice to the Board on the development of R&D portfolios, the advancement of long-term strategic R&D goals, science and technology projects, and related investment matters. Simultaneously, the committee examines and evaluates the Company's R&D capabilities and organizational effectiveness.

To ensure governance effectiveness, we have further improved internal reporting mechanisms and supervision processes. Relevant internal policies and management requirements have been established to standardize the management of R&D activities, enhancing the orderliness and controllability of innovation and R&D advancement. This strengthens the supportive and safeguarding role of governance mechanisms in R&D management.

Building on its innovation-driven R&D system, TYK Medicines continues to advance the development of its independent R&D capabilities and the optimization of its product pipeline, accelerating the translation of innovative outcomes. During the Reporting Period, the Company achieved progress in both its pre-clinical and clinical projects, and is steadily advancing related R&D work, committed to providing scientific and effective medical solutions for a greater number of patients.



Major Progress in Innovative R&D at TYK Medicines

TYK Medicines regards the cultivation of an innovative culture as a fundamental driver for sustained R&D advancement. By fostering an R&D environment that encourages exploration and collaborative innovation, the Company strengthens its intrinsic motivation for technological innovation and the commercialization of outcomes. We attach great importance to the recruitment and development of high-caliber R&D talent, continuously building innovative teams to provide robust support for product development and technology applications.

As part of our ongoing commitment to nurturing an innovative culture, we continuously improve mechanisms for the independent training of innovative personnel. Equity incentive arrangements have been implemented for key R&D staff to stimulate the innovation vitality of R&D teams and support the long-term enhancement of the Company's innovation capabilities. Concurrently, the Company continues to increase its investment in R&D and innovation, facilitating the transformation of scientific research achievements. During the Reporting Period, the total R&D expenditure reached 0.244 billion yuan.

As of the end of the Reporting Period:

- The Company employed 117 R&D personnel, accounting for approximately 67.63% of the total workforce.
- This includes 7 national-level experts and over 10 provincial-level experts.
- Fifteen members are returnee experts and Ph.D. holders with new drug R&D experience at renowned multinational pharmaceutical companies.
- Four Ph.D. holders are being trained at the Company's provincial-level postdoctoral workstation, and three have successfully completed their postdoctoral training upon passing the assessment.
- Two recipients of national-level overseas young talent introduction programs have officially joined the Company's Medicinal Chemistry and Biology departments.

3.1.2 Intellectual Property Protection

Intellectual Property Oversight System

Intellectual property protection serves as a vital foundation for enterprises to safeguard the rights and interests of their innovative achievements and to support sustained innovation. TYK Medicines continually refines its intellectual property protection framework. The Company strictly complies with the relevant laws and regulations in the countries and regions where it operates and has established and implemented internal policies such as the *Patent Management Measures* and the *Patent Document Management System*. This ensures that innovative outcomes are protected and managed in a standardized and effective manner.

In terms of governance structure, TYK Medicines is progressively enhancing its intellectual property management and supervision framework. By clarifying the intellectual property management responsibilities of project leaders throughout the R&D process, and with the support and coordination of the dedicated intellectual property management department, the Company maintains continuous oversight of intellectual property risks within R&D activities. The Company regularly conducts patent risk screening and assessments, strengthening the identification and management of potential risks. This provides robust institutional safeguards and legal support for the steady advancement of R&D and innovation initiatives.

Intellectual Property Monitoring Mechanism

In terms of the management system, the Company conducts audits in accordance with the ISO 56005[1] standard and the Company's intellectual property management regulations. During the Reporting Period, we obtained ISO 56005 Innovation and Intellectual Property Management Capability Level 3 certification.


IMSPP

IMSPP-G001IIPMC25-CN-001012-01

基于 ISO 56005 的《创新与知识产权管理能力》
等级证书（3 级）

浙江同源康医药股份有限公司

（地址：浙江省湖州市长兴县长兴经济开发区明珠路1278号长兴世贸大厦A座14层1403-2室）

经评价，已通过并达到了《创新管理 - 知识产权管理指南（ISO 56005: 2020）》及相应的《创新与知识产权管理能力分级评价指标体系》相关能力要求，特发此证书。

评价范围：抗肿瘤药领域创新过程中的知识产权管理

发证日期：2025-11-28

有效期至：2028-11-27

查询平台：https://grading.imspp.org.cn

评价机构：中知（北京）认证有限公司

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TYK Medicines ISO 56005 Certification Certificate

[1] ISO 56005 is a standard related to innovation management published by the International Organization for Standardization (ISO). Its current version is ISO 56005:2020 Innovation management — Tools and methods for intellectual property management, which provides guidance for organizations on managing intellectual property activities throughout the innovation process.

Intellectual Property Management Initiatives

To elevate the standard of intellectual property management, the Company advances its initiatives focusing on three key areas: process standardization, quality enhancement, and risk prevention. This involves continuously improving end-to-end patent process management, strengthening the focus on patent quality and value, and proactively conducting intellectual property risk identification and mitigation.

This year, based on the end-to-end patent management framework, the Company systematically reviewed and standardized key stages, including patent proposal, filing, and response. We piloted a unified patent proposal management arrangement, clarifying process requirements for proposal submission, review, revision, and submission, thereby promoting centralized management of patent information and internal coordination. Concurrently, the Company standardized the patent file numbering system. By defining a rule for combining elements such as project, date, sequence, and country/region, the Company enhanced the classification management of patents from different R&D projects and different jurisdictions, improving overall consistency and traceability in patent management.

Building on this foundation, the Company has further prioritized patent quality. By introducing a patent quality scoring and assessment mechanism, patents are comprehensively evaluated based on their technical value, portfolio rationale, and protective effectiveness. This shifts the focus of patent management from quantity to quality, continuously enhancing the ability of the patent portfolio to support the Company's R&D innovation and technology commercialization.

To proactively identify and effectively mitigate potential patent infringement risks, TYK Medicines conducts Freedom-to-Operate (FTO)[2] analyses on a project basis. These analyses target core technical solutions in key target countries and regions, with results being dynamically updated to maintain ongoing awareness of the patent landscape in relevant technological fields. Concurrently, the Company integrates patent infringement risk identification earlier into the R&D lifecycle, initiating patent infringement analysis, patent mining, and portfolio strategy work concurrently with the initial design of technical solutions. This synchronized approach to risk identification and patent strategy simultaneously reduces the risk of infringing third-party patents and strengthens the Company's own patent protection.

[2] FTO (Freedom to Operate) analysis refers to the process of conducting patent searches and analyses for a proposed technical solution within the scope of specific countries or regions. Its purpose is to assess whether the related R&D, production, or commercialization activities carry the risk of infringing upon third-party patent rights.

Intellectual Property Culture Development

The Company continuously advances the development of its intellectual property culture. It organizes training sessions on intellectual property-related topics for R&D personnel and management to deepen their understanding of IP protection requirements and promptly communicate updates to relevant laws and regulations. Simultaneously, we provide R&D staff with support and guidance in areas such as patent searches, drafting, filing, and responding to examination opinions, facilitating the standardized conduct of R&D activities. Furthermore, we are continually refining the intellectual property incentive mechanism. Through various forms of recognition, we acknowledge R&D personnel who achieve IP results, thereby stimulating employee innovation vitality.

Specialized Training in Patent Granting and Infringement
Addressing the common need for identifying intellectual property risks in R&D activities, TYK Medicines periodically conducts specialized training on "Patent Granting and Infringement" for its R&D personnel. Starting with the core distinction between patent granting and patent infringement, the training focuses on explaining the different analytical perspectives when examining an R&D solution from the standpoint of one's own patent grant versus the risk of infringing a third-party patent. It guides R&D personnel in understanding the logic behind defining the boundaries of patent rights by incorporating key elements such as patent priority, protection term, claim scope, and support from the specification.

- As of the end of the Reporting Period, TYK Medicines has accumulated 292 patents and 24 trademarks.
- Filed 69 patent applications and was granted 22 patents during the year.
- No litigation cases related to intellectual property occurred during the year.

3.2 Quality Management

TYK Medicines continuously strengthens its quality and safety management requirements, advancing the improvement and operation of its quality management system through systematic management arrangements. The Company integrates quality management, product safety, as well as information security and privacy protection into its overall management framework. This ensures that R&D and operational activities progress steadily within compliant and controlled parameters, supporting pharmaceutical innovation and the advancement of public health through reliable management practices, thereby earnestly fulfilling its corporate social responsibilities.

3.2.1 Product Quality

We place product quality and patient safety at the core of our R&D and operational management, continuously standardizing quality and safety control processes throughout the entire product lifecycle. By enhancing the quality management system, strengthening controls and risk identification, and fostering a culture of quality, the Company ensures the stability and safety of product during R&D, clinical studies, and related activities, thereby delivering safe and reliable product solutions to patients.

Quality Management System

In accordance with internal policies such as the *Responsibilities of the Pharmacovigilance Department* and the *Responsibilities of the Pharmacovigilance Officer*, the Company defines the responsibilities of relevant departments and positions involved in pharmacovigilance. This promotes the standardized operation of pharmacovigilance activities and ensures compliance with ICH guidelines and regulatory requirements from the National Medical Products Administration (NMPA), the U.S. Food and Drug Administration (FDA), and the European Medicines Agency (EMA).

During the year, we systematically reviewed and updated the quality and compliance management documentation. This included the key revision and enhancement of 17 internal policies, such as the *Quality System Document Management Procedure*, the *Service Provider Management Procedure*, and the *Standard Operating Procedure for Clinical Research Site Selection and Qualification Assessment*. These updates comprehensively cover pharmacovigilance-related activities, including clinical trial and individual case safety report processing, safety signal detection, risk monitoring and control, as well as the authoring and submission of periodic safety reports. These efforts continually reinforce a standardized and regulated foundation for product quality management.

Quality Management Initiatives

To ensure the effective operation of the quality management system, TYK Medicines continuously refines its organizational structure and operational mechanisms related to quality and safety management, systematically integrating quality requirements into R&D and clinical research activities. By clarifying roles and responsibilities, strengthening process oversight, and enhancing feedback and improvement mechanisms, the Company has established quality management measures that cover the entire clinical research lifecycle. These initiatives support timely identification and effective control of quality risks, driving the continuous improvement of the quality management system.

Clarify Roles and Responsibilities

- A dedicated pharmacovigilance department has been established, staffed with a professionally qualified team responsible for safety monitoring and management during the clinical research phase, providing specialized support for quality and safety management.

Strengthen Process Oversight

- Through the deployment of specialized monitoring personnel, conducting on-site or joint monitoring, implementing regular audits, and engaging third-party inspections, continuous oversight and risk identification are maintained throughout the entire clinical trial process. This ensures the compliance and reliability of critical data and research quality.

Enhance Feedback and Improvement Mechanisms

- For issues identified during audits and inspections, the Company continuously advances the closed-loop management of Corrective and Preventive Actions (CAPA). Improvement insights are systematically integrated into project and supplier management processes, driving the ongoing enhancement of overall quality and risk prevention capabilities.

Specific Quality Management Initiatives

Fostering a Quality Culture

To continuously strengthen the quality culture, we conduct regular training sessions focused on critical clinical research stages and quality risk points. These initiatives enhance the project teams' and relevant personnel's understanding and execution capabilities regarding key quality elements, thereby ensuring the effective implementation of quality management requirements in daily operations.

Training Focus	Training Content	Training Frequency	Target Audience
Quality Competency Training for Monitors	Focusing on the critical quality elements of clinical research, training is conducted to enhance monitors' supervision and quality identification capabilities, strengthening their awareness of quality risk identification and monitoring for key processes and critical data.	1 Time	Clinical Research Associate (CRA)/Monitor
Specialized Training in Data Cleaning and Management	Specialized training is conducted on the key quality control points during the data cleaning phase. This clarifies the work priorities for both the project team and monitors and strengthens the understanding of the release requirements for critical processes and key data.	2 Times	Project Team Members and Monitors
Cross-functional/ Supplier Quality Exchange	Based on findings from monthly project audits and monitoring activities, significant and common quality management issues are consolidated and shared. This practice enhances awareness of quality risk identification and prevention during clinical project operations and drives the implementation of corrective actions.	4 Times	Project Team Members and Relevant Suppliers
Registration and Inspection Readiness Training	Specialized training is provided on clinical inspection preparedness and regulatory submission requirements. This training enhances the understanding of key processes and the capability for compliant execution, thereby supporting the standardized advancement of the Company's registration and clinical submission activities.	1 Time	Project Management, Medical, and Relevant Support Staff

3.2.2 Clinical Compliance

Research Ethics

Adherence to R&D ethics serves as a fundamental prerequisite for ensuring the standardized conduct of clinical research and protecting the rights and welfare of trial participants. While advancing innovative R&D and exploring new therapeutic possibilities, TYK Medicines integrates ethical compliance requirements throughout the entire R&D lifecycle, ensuring that all related studies proceed in a prudent and compliant manner.

During the pre-clinical research stage, the Company strictly follows relevant ethical guidelines to conduct animal experiments in accordance with moral standards, actively implementing animal ethics policies and animal welfare protection requirements. Furthermore, the Company consistently applies the principles of Replacement, Reduction, and Refinement (the 3Rs). By optimizing experimental design, reasonably controlling the number of animals used, and improving housing and procedural conditions, we continuously enhance the level of animal welfare protection.

In clinical research management, TYK Medicines has established a relatively comprehensive ethics review and oversight mechanism. Prior to initiating a clinical study, the Company is required to submit study protocols, informed consent forms, and other documents for both project approval and ethics committee review. The study may proceed only after obtaining institutional approval, ethics committee approval, and the execution of relevant agreements with the research institution, followed by regulatory agency approval and information disclosure procedures. During the conduct of the clinical trial, the Company is required to promptly report any protocol deviations or serious adverse events to the ethics committee. The ethics committee, in turn, conducts annual reviews of ongoing projects and performs a thorough evaluation and audit upon study completion, thereby safeguarding the compliance and safety of the entire clinical research process.

Participant Privacy Protection

In drug clinical trials and related research activities, the Company establishes and implements a participant privacy protection and information management mechanism in accordance with requirements such as the *Good Clinical Practice and the Declaration of Helsinki*. This ensures the standardized management of participant information throughout its collection, storage, and use.

Furthermore, the Company integrates participant information management with clinical research risk control, prioritizing safety and ethical compliance throughout the research process. By conducting risk identification, assessment, and implementing corresponding management arrangements, we ensure that appropriate information management and risk control measures are clearly defined within the study protocol. This approach safeguards participant rights and supports the standardized conduct of clinical research.

Informed Consent of Participants

- The confidentiality provisions for personal information are clearly stated in the informed consent form, and participants are required to sign the informed consent form before the trial begins.

EDC Database Management

- It is strictly prohibited to collect personal information unrelated to the research purpose, and participant information will be anonymized when entered into the EDC database.
- Access permissions are set for the EDC database, and confidentiality agreements and data transfer agreements are signed with partners who need to share data.

Regulatory Agency Review

- CRAs, ethics committee representatives of hospitals, and the National Medical Products Administration must strictly comply with GCP and the Personal Information Protection Law when handling participants' personal information and sign source data verification agreements.

Participant Privacy Protection Mechanism

Clinical Medication Safety

TYK Medicines places a high priority on clinical drug safety management. We strictly adhere to relevant domestic and international regulations and technical guidelines, continuously improving our safety monitoring and risk management mechanisms to support the safe conduct of clinical research through standardized and prudent management requirements. By integrating institutional development, process monitoring, and digital tools, the Company strengthens the identification, assessment, and management of safety risks associated with investigational products, thereby ensuring the scientific integrity and regulatory compliance of clinical studies.

To enhance safety management for investigational products, we have established systematic safety monitoring and risk assessment mechanisms. In accordance with the *Standard Operating Procedures for Safety Signal Detection and Evaluation Management*, periodic detection of product safety signals is conducted, followed by analysis and assessment of identified signals. When necessary, appropriate risk management processes are promptly initiated to mitigate potential medication risks.

In addition to the routine collection and handling of serious adverse events, the Company conducts periodically comprehensive analysis and assessment of safety events. This includes generating Development Safety Update Reports (DSURs) and, based on the latest risk assessment results of the investigational product, timely updating the Investigator's Brochure. These measures ensure that all parties involved in the clinical trial are promptly informed of the product's safety profile, supporting the standardized implementation of the clinical research.

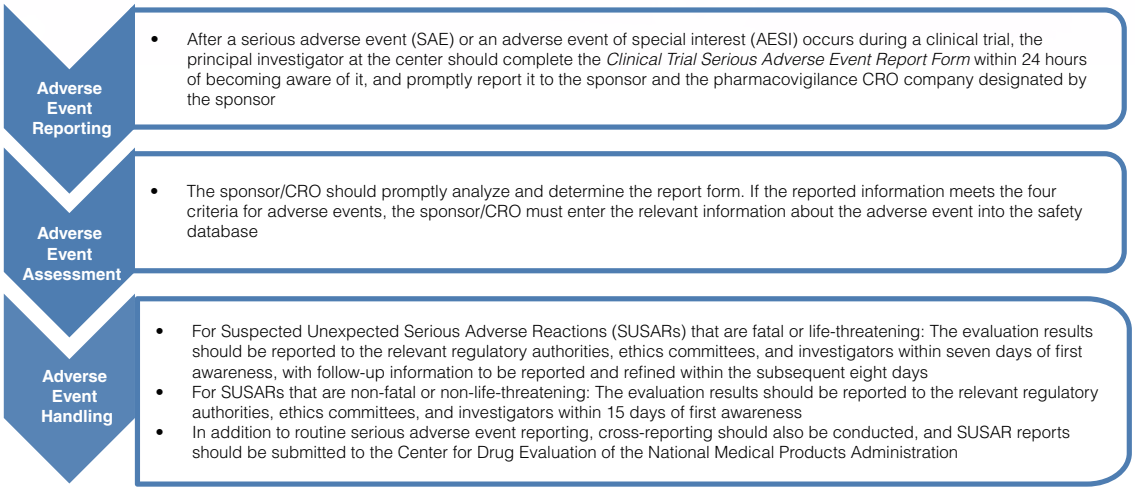
Concurrently, we are steadily advancing the digitalization of our quality and safety management systems. The eSafety system is employed as the core safety database to centrally manage safety information from multiple sources, including clinical trials, non-interventional studies, and patient support programs. The Company has established clear data management and operational specifications for contracted CROs, ensuring the completeness, accuracy, and traceability of safety data entry. This provides reliable data support for clinical drug safety management.

3.2.3 Pharmacovigilance

Pharmacovigilance serves as a critical management component for ensuring the timely identification and effective management of drug safety risks. The Company has established a dedicated Pharmacovigilance Department, staffed with a professionally qualified team. This department is responsible for safety monitoring and management during the clinical research phase, providing specialized support for quality and safety management. Furthermore, by implementing standardized mechanisms for adverse event collection, assessment, and reporting, as well as robust product recall management procedures, we continuously strengthen our capabilities to identify and respond to potential safety risks. These efforts support the effective implementation of safety management requirements throughout a product's entire lifecycle, safeguarding patient drug safety and upholding the standardized operation of product quality management.

Adverse Event Management

We prioritize the safety management of participants during clinical trials. Through the establishment of internal policies, such as the *Serious Adverse Event Management Procedure*, and the implementation of a Safety Management Plan (SMP), we standardize the processes for identifying, handling, and managing adverse events among all parties involved in the trial.



Adverse Event Management Process

Product Recall

TYK Medicines complies with applicable laws and regulations in its operating regions. The Company has established and continuously improves its product recall management mechanism, clearly defining the trigger conditions and handling procedures for recalls. A dedicated quality management and regulatory team conduct timely assessments of products that may have quality issues or other risks, in accordance with relevant quality management procedures, and implements appropriate recall measures. This ensures potential risks are effectively controlled and adverse impacts are minimized. During the Reporting Period, the Company had no product recall incidents.

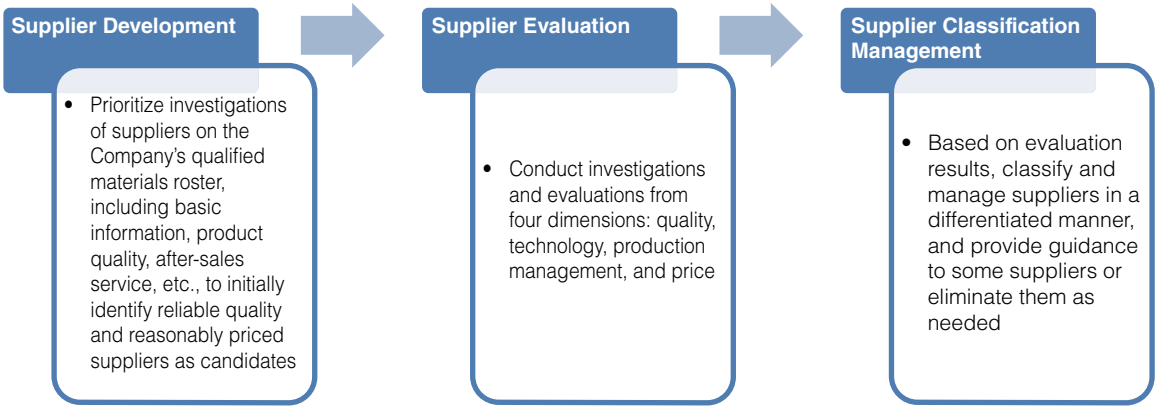
4. Win-win Development

TYK Medicines continuously advances the development of its supply chain management system, integrating the concept of sustainable procurement into its supply chain practices. The focus is on enhancing the operational security and stability of the supply chain. By strengthening communication and collaboration with supply chain partners, the Company promotes the effective implementation of responsible requirements throughout the supply chain and encourages partners to jointly focus on issues related to quality, safety, and sustainable development. Simultaneously, we actively engage in industry exchanges, maintain constructive interaction with peers, and collaborate with partners and various stakeholders to jointly foster the sustainable development of the industrial and value chains.

4.1 Responsible Supply Chain

A stable and reliable supply chain serves as a critical foundation for the Company's long-term development. We strictly adhere to relevant laws and regulations in our operating regions and have formulated and implemented internal management documents such as the *Supplier Management System and* the *Supplier Selection Criteria*. These measures enable systematic management of supplier resources, standardize collaboration processes, and foster stable communication and long-term cooperation between the Company and its suppliers. Concurrently, the Company continuously refines supplier governance. The Procurement Department is centrally responsible for supplier development, maintenance, and day-to-day management, with clearly defined roles, responsibilities, and job requirements, thereby supporting the standardized operation of the supplier management system.

Building upon this foundation, TYK Medicines has established a management mechanism encompassing supplier development, evaluation, and tiered classification. By refining the qualification assessment and dynamic management processes, we enhance the security and reliability of the supply chain, ensuring that partner suppliers consistently provide products and services that meet required standards. The Company implements differentiated management strategies tailored to the specific circumstances of each supplier partnership. This approach increases the focus and efficiency of management efforts, further solidifying the foundation for the stable operation of the supply chain system.



Supplier Management Mechanism

We continuously promote the integration of supply chain management with sustainable development principles, gradually embedding environmental, social, and governance (ESG) requirements into supplier management processes. The Company insists on collaborating with suppliers who comply with laws, regulations, and industry standards. In procurement activities, we emphasize the compliance and environmental attributes of raw materials, driving the entire supply chain towards more standardized and responsible development. Simultaneously, the Company maintains daily communication and engagement with suppliers through multiple channels, promptly understanding collaboration status and management needs. This facilitates the aligned implementation of quality management and ESG-related requirements, gradually establishing stable and mutually trusting partnerships.

As of the end of the Reporting Period, the number of the Company's suppliers is as follows:

Indicator		Unit	2025
Total number of suppliers		/	31
Number of suppliers by region	East China	/	27
	South China	/	1
	Central China	/	1
	North China	/	2
	Northwest	/	0
	Northeast	/	0
	Southwest	/	0
	Overseas	/	0

4.2 Industry Communication and Cooperation

While advancing its own business development, TYK Medicines continuously strengthens communication and collaboration with various industry stakeholders. Through multi-level industry engagement and technical exchanges, the Company synergizes with leading enterprises in the sector, accelerating the translation and application of cutting-edge technological achievements into practical use.

- In January 2025, TYK Medicines participated in the Huzhou City "Report to the People" and the "Four Seasons Showcase of Change" exhibition for landmark county-level sites. Zhejiang TYK Medicines was honored with the 2024 "Quality Enterprise Contributor for Practical Work and Excellence" award by the Huzhou Municipal Party Committee and Government.
- In March 2025, TYK Medicines participated in the 27th session of "International Friends Experience Huzhou" held by the Huzhou Foreign Affairs Office.
- In March 2025, TYK Medicines attended the Zhejiang Province Laboratory Animal Management Exchange Conference.
- In April 2025, TYK Medicines participated in the Expert Representative Symposium of the Biomedicine Special Committee organized by the Changxing County Market Supervision and Administration Bureau.
- In April 2025, TYK Medicines attended the 2025 AACR Annual Meeting in Chicago, USA, and presented 6 conference posters.
- In May 2025, TYK Medicines participated in the Zhejiang Province Promotion Conference on the Deep Integration of Technological Innovation and Industrial Innovation and the High-Quality Development of Manufacturing Conference.
- In June 2025, TYK Medicines attended the Huzhou City Financial Support for High-Quality Development of the Private Economy and Science and Technology Innovation Bond Promotion Conference.
- In June 2025, TYK Medicines participated in the Zhejiang Province "15th Five-Year Plan" for New Industrialization Planning Symposium organized by the Zhejiang Academy of Industry and Information Technology.
- In June 2025, the latest research findings on TYK Medicines' TY-9591 were unveiled for the first time at the 2025 American Society of Clinical Oncology (ASCO) Annual Meeting and were honored with an oral presentation.
- In July 2025, the Phase I clinical trial results of three self-developed innovative drugs – the CDK2/4 inhibitor TY-00540, the CDK7 inhibitor TY-2699a, and the CDK4/6 inhibitor TY-302 – were officially accepted for poster presentation at the 2025 European Society for Medical Oncology (ESMO) Congress.
- In July 2025, TYK Medicines participated in the 10th "Maker China" Huzhou Division Finals. TYK Medicines' project "Innovative Drug Development for Non-Small Cell Lung Cancer – Overcoming Third-Generation EGFR Resistance" won the third prize in the enterprise group.

- In July 2025, Dr. Guo Zhengfei participated in the first "ICBC Cup" Zhejiang Province Postdoctoral Innovation and Entrepreneurship Competition and received the Excellence Award.
- In September 2025, TYK Medicines participated in the Symposium on Promoting Coordinated Talent Development in the Yangtze River Delta Region organized by the Zhejiang Academy of Talent Development.
- In September 2025, TYK Medicines attended the 28th Annual Conference of the Chinese Society of Clinical Oncology (CSCO) held in Jinan.
- In September 2025, TYK Medicines participated in the Special Research Symposium for Private Enterprises convened by the Zhejiang Provincial Federation of Industry and Commerce.
- In October 2025, TYK Medicines attended the Huzhou City Symposium on Promoting High-Quality Development of the Silver Economy.
- In October 2025, TYK Medicines participated in the activity where the County Party Secretary visited the People's Congress Representative Liaison Station and Supervised Key Proposals, organized by the Changxing County People's Congress.
- In November 2025, TYK Medicines attended the Symposium on Science and Technology Talent Work for the Next Five Years organized by the Zhejiang Provincial Department of Science and Technology.
- In November 2025, TYK Medicines participated in the "Focus on Zhejiang, Co-create Vitality" Biomedicine and Medical Device Foreign-Invested Enterprise Roundtable hosted by the Zhejiang Provincial Department of Commerce.
- In November 2025, TYK Medicines attended the Huzhou Private Enterprise Festival event held at the Longemont Conference Center in Changxing County.
- In November 2025, TYK Medicines attended the 2025 European Society for Medical Oncology (ESMO) Congress and delivered a presentation.

TY-9591 Related Clinical Research Presented at Major International Oncology Conferences

During the Reporting Period, clinical research findings related to TYK Medicines' core product, TY-9591, were successively selected for presentation at two major international oncology conferences – the American Society of Clinical Oncology (ASCO) Annual Meeting and the World Conference on Lung Cancer (WCLC). Both presentations were delivered in the form of oral reports, reflecting the attention and recognition the research has garnered within the international academic community.

The related research, based on data from multicenter clinical studies, analyzed treatment efficacy and safety in specific patient populations, systematically evaluating the potential value of the research protocol in clinical application. Presenting these findings on international academic platforms facilitates scholarly exchange and experience sharing, thereby supporting the advancement of clinical research in the field of oncology treatment. By consistently participating in high-level international academic conferences and presenting research progress, TYK Medicines continues to strengthen its engagement with the global academic community, promoting the steady enhancement of its R&D capabilities and clinical research standards.

TYK Medicines' Asandeutertinib Tablets (TY-9591) were selected for presentation at the World Conference on Lung Cancer (WCLC).

5. Harmonious Ecology

Guided by a sustainable development philosophy, TYK Medicines actively responds to the national "Dual Carbon" strategy, deeply integrating green and low-carbon development into all aspects of its operations and production. By continuously optimizing its environmental management system, improving resource efficiency, and advancing technological innovation in energy conservation and emission reduction, the Company actively explores pathways for green transformation. It is committed to building an environmentally friendly and resource-efficient enterprise, working alongside all sectors of society to promote ecological conservation and contribute to a green future.

5.1 Addressing Climate Change

Climate change presents a complex global challenge. In this context, TYK Medicines has established green development as a steadfast objective, deeply integrating climate-related considerations into its long-term strategic planning. The Company identifies and assesses the risks and potential opportunities arising from climate change, formulates corresponding response measures, and works to reduce the carbon emissions associated with its own business operations. These actions demonstrate their commitment to corporate social responsibility.

5.1.1 Governance

TYK Medicines integrates climate-related governance into its overall ESG framework, ensuring that climate change issues are incorporated into the Company's holistic strategic planning on an equal footing with other significant ESG topics. The Board of Directors oversees and reviews climate-related strategies, policies, progress toward goals, and the implementation of measures to address climate-related risks and opportunities, thereby ensuring the effectiveness of climate risk management.

5.1.2 Strategy

TYK Medicines strictly adheres to HKEX's *Enhancement of Climate-related Disclosures under the Environmental, Social and Governance Framework*. Based on the Company's specific operational realities, regional geographical conditions, and industry trends, we have systematically completed the identification and mapping of climate-related risks and opportunities. Concurrently, dedicated management programs have been established to scientifically and effectively address the potential impacts of climate factors on business operations.

During the Reporting Period, based on the short, medium, and long-term business development, current policies and regulations, and the macroeconomic environment, we conducted an analysis from the two dimensions of physical risks and transition risks. The analysis focused on selecting different climate scenarios under two types of warming assumptions for risk identification. This includes scenarios under the turquoise warming assumption (2°C or below), such as RCP2.6 and NZE, as well as scenarios under the brown warming assumption (above 2°C), such as RCP8.5 and STEPS.

Types of Climate Change Risks/Opportunities		Potential Impact	Response Measures
Physical Risks	Acute Physical Risks	The increasing frequency of extreme weather events – such as typhoons, floods, droughts, and extreme heat – may threaten the stable operation of the Company's infrastructure, thereby impacting business continuity.	• Establish the *Emergency Plan Management System* to standardize responses to climate disasters; • Actively respond to relevant local government policies and develop emergency plans to ensure employee safety and provide relevant insurance for employees.
	Chronic Physical Risks	The rise in average global temperatures requires the Company to use more energy to maintain the desired indoor environmental temperature at operational sites.	• Improve the Company's energy management system to enhance energy efficiency; • Actively promote the use of renewable energy to ensure a stable energy supply system for production and operations, reduce overall energy consumption, and lower costs.

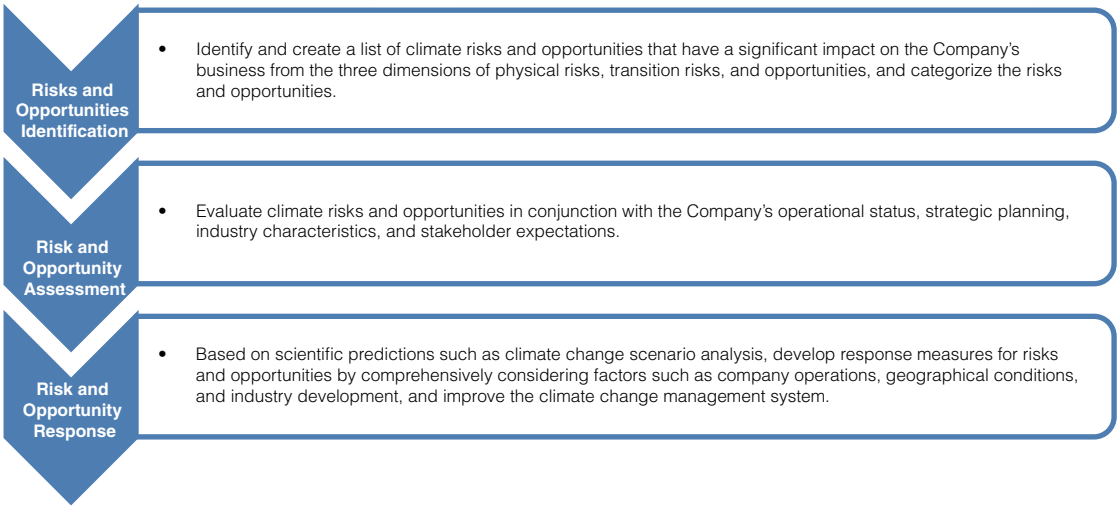
Types of Climate Change Risks/Opportunities		Potential Impact	Response Measures
Transition Risks	Policies and Laws	Increasingly stringent climate change policies and regulatory requirements may raise the Company's compliance operating costs.	• Monitor the latest climate-related laws and regulations in the operating area and take necessary energy-saving and carbon-reduction measures; • Timely optimize the Company's system to ensure compliance in production and operations.
	Reputation	Stakeholders are increasingly concerned about the Company's actions and progress in addressing climate change, and slow progress may impact the Company's reputation.	• Implement diverse energy saving and carbon-reduction measures to strive to reduce the Company's environmental impact and contribute effectively to global climate change efforts; • Enhance communication with stakeholders through ESG reports, investor relations work, and other means.
Opportunities	Resource Efficiency	We can improve energy and resource use efficiency and reduce operating costs through the implementation of process optimization, equipment upgrades, and other measures.	• Improve energy efficiency through equipment transformation and technology upgrades, reducing energy consumption intensity and operating costs; • Reduce operating costs by minimizing resource usage (such as water resources, packaging materials, etc.) and promoting recycling.
	Energy Sources	To achieve the Dual Carbon goals, the national strong promotion of new energy and the establishment of a carbon market bring changes in energy usage structure and opportunities for carbon market trading.	• Actively explore the use of renewable energy, selecting types of renewable energy that align with the Company's actual situation and future development; • Closely monitor national and local policy dynamics, fully utilize policy dividends, and strive for various support measures such as subsidies and tax incentives.

Given that the Group's foundational climate data is still under development and the current financial sensitivity to climate risks is limited, we have only conducted qualitative analysis to identify the potential financial impact of climate-related factors on the company. The scenario parameters and models required for a full quantification of climate-related financial impacts are still being refined. Building on the existing analysis, we will continue to monitor developments related to climate issues, advance quantitative assessment efforts, and provide more in-depth disclosures within the next two years.

5.1.3 Risk Management

TYK Medicines has deeply integrated climate change considerations into the Company's overall risk management framework. Through the establishment of systematic mechanisms for identification, assessment, response, and monitoring, the Company effectively manages climate-related risks and opportunities. Management performance and progress toward targets are regularly reported to the Board of Directors to ensure the climate resilience of operations and mitigate the adverse impacts of climate change.

TYK Medicines comprehensively incorporates climate change into its enterprise risk management system. By implementing systematic mechanisms for identifying, assessing, and responding to risks and opportunities, the Company continuously enhances its management capabilities. Regular reporting to the Board of Directors on climate management performance and target progress is conducted to ensure the effective control of risks and impacts associated with climate change.



Management Process for Climate Change-Related Risks and Opportunities

TYK Medicines actively mitigates the impacts of climate change at the source. Through the implementation of a series of measures, the Company continuously reduces energy consumption and waste, lowers the carbon footprint of its operations, and conducts business in a more resilient and sustainable manner.

Energy Management Measures
Equipment Optimization – Install energy-saving devices such as variable frequency air conditioners, and reasonably control the air conditioning temperature to avoid excessive energy use.
Awareness Enhancement – Post energy-saving signs in public places to strengthen employees' awareness of conservation and environmental protection.
Management Strengthening – Require employees to promptly turn off unused electrical appliances and conduct manual inspections to reduce energy waste.

Energy Management Measures

5.1.4 Metrics and Targets

In response to the global challenge of climate change, TYK Medicines has established clear greenhouse gas emission reduction targets. Through systematic climate action planning and regular effectiveness evaluations, the Company continuously optimizes its carbon management processes, driving tangible progress toward a low-carbon and sustainable future.

GHG Emissions	• By the end of 2026, we aim to reduce the GHG emission intensity per employee by approximately 3% to 5% compared to the consumption level in 2023.
Energy Consumption Reduction	• By the end of 2026, we aim to reduce the electricity consumption intensity per employee by approximately 3% to 5% compared to the consumption level in 2023.

Energy Management Target

During the Reporting Period, TYK Medicines' GHG emissions[3] and energy consumption[4] indicators are as follows:

Indicator	Unit	2025
Total GHG emissions (Scope 1)	tCO_2e	47.47
Total GHG emissions (Scope 2)	tCO_2e	168,010.67
Total GHG emissions (Scope 1 + Scope 2)	tCO_2e	168,058.14
GHG emission intensity (Scope 1 + Scope 2)	tCO_2e/person	971.43
Total direct energy consumption	MWh	190.07
Direct energy consumption intensity	MWh/person	1.10
Total indirect energy consumption	MWh	275,608.05
Indirect energy consumption intensity	MWh/person	1,593.11

5.2 Environmental Management

TYK Medicines consistently adheres to a pragmatic and action-oriented philosophy, integrating environmental protection and sustainable development requirements into its corporate operations. We actively fulfill our environmental responsibilities and are committed to building a green, low-carbon development model, contributing through concrete actions to a sustainable future for both industry and society.

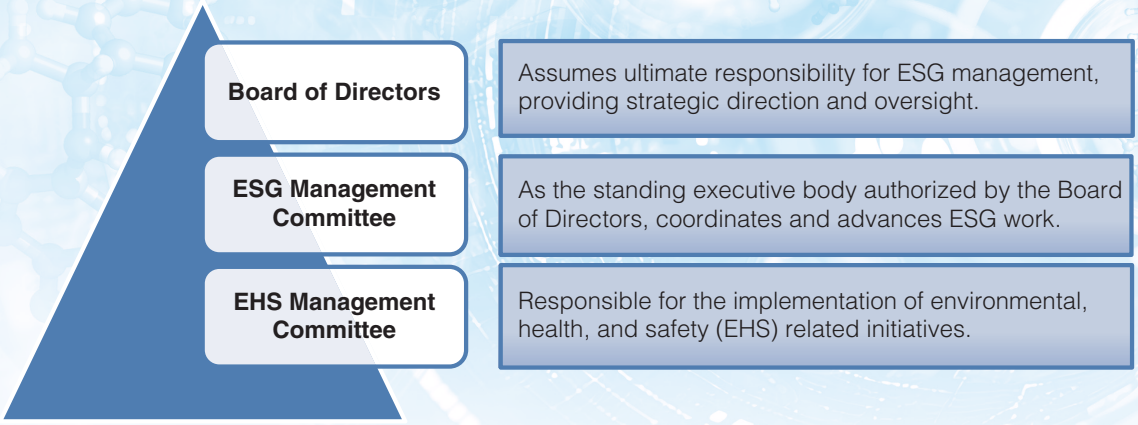
5.2.1 Environmental Management System

TYK Medicines strictly complies with environmental laws and regulations, including the *Environmental Protection Law of the People's Republic of China,* as well as industry standards. The Company has formulated and implemented the *Public Environmental Sanitation Management System Norms,* integrating environmental responsibilities into all aspects of daily operations to continuously enhance environmental management standards.

[3] The Company's Scope 1 GHG emissions originate from gasoline and natural gas usage in its owned vehicles; Scope 2 GHG emissions stem from purchased electricity and steam consumption. The calculation of GHG emissions refers to the *Guidelines for the Accounting and Reporting of GHG Emissions from Enterprises of Other Industries (Trial)* published by the National Development and Reform Commission of the People's Republic of China. The electricity emission factor for 2025 is calculated based on the Announcement on the *Release of the 2023 Carbon Dioxide Emission Factor for Electricity* published by the Ministry of Ecology and Environment of the People' Republic of China, which states that the national average carbon dioxide emission factor for electricity in 2023 (excluding non-fossil electricity traded through market-based mechanisms) was 0.6096 tCO_2/MWh.

[4] Energy consumption: calculated in accordance with the *General Rules for Calculation of the Comprehensive Energy Consumption* (GB2589-2020).

TYK Medicines has established a top-down environmental management structure, clarifying responsibilities at all levels to ensure the effective formulation and implementation of environmental management strategies.



Environmental Governance Structure

During the Reporting Period, the Company did not experience any significant environmental risk incidents, nor were there any violations of environmental protection laws and regulations.

5.2.2 Emission Management

TYK Medicines has deeply integrated environmental protection into all aspects of its operations, establishing a systematic and standardized environmental management system. This system enables effective, full-process control over the emissions, wastewater, and solid waste generated during production and operational activities.

Wastewater Management

In its daily operations, TYK Medicines strictly adheres to the *Law of the People's Republic of China on Prevention and Control of Water Pollution* and other applicable local laws, regulations, and emission standards. By formulating and implementing a systematic wastewater pollutant management system, the Company has achieved comprehensive and standardized control over wastewater discharge. During the Reporting Period, all wastewater pollutants met statutory emission limits and total volume control requirements, maintaining a 100% compliance rate for discharges.

By systematically optimizing reaction and cleaning conditions within the production process, TYK Medicines has significantly reduced water resource consumption per unit of output, effectively controlling the volume of wastewater generated at the source.

During the Reporting Period, the wastewater discharge indicators of TYK Medicines are as follows:

Indicator	Unit	2025
Total wastewater discharge	tonnes	1,645.00
Wastewater discharge intensity	tonnes/person	9.51

Air Emission Management

TYK Medicines consistently upholds a green development philosophy and strictly complies with national and local environmental regulations, including the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China* to ensure standardized and regulated exhaust gas management. The Company is committed to reducing the environmental impact of exhaust emissions through equipment upgrades, ensuring compliance with discharge standards, and continuously advancing emission reduction efforts.

During the Reporting Period, 100% of the Company's air emission met the standards

TYK Medicines addresses exhaust gases generated from R&D, animal husbandry, and equipment operations by optimizing production processes to achieve source reduction. The Company also conducts standardized maintenance of exhaust gas treatment facilities and implements emission monitoring to ensure the stable operation of treatment systems and enhance end-of-pipe treatment efficiency. This approach establishes a comprehensive, full-process control system for exhaust pollutants.

During the Reporting Period, TYK Medicines' key exhaust emission indicators are as follows:

Indicator	Unit	2025
Total nitrogen oxide (NOx) emissions	tonnes	0
Total sulfur oxide (SOx) emissions	tonnes	0
Total particulate matter emissions	tonnes	0
Total volatile organic compounds (VOCs) emissions	tonnes	0.20

Exhaust Emission Compliance Testing

In 2025, in active response to national policies emphasizing ecological and environmental monitoring and pollutant compliance, TYK Medicines engaged a qualified third-party testing company to conduct comprehensive monitoring of all gas emission outlets in the Pharmaceutical and Chemical Biology department of its Changxing campus. Through systematic monitoring and assessment, all gas emission values were confirmed to comply with national and local environmental standards. This effectively verifies the compliance and management effectiveness of TYK Medicines 's exhaust gas treatment measures.

样品信息：

样品类型	工业废气（有组织）		
采样点位名称	2 号楼实验室活性炭吸附装置出口		
采样日期	2025-01-07	检测日期	2025-01-07~2025-01-08
排气筒高度/m	15	样品状态	完好

检测结果：

样品编号	检测项目		结果	参照标准限值
SUQB2599056	非甲烷总烃 第 1 次	排放浓度 mg/m³	1.29	---
		排放速率 kg/h	5.24×10^{-3}	---
SUQB2599057	第 2 次	排放浓度 mg/m³	1.48	---
		排放速率 kg/h	6.01×10^{-3}	---
SUQB2599058	第 3 次	排放浓度 mg/m³	1.40	---
		排放速率 kg/h	5.68×10^{-3}	---
SUQB2599056/057/058	平均值	排放浓度 mg/m³	1.39	120
		排放速率 kg/h	5.64×10^{-3}	10
参照标准	《大气污染物综合排放标准》（GB 16297-1996）表 2			

检测结果：

样品编号	检测项目		结果	参照标准限值
SUQB2599059	臭气浓度 第 1 次	臭气浓度无量纲	30	---
SUQB2599060	第 2 次	臭气浓度无量纲	22	---
SUQB2599061	第 3 次	臭气浓度无量纲	30	---
SUQB2599059/060/061	最大值	臭气浓度无量纲	30	2000
参照标准	《恶臭污染物排放标准》（GB 14554-1993）表 2			

Exhaust Outlet Testing

Exhaust Gas Treatment Equipment Upgrades and Maintenance

In 2025, actively responding to national environmental policy requirements such as the *Integrated Emission Standard of Air Pollutants*, TYK Medicines systematically carried out regular inspections and dynamic maintenance of exhaust gas treatment facilities at its R&D base. Through dedicated daily checks by assigned personnel, performance monitoring of key equipment, and the timely replacement of activated carbon adsorption materials, the Company effectively ensured the stable operation and purification efficiency of the exhaust gas treatment system. This guaranteed compliant pollutant emissions and demonstrated the Company's commitment to fulfilling its environmental responsibilities.

Exhaust Outlet Testing and Exhaust Gas Treatment Equipment Upgrades and Maintenance

Waste Management

TYK Medicines strictly complies with the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes* and other laws and regulations of the operating location. Based on its operational situation, it has developed a series of internal documents such as the *Waste Management Procedures*, the *Laboratory Hazardous Waste Management Norms*, the *Biological Laboratory Waste Management System*, and the *Animal Experiment Waste and Carcasses Disposal Management System,* clearly defining the management specifications for the entire lifecycle of hazardous waste.

TYK Medicines categorizes the waste generated during its production and operations into two distinct groups: hazardous and non-hazardous. Accordingly, strict principles for segregated collection and differentiated treatment are implemented. The Company has established a comprehensive management mechanism covering the entire waste lifecycle – from generation, classification, and storage, to transfer and final disposal – ensuring that all waste is handled in a lawful, safe, and effective manner.

Hazardous Waste

- Entrust qualified third-party hazardous waste disposal units for harmless treatment.
- Collaborate with hazardous waste disposal units to carry out improvement projects, effectively reducing exhaust emissions during transportation and the use of disposal bags by compressing and packaging waste first.
- Establish a hazardous waste management ledger and terminal system and connect it to the Zhejiang Province hazardous waste lifecycle monitoring system to implement lifecycle management.

Non-hazardous Waste

- Daily garbage and other waste are regularly collected and processed by sanitation departments

Waste Management Measures

During the Reporting Period, the waste emission indicators of TYK Medicines are as follows:

Indicator	Unit	2025
Total amount of hazardous waste discharge	tonnes	39.82
Hazardous waste discharge intensity	tonnes/person	0.23
Total non-hazardous waste discharge	tonnes	931.70
Non-hazardous waste discharge intensity	tonnes/person	5.39

5.2.3 Resource Protection

TYK Medicines actively explores and implements effective pathways for resource conservation and recycling. The Company is committed to continuously improving the efficiency of energy and material use, building an environmentally friendly and resource-efficient modern operational model. This approach aims to achieve a harmonious balance between economic, social, and environmental benefits.

Water Resource Usage

TYK Medicines primarily relies on the municipal water supply system for its daily water use. In its operations, the Company strictly adheres to national and local water resource management laws and regulations, including the *Water Law of the People's Republic of China*. Furthermore, the Company has established water resource management goals and is committed to continuously improving water use efficiency.

Water Resource Consumption Reduction	• By the end of 2026, we strive to reduce the water consumption intensity per employee by approximately 3% to 5% compared to the consumption level in 2023.

Water Resource Management Target

TYK Medicines actively responds to the national water conservation strategy, guided by the goal of enhancing water resource utilization efficiency. Through systematic water-saving awareness campaigns and training, the Company strengthens water conservation consciousness among all employees. Based on meeting production and operational demands, this has led to a significant improvement in water use efficiency and effectively reduced unnecessary water resource consumption.

Water Conservation Awareness and Training

In 2025, in active response to national policy directions focused on building a water-conserving society and promoting green, low-carbon development, TYK Medicines organized systematic water conservation awareness and training activities for all employees. Through measures such as displaying water-saving signage, disseminating conservation knowledge, establishing specific water-saving guidelines, and promoting efficient water-use methods, the initiative effectively enhanced employees' water conservation awareness and operational compliance. This significantly reduced water waste in office and laboratory settings, providing strong support for the Company's efforts to lower operational costs and fulfill its social responsibilities.

Water Conservation Awareness and Training

During the Reporting Period, the water resource consumption indicators for TYK Medicines are as follows:

Indicator	Unit	2025
Total water resource consumption	m^3	28,720.42
Water resource consumption intensity	m^3/person	166.01

5.3 Packaging Material Management

TYK Medicines integrates the principles of the circular economy into its operational practices. Through systematic efforts to promote awareness of resource reduction, reuse, and recycling among all employees, the Company emphasizes the concrete implementation of these principles in daily work. Building on this foundation and aligned with its business development needs and operational realities, the Company has progressively established and improved its packaging material management system. It actively explores viable pathways for reducing packaging material usage and enabling its recycling, thereby continuously enhancing resource efficiency and effectively driving the deep integration of circular economy models with corporate sustainable development.

6. Talent Attraction

TYK Medicines regards talent as a core resource underpinning the Company's long-term development and continuously fosters an organizational environment conducive to employee growth and value realization. Through robust talent development mechanisms and clear career path planning, the Company aims to unlock employee potential and align individual development with strategic corporate objectives. This approach ensures that a high-caliber workforce supports the Company's stable operations and sustained innovation.

6.1 Compliance Hiring

The Company adheres to lawful and compliant employment practices, establishing fair hiring and the protection of employee rights as fundamental pillars of its human resource management. Through standardized hiring processes, systematic talent development mechanisms, and competitive compensation and benefits packages, we continuously enhance employees' sense of fulfillment, security, and belonging. Our efforts are dedicated to building an open, inclusive, and sustainable employment environment.

6.1.1 Employee Employment

The Company strictly complies with the *Labor Law of the People's Republic of China,* the *Labor Contract Law of the People's Republic of China,* the *Law of the People's Republic of China on the Protection of Minors*, and the labor rights protection laws and regulations of the operating locations ensuring compliance in the hiring process. The Company implements legal requirements related to the protection of labor rights in its operating jurisdictions, ensuring that all employment practices comply with legal and regulatory standards. We continuously refine our recruitment management system, clearly defining employment compliance requirements to systematically prevent risks associated with illegal employment and child labor. If any violations are discovered, the Company will immediately terminate the employment arrangement and take corrective actions in accordance with applicable laws and internal policies.

During the recruitment process, we attract talent through diverse channels, including recruitment websites, professional agencies, and internal referrals. Standardized procedures are implemented across job postings, resume screening, and interviews to ensure the fairness, transparency, and consistency of the hiring process. With the candidates' consent, the Company conducts necessary background checks and information verification to further mitigate risks associated with non-compliant employment.

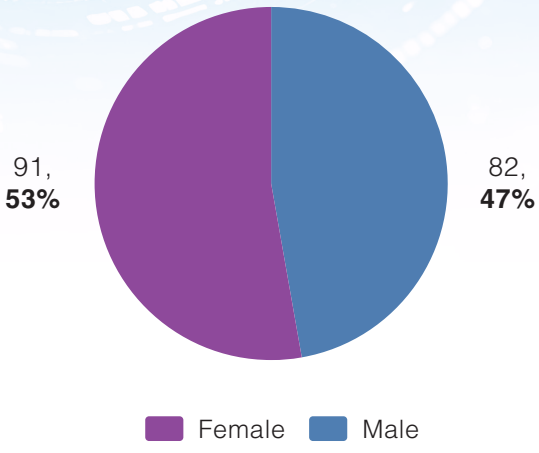
Furthermore, we value the building of a diverse team, actively attracting talent from different countries, cultures, and professional backgrounds, and encouraging the exchange and integration of diverse perspectives. The Company adheres to the principles of equal employment and equal pay for equal work and does not discriminate against employees on the basis of race, ethnicity, gender, religion, place of origin, marital status, age, sexual orientation, or gender identity. The Company also supports the equal employment rights of employees with disabilities, providing reasonable accommodation in job placement, working conditions, and necessary support to ensure their full participation and integration into the workplace.

The Company has established management mechanisms related to equal opportunity and anti-discrimination. Employees who experience unfair treatment or discrimination in the workplace may report the matter to their department head, the Human Resources department, or management. The Company will promptly follow up on such reports and, where necessary, report to the relevant regulatory or enforcement authorities in accordance with the law to protect the legitimate rights and interests of employees.

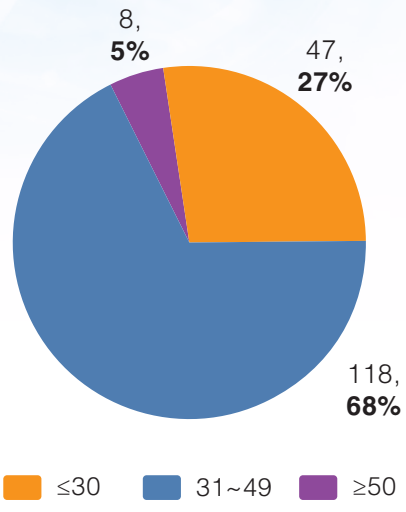
As of the end of the Reporting Period, TYK Medicines had a total of 173 employees, with full-time employees accounting for 100%.

Employment

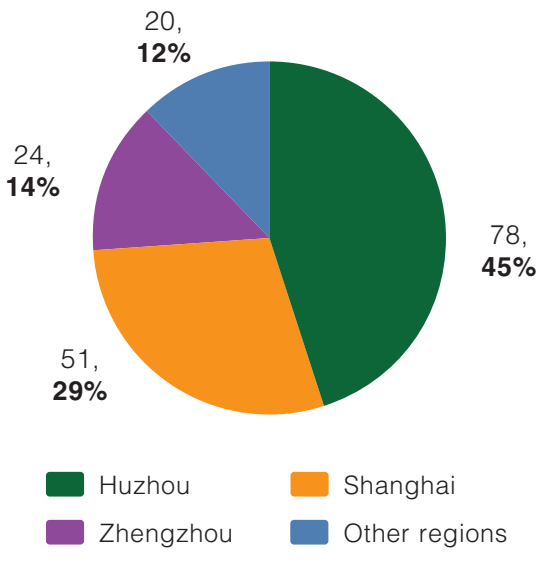
Gender Distribution



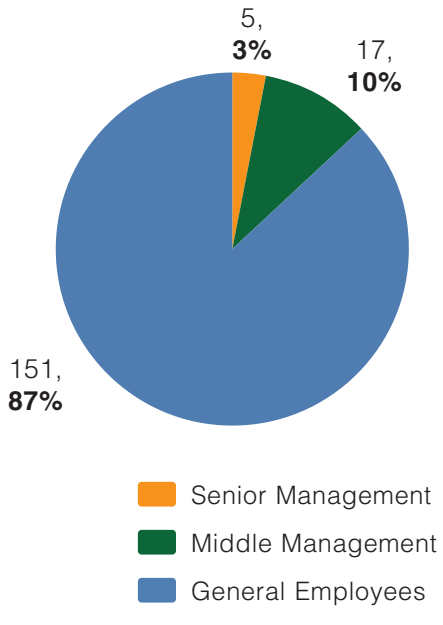
Age Distribution



Region Distribution



Rank Distribution



6.1.2 Remuneration and Benefits

We continuously refine our motivating and well-structured compensation and benefits framework. Through equitable distribution mechanisms and corresponding safeguards, this framework reflects the value of positions and acknowledges employee contributions. Furthermore, aligning with employee development needs, we foster an environment conducive to long-term growth and motivation, supporting employees in achieving stable career progression and capability enhancement.

Employee Remuneration and Benefits

We continuously improve our compensation management system, establishing a clear, rules-based compensation management framework. The Company has formulated and implemented internal documents, such as the *Remuneration Management System*, to standardize the compensation structure, determination principles, and management processes. This ensures that compensation management is fair, reasonable, and consistent. Employee compensation is determined through a comprehensive consideration of job responsibilities, job grade, professional competence, and individual performance, reflecting the alignment between the value of the position and the individual's contribution.

In managing compensation, the Company regularly conducts compensation level monitoring and analysis. Based on market research and job value assessments, we dynamically optimize our compensation strategy. These arrangements balance internal equity with external competitiveness and adhere to the principle of equal pay for equal work. Compensation is not differentiated based on gender or other factors, supporting the development of a stable talent workforce.

Regarding benefits, the Company provides a range of diversified welfare programs, including subsidies, allowances, and supplementary insurance, in addition to legally mandated benefits. By continuously enriching the scope and forms of benefits, we enhance employees' sense of stability, fulfillment, and belonging, fostering a work environment more conducive to long-term development.

Statutory Benefits	Additional Benefits	Family Benefits
• Pension Insurance • Unemployment Insurance • Health Insurance • Work-related Injury Insurance • Maternity Insurance • Housing Provident Fund	• Critical Illness Death Insurance • Major Illness Insurance • Accidental Injury Insurance • Aviation Accident Insurance • Group Medical Outpatient and Emergency Insurance • Group Hospitalization Allowance • Group Medical Hospitalization • Housing Subsidy • Transportation Subsidy • Catering Subsidy • Holiday Subsidy	• Statutory Paid Annual Leave • Company Benefits Leave • Marriage Leave • Maternity Leave • Paternity Leave

Benefits System of TYK Medicines

6.2 Talent Development

TYK Medicines continuously refines its talent cultivation and development system. Through systematic employee training programs, standardized talent assessment and evaluation mechanisms, and the establishment of diversified motivation and promotion pathways, the Company supports the enhancement of employee capabilities and career progression. We emphasize the integration of individual growth with organizational development, fostering a stable, professional, and sustainable talent pool that provides robust support for the Company's long-term, stable operations.

6.2.1 Talent Development

The Company continuously enhances its systematic employee training system. By integrating internal and external resources, we regularly organize diverse training activities, inviting industry experts and senior internal staff to lead sessions. This supports the ongoing improvement of employees' professional capabilities and overall competencies. Aligned with the job requirements and career development plans of employees in different roles, the Company provides new employee orientation training, specialized training for business departments, and is progressively establishing an online training and learning platform. These initiatives aim to meet the diverse professional development needs of employees and promote the alignment of individual growth with corporate development objectives.

New Employee Training

- **Coverage:** it is provided to all new employees, covering company culture, rules and regulations, job responsibilities, etc.
- **Frequency:** based on the Company's recruitment situation, it may be conducted monthly, quarterly, or semi annually.
- **Training duration:** the duration is usually half a day, and the specific time will be adjusted according to job requirements.
- **Training content:** company introduction, corporate culture, career development, etc. Were covered.
- **Results:** we help new employees quickly integrate into the Company, understand the work process, and improve work efficiency.

Department Business Training

- **Coverage:** training is conducted by each department based on business needs, usually for internal employees.
- **Frequency:** depending on business needs, it may be conducted quarterly or semiannually.
- **Training duration:** each training session may last 1-3 days.
- **Training content:** technology (internal and external), business process optimization, industry trend analysis, etc.are covered.
- **Results:** we improve employees' professional skills, enhance team collaboration, and drive business development.

Online Training and Learning Platform

- **Coverage:** they are provided to all employees.
- **Frequency:** they are conducted continuously throughout the year.
- **Training duration:** employees can arrange their studies according to their personal schedule.
- **Training content:** they include online courses, video tutorials, e-books, etc., covering multiple fields such as technology, management, communication, etc.
- **Results:** we improve employees' autonomous learning ability and meet their personalized learning needs.

Training Outcome Assessment

The Company employs multiple methods, including knowledge assessments, observation of practical performance, and employee feedback, to comprehensively evaluate training effectiveness. This evaluation examines employees' understanding of training content and their ability to apply it in practice. The results are used to refine the training system, implement improvement measures, enhance employees' professional competencies and work efficiency, and provide support for job promotions and expanded responsibilities.

Employee Training System of TYK Medicines

6.2.2Talent Development

Performance Evaluation and Assessment

The Company has established a tiered performance evaluation and assessment mechanism. Differentiated assessment methods are set according to varying job responsibilities and employee levels, enabling a comprehensive evaluation of employees' achievement of objectives, work performance, and overall conduct. Furthermore, through regular assessments and feedback sessions, we support performance improvement and capability enhancement, facilitating effective alignment between employee development and corporate goals.

Senior Management

- **Strategic goal achievement rate:** evaluate senior management's performance in developing and executing the Company's strategic goals.
- **Leadership assessment:** understand the leadership capabilities and team management effectiveness of senior management through 360-degree assessment.
- **Assessment Frequency:** Once annually, typically conducted at year-end.
- **Feedback Mechanism:** One-on-one meetings with the Chairman to provide direct feedback and discuss improvement actions.

Middle Management and General Employees

- **Personal KPI:** evaluate employees' performance in terms of personal work goals, task completion, work efficiency, etc.
- **Project evaluation:** evaluate the contribution and performance in the project for employees involved in the project.
- **Behavioral assessment:** involves work attitude, teamwork, innovation ability, etc.
- **Assessment Frequency:** Annually.
- **Result Feedback Channels:** One-on-One Feedback, conducted by the direct supervisor to discuss work performance and identify improvement measures.

Performance Evaluation System

Talent Incentive Mechanism

The Company regards talent motivation as a key management tool for enhancing organizational vitality and cohesion, continuously refining an incentive system aligned with the Company's development stage. By implementing diversified incentive measures, we guide employees to integrate personal growth with corporate objectives, boosting their initiative and creativity, and supporting stable team development and long-term value creation.

Equity Incentive Plan

- We align employee interests closely with the Company's long-term development to motivate them to create greater value for the Company.

Annual Performance Bonus

- The distribution of bonuses is closely linked to the overall performance of the Company and individual performance for motivating employees to strive to achieve the Company's strategic goals and efficiently complete their work tasks.

Diverse Incentive Measures

Employee Promotion Path

The Company continuously improves its mechanisms for employee career development and promotion management. By establishing a clear and standardized promotional process, we provide employees with a stable and predictable growth path. Our promotion assessments comprehensively consider factors such as job performance, work achievements, competency, and team contribution, ensuring that promotion decisions align with individual capability and performance.

We have established a relatively comprehensive promotion management process, encompassing individual application, managerial assessment, Human Resources review, and management deliberation. This process enhances the standardization and transparency of promotion arrangements. Simultaneously, the Company offers dual development pathways in both technical and managerial tracks, supporting employees with different career orientations in achieving long-term development.

6.3 Health and Safety

TYK Medicines treats employee occupational health and safety as a fundamental aspect of its operational management. The Company continuously enhances its health and safety management systems to ensure the effective implementation of related requirements in daily work. By optimizing workplace configurations, providing necessary personal protective equipment, and implementing regular training programs, the Company strengthens employees' safety awareness and emergency response capabilities, supporting a safe and stable work environment.

Health and Safety Management System

The Company strictly abides by the *Labor Law of the People's Republic of China,* the *Work Safety Law of the People's Republic of China,* the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* and other laws and regulations, and has formulated a series of internal policies, such as the *EHS Emergency Management Implementation Outline* and the *Laboratory Emergency Incident Management Specifications*, which clearly stipulate matters such as safe work procedures, accident prevention and emergency response to reduce the risk of accidental contamination of facilities and personal injury.

For hazards associated with laboratory and operational activities, we enhance the identification and control of related risks through systematic institutional management. The Company strictly enforces internal policy requirements such as the *Regulations on the Use and Management of Hazardous Chemicals in Laboratories,* the *Regulations on the Use and Management of Precursor Chemicals,* and the *Regulations on the Use and Management of Highly Toxic Chemicals,* ensuring standardized management of hazardous chemicals and other potential risk factors.

Furthermore, occupational health and safety management is conducted through the EHS Management Committee. The committee comprises department heads who implement tiered management responsibilities according to their functional roles. Each manager also serves as the primary safety accountable person for their respective areas, driving the concrete implementation of health and safety requirements. During the Reporting Period, TYK Medicines did not experience any work-related injuries or fatalities.

Head of Operations Department	Head of Biology Department	Head of Medicinal Chemistry Department
• Coordinates and oversees company-wide safety, health, and environmental (SHE/EHS) related matters; • Manages the safety of warehouses, office areas, and other public spaces.	• Safety and compliance management for biological laboratories and associated areas.	• Responsible for the safety and compliance management of medicinal chemistry laboratories, analytical laboratories, and associated areas.

EHS Committee

Health and Safety Management Measures

To strengthen occupational health and operational safety for employees, we continuously implement multiple health and safety management measures centered on risk prevention and standardized operations. This integration of safety requirements into daily operational and laboratory activities supports the establishment of a stable and orderly work environment.

- **Regular maintenance and inspections are conducted on office and laboratory facilities and equipment to ensure the safety of workplace operations.**
- **Daily safety inspections are organized, and corresponding safety inspection records are maintained. A total of nine safety inspections were conducted during the Reporting Period.**
- **For employees engaged in specific high-risk activities – including handling cryogenic liquid nitrogen, operating hightemperature sterilization equipment, conducting animal research, and using toxic chemicals – qualification requirements are clearly defined. Strict adherence to the correct use of corresponding personal protective equipment (PPE) is enforced to mitigate operational risks.**
- **Annual health check-ups are arranged for all employees, focusing on their physical well-being to support the ongoing advancement of occupational health management.**

Health and Safety Management Measures

To enhance employees' understanding and implementation capabilities regarding health and safety management requirements, TYK Medicines regularly organizes health and safety training sessions. These initiatives aim to continuously reinforce safety awareness in daily work. The related training includes general safety knowledge sessions for all employees, as well as specialized laboratory safety training for laboratory personnel. This helps employees master essential safe operating procedures and risk prevention requirements, supporting the establishment of a secure and orderly work environment.

Specialized Laboratory Operational Safety Training

This year, TYK Medicines conducted specialized laboratory safety training for laboratory personnel, focusing on key risk areas such as the use of hazardous chemicals, standard operating procedures, and emergency response. The training systematically covered pre-experiment risk identification, safety control during experiments, and personal protection requirements, incorporating case studies of typical laboratory safety incidents. Learning from Material Safety Data Sheets (MSDS) was also included to enhance employees' understanding of the risk profiles of chemical materials.

Addressing critical aspects such as classified storage of reagents, regulated use of gas cylinders, operation of ventilation systems, and waste disposal, the training further clarified laboratory safety management requirements. It also included emergency response drills for scenarios like fires, leaks, and chemical burns, improving employees' ability to handle unexpected situations. This training effectively strengthened the safety awareness and standardized operational capabilities of laboratory personnel, supporting the safe conduct of experimental activities.

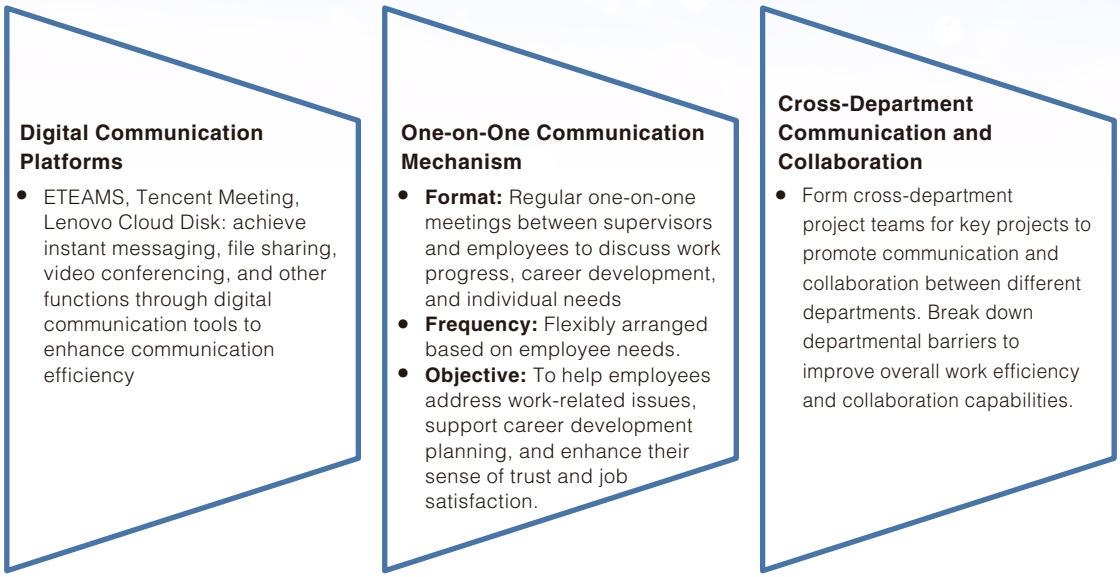
Specialized Laboratory Operational Safety Training

6.4 Considerate Care

With a focus on employee experience and organizational culture, TYK Medicines continuously fosters a work environment characterized by respect, care, and support. By improving employee communication mechanisms and implementing diversified care initiatives, we pay close attention to the needs of employees in both their work and personal lives. This approach fosters mutual understanding and collaboration within teams, enhances employees' sense of belonging and organizational cohesion, and supports the development of a stable and positive corporate culture.

6.4.1 Employee Communication

We continuously enhance multi-level and multi-channel employee communication mechanisms, establishing smooth platforms for information exchange. Through online communication tools, scheduled one-on-one meetings, and cross-departmental collaboration, the Company facilitates timely information sharing and feedback. This approach encourages employees to express their opinions and suggestions, fostering a stronger sense of involvement and identification with Company matters.



Employee Communication Channels

6.4.2 Care for Employees

Based on employees' needs, the Company regularly organizes a variety of employee care and team-building activities, including holiday-themed events, team exchanges, and outdoor development programs. These initiatives enrich employees' leisure time, promote team interaction and emotional bonds, and further enhance employee satisfaction and team cohesion.

Employee Team-Building Activities

7. Giving Back to Society

TYK Medicines actively fulfills its social responsibilities, focusing on the areas of inclusive healthcare and philanthropic initiatives. The Company leverages its professional expertise and takes concrete actions to consistently contribute to society, demonstrating its commitment as a responsible corporate citizen.

7.1 Inclusive Healthcare

Guided by a patient-centric philosophy, TYK Medicines continuously conducts public welfare product access programs and maintains positive communication and engagement with patients. Out of ongoing care for trial participants and the goal of maximizing clinical benefit, the Company is committed to continuing to provide the investigational drug free of charge to patients who are still receiving treatment at the formal conclusion of the clinical trial, or to those whom the investigator determines may still benefit from the study drug therapy (regardless of disease progression).

To ensure compliance with the drug donation process, the Company has drafted a series of related documents, including clinical trial termination instructions, drug donation plans, informed consent forms for drug donation plans, processes for continued drug supply, distribution and recovery forms for research drugs (donated drugs), arrangements for visits during the donation phase, explanations of examination costs, and explanations of informed consent for the drug donation plan. After obtaining ethical approval from the research center, these documents will be managed by designated personnel to ensure the standardization and transparency of the donation process.

7.2 Public Welfare Science Communication

Adhering to a systematic community support strategy, TYK Medicines advances public science education through the strategic allocation of resources. The Company innovatively employs a "Science Outreach to Schools & Enterprises" model to explore collaborative education between academia and industry, directing healthcare science activities and related resources towards rural areas. In 2025, with a focus on enhancing scientific literacy among youth, TYK Medicines conducted a series of interactive educational and public welfare initiatives centered on this goal. Through concrete actions, the Company fulfills its corporate social responsibility and contributes to the national strategy for science popularization.

"Casual Chat about Bacteria" Science Popularization Activity

On April 8, 2025, actively responding to the national call to "strengthen science popularization and serve rural revitalization", TYK Medicines organized six of its pharmaceutical experts to visit Shuikou Township Primary School in Changxing County, Zhejiang Province. The team successfully conducted a healthcare science lecture and interactive experience event for primary school students. The activity effectively sparked the rural youth's interest in life sciences, enhanced their health literacy, and strengthened the connection between the enterprise and the local community, achieving positive social impact and educational outcomes.

"Casual Chat about Bacteria" Science Popularization Activity

Teachers and Students from Shuikou Township Primary School in Changxing County Visit TYK Medicines

On December 25, 2025, in active response to the national call to strengthen science education and deepen school-enterprise collaboration, TYK Medicines successfully hosted 35 teachers and students from Shuikou Township Primary School in Changxing County for a visit and exchange at the Company's R&D base. The event included a tour of pharmaceutical R&D laboratories, demonstrations of the new drug creation process, and interactive sessions, which effectively enhanced the students' intuitive understanding of modern pharmaceutical science and sparked their interest in life sciences. This initiative not only provided the teachers and students with an opportunity for close-up exposure to pharmaceutical R&D but also further solidified the collaborative relationship between the enterprise and local educational institutions, contributing positively to enhancing youth scientific literacy and supporting the development of rural education.




Teachers and Students from Shuikou Township Primary School in Changxing County Visit TYK Medicines

APPENDIX 1 KEY PERFORMANCE TABLE

Indicator		Unit	2025	2024
Social KPIs				
Total number of employees	Total	Person	173	153
By gender	Male	Person	82	70
	Female	Person	91	83
By employment type	Full-time	Person	173	153
	Part-time	Person	0	0
By age	30 and below	Person	47	26
	31 to 49	Person	118	117
	50 and above	Person	8	10
By geographic region	Huzhou	Person	78	72
	Shanghai	Person	51	41
	Zhengzhou	Person	24	24
	Other regions	Person	20	16
By rank	Senior management	Person	5	5
	Middle management	Person	17	15
	General employees	Person	151	133
Employee turnover rate[5]	%	%	9.25	6.54
By gender	Male	%	9.76	4.29
	Female	%	8.79	8.43
By age	30 and blow	%	12.77	11.54
	31 to 49	%	8.47	4.27
	50 and above	%	0	20.00
By geographic region	Huzhou	%	11.54	2.78
	Shanghai	%	9.80	12.20
	Zhengzhou	%	0.00	4.17
	Other regions	%	10.00	12.50
Number of work-related fatalities		Person	0	0
Rate of work-related fatalities		%	0	0
Lost days due to work injury		/	0	27
Proportion of employees trained		%	100	100
Total number of suppliers		/	31	27
Number of suppliers by geographic region	Mainland China	/	31	27
	China's Hong Kong, Macao and Taiwan, and Overseas	/	0	0
Percentage of total products sold or shipped subject to recalls for safety and health reasons		%	0	0
Number of products and service-related complaints received		/	0	0
Number of concluded legal cases regarding corrupt practices brought against the Company or its employees		/	0	0
Total number of patent/trademark applications during the Reporting Period	Patent	/	69	85
	Trademark	/	0	1
Total number of patent/trademarks obtained during the Reporting Period	Patent	/	22	11
	Trademark	/	0	1
Cumulative number of patent/trademarks	Patent	/	292	248
	Trademark	/	24	25

[5] Employee turnover rate is calculated as the number of employees left/the number of employees at the end of the year.

Indicator	Unit	2025	2024
Environmental KPIs			
Total GHG emissions (Scope 1)	tCO_2e	47.47	52.89
Total GHG emissions (Scope 2)	tCO_2e	168,010.67	933.21
Total GHG emissions (Scope 1 + Scope 2)	tCO_2e	168,058.14	986.10
GHG emission intensity (Scope 1 + Scope 2)	tCO_2e/person	971.43	6.45
Total direct energy consumption	MWH	190.07	349.91
Direct energy consumption intensity	MWH/person	1.10	2.29
Total indirect energy consumption	MWH	275,608.05	1,739.12
Indirect energy consumption intensity	MWH/person	1,593.11	11.37
Total wastewater discharge	tonne	1,645.00	1,563.84
Wastewater discharge intensity	tonne/person	9.51	10.22
Total nitrogen oxide (NO_x) emissions	tonne	0	0
Total sulfur oxide (SO_x) emissions	tonne	0	0
Total particulate matter emissions	tonne	0	0
Total volatile organic compounds (VOCs) emissions	tonne	0.20	0.18
Total amount of hazardous waste discharge	tonne	39.82	72.63
Hazardous waste discharge intensity	tonne/person	0.23	0.47
Total non-hazardous waste discharge	tonne	931.70	1,010.01
Non-hazardous waste discharge intensity	tonne/person	5.39	6.60
Total water consumption	m^3	28,720.42	5,872.74
Water consumption intensity	m^3/person	166.01	38.38

APPENDIX 2 INDEX OF THE HKEX ESG REPORTING CODE

Subject Areas, Aspects, General Disclosures and KPIs			Chapters
Environmental			
Aspect A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Harmonious Ecology – Environmental Management
	A1.1	The types of emissions and respective emissions data.	Harmonious Ecology – Environmental Management
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and where appropriate, intensity (e.g., per unit of production volume, per facility).	Harmonious Ecology – Addressing Climate Change
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Harmonious Ecology – Environmental Management
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Harmonious Ecology – Environmental Management
	A1.5	Description of emissions target(s) set, and steps taken to achieve them.	Harmonious Ecology – Addressing Climate Change, Environmental Management
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	*As the Company is at a research-driven stage without large-scale production, waste generation remains limited and no quantitative reduction targets have been set; the Company will review this as operations expand.*

Subject Areas, Aspects, General Disclosures and KPIs			Chapters
Aspect A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Harmonious Ecology – Environmental Management
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Harmonious Ecology – Environmental Management
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Harmonious Ecology – Environmental Management
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Harmonious Ecology – Environmental Management
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Harmonious Ecology – Environmental Management
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Harmonious Ecology – Environmental Management
A3: Aspect A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Harmonious Ecology – Environmental Management
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Harmonious Ecology – Environmental Management

Subject Areas, Aspects, General Disclosures and KPIs			Chapters
Social			
Aspect B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Talent Attraction – Compliant Hiring; Talent Development
	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Talent Attraction – Compliant Hiring
	B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix 1 Key Performance Table
Aspect B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Talent Attraction – health and safety
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Appendix 1 Key Performance Table *As the Company was listed in 2024 and historical data is limited, full disclosure of the past three years is not available; the Company will enhance data tracking going forward.*
	B2.2	Lost days due to work injury.	Appendix 1 Key Performance Table
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Talent Attraction – health and safety
Aspect B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Talent Attraction – Talent Development
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Appendix 1 Key Performance Table
	B3.2	The average training hours completed per employee by gender and employee category.	Not yet disclosed[6]

[6] The Company organizes training individually by each department, which has covered all employees. It is not possible to compile statistics on the average number of hours of training by gender and employee category.

Subject Areas, Aspects, General Disclosures and KPIs			Chapters
B4: Aspect B4: Labor Standards	General Disclosure	Information on: the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Talent Attraction – Talent Development
	B4.1	Description of measures to review employment practices to avoid child and forced labor.	Talent Attraction – Talent Development
	B4.2	Description of steps taken to eliminate such practices when discovered.	Talent Attraction – Talent Development
Aspect B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Win-win Development – Responsible Supply Chain
	B5.1	Number of suppliers by geographical region.	Win-win Development – Responsible Supply Chain
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Win-win Development – Responsible Supply Chain
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Win-win Development – Responsible Supply Chain
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Win-win Development – Responsible Supply Chain
Aspect B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility – Quality Management
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Appendix 1 Key Performance Table
	B6.2	Number of products and service-related complaints received and how they are dealt with.	Product Responsibility – Quality Management
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility – Product Innovation
	B6.4	Description of quality assurance process and recall procedures.	Product Responsibility – Quality Management
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility – Quality Management

Subject Areas, Aspects, General Disclosures and KPIs			Chapters
Aspect B7: Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Lean Governance – Compliant Operation
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	Lean Governance – Compliant Operation
	B7.2	Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored.	Lean Governance – Compliant Operation
	B7.3	Description of anti-corruption training provided to directors and staff.	Lean Governance – Compliant Operation
Aspect B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Giving Back to Society – Public Welfare Science Communication
	B8.1	Focus areas of contribution	Giving Back to Society – Inclusive Healthcare
	B8.2	Resources contributed to the focus area.	Giving Back to Society – Inclusive Healthcare

Climate Change			Chapters
(I) Governance	1. An issuer shall disclose information about: (a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:		
		(i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;	Harmonious Ecology – Addressing Climate Change
		(ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	ESG Governance – Stakeholder Engagement
		(iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;	Harmonious Ecology – Addressing Climate Change
		(iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 19 to 22), including whether and how related performance metrics are included in remuneration policies (see paragraph 17); and	Harmonious Ecology – Addressing Climate Change
	(b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:		
		(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	Harmonious Ecology – Addressing Climate Change
		(ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	Harmonious Ecology – Addressing Climate Change

Climate Change		Chapters
(II) Strategy	**Climate-related risks and opportunities** 2. An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:	
	(a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;	Harmonious Ecology – Addressing Climate Change
	(b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;	Harmonious Ecology – Addressing Climate Change
	(c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and	Harmonious Ecology – Addressing Climate Change
	(d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	*The Company has not established formal definitions for "short term", "medium term" and "long term" in relation to climate-related disclosures. As a research-driven company without long-term production operations, its strategic planning is primarily aligned with R&D cycles and business development stages. The Company will further refine these time horizon definitions in line with its evolving strategic planning framework.*

Climate Change		Chapters
	Business model and value chain 3. An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:	
	(a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and	Harmonious Ecology – Addressing Climate Change
	(b) a description of where in the issuer's business model and value chain climate related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	Harmonious Ecology – Addressing Climate Change
	Strategy and decision-making 4. An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose: (a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:	
	(i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;	Harmonious Ecology – Addressing Climate Change
	(ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect);	Harmonious Ecology – Addressing Climate Change
	(iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and	Harmonious Ecology – Addressing Climate Change
	(iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 19 to 22; and	Harmonious Ecology – Addressing Climate Change
	(b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 4(a).	Harmonious Ecology – Addressing Climate Change

Climate Change		Chapters
	5. An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 4(a).	Harmonious Ecology – Addressing Climate Change
	Financial position, financial performance and cash flows Current financial effect 6. An issuer shall disclose qualitative and quantitative information about:	
	(a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the Reporting Period; and	*The Company has considered the potential impact of climate-related risks and opportunities on its financial position, financial performance and cash flows. Such impacts have not been material or quantifiable during the Reporting Period and have therefore not been specifically disclosed. The Company will continue to monitor these impacts and enhance disclosures where appropriate.*
	(b) the climate-related risks and opportunities identified in paragraph 6(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	
	Financial position, financial performance and cash flows Anticipated financial effect 7. The issuer shall provide qualitative and quantitative disclosures about: (a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:	

Climate Change		Chapters
	(i) its investment and disposal plans; and	*The Company has considered the potential impact of climate-related risks and opportunities on its financial position, financial performance and cash flows. Such impacts have not been material or quantifiable during the Reporting Period and have therefore not been specifically disclosed. The Company will continue to monitor these impacts and enhance disclosures where appropriate.*
	(ii) its planned sources of funding to implement its strategy; and	
	(b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	
	Climate resilience 8. An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose: (a) the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:	
	(i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;	Harmonious Ecology – Addressing Climate Change
	(ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and	Harmonious Ecology – Addressing Climate Change
	(iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;	Harmonious Ecology – Addressing Climate Change

Climate Change		Chapters
	(b) how and when the climate-related scenario analysis was carried out, including:	
	(i) information about the inputs used, including: (1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios; (2) whether the analysis included a diverse range of climate-related scenarios; (3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; (4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; (5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; (6) time horizons the issuer used in the analysis; and (7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);	Harmonious Ecology – Addressing Climate Change
	(ii) the key assumptions the issuer made in the analysis; and	Harmonious Ecology – Addressing Climate Change
	(iii) the Reporting Period in which the climate-related scenario analysis was carried out.	Harmonious Ecology – Addressing Climate Change

Climate Change		Chapters
(III) Risk Management	9. An issuer shall disclose information about: (a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:	
	(i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);	*The Company has established a basic framework to identify, assess and respond to climate-related risks, integrating such considerations into its overall risk management processes based on internal operations and external developments. At the current stage, detailed methodologies, including scenario analysis, quantitative assessment parameters and formal prioritisation mechanisms, are still under development. No significant changes to these processes were made during the Reporting Period, and the Company will continue to enhance its climate risk management approach as its systems mature.*
	(ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;	
	(iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);	
	(iv) whether and how the issuer prioritises climate-related risks relative to other types of risks;	
	(v) how the issuer monitors climate-related risks; and	Harmonious Ecology – Addressing Climate Change

Climate Change		Chapters
	(vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period;	*The Company has established a basic framework to identify, assess and respond to climate-related risks, integrating such considerations into its overall risk management processes based on internal operations and external developments. At the current stage, detailed methodologies, including scenario analysis, quantitative assessment parameters and formal prioritisation mechanisms, are still under development. No significant changes to these processes were made during the Reporting Period, and the Company will continue to enhance its climate risk management approach as its systems mature.*
	(b) the processes the issuer uses to identify, assess, prioritise and monitor climate related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and	
	(c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	

Climate Change		Chapters
(IV) Metrics and Targets	**Greenhouse gas emissions** 10. An issuer shall disclose its absolute gross greenhouse gas emissions generated during the Reporting Period, expressed as metric tons of CO_2 equivalent, classified as:	
	(a) Scope 1 greenhouse gas emissions;	Harmonious Ecology – Addressing Climate Change
	(b) Scope 2 greenhouse gas emissions; and	Harmonious Ecology – Addressing Climate Change
	(c) Scope 3 greenhouse gas emissions.	*The Company acknowledges the requirements relating to Scope 3 greenhouse gas emissions and is in the process of identifying relevant categories associated with its operations. Given the involvement of multiple parties across the value chain, data collection and measurement remain complex, and systematic disclosure has not yet been undertaken. The Company will continue to enhance its data management processes and consider disclosure as appropriate in the future.*

Climate Change		Chapters
	11. An issuer shall: (a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;	Harmonious Ecology – Addressing Climate Change
	(b) disclose the approach it uses to measure its greenhouse gas emissions including:	
	(i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;	Harmonious Ecology – Addressing Climate Change
	(ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and	Harmonious Ecology – Addressing Climate Change
	(iii) any changes the issuer made to the measurement approach, inputs and assumptions during the Reporting Period and the reasons for those changes;	Harmonious Ecology – Addressing Climate Change
	(c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 10(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and	Harmonious Ecology – Addressing Climate Change
	(d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 10(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	*The Company acknowledges the requirements relating to Scope 3 greenhouse gas emissions and is in the process of identifying relevant categories associated with its operations. Given the involvement of multiple parties across the value chain, data collection and measurement remain complex, and systematic disclosure has not yet been undertaken. The Company will continue to enhance its data management processes and consider disclosure as appropriate in the future.*

Climate Change		Chapters
	Climate-related transition risks 12. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	*As the Group's climate data framework is still under development and the financial sensitivity to climate-related risks is currently limited, the Company has identified the potential financial impacts of climate factors primarily through qualitative analysis. The scenario parameters and models required for full quantification are still being refined. Building on the current analysis, the Company will continue to monitor developments in climate-related issues, advance its quantitative assessment, and aim to provide more in-depth disclosures within the next two years.*
	Climate-related physical risks 13. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	
	Climate-related opportunities 14. An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	
	Capital deployment 15. An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	
	Internal carbon prices 16. An issuer shall disclose:	
	(a) an explanation of whether and how the issuer is applying a carbon price in decision making (for example, investment decisions, transfer pricing, and scenario analysis); and	*As the Group's climate data framework is still under development and the financial sensitivity to climate-related risks is currently limited, the Company has identified the potential financial impacts of climate factors primarily through qualitative analysis. The scenario parameters and models required for full quantification are still being refined. Building on the current analysis, the Company will continue to monitor developments in climate-related issues, advance its quantitative assessment, and aim to provide more in-depth disclosures within the next two years.*
	(b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions;	

Climate Change		Chapters
	Remuneration 17. An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 1(a)(iv).	*Considering the Company's R&D-driven business model, climate-related factors currently have a relatively limited impact on performance evaluation and remuneration outcomes, and therefore have not yet been incorporated into the remuneration mechanism. The Company will continue to monitor changes in regulatory requirements and industry practices and will conduct assessments where appropriate.*
	Industry-based metrics 18. An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry based metrics associated with disclosure topics described in the IFRS S2 Industry based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	Harmonious Ecology – Addressing Climate Change
	Climate-related targets 19. An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:	
	(a) the metric used to set the target;	Harmonious Ecology – Addressing Climate Change
	(b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	Harmonious Ecology – Addressing Climate Change

Climate Change		Chapters
	(c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);	Harmonious Ecology – Addressing Climate Change
	(d) the period over which the target applies;	Harmonious Ecology – Addressing Climate Change
	(e) the base period from which progress is measured;	Harmonious Ecology – Addressing Climate Change
	(f) milestones or interim targets (if any);	Harmonious Ecology – Addressing Climate Change
	(g) if the target is quantitative, whether the target is an absolute target or an intensity target; and	Harmonious Ecology – Addressing Climate Change
	(h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	Harmonious Ecology – Addressing Climate Change
	20. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	
	(a) whether the target and the methodology for setting the target has been validated by a third party;	Harmonious Ecology – Addressing Climate Change
	(b) the issuer's processes for reviewing the target;	Harmonious Ecology – Addressing Climate Change
	(c) the metrics used to monitor progress towards reaching the target; and	Harmonious Ecology – Addressing Climate Change
	(d) any revisions to the target and an explanation for those revisions.	Harmonious Ecology – Addressing Climate Change
	21. An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	Harmonious Ecology – Addressing Climate Change

Climate Change		Chapters
	22. For each greenhouse gas emissions target disclosed in accordance with paragraphs 19 to 21, an issuer shall disclose:	
	(a) which greenhouse gases are covered by the target;	Harmonious Ecology – Addressing Climate Change
	(b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;	Harmonious Ecology – Addressing Climate Change
	(c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target;	Harmonious Ecology – Addressing Climate Change
	(d) whether the target was derived using a sectoral decarbonisation approach; and	Harmonious Ecology – Addressing Climate Change
	(e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:	
	(i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;	*The Company has not set any net greenhouse gas emissions targets requiring the use of carbon credits, and therefore has not adopted or planned to adopt carbon credit mechanisms during the Reporting Period. Given the Company's current research-driven operations and relatively low emission levels, carbon offsetting is not considered necessary at this stage. The Company will review the potential use of carbon credits if relevant targets are established in the future.*
	(ii) which third-party scheme(s) will verify or certify the carbon credits;	

Climate Change		Chapters
	(iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and	Harmonious Ecology – Addressing Climate Change
	(iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	Harmonious Ecology – Addressing Climate Change
	Applicability of cross-industry metrics and industry-based metrics 23. In preparing disclosures to meet the requirements in paragraphs 3 to 8 and 19 to 20, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 10 to 17) and (ii) industry-based metrics (see paragraph 18).	Harmonious Ecology – Addressing Climate Change

INDEPENDENT AUDITOR'S REPORT

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Quarry Bay, Hong Kong

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To the shareholders of TYK Medicines, Inc
(Incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of TYK Medicines, Inc (the "Company") and its subsidiaries (the "Group") set out on pages 160 to 231, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

INDEPENDENT AUDITOR'S REPORT (Continued)

KEY AUDIT MATTERS (CONTINUED)

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

Key audit matter	How our audit addressed the key audit matter
Recognition and measurement of research and development expenses	
The Group incurred research and development ("R&D") expenses of RMB244,064,000 in the consolidated financial statements for the year ended 31 December 2025. These expenses primarily comprise staff expenses, material and consumable costs, and service fees paid to contract research organisations, clinical site management operators and clinical trial centres (collectively referred to as "Outsourced Service Providers"). R&D activities involving these Outsourced Service Providers are governed by detailed agreements and typically span extended periods. The related expenses are recognised in profit or loss based on the progress of the respective R&D projects. Determining the progress of the R&D projects requires management to exercise significant judgement and estimation in assessing the progress of services performed by the Outsourced Service Providers based on available project information and supporting documentation. We identified the accounting for the R&D costs incurred in connection with the Outsourced Service Providers as a key audit matter due to the significance of these costs to the consolidated financial statements and the risk of misallocation in the appropriate financial reporting periods. Related disclosures are included in notes 2.4 and 3 to the financial statements.	Our procedures in relation to R&D expenses included the following: We obtained an understanding of key controls over the recognition and measurement process of R&D expenses; We inquired of management regarding periodical fluctuations in R&D expenses and assessed their reasonableness; We, on a sampling basis, selected R&D expenses to i) review key terms in related agreements with Outsourced Service Providers; ii) inquired of R&D personnel and inspected supporting documents to verify the progress of the R&D projects; and iii) recalculated the allocation of R&D expenses based on the progress of the R&D projects; We performed cut-off tests on a sample basis and reviewed supporting documents to assess the recognition of R&D expenses in the appropriate periods; We conducted procedures to search for unrecorded liabilities subsequent to the year ended 31 December 2025; and We reviewed and assessed the Group's disclosures related to R&D expenses.

INDEPENDENT AUDITOR'S REPORT (Continued)

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

INDEPENDENT AUDITOR'S REPORT (Continued)

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

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

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT (Continued)

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

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Lau Kwok Wa Lawrence (practising certificate number: P04882).

Ernst & Young
Certified Public Accountants
Hong Kong
30 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

31 December 2025

	Notes	2025	2024
		RMB'000	RMB'000
REVENUE	5	–	107
Cost of sales	8	–	(93)
Gross profit		–	14
Other income and gains	6	**37,609**	30,542
Research and development costs		**(244,064)**	(235,446)
Administrative expenses		**(78,478)**	(108,332)
Other expenses and losses	7	**(6,123)**	(1,131)
Finance costs	9	**(14,916)**	(12,817)
Change in fair value of redemption liabilities on equity shares		–	(60,758)
LOSS BEFORE TAX	8	**(305,972)**	(387,928)
Income tax expense	12	–	–
LOSS FOR THE YEAR		**(305,972)**	(387,928)
Attributable to:			
Owners of the parent		**(299,768)**	(386,955)
Non-controlling interests		**(6,204)**	(973)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(305,972)**	(387,928)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (expressed in RMB)			
Basic and diluted	14	**(0.80)**	(1.15)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	Notes	2025	2024
		RMB'000	RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	15	**192,137**	159,575
Right-of-use assets	16	**39,822**	50,260
Intangible assets	17	**56,769**	62,412
Prepayments and other receivables	18	**44,157**	74,471
Investment in an associate	19	**5,811**	–
Total non-current assets		**338,696**	346,718
CURRENT ASSETS			
Prepayments and other receivables	18	**73,756**	76,175
Cash and bank balances	20	**367,285**	460,463
		441,041	536,638
Assets of a disposal company classified as held for sale	29	**–**	32,337
Total current assets		**441,041**	568,975
CURRENT LIABILITIES			
Trade and other payables	21	**158,807**	118,706
Interest-bearing bank and other borrowings	22	**134,115**	144,175
Lease liabilities	16	**14,851**	26,188
		307,773	289,069
Liabilities directly associated with the assets classified as held for sale	28	**–**	12
Total current liabilities		**307,773**	289,081
NET CURRENT ASSETS		**133,268**	279,894
TOTAL ASSETS LESS CURRENT LIABILITIES		**471,964**	626,612

continued/···

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

31 December 2025

	Notes	2025	2024
		RMB'000	RMB'000
NON-CURRENT LIABILITIES			
Deferred income	23	**44,172**	44,360
Other long-term payables	24	**137,335**	103,205
Lease liabilities	16	**3,847**	6,485
Total non-current liabilities		**185,354**	154,050
Net assets		**286,610**	472,562
EQUITY			
Equity attributable to owners of the parent			
Share capital	25	**380,066**	370,836
Treasury shares	25	**(17,669)**	–
Reserves	26	**(75,727)**	98,252
		286,670	469,088
Non-controlling interests		**(60)**	3,474
Total equity		**286,610**	472,562

Wu Yusheng
Director

Jiang Mingyu
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

31 December 2025

Year ended 31 December 2024

	Notes	Attributable to owners of the parent						Non-controlling interests	Total equity
		Share capital	Share premium*	Share-based payment reserve*	Other reserves*	Accumulated losses*	Total		
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024		307,356	768,344	3,887	(954,970)	(1,009,097)	(884,480)	4,447	(880,033)
Total comprehensive loss for the year		–	–	–	–	(386,955)	(386,955)	(973)	(387,928)
Issue of new shares	25,26	63,480	458,494	–	–	–	521,974	–	521,974
Automatic conversion of equity shares with redemption features upon the global offering		–	254,282	–	951,800	–	1,206,082	–	1,206,082
Share-based payment compensation	27	–	–	12,467	–	–	12,467	–	12,467
At 31 December 2024		370,836	1,481,120	16,354	(3,170)	(1,396,052)	469,088	3,474	472,562

Year ended 31 December 2025

	Notes	Attributable to owners of the parent							Non-controlling interests	Total equity
		Share capital	Treasury shares	Share premium*	Share-based payment reserve*	Other reserves*	Accumulated losses*	Total		
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025		**370,836**	**–**	**1,481,120**	**16,354**	**(3,170)**	**(1,396,052)**	**469,088**	**3,474**	**472,562**
Total comprehensive loss for the year		**–**	**–**	**–**	**–**	**–**	**(299,768)**	**(299,768)**	**(6,204)**	**(305,972)**
Issue of new shares	25,26	**9,230**	**–**	**125,789**	**–**	**–**	**–**	**135,019**	**–**	**135,019**
Capital contribution from a non-controlling shareholder of a subsidiary		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**2,670**	**2,670**
Share repurchases	25	**–**	**(17,669)**	**–**	**–**	**–**	**–**	**(17,669)**	**–**	**(17,669)**
At 31 December 2025		**380,066**	**(17,669)**	**1,606,909**	**16,354**	**(3,170)**	**(1,695,820)**	**286,670**	**(60)**	**286,610**

* These reserve accounts comprise the consolidated reserves of RMB(75,727,000) and RMB98,252,000 in the consolidated statement of financial position as at 31 December 2025 and 2024.

CONSOLIDATED STATEMENT OF CASH FLOWS

31 December 2025

	Notes	2025	2024
		RMB'000	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(305,972)**	(387,928)
Adjustments for:			
Investment income on financial assets at financial assets at fair value through profit and loss ("FVTPL")	6	**(711)**	(1,264)
Gain on disposals of a subsidiary	6	**(4,921)**	–
Finance costs	9	**14,916**	12,817
Bank interest income	6	**(2,027)**	(2,017)
Listing expenses	8	**–**	27,229
Net foreign exchange losses/(gains)	6/7	**5,119**	(245)
Share-based payment compensation expense	8	**–**	12,467
Depreciation of property, plant and equipment	8	**6,619**	9,272
Depreciation of right-of-use assets	8	**12,742**	14,393
Amortisation of intangible assets	8	**5,659**	5,659
Change in fair value of redemption liabilities on equity shares		**–**	60,758
Loss/(gain) on disposal of items of property, plant and equipment		**2**	(40)
Gain on termination of a lease contract	6	**(2,713)**	(2)
Government grants related to interest-free financing	6	**(9,314)**	(7,291)
Decrease/(increase) in prepayments and other receivables		**24,643**	(46,491)
Increase/(decrease) in trade and other payables		**38,605**	(7,111)
Cash used in operating activities		**(217,353)**	(309,794)
Interest received		**1,585**	1,542
Net cash flows used in operating activities		**(215,768)**	(308,252)

continued/···

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

31 December 2025

	Notes	2025	2024
		RMB'000	RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		**(39,413)**	(73,622)
Refund from purchases of items of property, plant and equipment		**45,000**	–
Investment in an associate		**(5,811)**	–
Purchases of financial assets at FVTPL		**(691,482)**	(767,168)
Disposal of financial assets at FVTPL		**691,797**	774,432
Disposal of a subsidiary		**(58)**	–
Advance received from disposal of a subsidiary		**–**	10,000
Withdrawal of restricted bank deposits		**25,000**	491
Proceeds from disposal of items of property, plant and equipment		**–**	5,009
Placement of pledged time deposits		**–**	(25,000)
Proceeds from withdrawal of time deposits with original maturity of more than three months		**60,917**	60,475
Purchases of time deposits with original maturity of more than three months		**(50,000)**	(120,475)
Net cash flows from/(used in) investing activities		**35,950**	(135,858)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		**141,366**	580,683
Payment of share issuance cost		**(6,348)**	(13,753)
Payment of listing expenses		**(2,204)**	(82,210)
Share repurchases		**(17,669)**	–
Capital contribution from a non-controlling shareholder of a subsidiary		**2,670**	–
Financing from a non-controlling shareholder of a subsidiary		**34,134**	17,000
New bank loans		**110,000**	154,150
Repayment of bank loans		**(120,030)**	(10,120)
Interest paid		**(4,427)**	(3,306)
Lease payments, including related interest	16(b)	**(11,108)**	(10,364)
Net cash flows from financing activities		**126,384**	632,080

continued/···

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

31 December 2025

	Notes	2025	2024
		RMB'000	RMB'000
NET INCREASE IN CASH AND CASH EQUIVALENTS		**(53,434)**	187,970
Cash and cash equivalents at beginning of year		**375,046**	186,830
Effect of foreign exchange rate changes, net		**(5,119)**	246
CASH AND CASH EQUIVALENTS AT END OF YEAR	20	**316,493**	375,046
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	20	**367,285**	460,463
Pledged deposits	20	**(50,792)**	(25,000)
Bank deposits with original maturity of more than three months when acquired	20	**–**	(60,475)
Cash and cash equivalents attributable to a discontinued operation		**–**	58
CASH AND CASH EQUIVALENTS AS STATED IN THE STATEMENT OF CASH FLOWS		**316,493**	375,046

NOTES TO FINANCIAL STATEMENTS

31 December 2025

1. CORPORATE AND GROUP INFORMATION

TYK Medicines, Inc. (the "Company") was incorporated in Mainland China on 2 November 2017. The registered office address of the Company is Room 1403-2, 14th Floor, Tower A, Changxing World Trade Building, No. 1278 Mingzhu Road, Changxing Economic Development Zone, Huzhou, Zhejiang Province, the PRC.

The Company is a drug discovery research and development centre. The Company and its subsidiaries (the "Group") are principally engaged in the research, development and commercialisation of pharmaceutical products. The Group completed its initial public offering on the Main Board of the Hong Kong Stock Exchange on 20 August 2024.

As at the date of this report, the Company had direct interests in its subsidiaries, all of which are private limited liability companies, the particulars of which are as follows:

Names	Place and date of incorporation/ registration and place of operations	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
TYK Medicines (Shanghai) Co., Ltd. * (上海同源康醫藥有限公司)	People's Republic of China ("PRC")/Mainland China, 25 May 2020	RMB100,000,000	100%	–	Administrative headquarters
TYK Medicines (Zhengzhou) Co., Ltd.* (鄭州同源康醫藥有限公司)	PRC/Mainland China, 28 October 2020	RMB45,000,000	100%	–	Research and development
Kangyuan Pharmaceuticals (Changxing) Co., Ltd. * (長興康源製藥有限公司) (note a) ("Changxing KY")	PRC/Mainland China, 25 March 2021	RMB20,000,000	70%	–	Research and development
TYK Medicines USA, Inc	United States of America ("USA"), 16 May 2023	US$2,000,000	100%	–	Research and development
TYK Biotechnology Co., Ltd. (浙江同源康生物藥業有限公司) ("TYK Bio")	PRC/Mainland China, 17 July 2025	RMB14,000,000	57%	14%	Research and development
Changxing Heyuan Enterprise Management Partnership (Limited Partnership)* (長興禾源企業管理合夥企業(有限合夥))	PRC/Mainland China, 17 July 2025	RMB2,000,000	98%	–	Administration
Hong Kong TYK Medicines	HONG KONG, 22 December 2025	HKD1,000,000	100%	–	Administration

* These entities are limited liability enterprises established under the PRC law. The English names of these companies represent the best effort made by the directors of the Company (the "Directors"), as none of them have been registered with official English names.

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention except for financial assets at fair value through profit and loss. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

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

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

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

(b) rights arising from other contractual arrangements; and

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

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

2.1 BASIS OF PREPARATION (CONTINUED)

Basis of consolidation (Continued)

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

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

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

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

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

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

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

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

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

HKFRS 18 replaces HKAS 1 Presentation of Financial Statements. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as HKAS 8 Basis of Preparation of Financial Statements. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 Statement of Cash Flows, HKAS 33 Earnings per Share and HKAS 34 Interim Financial Reporting. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS (CONTINUED)

HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRS Accounting Standards. HKFRS 19 was amended in 2025 to (i) remove disclosure objectives from HKFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to HKFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19 and its amendments.

Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 9 and HKFRS 7 Contracts Referencing Nature-dependent Electricity clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to HKFRS 9 and HKFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS (CONTINUED)

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.

Amendments to HKAS 21 Translation to a Hyperinflationary Presentation Currency (see commentary on page (49)) require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of HKAS 29 Financial Reporting in Hyperinflationary Economies, to the foreign operation's comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to HKFRS Accounting Standards – Volume 11 set out amendments to HKFRS 1, HKFRS 7 (and the accompanying Guidance on implementing HKFRS 7), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- HKFRS 7 *Financial Instruments*: Disclosures: The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the Guidance on implementing HKFRS 7 for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the Guidance on implementing HKFRS 7 does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKFRS 9 *Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in HKFRS 16 and an extinguishment of a lease liability in accordance with HKFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS (CONTINUED)

Annual Improvements to HKFRS Accounting Standards – Volume 11 set out amendments to HKFRS 1, HKFRS 7 (and the accompanying Guidance on implementing HKFRS 7), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Group are as follows: (Continued)

- HKFRS 10 Consolidated Financial Statements: The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKAS 7 Statement of Cash Flows: The amendments replace the term "cost method" with "at cost" in paragraph 37 of HKAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

2.4 MATERIAL ACCOUNTING POLICIES

Investments in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it 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 type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Investments in associates and joint ventures (Continued)

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Fair value measurement

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - based on quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 - based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
Level 3 - based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets, deferred tax assets, financial assets, investment properties and non-current assets/a disposal group classified as held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost (or valuation) less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with HKFRS 5, as further explained in the accounting policy for "Non-current assets and disposal groups held for sale". The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Furniture and equipment	20% to 33%
Leasehold improvements	Shorter of remaining lease terms and estimated useful lives
Building	45 years

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

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

Intangible assets

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

Intangible assets are amortised on the straight-line basis over the following estimated useful lives:

Intellectual property	17 to 20 years
Software	5 years

Patents and licences Purchased patents and licences are stated at cost less any impairment losses and are amortised on the straight line basis over their estimated useful lives of 10 to 15 years.

Research and development costs All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products not exceeding five to seven years, commencing from the date when the products are put into commercial production.

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Research and development costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases

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

Group as a lessee

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

(a) Right-of-use assets

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

Office premises	3 to 5 years
Land use right	20 to 50 years

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

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

Group as a lessee (Continued)

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate used to determine such lease payments) or a change in assessment of an option to purchase the underlying asset.

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

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

The Group applies the short-term lease recognition exemption to its short-term leases of office premises (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment that is considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Derecognition of financial assets

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

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

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

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (Continued)

General approach (Continued)

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

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

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

Financial assets at amortised cost, except for trade receivables, are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, amounts due to related parties and interest-bearing bank borrowings.

Subsequent measurement

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

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

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

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

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the reporting periods, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Income tax (Continued)

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of the reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

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

Share-based payments

The Company operates an equity incentive plan. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments (“equity-settled transactions”).

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using the market approach.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Share-based payments (Continued)

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

Other employee benefits

Pension scheme

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

There is no forfeited contribution for the defined contribution plans as the contributions are fully vested to the employees upon payment.

Housing fund – Chinese mainland

The Group contributes on a monthly basis to a defined contribution housing fund plan operated by the local municipal government. Contributions to this plan by the Group are expensed as incurred.

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Foreign currencies

The consolidated financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

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

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

The functional currencies of certain overseas subsidiaries are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss and other comprehensive income are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of the overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of the overseas subsidiaries which arise throughout the reporting periods are translated into RMB at the weighted average exchange rates for the reporting periods.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Research and development expenses

All research expenses are charged to profit or loss as incurred. Expenses incurred on each pipeline to develop new products are capitalised and deferred in accordance with the accounting policy for research and development expenses in note 2.4 to the financial statements. Determining the amounts to be capitalised requires management to make judgements on the technical feasibility of existing pipelines to be successfully commercialised and bring economic benefits to the Company.

Recognition of income taxes and deferred tax assets

Determining income tax provision involves judgement on the future tax treatment of certain transactions and when certain matters relating to the income taxes have not been confirmed by the local tax bureau. Management evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatments of such transactions are reconsidered periodically to take into account all changes in tax legislation. Deferred tax assets are recognised in respect of deductible temporary differences and unused tax losses. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and the losses can be utilised, management's judgement is required to assess the probability of future taxable profits. Management's assessment is revised as necessary and deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered.

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty

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

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as a subsidiary's stand-alone credit rating).

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group has only one reportable operating segment, which is the development and commercialisation of pharmaceutical products. Since this is the only reportable operating segment of the Group, no further operating segment analysis thereof is presented.

Geographical information

Since all of the Group's non-current assets were located in Mainland China, no geographical information in accordance with HKFRS 8 *Operating Segments* is presented.

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

5. REVENUE

An analysis of revenue is as follows:

Revenue from contracts with customers

(a) Disaggregated revenue information

	2025	2024
	RMB'000	RMB'000
Type of services		
Research and development services	–	107
Timing of revenue recognition		
Transferred at a point in time	–	107

(b) Performance obligations

Research and development services

The revenue from research and development services is expected to be recognised during the period in which the services are being rendered.

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

6. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

	2025	2024
	RMB'000	*RMB'000*
Other income		
Government grants related to income	**17,923**	19,675
Government grants related to interest-free financing	**9,314**	7,291
Bank interest income	**2,027**	2,017
Gains		
Gain on disposals of a subsidiary (note 18 (b))	**4,921**	–
Gain on termination of a lease contract	**2,713**	2
Investment income on financial assets at FVTPL	**711**	1,264
Foreign exchange gains	**–**	293
Total	**37,609**	30,542

7. OTHER EXPENSES AND LOSSES

	2025	2024
	RMB'000	*RMB'000*
Foreign exchange losses	**5,119**	–
Donation to not-for-profit organisations	**1,000**	1,100
Others	**4**	31
Total	**6,123**	1,131

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

8. LOSS BEFORE TAX

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

	Notes	**2025**	2024
		RMB'000	*RMB'000*
Cost of services provided		**–**	93
Depreciation of property, plant and equipment (note (a))	15	**6,619**	9,272
Depreciation of right-of-use assets (note (b))	16	**12,742**	14,393
Amortisation of intangible assets (note (c))	17	**5,659**	5,659
Research and development costs:			
Current year expenditure		**183,295**	170,353
Gain on termination of a lease contract	6	**(2,713)**	(2)
Expenses relating to short-term leases	16	**1,525**	955
Auditor's remuneration		**2,650**	2,880
Listing expenses		**–**	27,229
Staff costs (including directors' emoluments) (note (d)):			
– Salaries, discretionary bonuses, allowances and benefits in kind		**71,785**	57,696
– Pension scheme contributions		**3,215**	2,615
– Share-based payment compensation	27	**–**	12,467
Total		**75,000**	72,778

(a) The depreciation of property, plant and equipment is included in "Research and development costs" and "Administrative expenses" in profit or loss.

(b) The depreciation of right-of-use assets is included in "Research and development costs" and "Administrative expenses" in profit or loss.

(c) The amortisation of intangible assets is included in "Research and development costs" in profit or loss.

(d) The staff costs are included in "Research and development costs" and "Administrative expenses" in profit or loss.

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

9. FINANCE COSTS

	2025	2024
	RMB'000	RMB'000
Interest expenses on government funding	**9,660**	7,612
Interest on bank loans	**4,398**	3,451
Interest on lease liabilities (note 16)	**858**	1,509
Transaction cost on issue of redemption liabilities on equity shares	**–**	245
Total	**14,916**	12,817

10. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors', supervisors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2025	2024
	RMB'000	RMB'000
Fees	**534**	460
Other emoluments:		
Salaries, allowances and benefits in kind	**7,768**	6,149
Pension scheme contributions	**131**	163
Housing funds, medical insurance and other social insurance	**120**	174
Share-based payment compensation	**–**	4,673
Total	**8,553**	11,619

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

10. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

(a) Independent non-executive Directors

The fees paid to independent non-executive Directors during the year were as follows:

	2025	2024
	RMB'000	*RMB'000*
Mr. Zhang Senquan*	**100**	115
Dr. Leng Yuting	**142**	115
Dr. Xu Wenqing	**142**	115
Dr. Shen Xiuhua	**142**	115
Mr. Jiang Xiaolin**	**8**	–
Total	**534**	460

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

* Mr. Zhang Senquan resigned in September 2025.

** Mr. Jiang Xiaolin was appointed as an independent non-executive Director from 12 December 2025.

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

10. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

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

	Salaries, allowances and benefits in kind	Housing funds, medical insurance and other social insurance	Pension scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
2025				
Executive Directors:				
Dr. Wu Yusheng (Chief executive officer)	**3,130**	**–**	**–**	**3,130**
Dr. Jiang Mingyu (note (i))	**653**	**36**	**37**	**726**
Non-executive Directors:				
Dr. Jiang Mingyu (note (i))	**130**	**–**	**–**	**130**
Dr. Li Jun (note (a))	**1,857**	**–**	**–**	**1,857**
Dr. Gu Eric Hong (note (b))	**–**	**–**	**–**	**–**
Dr. Meng Xiaoying (note (e))	**–**	**–**	**–**	**–**
Mr. He Chao (note (g))	**–**	**–**	**–**	**–**
Dr. Ding Zhao (note (j))	**–**	**–**	**–**	**–**
Dr. Zhu Xiangyang (note (n))	**100**	**–**	**–**	**100**
Supervisors:				
Dr. Niu Chengshan (note (m))	**1,123**	**12**	**11**	**1,146**
Dr. Liang Apeng (note (m))	**775**	**72**	**83**	**930**
Ms. Shang Jing (note (m))	**–**	**–**	**–**	**–**
Dr. Li Jun (note (k))	**–**	**–**	**–**	**–**
Dr. Liu Xingyu (note (l))	**–**	**–**	**–**	**–**
Total	**7,768**	**120**	**131**	**8,019**

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

10. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

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

	Salaries, allowances and benefits in kind	Share-based payment compensation	Housing funds, medical insurance and other social insurance	Pension scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
2024					
Executive Directors:					
Dr. Wu Yusheng (Chief executive officer)	2,357	1,717	–	–	4,074
Dr. Jiang Mingyu (note (i))	877	2,500	76	71	3,524
Directors:					
Dr. Sun Feng (note (c))	–	–	–	–	–
Dr. Li Li (note (d))	–	–	–	–	–
Dr. Jiang En (note (f))	–	–	–	–	–
Dr. Gao Tianhua (note (h))	–	–	–	–	–
Non-executive Directors:					
Dr. Li Jun (note (a))	1,029	–	–	–	1,029
Dr. Gu Eric Hong (note (b))	–	–	–	–	–
Dr. Meng Xiaoying (note (e))	–	–	–	–	–
Mr. He Chao (note (g))	–	–	–	–	–
Dr. Ding Zhao (note (j))	–	–	–	–	–
Supervisors:					
Dr. Niu Chengshan (note (m))	1,177	166	12	13	1,368
Dr. Liang Apeng (note (m))	709	290	86	79	1,164
Ms. Shang Jing (note (m))	–	–	–	–	–
Dr. Li Jun (note (k))	–	–	–	–	–
Dr. Liu Xingyu (note (l))	–	–	–	–	–
Total	6,149	4,673	174	163	11,159

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

10. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

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

Notes:

(a) Dr. Li Jun was appointed as a director with effect from January 2021 and was appointed as a non-executive Director with effect from January 2024.

(b) Dr. Gu Eric Hong was appointed as a director with effect from November 2017 and was appointed as a non-executive Director with effect from January 2024.

(c) Dr. Sun Feng was appointed as a director with effect from May 2019 and resigned in January 2024.

(d) Dr. Li Li was appointed as a director with effect from January 2021 and resigned in January 2024.

(e) Dr. Meng Xiaoying was appointed as a director with effect from January 2021, as a non-executive Director with effect from January 2024, and resigned in August 2025.

(f) Dr. Jiang En was appointed as a director with effect from July 2021 and resigned in January 2024.

(g) Mr. He Chao was appointed as a director with effect from June 2022 and was appointed as a non-executive Director with effect from January 2024.

(h) Dr. Gao Tianhua was appointed as a director with effect from June 2023 and resigned in January 2024.

(i) Dr. Jiang Mingyu was appointed as an executive Director with effect from January 2024 and was re-designated from an executive Director to a non-executive Director with effect from June 2025.

(j) Dr. Ding Zhao was appointed as a non-executive Director with effect from January 2024 and resigned in March 2025.

(k) Dr. Li Jun was appointed as a supervisor with effect from July 2021 and resigned in January 2024.

(l) Dr. Liu Xingyu was appointed as a supervisor with effect from July 2021 and resigned in January 2024.

(m) The company abolished the supervisory committee with the effect from October 2025.

(n) Dr. Zhu Xiangyang was appointed as a non-executive Director with effect from June 2025.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

11. FIVE HIGHEST PAID EMPLOYEES

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

	2025	2024
	RMB'000	*RMB'000*
Salaries, allowances and benefits in kind	**6,344**	5,857
Pension scheme contributions	**103**	83
Housing funds, medical insurance and other social insurance	**152**	86
Share-based payment compensation	**–**	5,704
Total	**6,599**	11,730

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	2025	2024
HK$1,500,001 to HK$2,000,000	**1**	–
HK$2,000,001 to HK$2,500,000	**1**	1
HK$3,000,001 to HK$3,500,000	**1**	–
HK$3,500,001 to HK$4,000,000	**–**	1
HK$6,000,001 to HK$6,500,000	**–**	1
Total	**3**	3

During the years ended 31 December 2025 and 2024, no highest paid employees waived or agreed to waive any remuneration and no remuneration was paid by the Group to any of the five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office.

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

12. INCOME TAX

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

Mainland China

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the Enterprise Income Tax ("EIT") rate of the PRC subsidiaries was 25% during the years except for the Company which was subject to tax concession as set out below.

The Company was accredited as a "High and New Technology Enterprise" ("HNTE") since 2022. The Company is entitled to a preferential EIT rate of 25% for 2025 and 15% for 2024.

	2025	2024
	RMB'000	*RMB'000*
Loss before tax	**(305,972)**	(387,928)
Tax at the statutory tax rate (2025: 25%; 2024: 15%)	**(76,493)**	(58,189)
Effect of different tax rates enacted by local authorities	**(6,505)**	(7,317)
Additional deductible allowance for research and development expenses	**(50,794)**	(36,202)
Deductible temporary difference and tax losses not recognised	**133,147**	101,166
Expenses not deductible for tax	**645**	542
Tax charge at the Group's effective rate	**–**	–

The Group has unused tax losses of RMB2,421,660,000 available for offset against future profits as of 31 December 2025 (2024: RMB1,874,874,000). The tax losses of the entity will expire in one to ten years for offsetting against taxable profits of the companies in which the losses arose.

Deferred tax assets have not been recognised in respect of these losses and deductible temporary differences as they have arisen in the subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits in the foreseeable future will be available against which the tax losses can be utilised.

According to the EIT Law, an additional 100% of qualified research and development expenses incurred is allowed to be deducted from taxable income effective from 1 October 2022. The qualification as a HNTE Enterprise is subject to review by the relevant tax authority in the PRC every three years.

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

13. DIVIDENDS

No dividend was paid or declared by the Company during the year (2024: nil).

14. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 337,616,000 and 374,538,684 outstanding for the years ended 31 December 2024 and 2025, respectively.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2025 and 2024.

The calculation of basic and loss per share is based on:

	2025	2024
	RMB'000	*RMB'000*
Loss		
Loss attributable to ordinary equity holders of the parent	**(299,768)**	(386,955)
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic loss per share calculation	**374,538,684**	337,616,000
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (Expressed in RMB)		
Basic and diluted	**(0.80)**	(1.15)

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

15. PROPERTY, PLANT AND EQUIPMENT

	Building	Furniture and equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2025					
At 1 January 2025:					
Cost	–	19,952	21,131	143,381	184,464
Accumulated depreciation	–	(12,371)	(12,518)	–	(24,889)
Net carrying amount	–	7,581	8,613	143,381	159,575
At 1 January 2025, net of accumulated depreciation	–	7,581	8,613	143,381	159,575
Additions	–	782	1,071	35,531	37,384
Transfer from right-of-use assets	1,800	–	–	–	1,800
Disposal	–	(3)	–	–	(3)
Transfer	–	–	245	(245)	–
Depreciation provided during the year	(3)	(2,485)	(4,131)	–	(6,619)
At 31 December 2025, net of accumulated depreciation	1,797	5,875	5,798	178,667	192,137
At 31 December 2025:					
Cost	1,800	20,731	22,447	178,667	223,645
Accumulated depreciation	(3)	(14,856)	(16,649)	–	(31,508)
Net carrying amount	1,797	5,875	5,798	178,667	192,137

The building is pledged to a bank as collateral by the third-party developer. The premises permit is in the progress as at 31 December 2025 and the pledge will be released upon the completion of premises permit.

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Furniture and equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2024				
At 1 January 2024:				
Cost	18,629	15,377	139,166	173,172
Accumulated depreciation	(8,786)	(6,876)	–	(15,662)
Net carrying amount	9,843	8,501	139,166	157,510
At 1 January 2024, net of accumulated depreciation	9,843	8,501	139,166	157,510
Additions	1,482	261	14,789	16,532
Assets included in a discontinued operation	–	–	(225)	(225)
Disposal	(159)	(4,811)	–	(4,970)
Transfer	–	10,349	(10,349)	–
Depreciation provided during the year	(3,585)	(5,687)	–	(9,272)
At 31 December 2024, net of accumulated depreciation	7,581	8,613	143,381	159,575
At 31 December 2024:				
Cost	19,952	21,131	143,381	184,464
Accumulated depreciation	(12,371)	(12,518)	–	(24,889)
Net carrying amount	7,581	8,613	143,381	159,575

As at 31 December 2024, there were no pledged property, plant and equipment.

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

16. LEASES

The Group as a lessee

The Group has lease contracts for land use right and various items of office premises used in its operations. Land use right has a term for usage of approximately 20 to 50 years and leases of office premises generally have lease terms between 2 and 5 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amount of the Group's right-of-use assets and the movements during the year are as follows:

	Land use right	Office premises	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 1 January 2024	53,876	38,459	92,335
Assets included in a discontinued operation	(26,950)	–	(26,950)
Depreciation charge	(2,037)	(12,889)	(14,926)
Lease termination	–	(199)	(199)
As at 31 December 2024 and 1 January 2025	24,889	25,371	50,260
Additions	–	6,273	6,273
Depreciation charge	(533)	(12,742)	(13,275)
Transfer to property, plant and equipment	–	(3,436)	(3,436)
As at 31 December 2025	**24,356**	**15,466**	**39,822**

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

16. LEASES (CONTINUED)

The Group as a lessee (Continued)

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	2025	2024
	RMB'000	*RMB'000*
Carrying amount at 1 January	**32,673**	41,729
New leases	**6,273**	–
Accretion of interest recognised during the year	**858**	1,509
Lease termination	**–**	(201)
Transfer to property, plant and equipment	**(9,998)**	–
Payments	**(11,108)**	(10,364)
Carrying amount at 31 December	**18,698**	32,673
Analysed into:		
Current portion	**14,851**	26,188
Non-current portion	**3,847**	6,485

The maturity analysis of lease liabilities is disclosed in note 35 to the financial statements.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2025	2024
	RMB'000	*RMB'000*
Depreciation of right-of-use assets	**12,742**	14,393
Interest on lease liabilities	**858**	1,509
Gain on lease termination	**(2,713)**	(2)
Expenses relating to short-term leases	**1,525**	955
Total amount recognised in profit or loss	**12,412**	16,855

(d) The total cash outflow for leases is disclosed in note 29(c) to the financial statements.

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

17. INTANGIBLE ASSETS

	Software	Intellectual property
	RMB'000	*RMB'000*
31 December 2025		
At 1 January 2025:		
Cost	**–**	**100,000**
Accumulated amortisation	**–**	**(37,588)**
Net carrying amount	**–**	**62,412**
At 1 January 2025, net of accumulated amortisation	**–**	**62,412**
Additions	**16**	**16**
Amortisation provided during the year	**–**	**(5,659)**
At 31 December 2025, net of accumulated amortisation	**16**	**56,769**
At 31 December 2025:		
Cost	**16**	**100,016**
Accumulated amortisation	**–**	**(43,247)**
Net carrying amount	**16**	**56,769**

17. INTANGIBLE ASSETS (CONTINUED)

	Intellectual property
	RMB'000
31 December 2024	
At 1 January 2024:	
Cost	100,000
Accumulated amortisation	(31,929)
Net carrying amount	68,071
At 1 January 2024, net of accumulated amortisation	68,071
Amortisation provided during the year	(5,659)
At 31 December 2024, net of accumulated amortisation	62,412
At 31 December 2024:	
Cost	100,000
Accumulated amortisation	(37,588)
Net carrying amount	62,412

Intangible assets are tested for impairment based on the recoverable amount of the cash-generating unit ("CGU") to which the intangible asset is related. The appropriate CGU is at the product level. The intangible assets represent intellectual property and technologies for TY-302, a product of CDK4/6 inhibitor indicated for prostate cancer and breast cancer, at the end of each reporting period. The recoverable amount of TY-302 CGU was determined based upon its fair value less costs of disposal. The fair value was estimated using the market approach.

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

17. INTANGIBLE ASSETS (CONTINUED)

The estimated revenue of TY-302 is based on peak-sales multiple and management's expectations of timing of commercialisation and success rate of commercialisation of TY-302. The management of the Company estimated that TY-302 will be able to generate revenue from 2030 to 2039, with growing trends in its revenue in the first six years and seven years, and reach its peak sales in 2035 and 2036. The peak-sales multiple of 3.4 was calculated based on comparable transactions and the expected peak sales and market penetration of the product. The expected success rates of commercialisation of TY-302, which is 21.6% and 54.9%, were determined based on market practices in the pharmaceutical industry, development of technologies and related regulations from authorities. The post-tax discount rate used of 14.0% reflects specific risks relating to TY-302.

Below is a summary of key parameters to the valuation of intangible assets together with a quantitative sensitivity analysis and headroom at the end of the reporting period.

As at 31 December 2025

Key parameters		Sensitivity for fair value to the input	Headroom
			RMB'000
Peak-sales multiple	**3.4**	5% increase/(decrease) in the peak-sales multiple would result in increase/(decrease) in fair value by RMB11,147 thousand.	
Expected success rate of commercialisation of TY-302 (Breast cancer (2L+))	**54.9%**	5% increase/(decrease) in the expected success rate of commercialisation of TY-302 would result in increase/(decrease) in fair value by RMB11,147 thousand.	**63,598**
Expected success rate of commercialisation of TY-302 (Prostate cancer (1L))	**21.6%**		
Post-tax discount rate	**14.0%**	5% increase/(decrease) in the post-tax discount rate would result in (decrease)/increase in fair value by RMB (8,168)/8,730 thousand.	

17. INTANGIBLE ASSETS (CONTINUED)

As at 31 December 2024

Key parameters		Sensitivity for fair value to the input	Headroom
			RMB'000
Peak-sales multiple	3.3	5% increase/(decrease) in the peak-sales multiple would result in increase/(decrease) in fair value by RMB12,659 thousand.	
Expected success rate of commercialisation of TY-302 (Breast cancer (2L+))	54.9%	5% increase/(decrease) in the expected success rate of commercialisation of TY-302 would result in increase/(decrease) in fair value by RMB12,659 thousand.	78,248
Expected success rate of commercialisation of TY-302 (Prostate cancer (1L))	21.6%		
Post-tax discount rate	13.7%	5% increase/(decrease) in the post-tax discount rate would result in (decrease)/increase in fair value by RMB (9,135)/9,743 thousand.	

The management believes that, any reasonably possible change in the key parameters would not cause the CGU's carrying amount to exceed its recoverable amount.

Based on the result of the impairment tests on TY-302 CGU, the intangible assets were not impaired during the year.

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

18. PREPAYMENTS AND OTHER RECEIVABLES

	2025	2024
	RMB'000	*RMB'000*
Non-current:		
Value-added tax recoverable	**30,404**	20,589
Prepayments for long-term assets	**12,796**	53,027
Rental deposits	**957**	855
Total	**44,157**	74,471
Current:		
Prepayments for research and development services and other expenses	**39,242**	60,274
Amounts due from grantees of restricted share scheme (note a)	**3,834**	12,430
Receivable from disposal of a subsidiary (note b)	**24,900**	–
Others	**5,780**	3,471
Total	**73,756**	76,175

The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. In addition, there is no significant change in the economic factors based on the assessment of the forward-looking information, so the directors of the Company are of the opinion that the ECLs in respect of these balances are minimal. The balances are interest-free and are not secured with collateral.

Notes:

(a) In connection with the vesting of restricted shares upon completion of public offering, the Company was obligated to pay individual income tax on behalf of grantees including directors, senior management and employees to tax authorities and these amounts were expected to be collected from grantees upon trading those shares via open market.

(b) The Company entered into an equity transfer agreement on 18 December 2023 and supplemental agreements on 13 March 2024 and 5 June 2024 to transfer the entire equity interest in Yabao Biotechnology (Shanghai) Co., Ltd. (上海雅葆生物科技有限公司) ("Shanghai Yabao") to an independent third party with a consideration of RMB34,900,000. In January 2025, the disposal was completed upon obtaining regulatory approval from the relevant authority. A gain on disposal of RMB4,921,000 was recognized. As at 31 December 2025, RMB10,000,000 of the consideration had been received, while the remaining balance of RMB24,900,000 was included in prepayments and other receivables.

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

19. INVESTMENTS IN AN ASSOCIATE

	2025	2024
	RMB'000	*RMB'000*
TYK Venture Capital Fund (Huzhou) Limited Partnership ("TYK VC")同源康創業投資基金(湖州)合夥企業(有限合夥)	**5,811**	–

On 24 April 2025, the Company, Tengyuan (Changxing) Investment Management Co., Ltd. (騰遠(長興)投資管理有限公司), Huzhou Innovation Incubation Investment Co., Ltd. (湖州市創新創業投資有限公司), Huzhou Industrial Investment Fund Co., Ltd. (湖州市產業基金投資有限公司), Changxing Xingqiang Chuangqiang Investment Limited Partnership (長興興長創強投資合夥企業(有限合夥)) and Shanghai Younan Environmental Protection Technology Co., Ltd (上海友南環保科技有限公司) entered into an investment agreement, pursuant to which, the Company agreed to subscribe 9% limited partnership in TYK VC at total consideration of RMB18,000,000. As at 31 December 2025, the Company has invested RMB5,811,000 in TYK VC.

20. CASH AND BANK BALANCES

	2025	2024
	RMB'000	*RMB'000*
Cash and bank balances	**367,285**	460,463
Less:		
Pledged deposits (i)	**(50,792)**	(25,000)
Bank deposits with original maturity of more than three months when acquired	**–**	(60,475)
Cash and cash equivalents	**316,493**	374,988

(i) They represent pledged deposits in a commercial bank for a bank loan. None of these deposits are either past due or impaired. Further details are set out in note 22 to the financial statements.

The RMB is not freely convertible into other currencies, however, under the Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

21. TRADE AND OTHER PAYABLES

	2025	2024
	RMB'000	*RMB'000*
Trade payables	**45,164**	19,642
Payroll payables	**6,049**	4,251
Accrued expenses for research and development services	**55,120**	41,463
Accrued listing expense	**–**	2,204
Other taxes payable	**571**	6,975
Other payables		
– Payables for property, plant and equipment	**45,530**	29,299
– Advance receivable from disposing a subsidiary	**–**	10,000
– Others	**6,373**	4,872
Total	**158,807**	118,706

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

	2025	2024
	RMB'000	*RMB'000*
Within 3 months	**40,597**	15,115
3 to 6 months	**812**	3,297
6 months to 1 year	**2,687**	1,202
Over 1 year	**1,068**	28
Total	**45,164**	19,642

The trade payables are non-interest-bearing and payable on demand, which are normally settled on terms of 1 to 3 months.

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

22. INTEREST-BEARING BANK AND OTHER BORROWINGS

	2025		
	Effective interest rate (%)	Maturity	*RMB'000*
Current			
Bank loans – unsecured	**2.70-3.20**	**2026**	**59,049**
Bank loans – secured	**2.95-3.30**	**2026**	**75,066**
Total			**134,115**

	2025
	RMB'000
Analysed into:	
Bank loans:	
Within one year	**134,115**

	2024		
	Effective interest rate (%)	Maturity	*RMB'000*
Current			
Bank loans – unsecured	3.45-3.90	2025	120,404
Bank loans – secured	3.20	2025	23,771
Total			144,175

	2024
	RMB'000
Analysed into:	
Bank loans:	
Within one year	144,175

(a) All bank loans are denominated in RMB.

(b) Certain of the Group's bank loans are secured by the pledge of certain of the Group's time deposits amounting to RMB50,792,000 and RMB25,000,000 as at 31 December 2025 and 2024.

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

23. DEFERRED INCOME

	2025	2024
	RMB'000	RMB'000
Government grants related to interest-free financing (note 24)	**44,172**	43,821
Government grants related to income*	**–**	539
Total	**44,172**	44,360

* The movements in deferred income during the years ended 31 December 2025 and 2024 are as follows:

	2025	2024
	RMB'000	RMB'000
At beginning of the year	**539**	2,982
Grants received during the year	**4,334**	4,540
Amounts released to profit or loss during the year	**(4,873)**	(6,983)
At end of the year	**–**	539

The grants were government subsidies received from local government authorities to support the Group's research and development activities and will be recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

24. OTHER LONG-TERM PAYABLES

	2025	2024
	RMB'000	*RMB'000*
Government funding	**137,335**	103,205

In March 2021, the Company entered into an investment agreement (the "Changxing Investment Agreement") with the Administrative Committee of Changxing Economic and Technological Development Zone (長興經濟技術開發區管理委員會). Pursuant to the Changxing Investment Agreement, Changxing Xingkang Equity Investment Partnership (Limited Partnership) (長興興康股權投資合夥企業(有限合夥)) ("CX Xingkang") subscribed for 6,000,000 equity shares in Changxing KY with interest-free repayable financing, which would not exceed RMB220,000,000 in aggregate. In July 2021, June 2022, January 2023, February 2024, December 2024, January 2025, September 2025 and November 2025 Changxing KY received financing of RMB26,860,000, RMB40,000,000, RMB65,000,000, RMB12,000,000, RMB5,000,000, RMB16,013,200, RMB8,120,800 and RMB10,000,000 respectively, from CX Xingkang. The financing is repayable within seven and a half years from the date of the land transfer. The equity shares held by CX Xingkang would be cancelled upon repayment of the financing.

The financing received by Changxing KY is recorded as financial liabilities measured at the present value of the repayment amount. As the financing received in July 2021, June 2022, January 2023, February 2024, December 2024, January 2025, September 2025 and November 2025 was interest-free, the differences between the initial carrying values of the financing and the proceeds received of RMB9,664,000 and RMB5,815,000 were recognised as government grants in the years ended 2025 and 2024, respectively.

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

25. SHARE CAPITAL/TREASURY SHARES

The Company was incorporated on 2 November 2017 as a limited company under the laws of the PRC with authorised share capital of RMB380,065,818.

Shares

	2025	2024
	RMB'000	*RMB'000*
Issued and fully paid:		
380,065,818 (2024: 370,835,818) shares	**380,066**	370,836

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	Share capital
	'000	*RMB'000*
As at 1 January 2024	307,356	307,356
Series pre-A equity shares	8,400	8,400
Series B equity shares	7,200	7,200
Shares from initial public offering (note a)	47,880	47,880
As at 31 December 2024 and 1 January 2025	370,836	370,836
Issue of placing shares (note b)	9,230	9,230
As at 31 December 2025	**380,066**	**380,066**

Notes:

(a) In connection with the Company's initial public offering on the Main Board of the Hong Kong Stock Exchange on 20 August 2024, 47,880,000 ordinary shares of RMB1.00 each were issued and allotted at an offer price of HK$12.10 per share for a total gross consideration of HK$579,348,000 (equivalent to RMB530,683,000). As at 31 December 2024, the registered share capital of the Company was RMB370,835,818 and fully paid.

(b) On 28 July 2025, the Company entered into the placing agreement with the placing agent, pursuant to which the placing agent has conditionally agreed, as the Company's placing agent, to procure, on a best effort basis, places to purchase 9,230,000 placing shares at the placing price of HK$17.01 per placing share. On 4 August 2025, an aggregate of 9,230,000 placing shares of the Company have been successfully placed at the total consideration of RMB135,019,000 (net of issuance costs) or HK$17.01 per share.

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

25. SHARE CAPITAL/TREASURY SHARES (CONTINUED)

Treasury shares

	Number of shares repurchased	Treasury shares
		RMB'000
As at 31 December 2025		
Share repurchases (note (a))	**1,410,500**	**17,669**

(a) The board of directors of the Company exercised its powers under a mandate from the shareholders passed on 30 October 2025, to instruct a trustee to acquire H shares for its share incentive plan. 1,410,500 shares were acquired at a total consideration of HK$19,562,000 (equivalent to RMB17,669,000) for the year ended 31 December 2025.

26. RESERVES

The amounts of the Group's share premium and other reserves and the movements therein for the year are presented in the consolidated statement of changes in equity.

(a) Share premium

The share premium of the Group represents the difference between the par value of the shares issued and the consideration received.

(b) Share-based payment reserve

The share-based payment reserve represents the equity-settled share awards as set out in note 27 to the financial statements.

(c) Other reserves

The amount represents the carrying amount of the equity shares held by CX Xingkang as stipulated in note 24 to the financial statements.

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

27. SHARE-BASED PAYMENTS

The Group adopted a restricted share scheme ("Employee Incentive Scheme") which became effective in 2023, for the purpose of attracting and retaining directors, senior management and employees who promote the success of the Group's operations. Changxing Caiyuan Enterprise Management Partnership (Limited partnership)(長興彩源企業管理合夥企業(有限合夥))("Changxing Caiyuan") and Changxing Gangyuan Enterprise Management Partnership (Limited partnership)(長興罡源企業管理合夥企業(有限合夥))("Changxing Gangyuan") are used as restricted share platforms to facilitate the administration of the Employee Incentive Scheme. 8,580,000 shares of the Company, of which 3,780,000 were held by Changxing Caiyuan and 4,800,000 were held by Changxing Gangyuan, were authorised and approved under the Employee Incentive scheme. Pursuant to the Employee Incentive Scheme, the subscription prices are RMB2.38 per share and RMB4.17 per share for restricted shares held by Changxing Caiyuan and Changxing Gangyuan, respectively.

The restricted shares granted to grantees have been vested upon the completion of public offering on 20 August 2024.

Details of the granted shares are as follows:

Date of grant	Number of shares	Subscription price per share	Fair value at grant date per share
19 October 2023	3,780,000	RMB2.38	RMB5.29
19 October 2023	4,800,000	RMB4.17	RMB5.29

The following restricted shares were outstanding under the Employee Incentive Scheme during the year:

	Number of restricted shares
As at 1 January 2024	8,580,000
Vested during the year	(8,580,000)
As at 31 December 2024 and 1 January 2025	–
As at 31 December 2025	–

During the years ended 31 December 2025 and 2024, share-based payment compensation expenses of nil and RMB12,467,000 were charged to profit or loss.

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

28. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

The Group has entered into an equity transfer agreement dated 18 December 2023 and supplemental agreements dated 13 March 2024 and 5 June 2024 to transfer the entire equity interest of Shanghai Yabao to an independent third party. In January 2026, the disposal was completed upon obtaining regulatory approval from the relevant authority. Therefore, the Company derecognized the disposal group held for sale in 2025. As at 31 December 2024, Shanghai Yabao was classified as a disposal group held for sale.

The major classes of assets and liabilities of Shanghai Yabao classified as held for sale as at 31 December 2024 are as follows:

	31 December 2024
	RMB'000
Assets	
Restricted bank deposit	4,692
Property, plant and equipment	225
Right-of-use assets	26,949
Prepayments and other receivables	413
Cash and cash equivalents	58
Assets classified as held for sale	32,337
Liabilities	
Trade and other payables	(12)
Liabilities directly associated with the assets classified as held for sale	(12)
Net assets directly associated with the disposal group	32,325

29. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the years ended 31 December 2025 and 2024, the Group had non-cash additions to right-of-use assets of RMB6,273,000 and nil, and non-cash additions to lease liabilities of RMB6,273,000 and nil, respectively, in respect of lease arrangements for office premises.

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

29. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(b) Changes in liabilities arising from financing activities

	Lease liabilities	Other long-term payables	Accrued listing expenses included in trade and other payable	Accrued transaction cost on issue of redemption liabilities on equity shares in trade and other payables	Interest-bearing bank and other borrowings
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	41,729	84,408	3,868	13,508	–
Changes from financing cash flows	(10,364)	17,000	(82,210)	(13,753)	140,724
Additions	–	–	80,546	–	–
Transaction cost on issue of redemption liabilities on equity shares	–	–	–	245	–
Recognition of government grants related to interest-free financing	–	(5,815)	–	–	–
Lease termination	(201)	–	–	–	–
Accretion of interest	1,509	7,612	–	–	3,451
At 31 December 2024 and 1 January 2025	32,673	103,205	2,204	–	144,175
Changes from financing cash flows	(11,108)	34,134	(2,204)	–	(14,458)
Additions	6,273	–	–	–	–
Recognition of government grants related to interest-free financing	–	(9,664)	–	–	–
Transfer to property, plant and equipment	(9,998)	–	–	–	–
Accretion of interest	858	9,660	–	–	4,398
At 31 December 2025	**18,698**	**137,335**	**–**	**–**	**134,115**

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

29. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(c) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statement of cash flows is as follows:

	2025	2024
	RMB'000	*RMB'000*
Within operating activities	**1,525**	955
Within financing activities	**11,108**	10,364
Total	**12,633**	11,319

30. COMMITMENTS

The Group had the following contractual commitments at the end of the year:

	2025	2024
	RMB'000	*RMB'000*
Property, plant and equipment	**8,348**	36,433
Investment to an associate	**12,189**	–
Total	**20,537**	36,433

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

31. RELATED PARTY TRANSACTIONS

(a) Name and relationship

The directors of the Group are of the opinion that the following companies are related parties that had transactions or balances with the Group during the year.

Name of related parties	Relationship with the Group
Dr. Wu Yusheng	Executive director
Sichuan Huiyu Pharmaceutical Co., Ltd. ("Sichuan Huiyu")	Shareholder
LeadMed (Zhejiang) Co., Ltd. ("LeadMed ZJ")	Controlled by Dr. Wu Yusheng
Tetranov Pharmaceutical (Zhejiang) Co., Ltd. ("Tetranov")	Controlled by Dr. Wu Yusheng
SynthonTech Co., Ltd. ("Synthon")	Controlled by Dr. Wu Yusheng
Dr. Jiang Mingyu	Non-executive Director

(b) The Group had the following transactions with related parties during the year:

	2025	2024
	RMB'000	RMB'000
Purchase of goods		
Sichuan Huiyu*	**177**	1,062
LeadMed ZJ	**737**	91
Synthon	**244**	–
Provision of services		
Sichuan Huiyu	**–**	3,236
Synthon	**24**	–
Rental fee		
Tetranov	**1,186**	1,186
Total	**2,799**	5,575

* Mr. Ding Zhao, the controlling shareholder of Sichuan Huiyu, resigned as a non-executive Director of the Group on 27 March 2025. Accordingly, Sichuan Huiyu ceased to be a related party of the Group with effect from 27 March 2025. The related party transaction amount was occurred from 1 January 2025 to 27 March 2025.

The purchases of goods and provision of services from the related parties were made according to the published prices and conditions agreed by the Group and the related parties.

In November 2025, Dr. Wu Yusheng made a capital contribution of RMB2,650,000 into TYK Bio,, a subsidiary of the Group, with equity interest of 18.93%.

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

31. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Outstanding balances with related parties:

	2025	2024
	RMB'000	RMB'000
Amounts due from the related party:		
Other receivables – lease deposit:		
Tetranov	**108**	–
Amounts due from grantees of restricted share scheme (non-trade in nature) (note 18):		
Dr. Jiang Mingyu*	**3,101**	3,101
Total	**3,209**	3,101
Amounts due to related parties:		
Other payables and accruals (trade in nature):		
LeadMed ZJ	**692**	91
Synthon	**289**	–
Sichuan Huiyu	**–**	469
Lease liabilities		
Tetranov	**1,286**	2,517
Total	**2,267**	3,077

The amounts due to related parties is unsecured, non-interest-bearing and repayable on demand.

The outstanding balance represents payables for the purchase of goods and provision of services.

* The maximum outstanding balance owed by Dr. Jiang Mingyu to the Company during the years ended 31 December 2025 and 2024 is RMB3,105,000. The outstanding balance was subsequently settled in January 2026.

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

31. RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Compensation of key management personnel of the Group

	2025	2024
	RMB'000	*RMB'000*
Salaries, bonuses, allowances and benefits in kind	**3,130**	2,357
Share-based payment compensation	**–**	1,717
Pension scheme contributions	**–**	–
Housing funds, medical insurance and other social insurance	**–**	–
Total	**3,130**	4,074

Further details of directors' and the chief executive's emoluments are included in note 10 to the financial statements.

32. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the year are as follows:

Financial assets

	2025	2024
	RMB'000	*RMB'000*
Financial assets at amortised cost		
Financial assets included in prepayments and other receivables	**10,571**	16,756
Cash and bank balances	**367,285**	460,463
Total	**377,856**	477,219

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

32. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

Financial liabilities

	2025	2024
	RMB'000	*RMB'000*
Financial liabilities at amortised cost		
Trade and other payables	**152,187**	107,480
Interest-bearing bank and other borrowings	**134,115**	144,175
Other long-term payables	**137,335**	103,205
Total	**423,637**	354,860

33. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, restricted bank deposit (in the current portion), financial assets included in prepayments and other receivables (in the current portion), and financial liabilities included in trade and other payables approximate to their carrying amounts largely due to the short-term maturities of these instruments. The fair values of other non-current financial assets and financial liabilities have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end of the year, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Group invests in financial assets at fair value through profit or loss, which represent wealth management products issued by banks. The fair values are based on cash flows discounted using the expected yield rate.

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and bank balances, restricted deposits, interest-bearing bank and other borrowings, other long-term payables and lease liabilities. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as financial assets included in prepayments and other receivables and financial liabilities included in trade and other payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Credit risk

For financial assets included in prepayments and other receivables, management makes periodic collective assessment as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience. The directors believe that there is no material credit risk inherent in the Group's outstanding balance of other receivables.

As at the end of the reporting period, cash and cash equivalents were deposited in financial institutions with good credit ratings and without significant credit risk.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at the end of the year.

The amounts presented are gross carrying amounts for financial assets.

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (Continued)

Maximum exposure and year-end staging (Continued)

As at 31 December 2025

	12-month ECLs	Lifetime ECLs		
	Stage 1	Stage 2	Stage 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets included in prepayments and other receivables	**10,571**	**–**	**–**	**10,571**
Cash and bank balances	**367,285**	**–**	**–**	**367,285**
Total	**377,856**	**–**	**–**	**377,856**

As at 31 December 2024

	12-month ECLs	Lifetime ECLs		
	Stage 1	Stage 2	Stage 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets included in prepayments and other receivables	16,756	–	–	16,756
Cash and bank balances	460,463	–	–	460,463
Total	477,219	–	–	477,219

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management of the Group to finance the operations and mitigate the effects of fluctuations in cash flows.

The maturity profile of the Group's financial liabilities as at the end of the year, based on the contractual undiscounted payments, is as follows:

	As at 31 December 2025			
	Within 1 year	1 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial liabilities included in trade and other payables	**152,187**	**–**	**–**	**152,187**
Interest-bearing bank and other borrowings	**135,276**	**–**	**–**	**135,276**
Other long-term payables	**–**	**182,994**	**–**	**182,994**
Lease liabilities	**15,289**	**3,929**	**–**	**19,218**
Total	**302,752**	**186,923**	**–**	**489,675**

	As at 31 December 2024			
	Within 1 year	1 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial liabilities included in trade and other payables	107,480	–	–	107,480
Interest-bearing bank and other borrowings	145,605	–	–	145,605
Other long-term payables	–	148,860	–	148,860
Lease liabilities	27,015	6,707	–	33,722
Total	280,100	155,567	–	435,667

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year.

35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2025	2024
	RMB'000	*RMB'000*
NON-CURRENT ASSETS		
Property, plant and equipment	**7,519**	12,068
Right-of-use assets	**13,693**	17,412
Intangible assets	**56,753**	62,412
Prepayments and other receivables	**18,318**	30,821
Investments in subsidiaries	**174,771**	159,000
Amount due from subsidiaries	**68,897**	56,266
Total non-current assets	**339,951**	337,979
CURRENT ASSETS		
Prepayments and other receivables	**72,247**	74,959
Amounts due from a subsidiary	**–**	18,438
Cash and bank balances	**338,064**	449,610
	410,311	543,007
Assets of a disposal company classified as held for sale	**–**	34,900
Total current assets	**410,311**	577,907

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

35. STATEMENTS OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Information about the statement of financial position of the Company at the end of the reporting period is as follows: (Continued)

	2025	2024
	RMB'000	*RMB'000*
CURRENT LIABILITIES		
Trade and other payables	**102,562**	86,157
Amount due to a subsidiary	**–**	28,700
Interest-bearing bank and other borrowings	**104,090**	124,156
Lease liabilities	**13,086**	14,462
Total current liabilities	**219,738**	253,475
NET CURRENT ASSETS	**190,573**	324,432
TOTAL ASSETS LESS CURRENT LIABILITIES	**530,524**	662,411
NON-CURRENT LIABILITIES		
Deferred income	**–**	539
Lease liabilities	**2,945**	5,846
Total non-current liabilities	**2,945**	6,385
Net assets	**527,579**	656,026
EQUITY		
Share capital	**380,066**	370,836
Reserves	**147,513**	285,190
Total equity	**527,579**	656,026

NOTES TO FINANCIAL STATEMENTS (Continued)

31 December 2025

35. STATEMENTS OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Information about the statement of financial position of the Company at the end of the reporting period is as follows: (Continued)

Note:

A summary of the Company's reserves is as follows:

	Treasury shares	Share premium	Share-based payment reserve	Other reserves	Accumulated losses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	–	768,344	3,887	(951,800)	(890,885)	(1,070,454)
Issue of new shares	–	458,494	–	–	–	458,494
Automatic conversion of equity shares with redemption features upon the global offering	–	254,282	–	951,800	–	1,206,082
Share-based payment compensation	–	–	12,467	–	–	12,467
Total comprehensive loss for the year	–	–	–	–	(321,399)	(321,399)
At 31 December 2024 and 1 January 2025	–	1,481,120	16,354	–	(1,212,284)	285,190
Issue of new shares	–	125,789	–	–	–	125,789
Share repurchases	(17,669)	–	–	–	–	(17,669)
Total comprehensive loss for the year	–	–	–	–	(245,797)	(245,797)
At 31 December 2025	**(17,669)**	**1,606,909**	**16,354**	**–**	**(1,458,081)**	**147,513**

36. EVENT AFTER THE REPORTING PERIOD

On 27 February 2026, the Company entered into a capital increase agreement with certain investors of TYK Bio. Upon completion of the transaction, the Company's equity interest in TYK Bio will decrease from 57.14% to 39.03%. As a result TYK Bio will cease to be a subsidiary and become an associate of the Group.

37. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 30 March 2026.

DEFINITIONS

In this annual report, unless the context otherwise requires, the following expressions shall have the following meanings.

"2025 H Share Incentive Scheme"	the share incentive scheme adopted by the Company on October 30, 2025 pursuant to the approval of the Shareholders, details of which are set out in the circular of the Company dated October 14, 2025
"AGM" or "Annual General Meeting"	the forthcoming annual general meeting of the Company to be held on June 23, 2026
"Articles of Association"	the Articles of Association currently in force
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Board"	the board of Directors
"Board of Supervisors"	the board of Supervisors
"CG Code" or "Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"Changxing Caiyuan"	Changxing Caiyuan Enterprise Management Partnership (Limited Partnership)* (長興彩源企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on July 19, 2023, one of our ESOP Platforms and one of our Controlling Shareholders
"Changxing Gangyuan"	Changxing Gangyuan Enterprise Management Partnership (Limited Partnership)* (長興罡源企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on July 18, 2023, one of our ESOP Platforms and one of our Controlling Shareholders
"Changxing KY"	Kangyuan Pharmaceuticals (Changxing) Co., Ltd. (長興康源製藥有限公司), a company established in the PRC on March 25, 2021, and a non-wholly owned subsidiary of the Company
"Changxing Liyuan"	Changxing Liyuan Enterprise Management Partnership (Limited Partnership)* (長興利源企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on June 29, 2018 and one of the Controlling Shareholders
"Changxing Xingqiang Investment"	Changxing Xingqiang Chuangqiang Investment Partnership (Limited Partnership) (長興興長創強投資合夥企業(有限合夥)), a limited partnership established in the PRC and an Independent Third Party, and a limited partner of the Fund pursuant to the Joint Venture Agreement

* *For identification purpose only*

"China" or "PRC"	the People's Republic of China excluding, for the purposes of this annual report, Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"Companies Ordinance"	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong (as amended, supplemented or otherwise modified from time to time)
"Company" or "our Company"	TYK Medicines, Inc (浙江同源康醫藥股份有限公司), a joint stock company incorporated in the PRC with limited liability on November 2, 2017
"Controlling Shareholders"	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Dr. Wu, Ms. Zhu, Tetranov Pharmaceutical, Zhengzhou Derui, Huzhou Derui, Zhengzhou Hongnuo, Tetranov International Inc, Changxing Liyuan, Changxing Caiyuan and Changxing Gangyuan
"Core Product"	has the meaning ascribed thereto under Chapter 18A of the Listing Rules and in this context, refers to TY-9591
"Directors"	the director(s) of the Company
"Dr. Wu"	Dr. WU Yusheng (吳豫生), the chairperson of our Board, our executive Director, chief executive officer and one of our Controlling Shareholders
"EGFR"	epidermal growth factor receptor
"Employee Incentive Scheme"	the employee equity incentive scheme of our Company which was adopted on May 19, 2023
"ESOP Platforms"	Changxing Caiyuan and Changxing Gangyuan
"FDA"	the United States Food and Drug Administration
"Global Offering"	the Hong Kong Public Offering and the International Offering as defined in the Prospectus
"Group", "our Group", "our", "we", or "us"	the Company and its subsidiaries, or any one of them as the context may require or, where the context refers to any time prior to its incorporation, the business which its predecessors or the predecessors of its present subsidiaries, or any one of them as the context may require, were or was engaged in and which were subsequently assumed by it
"H Share(s)"	ordinary share(s) in the ordinary share capital of our Company, with a nominal value of RMB1.00 each, which are listed on the Stock Exchange

"HK$"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Huzhou Derui"	Huzhou Derui Medical Technology Co., Ltd.* (湖州德瑞醫藥科技有限公司), a company incorporated in the PRC with limited liability on March 3, 2020 and one of our Controlling Shareholders
"Huzhou Industrial Investment"	Huzhou Industrial Investment Fund Co., Ltd. (湖州市產業基金投資有限公司), a company incorporated in the PRC with limited liability and an Independent Third Party, and a limited partner of the Fund pursuant to the Joint Venture Agreement
"Huzhou Innovation"	Huzhou Innovation Incubation Investment Co., Ltd. (湖州市創新創業投資有限公司), a company incorporated in the PRC with limited liability and an Independent Third Party, and a general partner of the Fund pursuant to the Joint Venture Agreement
"IND"	investigational new drug or investigational new drug application
"Listing"	listing of the H Shares on the Main Board of the Stock Exchange
"Listing Date"	August 20, 2024, on which the H Shares were listed and dealings in the H Shares commenced on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"Ms. Zhu"	Ms. ZHU Ming Julia, spouse of Dr. Wu and one of our Controlling Shareholders
"NDA"	new drug application
"NMPA"	National Medical Products Administration of China
"Nomination Committee"	the nomination committee of the Board

* *For identification purpose only*

"NSCLC"	non-small cell lung cancer
"Prospectus"	Prospectus of the Company dated August 12, 2024
"R&D"	research and development
"Reporting Period"	the year ended December 31, 2025
"RMB"	Renminbi, the lawful currency of the PRC
"Scientific Committee"	the scientific committee of the Board
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Shanghai Younan"	Shanghai Younan Environmental Protection Technology Co., Ltd. (上海友南環保科技有限公司), a company incorporated in the PRC with limited liability and an Independent Third Party, and a limited partner of the Fund pursuant to the Joint Venture Agreement
"Share(s)"	ordinary share(s) in the capital of the Company with nominal value of RMB1.00 per share, comprising Unlisted Shares and H Shares
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules
"substantial shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"Supervisor(s)"	member(s) of the Board of Supervisors
"Tengyuan Changxing"	Tengyuan (Changxing) Investment Management Co., Ltd. (騰遠(長興)投資管理有限公司), a company incorporated in the PRC with limited liability and an associate of Mr. Wu Yusheng, an executive Director and controlling shareholder of the Company, and a general partner of the Fund pursuant to the Joint Venture Agreement

"Tetranov Pharmaceutical"	Tetranov Pharmaceutical (Zhejiang) Co., Ltd.* (浙江泰基鴻諾醫藥股份有限公司) (formerly known as Tetranov Pharmaceutical Technology (Zhengzhou) Co., Limited* (鄭州泰基鴻諾藥物科技有限公司)), a company incorporated in the PRC with limited liability on November 26, 2007 and one of the Controlling Shareholders
"United States" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"Unlisted Share(s)"	ordinary share(s) issued by the Company with a nominal value of RMB1.00 each and are not listed on any stock exchange
"US$" or "US$"	United States dollars, the lawful currency of the United States
"Zhengzhou Derui"	Zhengzhou Derui Medical Technology Co., Ltd.* (鄭州德瑞醫藥科技有限公司), a company incorporated in the PRC with limited liability on December 20, 2017 and one of our Controlling Shareholders
"Zhengzhou Hongnuo"	Zhengzhou Hongnuo Enterprise Management Consulting Center (Limited Partnership)* (鄭州鴻諾企業管理諮詢中心(有限合夥)), a limited partnership established in the PRC on April 26, 2016 and one of our Controlling Shareholders
"%"	per cent

* *For identification purpose only*