



基石药业

CSTONE
PHARMACEUTICALS

CStone Pharmaceuticals
基石藥業

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)

Stock Code 股份代號: **2616**

2026 Interim Report
中期報告

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Corporate Information

BOARD OF DIRECTORS

Executive Director

Dr. Jianxin Yang (*Chief Executive Officer*)

Non-executive Directors

Dr. Wei Li (*Chairman*)
Mr. Kenneth Walton Hitchner III
Mr. Edward Hu

Independent Non-executive Directors

Mr. Ting Yuk Anthony Wu (*resigned on January 21, 2026*)
Mr. Kenneth Howard Jarrett
Ms. Fang Xie
Ms. Catherine Yen (*appointed on January 21, 2026*)

AUDIT COMMITTEE

Mr. Ting Yuk Anthony Wu (*resigned on January 21, 2026*)
Ms. Fang Xie (*Chairperson*)
Mr. Kenneth Howard Jarrett
Ms. Catherine Yen (*appointed on January 21, 2026*)

COMPENSATION COMMITTEE

Mr. Ting Yuk Anthony Wu (*Chairman*)
(*resigned on January 21, 2026*)
Ms. Catherine Yen (*Chairperson*)
(*appointed on January 21, 2026*)
Dr. Wei Li
Ms. Fang Xie

NOMINATION COMMITTEE

Dr. Wei Li (*Chairman*)
Mr. Ting Yuk Anthony Wu (*resigned on January 21, 2026*)
Ms. Fang Xie
Ms. Catherine Yen (*appointed on January 21, 2026*)

STRATEGY COMMITTEE

Dr. Jianxin Yang (*Chairman*)
Mr. Edward Hu
Mr. Kenneth Howard Jarrett

INVESTMENT COMMITTEE

Mr. Edward Hu (*Chairman*)
Mr. Kenneth Walton Hitchner III
Ms. Fang Xie

AUTHORIZED REPRESENTATIVES

Dr. Jianxin Yang
Ms. Weicong Ni (*appointed on February 6, 2026*)
Ms. Mei Yee Yung (*resigned on February 6, 2026*)

COMPANY SECRETARY

Ms. Weicong Ni
Ms. Mei Yee Yung (*resigned on February 6, 2026*)

COMPANY WEBSITE

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REGISTERED OFFICE

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PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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HONG KONG SHARE REGISTRAR

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HONG KONG LEGAL ADVISER

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COMPLIANCE ADVISER

Rainbow Capital (HK) Limited
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Hong Kong

STOCK CODE

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AUDITOR

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors
35/F, One Pacific Place
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Hong Kong

Financial Highlights

International Financial Reporting Standards (“IFRS”) Measures:

- **Revenue** was RMB205.1 million for the six months ended June 30, 2026, representing an increase of RMB155.7 million or 315.2% compared to RMB49.4 million for the six months ended June 30, 2025. The revenue is composed of RMB183.2 million from sales of pharmaceutical products (avapritinib, pralsetinib and sugemalimab), RMB6.9 million from license fee income, and RMB15.0 million from royalty income of sugemalimab. The substantial revenue growth was primarily driven by a significant increase in sales of pharmaceutical products, particularly pralsetinib, following its successful inclusion in the National Reimbursement Drug List (“**NRDL**”) effective from January 2026, which led to a marked sales ramp-up.
- **Cost of revenue** was RMB110.9 million for the six months ended June 30, 2026, representing a decrease of RMB31.3 million from RMB142.2 million for the six months ended June 30, 2025, primarily due to the write-off of inventory write-downs that had been recognized in 2025 and charged to cost of revenue, as the corresponding inventories were sold during the current period.
- **Research and development expenses** were RMB205.5 million for the six months ended June 30, 2026, representing an increase of RMB100.3 million from RMB105.2 million for the six months ended June 30, 2025, primarily due to an increase in third-party contracting costs for clinical trials, including the Phase II study for CS2009, and for other research programs, including CS5006 and CS5007.
- **Administrative expenses** were RMB51.3 million for the six months ended June 30, 2026, representing an increase of RMB7.8 million from RMB43.5 million for the six months ended June 30, 2025, primarily due to an increase in employee costs.
- **Selling and marketing expenses** were RMB73.1 million for the six months ended June 30, 2026, representing an increase of RMB37.4 million from RMB35.7 million for the six months ended June 30, 2025, primarily due to an increase in channel service fee.
- **Loss for the period** was RMB252.3 million for the six months ended June 30, 2026, representing a decrease in loss of RMB17.9 million, from RMB270.2 million for the six months ended June 30, 2025, primarily due to a shift from gross loss to gross profit, partially offset by increases in research and development expenses and selling and marketing expenses.
- **Cash and cash equivalents and time deposits** were RMB1,560.2 million as of June 30, 2026.

Non-International Financial Reporting Standards (“Non-IFRS”) Measures:

- **Research and development expenses**, excluding the share-based payment expenses, were RMB193.4 million for the six months ended June 30, 2026, representing an increase of RMB91.3 million from RMB102.1 million for the six months ended June 30, 2025, primarily due to an increase in third-party contracting costs for clinical trials, including the Phase II study for CS2009, and for other research programs, including CS5006 and CS5007.
- **Administrative and selling and marketing expenses**, excluding the share-based payment expenses, were RMB115.2 million for the six months ended June 30, 2026, representing an increase of RMB38.0 million from RMB77.2 million for the six months ended June 30, 2025, primarily due to an increase in channel service fee and employee costs.
- **Loss for the period** excluding the share-based payment expenses was RMB230.9 million for the six months ended June 30, 2026, representing a decrease in loss of RMB34.2 million, from RMB265.1 million for the six months ended June 30, 2025, primarily due to a shift from gross loss to gross profit, partially offset by increases in research and development expenses and selling and marketing expenses.

Business Highlights

For the six months ended June 30, 2026 and up to the date of this report, CStone made significant progress across both its proprietary Pipeline 2.0 portfolio and its commercial franchise, advancing the Company's strategy to build a fully integrated, globally competitive biopharmaceutical company. Headline achievements are set out below:

Clinical Stage Core Asset

- **CS2009, PD-1/VEGF/CTLA-4 trispecific antibody**

- *Accelerating global clinical development toward Phase III registrational trials by year-end 2026*

The ongoing global Phase I (dose-escalation)/II (expansion) trial has enrolled more than 300 patients across China and Australia, with U.S. Investigational New Drug ("IND") clearance obtained in February 2026. The study features a multi-cohort, parallel expansion design to evaluate the safety, tolerability, pharmacokinetics ("PK"), pharmacodynamics ("PD"), and preliminary efficacy of CS2009 as both monotherapy and in combination regimens.

CStone plans to initiate the first wave of global Phase III multi-regional clinical trials ("MRCTs") for CS2009 by the end of 2026. Planned registrational studies include first-line non-small cell lung cancer ("NSCLC") in combination with chemotherapy (versus pembrolizumab plus chemotherapy), and first-line metastatic colorectal cancer ("mCRC") in combination with chemotherapy (versus bevacizumab plus chemotherapy), with additional registrational studies planned for 2027 and the following years.

- *CS2009 continues to validate its potential as a next-generation I/O backbone*

At the 2026 American Society of Clinical Oncology ("ASCO") Annual Meeting (the "2026 ASCO Annual Meeting"), CStone presented comprehensive Phase I/II data from the ongoing global multicenter trial. As of the data cutoff date of August 2026, updated monotherapy efficacy data from the ongoing global Phase I/II trial of CS2009, reflecting a longer follow-up than the ASCO 2026 presentation at the 2026 ASCO Annual Meeting continued to demonstrate robust and deepening antitumor activity across multiple tumor types. Three important key clinical validations are achieved from over 300 patient data:

- Proof of safety

Across all dose levels, no dose-limiting toxicities ("DLTs") were observed, and the maximum tolerated dose ("MTD") was not reached. At the 2026 ASCO Annual Meeting, the incidence of Grade ≥ 3 treatment-related adverse events ("TRAEs") and immune-related adverse events ("irAEs") was 24.6% and 12.7%, respectively. Notably, the incidence of Grade ≥ 3 VEGF-related TRAEs was only 5.1%. No excessive toxicities typically associated with CTLA-4/PD-(L)1 combinations were observed. As of August 2026, the safety profile of CS2009 remained consistent with that presented at the 2026 ASCO Annual Meeting, with no new safety signals identified.

- Proof of CTLA-4 activities and efficacy

Dose-dependent upregulation of ICOS on CD4+ T cells was observed as a pharmacodynamic biomarker of CTLA-4 blockade. Activity was also seen in “cold tumor” not sensitive to PD-(L)1 mAb:

- Later-line monotherapy for mCRC (30 mg/kg): the objective response rate (“**ORR**”) was 20.0% (3/15) and the disease control rate (“**DCR**”) was 93.3% (14/15).
- Later-line monotherapy for soft-tissue sarcoma (“**STS**”): the ORR was 38.5% (5/13) and the DCR was 69.2% (9/13).
- Later-line monotherapy for non-clear cell renal cell carcinoma (“**nccRCC**”): the ORR was 42.9% (3/7) and the DCR was 100.0% (7/7).
- Promising anti-tumor activity in later-line post immuno-oncology (“**IO**”) NSCLC monotherapy: ORR was 23.8% (5/21), DCR was 61.9% (13/21). Among patients who had previously received immunotherapy plus platinum-based chemotherapy (n=13), ORR was 38.5% (5/13) and DCR was 84.6% (11/13).

- Proof of broad efficacy

Monotherapy and chemo-combination activity in first-line and later-line NSCLC:

- First-line NSCLC monotherapy (PD-L1 tumor proportion score (“**TPS**”)≥1%; enrollment completed): ORR of 61.7% (29/47) and DCR of 93.6% (44/47), including ORR of 70.8% (17/24), DCR 91.7% (22/24) in patients treated at 30 mg/kg; in the PD-L1 TPS ≥50% group (n=24), ORR was 83.3% (20/24) and DCR was 95.8% (23/24) (versus ORR of 81.3% (13/16) at the 2026 ASCO cutoff), including ORR of 100.0% (11/11) and DCR of 100.0% (11/11) in patients treated at 30 mg/kg. After medium follow up of 6 months, median progression-free survival (“**PFS**”) and DOR have not been reached.
- Second-line or later NSCLC monotherapy (30 mg/kg): ORR of 28.0% (7/25) and DCR of 60.0% (15/25), with a 6-month DOR rate of 83.3% (versus ORR of 24.0% and a 6-month DOR rate of 80.0% at the 2026 ASCO Annual Meeting cutoff). Across all evaluated dose levels (n=54), ORR was 16.7% (9/54) and DCR was 68.5% (37/54), with a 6-month DOR rate of 87.5% (versus 85.7% at the 2026 ASCO Annual Meeting cutoff).
- Later-line NSCLC (second/third-line combination therapy, n=6): ORR of 66.7% (4/6), DCR of 100.0% (6/6). Data are as of the 2026 ASCO data cutoff and will be updated at the 2026 European Society for Medical Oncology (“**ESMO**”) Congress (the “**2026 ESMO Congress**”).

Business Highlights

- First-line squamous NSCLC combination therapy (PD-L1-low/negative, TPS $\leq 5\%$, n=8): ORR of 75.0% (6/8), DCR of 100.0% (8/8); notably, the ORR reached 100.0% (4/4) in the PD-L1-negative subgroup. Data are as of the 2026 ASCO data cutoff and will be updated at the 2026 ESMO Congress.

Robust Chemo-combo efficacy in the first-line mCRC, mostly proficient mismatch repair or microsatellite stable ("**pMMR/MSS**"):

- First-line mCRC (with XELOX, n=6): ORR of 66.7% (4/6), DCR of 100.0% (6/6). Data as of 2026 ASCO cutoff, will be updated at 2026 ESMO Congress.

Promising monotherapy activity observed in metastatic castration-resistant prostate cancer ("**mCRPC**"), ovarian cancer, triple-negative breast cancer, gastric cancer, endometrial cancer, as well as STS and nccRCC.

- *Upcoming two oral presentations of CS2009 at the 2026 ESMO Congress*

The clinical research results of CS2009 have been accepted for two Rapid Oral presentations at the 2026 ESMO Congress. The presentations will feature Phase I/II clinical data of CS2009 in patients with advanced NSCLC and mCRC.

Other Clinical Stage Asset

- **CS5007, EGFR/HER3 ADC**

- *Advancing CStone's proprietary ADC platform into the clinic*

The Company initiated the Phase I first-in-human study in June 2026. This trial consists of dose-escalation and dose-expansion cohorts evaluating CS5007 as a monotherapy in patients with advanced solid tumors, and will be conducted concurrently in Australia and China. CStone presented preclinical data for CS5007 at the 2026 American Association for Cancer Research ("**AACR**") Annual Meeting, further supporting its broad-spectrum anti-tumor potential.

The advancement of CS5007 into the clinic also marks a key milestone for CStone's proprietary Antibody-Drug Conjugate ("**ADC**") platform, broadening the next-generation Pipeline 2.0 modality.

Commercial Products

- **CEJEMLY® (sugemalimab), anti-PD-L1 antibody**

- *Global regulatory expansion and inclusion in ESMO guidelines*

Following the initial marketing authorizations of sugemalimab in the European Union ("**EU**") and the United Kingdom ("**U.K.**") for Stage IV NSCLC, sugemalimab received additional approvals in the EU in November 2025 and subsequently in the U.K. in February 2026 as monotherapy for adults with unresectable Stage III NSCLC whose disease has not progressed following platinum-based chemoradiotherapy ("**CRT**"). Meanwhile, marketing authorization applications for sugemalimab have either been approved or are under active review in nearly 30 countries worldwide.

Business Highlights

In March 2026, CEJEMLY® (sugemalimab) was included in the ESMO Early and Locally Advanced NSCLC Living Guideline. Sugemalimab received a Level [I, A] recommendation for consolidation therapy in patients with unresectable Stage III NSCLC who have not progressed after concurrent or sequential chemoradiotherapy.

- *Fifth international commercialization partnership through strategic alliances*

In June 2026, CStone entered into an exclusive commercialization agreement with Arrotex Pharmaceuticals Pty Ltd ("**Arrotex**"), Australia's largest privately owned pharmaceutical company with established oncology commercialization capabilities and distribution infrastructure across Australia and New Zealand. This milestone expands sugemalimab's global commercialization network to five strategic partnerships, covering more than 60 countries and regions across Europe, the Middle East, Africa, Latin America, and Oceania.

- ***Pralsetinib capsules, RET inhibitor***

- *NRDL inclusion and accelerated commercial growth*

Following the inclusion of pralsetinib capsules (100 mg) in China's NRDL in late 2025, effective January 1, 2026, patient access has improved significantly. In the seven-month period ending July 2026, pralsetinib's in-market sales volume increased by almost 500% year-over-year.

- *Localized manufacturing approval supporting commercial scalability*

Following the approval by China's National Medical Products Administration ("**NMPA**") of the manufacturing localization application for pralsetinib capsules (100 mg), the first batch of locally-manufactured pralsetinib was released in China in 2026.

Preclinical/IND-enabling Stage Programs:

- ***A balanced, differentiated early-stage portfolio spanning oncology and immunology/inflammation***

CStone's preclinical Pipeline 2.0 comprises innovative candidates across multispecific antibodies, ADCs and other next-generation modalities, with potential first-in-class ("**FIC**") or best-in-class ("**BIC**") opportunities spanning oncology, immunology, inflammation and other high-value therapeutic areas.

The Company's proprietary ADC platform incorporates optimized linker technologies designed to enable tumor-selective payload release and supports multiple Pipeline 2.0 ADC candidates, including CS5007 (dual targeting epidermal growth factor receptor ("**EGFR**") and human epidermal growth factor receptor 3 ("**HER3**") bispecific ADC), CS5006 (integrin $\beta 4$ ("**ITGB4**") ADC), and CS5008 (delta-like ligand 3 ("**DLL3**") and SSTR2 bispecific ADC), etc. The Company has also developed a proprietary next-generation ADC platform, including dual-payload ADCs (e.g., CS5009, a B7H3/PD-L1 bispecific dual-payload ADC, and CS5010, a biparatopic HER2-targeting dual-payload ADC) and novel-payload ADCs (e.g., CS5012, a biparatopic HER2-targeting novel-payload ADC). In April 2026, CStone presented preclinical data for CS5007, CS5006 and CS5008 at the 2026 AACR Annual Meeting, highlighting the breadth and differentiation of its next-generation ADC pipeline.

Business Highlights

Beyond oncology, CStone has expanded Pipeline 2.0 into immunology and inflammation by leveraging its proprietary multispecific antibody platform. The Company has developed CS2015 (OX40L/TSLP bispecific antibody) targeting Type 2 inflammatory diseases, CS2013 (BAFF/APRIL bispecific antibody) targeting B cell-mediated autoimmune diseases, CS2016 (TL1A/ α 4 β 7 bispecific antibody), and CS1016 (PD-1 agonist antibody).

FUTURE AND OUTLOOK

Our mission is to deliver transformative therapies through scientific excellence and technological innovation, making high-quality treatments accessible worldwide to benefit patients and their families.

We reaffirm our commitment to advancing a robust and differentiated pipeline by prioritizing internal discovery capabilities and sustained R&D investments, while executing strategic partnerships to unlock the global value of our in-market products. Key catalysts for the second half of 2026 include:

- **Clinical milestones**

- Accelerate global development of CS2009 by advancing interactions with global regulatory authorities, including the U.S. Food and Drug Administration ("**FDA**"), on Phase III registrational trial design, with the first wave of global Phase III MRCTs planned to be initiated by the end of 2026, while continuing to pursue global partnerships.
- Advance clinical development of CS5007 (EGFR/HER3 bispecific ADC), CS5006 (ITGB4 ADC), CS5008 (SSTR2/DLL3 ADC) and other early-stage candidates.

- **Innovation and technology**

- Further strengthen proprietary technology platforms, including multi-specific antibody and next-generation ADC technologies, to support sustained expansion of the preclinical pipeline.
- Present key clinical data, including updated CS2009 data, at major international scientific conferences, including two Rapid Oral presentations of CS2009 Phase I/II data at the 2026 ESMO Congress.

CAUTIONARY STATEMENT REQUIRED BY RULE 18A.08(3) OF THE LISTING RULES: WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP OR MARKET ANY OF OUR PIPELINE PRODUCTS SUCCESSFULLY.

Management Discussion and Analysis

OUR VISION

To be a pioneer in enhancing global patient health through innovation.

OVERVIEW

CStone (HKEX: 2616), established in late 2015, is an innovation-driven biopharmaceutical company focused on the research and development of therapies for oncology, immunology, inflammation, and other key disease areas. Dedicated to addressing patients' unmet medical needs in China and globally, the Company has made significant strides since its inception. To date, the Company has successfully launched four innovative drugs and secured approvals for 21 new drug applications covering nine indications. The Company's pipeline comprises 13 innovative drug candidates, including potential first in-class or best-in-class ADCs and mono-/multi-specific antibodies across oncology, immunology and inflammation. CStone has an experienced management team with comprehensive capabilities spanning the entire drug development spectrum, from preclinical and translational research to clinical development, drug manufacturing, business development, and commercialization. For details of any of the foregoing, please refer to the rest of this report and, where applicable, the Prospectus and prior announcements published on the websites of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the Company.

Strategic Framework and Business Model

Our strategy is centered on delivering sustainable growth through the global advancement of Pipeline 2.0 and maximizing the lifecycle value of our in-market products. We execute this strategy via a capital-efficient, asset-light model that prioritizes internal resources on core competencies: early discovery, translational science, and clinical development. By leveraging established partnerships with premier contract research organizations ("**CROs**") and contract development and manufacturing organizations ("**CDMOs**"), we maintain operational agility without compromising scientific rigor. Commercialization is executed through strategic collaborations in key geographic markets, allowing us to amplify patient reach and revenue growth while preserving a sharp focus on innovation. Going forward, we will continue to strengthen our research and clinical capabilities, progress high-potential assets into later-stage development and adopt tailored global partnership strategies to maximize the value of both our commercial portfolio and pipeline.

Management Discussion and Analysis

Product Pipeline

The following pipeline chart demonstrates the milestone and development status of our selected assets as of the date of this report:

Commercial/Late-stage Programs

Asset	Indication	POC	Pivotal	NDA	Marketed	Approval						Partners	Partnering Regions
						CN	TW	HK	US	EU	UK		
Pralsetinib (RET)	1L NSCLC					✓	✓	✓				blueprint a sanofi company rigel	Mainland China
	2L NSCLC					✓	✓	✓					
	NSCLC								✓				
	TC								✓				
	Multiple tumors												
Avapritinib (KIT/PDGFRA)	PDGFRA exon 18 GIST					✓	✓	✓	✓			blueprint a sanofi company	Mainland China
	PDGFRA D842V GIST									✓			
	ISM ¹								✓	✓			
	Advanced SM ¹								✓	✓	✓		
Sugemalimab (PD-L1)	1L Stage IV NSCLC					✓				✓	✓	Pfizer Novo Nordisk Pharmalink SteinCares Gentili Arritex	Mainland China Switzerland and CEE Middle East and Africa Latin America West Europe and the UK Australia & New Zealand
	Stage III NSCLC					✓				✓	✓		
	1L G/GEJ					✓							
	1L ESCC					✓							
	R/R ENKTL					✓							
CS1002 (CTLA-4)	Solid tumors											Novo Nordisk	Greater China

CN = Mainland China, TW = Taiwan, China, HK = Hong Kong SAR, China, US = United States, EU = European Union, UK = United Kingdom, POC = Proof of Concept, NDA = New Drug Application, NSCLC = Non-small Cell Lung Cancer, TC = Thyroid Cancer, GIST = Gastrointestinal Stromal Tumor, ISM = Indolent Systemic Mastocytosis, Advanced SM = Advanced Systemic Mastocytosis, G/GEJ = gastric/gastroesophageal junction adenocarcinoma, ESCC = Esophageal Squamous Cell Carcinoma, R/R = Relapsed or Refractory, ENKTL = Extranodal NK/T Cell Lymphoma, CEE = Central & Eastern Europe

1. POC study was conducted in North American and Europe. No clinical trials have been conducted in China while IND application is under preparation

Pipeline 2.0

	Right	Indication	Discovery	Preclinical Development	IND-Enabling	FIH	POC
Antibodies (Oncology)							
CS2009 (PD-1/VEGF/CTLA-4 trispecific antibody)	●	Solid tumors					
CS1012 (GDF-15 antibody)	●	Solid tumors					
ADCs (Oncology)							
CS5001 ¹ (ROR1 ADC)	●	Solid tumors; hematologic malignancies					
CS5007 (EGFR/HER3 bispecific ADC)	●	Solid tumors					
CS5006 (ITGB4 ADC)	●	Solid tumors					
CS5008 (SSTR2/DLL3 bispecific ADC)	●	Solid tumors					
CS5009 (B7H3/PD-L1 bispecific dual-payload ADC)	●	Solid tumors					
CS5010 (HER2 biparatopic dual-payload ADC)	●	Solid tumors					
CS5012 (HER2 biparatopic novel-payload ADC)	●	Solid tumors					
Antibodies (Immunology & Inflammation)							
CS2013 (BAFF/APRIL bispecific antibody)	●	Immunology & Inflammation					
CS2015 (OX40L/TSLP bispecific antibody)	●	Immunology & Inflammation					
CS1016 (PD-1 agonist antibody)	●	Immunology & Inflammation					
CS2016 (TL1A/α4β7 bispecific antibody)	●	Immunology & Inflammation					

● Global Rights

Note: Assets status denotes progress in the region(s) noted in the column titled "Rights"; FIH = First in Human, POC = Proof of Concept.

1. CStone obtains the exclusive global right from LigaChem Biosciences, Inc. (LCB) to lead development and commercialization of LCB71/CS5001 outside the Republic of Korea

Management Discussion and Analysis

BUSINESS REVIEW

Commercial Products

To support our global growth strategy, we actively pursue strategic partnerships with leading pharmaceutical and biotechnology companies. As of the date of this report, we have established multiple commercial collaborations across key markets worldwide. These partnerships are designed to enhance the effectiveness and scalability of our commercialization efforts by leveraging our partners' established capabilities, expertise, and market presence. This approach enables accelerated expansion into strategic international markets while allowing us to focus our internal resources on advancing our core research and development pipeline.

Details on our commercial portfolio are set out below:

- ***CEJEMLY® (sugemalimab, anti-PD-L1 antibody) approved in China, the EU, and U.K., with commercial expansion underway across more than 60 countries and regions worldwide***
 - Sugemalimab, developed by CStone using OmniRat® transgenic animal platform, is a fully human, full-length anti-PD-L1 immunoglobulin G4 ("**IgG4**") monoclonal antibody, which may reduce the risk of immunogenicity and toxicity for patients.
 - Multiple indications approved by global regulators, validating clinical value.

The China NMPA has approved sugemalimab for five indications:

- **Stage IV NSCLC:** In combination with pemetrexed and carboplatin, as the first-line treatment for patients with EGFR gene mutation-negative and anaplastic lymphoma kinase ("**ALK**")-negative metastatic non-squamous NSCLC; and in combination with paclitaxel and carboplatin, as the first-line treatment for patients with metastatic squamous NSCLC;
- **Stage III NSCLC:** As monotherapy for the treatment of unresectable Stage III NSCLC patients whose disease has not progressed following concurrent or sequential platinum-based chemoradiotherapy;
- **R/R ENKTL:** As monotherapy for the treatment of adult patients with relapsed or refractory ("**R/R**") extranodal natural killer/T-cell lymphoma ("**ENKTL**");
- **ESCC:** In combination with platinum and fluoropyrimidine-based chemotherapy for first-line treatment of unresectable locally advanced, recurrent or metastatic esophageal squamous cell carcinoma ("**ESCC**"); and
- **G/GEJ adenocarcinoma:** In combination with fluoropyrimidine and platinum-containing chemotherapy for first-line treatment of unresectable locally advanced or metastatic gastric or gastroesophageal junction ("**G/GEJ**") adenocarcinoma with PD-L1 expression (CPS≥5).

Management Discussion and Analysis

The European Commission (“EC”) and Medicines and Healthcare products Regulatory Agency (“MHRA”) in the U.K. have approved sugemalimab for two indications:

- **Stage IV NSCLC:** CEJEMLY® in combination with platinum-based chemotherapy is indicated for the first-line treatment of adults with metastatic NSCLC with no sensitizing EGFR mutations, or ALK, ROS1 or RET genomic tumor aberrations; and
- **Stage III NSCLC:** CEJEMLY® as monotherapy is indicated for the treatment of unresectable Stage III NSCLC with no sensitising EGFR mutations, or ALK, ROS1 genomic tumor aberrations in adults whose tumors express PD-L1 on $\geq 1\%$ of tumor cells and whose disease has not progressed following platinum-based chemoradiotherapy.

- Expand into Oceania through the fifth strategic partnership

In June 2026, we entered into an exclusive commercialization agreement with Arrotex to commercialize the asset in Australia and New Zealand. This milestone builds on our prior partnerships with Ewopharma AG (“Ewopharma”), Pharmalink Store LLC OPC (“Pharmalink”), Laboratorios Stein S.A. (“SteinCares”), and Istituto Gentili S.R.L. (“Gentili”) in 2024 and 2025. Together, these collaborations have expanded sugemalimab’s commercial footprint to over 60 countries and regions across Europe, the Middle East and Africa, Latin America, and Oceania.

- ESMO Guideline Level [I, A] recommendations and academic recognition

- **ESMO Guideline recommendations:** In March 2026, sugemalimab received a Level [I, A] recommendation in the *ESMO Early and Locally Advanced NSCLC Living Guideline* for consolidation therapy in patients with *EGFR* wild-type and no *ALK* or *ROS1* genomic tumour aberrations, unresectable Stage III NSCLC who have not progressed after concurrent or sequential chemoradiotherapy. This recommendation is expected to significantly facilitate market access for sugemalimab in the European Union and other regions, expanding patient reach, thus strengthening its global commercialization.

Previously, in February 2025, sugemalimab in combination with chemotherapy also received a Level [I, A] recommendation from the *ESMO Non-Oncogene-Addicted Metastatic NSCLC Living Guideline* for the first-line treatment of both squamous and non-squamous metastatic (Stage IV) NSCLC. To date, both NSCLC indications for which sugemalimab is approved in the EU and U.K. are now included in ESMO guidelines, underscoring its recognized clinical value.

- **Publications and presentations:** Furthermore, clinical data from multiple studies of sugemalimab have been featured dozens of times across leading international peer-reviewed medical journals and major scientific congresses, including *The Lancet Oncology*, *Nature Cancer*, *JAMA (Journal of the American Medical Association)*, ESMO, and ASCO. This sustained academic recognition highlights the strength of the clinical evidence supporting sugemalimab and its growing recognition within the global oncology community.

Management Discussion and Analysis

- ***Pralsetinib capsules (RET inhibitor) partnership with Allist: NRDL inclusion and commercial growth***
 - Pralsetinib capsules, a FIC rearranged during transfection (“**RET**”) inhibitor in China, has been approved by China’s NMPA for the treatment of adults with locally advanced or metastatic RET fusion-positive NSCLC. In addition, this medicine has been approved by the Department of Health of the Government of Hong Kong (“**HK DoH**”) for the treatment of patients with RET fusion-positive locally advanced or metastatic NSCLC, and it has been approved by the Taiwan FDA (“**TFDA**”) for the treatment of adult patients with locally advanced or metastatic RET fusion-positive NSCLC and advanced or metastatic RET fusion-positive TC. This medicine (GAVRETO®) is also approved by the FDA for the treatment of adult patients with metastatic RET fusion-positive NSCLC as detected by an FDA approved test, and adult and pediatric patients 12 years of age and older with advanced or metastatic RET fusion-positive thyroid cancer who require systemic therapy and who are radioactive iodine-refractory (if radioactive iodine is appropriate)*.
 - In 2026, we continue to integrate pralsetinib capsules into Allist’s highly synergistic lung cancer franchise, enabling the product to benefit from Allist’s mature commercial team and broad market coverage, while simultaneously allowing us to reduce operating costs associated with pralsetinib commercialization and improve overall profitability.
 - In December 2025, pralsetinib capsules (100 mg) was included in the latest NRDL released by China’s National Healthcare Security Administration. The updated NRDL took effect on January 1, 2026. In the seven-month period ended July 2026, pralsetinib’s in-market sales volume increased by almost 500% year-over-year.
 - Following China’s NMPA approval of the manufacturing localization application for pralsetinib capsules (100 mg) in July 2025, we successfully produced and released the first domestically manufactured batch in May 2026. The supply chain is now gradually transitioning from imported products to end-to-end domestic production – from active pharmaceutical ingredient (“**API**”) to finished drug product. This strategic shift significantly enhances cost efficiency and supply chain resilience.
 - Pralsetinib capsules has been included in 11 of China’s national guidelines for testing and treatment in multiple therapeutic areas, such as NSCLC. In 2023, pralsetinib was recommended by the 2023 Chinese Society of Clinical Oncology (“**CSCO**”) NSCLC guideline, which recommended RET mutation gene testing and pralsetinib in the treatment of RET-positive NSCLC patients. In 2024, pralsetinib as a treatment for Stage IV RET fusion-positive NSCLC has been upgraded to a Level 1 recommendation in the 2024 CSCO NSCLC guideline.

* This indication is approved under accelerated approval based on ORR and DOR. Continued approval for this indication may be contingent upon verification and description of clinical benefit in confirmatory trial(s).

Management Discussion and Analysis

- ***Avapritinib tablets (KIT/PDGFR α inhibitor) partnership with Hengrui: domestic supply secured and NRDL inclusion renewed***
 - Avapritinib tablets, a KIT/PDGFR α inhibitor, has been approved by China's NMPA for the treatment of adults with unresectable or metastatic gastrointestinal stromal tumor ("**GIST**") harboring the PDGFR α exon 18 mutation, including PDGFR α D842V mutations. Avapritinib was approved by the HK DoH and TFDA for the treatment of adults with unresectable or metastatic GIST harboring a PDGFR α D842V mutation. Avapritinib is also approved by the U.S. FDA for the treatment of three indications: adults with unresectable or metastatic GIST harboring a PDGFR α exon 18 mutation, including PDGFR α D842V mutations, adults with advanced systemic mastocytosis (advanced SM), including aggressive SM ("**ASM**"), and SM with an associated hematological neoplasm ("**SM-AHN**") and mast cell leukemia ("**MCL**"), and adults with indolent systemic mastocytosis ("**ISM**"). This medicine (AYVAKYT[®]) is also approved in Europe for the treatment of adults with unresectable or metastatic GIST harboring the PDGFR α D842V mutation, adults with ASM, SM-AHN or MCL, after at least one systemic therapy, and adults with ISM with moderate to severe symptoms inadequately controlled on symptomatic treatment.
 - In July 2024, we entered into a commercial partnership with Jiangsu Hengrui Pharmaceuticals Co., Ltd. ("**Hengrui**") for the exclusive promotion rights of avapritinib tablets in mainland China. China's NMPA has approved the manufacturing localization application of avapritinib (300 mg and 100 mg) in 2024, and domestic supply was launched in February 2025, with a significant increase in gross margin.
 - We continued to improve the accessibility and affordability of avapritinib tablets. Following its initial inclusion in December 2023, avapritinib was also successfully renewed on the NRDL in December 2025 for the treatment of adult patients with unresectable or metastatic GIST harboring the PDGFR α exon 18 mutation, including PDGFR α D842V mutations. The latest NRDL took effect on January 1, 2026.
 - Avapritinib tablets is recommended by several authoritative guidelines, including the 2025 CSCO GIST guideline, 2022 CSCO GIST guideline and the 2022 Chinese Guideline for Diagnosis and Treatment of Systemic Mastocytosis in Adults.

Management Discussion and Analysis

Clinical Stage Core Product

CS2009 (PD-1/VEGF/CTLA-4 trispecific antibody): Updated global Phase I/II clinical data further validates its potential as a next-generation I/O backbone and supports its global development strategy

- CS2009, a core asset under the Company's Pipeline 2.0, is a potential FIC/BIC PD-1/VEGF/CTLA-4 trispecific antibody independently developed by CStone. By simultaneously targeting three clinically validated pathways, namely PD-1, VEGFA, and CTLA-4, CS2009 is designed to achieve synergistic anti-tumor activity through multiple mechanisms of action. Specifically, PD-1 blockade restores T cell effector function, CTLA-4 blockade promotes T cell activation and proliferation, and VEGFA blockade inhibits tumor angiogenesis and remodels the tumor microenvironment ("**TME**"). In the TME, the anti-PD-1 and anti-CTLA-4 activities of CS2009 are significantly enhanced by crosslinking with VEGFA, while its preferential, avidity-driven engagement of PD-1 and CTLA-4 on double-positive tumor-infiltrating T cells (including effector T cells and regulatory T cells) strengthens its binding affinity and checkpoint inhibitory activity. In the periphery, the monovalent, low-affinity CTLA-4 arm of CS2009 does not effectively block CTLA-4/CD80 interactions on CTLA-4 single-positive T cells, thereby sparing these cells from over-activation and reducing the risk of systemic autoimmune toxicity. This differentiated mechanism is designed to broaden the therapeutic window compared with conventional PD-1/CTLA-4 combination therapies.
- Patient enrollment is actively ongoing in the global, multicenter Phase II expansion study of CS2009. This multi-cohort, parallel expansion study is designed to evaluate the efficacy, safety, tolerability, and PK/PD of CS2009 as monotherapy and in combination regimens in 19 cohorts across 12 solid tumor indications, including NSCLC, CRC, extensive-stage small cell lung cancer ("**ES-SCLC**"), cervical cancer ("**CC**"), GC/GEJC, ESCC, platinum-resistant ovarian cancer ("**PROC**"), triple-negative breast cancer ("**TNBC**"), HCC, pancreatic cancer, renal cell carcinoma ("**RCC**"), and MSI-H solid tumors.
- Following the U.S. IND clearance obtained in February 2026, the Company is preparing the clinical safety and efficacy datasets and chemistry, manufacturing and controls ("**CMC**") readiness for interactions with the U.S. FDA to align on the design of the planned first-wave global Phase III MRCTs, aiming for initiation by the end of 2026, including CS2009 in combination with chemotherapy versus pembrolizumab plus chemotherapy in first-line NSCLC, CS2009 in combination with chemotherapy versus bevacizumab plus chemotherapy in first-line mCRC, etc. The Company continues to engage in in-depth discussions with global pharmaceutical companies regarding potential global partnerships.
- At the 2026 ASCO Annual Meeting, CStone presented comprehensive Phase I/II data from the ongoing global multicenter trial. CS2009 demonstrates broad-spectrum anti-tumor activity across multiple tumor types, a favorable safety and tolerability profile, and encouraging PK/PD characteristics.

Management Discussion and Analysis

Across all dose levels, no DLTs were observed, and the MTD was not reached. The incidence of Grade ≥ 3 TRAEs and irAEs was 24.6% and 12.7%, respectively. Notably, Grade ≥ 3 VEGF-related TRAEs were observed in only 5.1% of patients. No excessive toxicities typically associated with PD-(L)1 and CTLA-4 combination therapies were observed.

The broad-spectrum antitumor activity of CS2009 presented at ASCO 2026 is summarized below. Updated monotherapy data (as of the August 2026 cutoff) are discussed in a later section; the data presented here pertain to combination therapies.

- First-line NSCLC

PD-L1-low/negative (TPS $\leq 5\%$) squamous NSCLC + chemotherapy (n=8): ORR of 75.0% (6/8) and DCR of 100.0% (8/8); ORR reached 100.0% (4/4) in the PD-L1-negative subgroup.

- Later-line NSCLC

Second-/third-line combination therapy (n=6): ORR of 66.7% (4/6) and DCR of 100.0% (6/6).

- mCRC

First-line XELOX combination (n=6): ORR of 66.7% (4/6) and DCR of 100.0% (6/6).

- As of the data cutoff date of August 2026, updated monotherapy efficacy data from the ongoing global Phase I/II trial of CS2009, reflecting a longer follow-up than the ASCO 2026 presentation, continued to demonstrate robust and deepening antitumor activity across multiple tumor types. Evaluable patients are defined as those with at least one post-baseline tumor assessment:

- In the first-line NSCLC monotherapy cohort (PD-L1 TPS $\geq 1\%$, 20 or 30 mg/kg once every 3 weeks ("Q3W"); enrollment completed), 47 evaluable patients were assessed: ORR was 61.7% (29/47) and DCR was 93.6% (44/47), including ORR of 70.8% (17/24), DCR 91.7% (22/24) in patients treated at 30 mg/kg, with consistent activity observed in both squamous (ORR of 60.7% (17/28); DCR of 96.4% (27/28)) and non-squamous (ORR of 63.2% (12/19); DCR of 89.5% (17/19)) disease. In the PD-L1 TPS $\geq 50\%$ group (24 evaluable patients), ORR was 83.3% (20/24) and DCR was 95.8% (23/24), including ORR of 100.0% (11/11) and DCR of 100.0% (11/11) in patients treated at 30 mg/kg and ORR of 69.2% (9/13) and DCR of 92.3% (12/13) in patients treated at 20 mg/kg. After medium follow up of 6 months, median PFS and DOR were not reached.
- In the second-line or later NSCLC monotherapy cohort, among 25 evaluable patients treated at 30 mg/kg, ORR was 28.0% (7/25) and DCR was 60.0% (15/25), with a 6-month DOR rate of 83.3%. Among patients who had received prior immunotherapy plus platinum-based doublet chemotherapy (n=13), ORR was 38.5% (5/13) and DCR was 84.6% (11/13). Across all evaluated dose levels (N=54), ORR was 16.7% (9/54), DCR was 68.5% (37/54), and the 6-month DOR rate was 87.5%.

Management Discussion and Analysis

- In the later-line mCRC monotherapy cohort (30 mg/kg), 15 evaluable patients were assessed, predominantly with pMMR/MSS disease: ORR was 20.0% (3/15) and DCR was 93.3% (14/15).
- In the later-line STS monotherapy cohort, 13 evaluable patients were assessed: ORR was 38.5% (5/13) and DCR was 69.2% (9/13).
- In the later-line nccRCC monotherapy cohort, 7 evaluable patients were assessed: ORR was 42.9% (3/7) and DCR was 100.0% (7/7).

The safety profile of CS2009 remained consistent with that presented at the 2026 ASCO Annual Meeting, with no new safety signals identified.

- The clinical research results of CS2009 have been accepted for two Rapid Oral presentations at the 2026 ESMO Congress. The presentations will feature Phase I/II clinical data of CS2009 in patients with advanced NSCLC and mCRC.

Other Clinical Stage Products

CS5001 (LCB71, ROR1 ADC):

- CS5001 is a clinical-stage ADC targeting ROR1. CS5001 incorporates a proprietary tumor-cleavable linker and pyrrolobenzodiazepine (“PBD”) prodrug payload and has demonstrated potent anti-tumor activity in first-line and second-line diffuse large B-cell lymphoma (“DLBCL”). The sponsor is temporarily pausing the trial to evaluate existing clinical data for long-term benefit-risk and optimize doses and dosing schedule.
- As of August 2026, combination therapy with R-CHOP in first-line DLBCL has demonstrated broad and deep responses. Across the 40-90 µg/kg dose levels (n=31), the ORR was 100%, and the complete response (“CR”) rate was 100% at each dose level.

CS5007 (EGFR/HER3 ADC): Potential BIC molecule enabled by CStone’s proprietary ADC platform, with global Phase I clinical trial initiated

- Developed based on CStone’s in-house proprietary ADC technology platform, CS5007 is a bispecific ADC targeting both EGFR and HER3, designed to address tumor heterogeneity and potentially overcome resistance mechanisms associated with single-target therapies. Preclinical data presented at AACR 2026 demonstrated exceptional plasma stability, potent antigen-dependent cytotoxicity at nanomolar concentrations, broad antitumor activity across multiple tumor types, including NSCLC, CRC, breast cancer (“BC”), SCCHN, and SCC. Encouraging activity was also observed in cell line-derived xenograft (“CDX”) models with challenging indications, including osimertinib-resistant tumors and EGFR low-expressing tumors. CS5007 demonstrated a superior PK/PD profile with prolonged half-life. GLP toxicology studies established the highest non-severely toxic dose (“HNSTD”) at 30 mg/kg, supporting a broad therapeutic window.

Management Discussion and Analysis

- The global multicenter Phase I clinical trial of CS5007 was initiated in Australia in June 2026, and the IND application was approved by China's NMPA in August 2026 under the innovative drug clinical trial approval pathway. The trial is a first-in-human study comprising dose-escalation and dose-expansion cohorts evaluating CS5007 monotherapy in patients with advanced solid tumors whose disease has progressed following standard therapies, who are ineligible for standard treatment, or for whom no effective treatment options are available. The study is designed to evaluate the safety, tolerability, pharmacokinetics, and preliminary antitumor activity of CS5007, while establishing the RP2D. The trial is being conducted concurrently in Australia and China to accelerate global clinical development.

CS1002 (SHR-8068, anti-CTLA-4 antibody): strategic Greater China partnership with Hengrui and ongoing Phase III trial progress

- In November 2021, we entered into an exclusive licensing agreement with Hengrui, pursuant to which Hengrui obtained exclusive rights to research, develop, register, manufacture, and commercialize CS1002/SHR-8068 in Greater China. CStone retained all rights to develop and commercialize CS1002 outside Greater China.
- Hengrui has initiated six pivotal clinical trials evaluating CS1002/SHR-8068 in combination with other therapies across multiple solid tumor indications, including first-line treatment of advanced or metastatic non-squamous NSCLC, first-line treatment of advanced or metastatic NSCLC, perioperative therapy for locally advanced resectable rectal cancer, incurable HCC, first-line treatment of advanced HCC, and first-line treatment of advanced biliary tract cancer ("BTC"). In addition, Hengrui is advancing multiple Phase II studies evaluating CS1002/SHR-8068 combination regimens in additional solid tumors, including perioperative treatment of resectable NSCLC and HCC, CRC, RCC, G/GEJ adenocarcinoma, etc.

Preclinical/IND enabling stage candidates

The Company remains committed to pioneering next-generation therapeutics, including multispecific antibodies, ADCs, and other innovative modalities. In addition, the Company has expanded its early-stage research portfolio to include immunology, inflammation and other key therapeutic areas. Leveraging its global development capabilities, CStone remains committed to advancing these differentiated assets through international, multicenter clinical development to accelerate global innovation and expand patient access.

Key pipeline advancements include:

- **In-house proprietary ADC technology platform:** CStone is actively advancing next-generation ADC technologies, including innovative linker technologies designed to improve systemic stability, tumor selectivity and therapeutic windows. The Company's proprietary tandem-cleavable β -glucuronide linker technology has demonstrated the following potential advantages:
 - Enhanced hydrophilicity improving circulating stability of the entire molecule.
 - Tumor selective payload release through tandem cleavage mechanism.
 - Clinical validated semi-stochastic conjugation with maleimide function group for manufacturability.

Management Discussion and Analysis

The proprietary ADC platform is designed to optimize ADC safety and efficacy profiles, expand target compatibility, and support the development of multiple ADC candidates under CStone's Pipeline 2.0, including CS5006 (ITGB4 ADC), CS5007 (EGFR/HER3 bispecific ADC), and CS5008 (DLL3/SSTR2 bispecific ADC). The Company has also developed a proprietary next-generation ADC platform, including dual-payload ADCs (e.g., CS5009, a B7H3/PD-L1 bispecific dual-payload ADC, and CS5010, a biparatopic HER2-targeting dual-payload ADC) and novel-payload ADCs (e.g., CS5012, a biparatopic HER2-targeting novel-payload ADC). Notably, preclinical data for CS5006, CS5007 and CS5008 were presented at the 2026 AACR Annual Meeting, and the global Phase I clinical trial of CS5007 (EGFR/HER3 bispecific ADC) was initiated in June 2026.

- **Other ADC pipeline candidates**

- **CS5006 (ITGB4 ADC):** CS5006 is a potential FIC ADC against novel pan-tumor target integrin $\beta 4$ (ITGB4), a transmembrane protein that exclusively pairs with integrin $\alpha 6$ (ITGA6) to form $\alpha 6\beta 4$ heterodimer. Robust in vitro and in vivo evidence supports its clinical development. This molecule targets diverse indications, including NSCLC, SCCHN, CRC, etc.
- **CS5008 (SSTR2/DLL3 ADC):** CS5008 is a novel SSTR2/DLL3 bispecific ADC using CStone's proprietary antibody and linker payload. Through dual targeting of SSTR2 and DLL3, which are frequently co-expressed in NENs, SCLC and other malignancies, CS5008 aims to overcome tumor heterogeneity, a challenge inherent to mono-targeting therapies.

- **Expansion into immunology and inflammation**

Beyond oncology, CStone has expanded Pipeline 2.0 into immunology and inflammation by leveraging its proprietary multispecific antibody platform. The Company has developed multiple potential FIC/BIC bispecific antibody candidates with broad therapeutic potential for immune-mediated diseases across rheumatology, nephrology, respiratory, gastroenterology, dermatology, etc.

- CS2013, a BAFF/APRIL bispecific antibody, targets B cell-mediated autoimmune diseases, including but not limited to systemic lupus erythematosus ("**SLE**"), rheumatoid arthritis ("**RA**") and IgA nephropathy ("**IgAN**").
- CS1016, a PD-1 agonist antibody recognizing a membrane-proximal epitope of PD-1, is discovered to deplete pathologic T cells with high level expression of PD-1, aiming to tackle Y cell driven immunology diseases including RA and psoriatic arthritis ("**PsA**"), etc.
- CS2015, a bispecific antibody targeting OX40L and TSLP, is designed to treat Type 2 inflammatory diseases, including but not limited to atopic dermatitis, asthma and chronic obstructive pulmonary disease, through dual inhibition of key regulators involved in Th2-mediated inflammatory responses.
- CS2016 (TL1A/ $\alpha 4\beta 7$ bispecific antibody), a bispecific antibody targeting TL1A and $\alpha 4\beta 7$, is designed to interrupt two crucial proteins involved in inflammatory bowel diseases ("**IBDs**").

Candidates are expected to advance toward IND submissions, representing important milestones in CStone's strategic expansion beyond oncology into high-value therapeutic areas with significant unmet medical needs.

Management Discussion and Analysis

CAUTIONARY STATEMENT REQUIRED BY RULE 18A.08(3) OF THE LISTING RULES: WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP OR MARKET ANY OF OUR PIPELINE PRODUCTS SUCCESSFULLY.

Business Development and Strategic Partnerships

Our business development team plays a pivotal role in advancing the Company's strategic growth objectives. Its efforts focus on expanding the commercialization of marketed products, strengthening our clinical-stage pipeline with potential FIC and BIC assets, and acquiring innovative technologies. As of the date of this report, we have established strategic partnerships with leading industry players, including Pfizer, Sanofi*, Hengrui, 3SBio Inc., Allist, Ewopharma, Pharmalink, SteinCares, Gentili and Arrotex.

For our marketed products in mainland China, we entered into an exclusive commercialization agreement with Allist for pralsetinib capsules in November 2023 and a strategic partnership with Hengrui for avapritinib tablets in July 2024. Under both arrangements, the Company retains all other rights in the territory, including development, registration, manufacturing, and distribution rights.

For the global commercialization of CEJEMLY® (sugemalimab), we continue to expand our strategic partnership network across key international markets. These collaborations include Ewopharma for Switzerland and 18 Central and Eastern European ("CEE") markets, Pharmalink for the Middle East and North Africa ("MENA") region and South Africa, SteinCares for Latin America ("LATAM"), Gentili for Western Europe and the United Kingdom, and Arrotex for Australia and New Zealand.

Beyond these initiatives, we remain actively engaged with potential partners to explore additional opportunities to accelerate value creation. These efforts include in-licensing, out-licensing, and other strategic collaboration opportunities.

* In July 2025, Sanofi publicly announced the completion of its acquisition of Blueprint Medicines Corporation.

Management Discussion and Analysis

FINANCIAL REVIEW

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Six months ended June 30, 2026 compared to six months ended June 30, 2025

	For the six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue	205,099	49,451
Cost of revenue	(110,900)	(142,241)
Gross profit (loss)	94,199	(92,790)
Other income	15,987	9,315
Other gains and losses	(27,383)	4,566
Research and development expenses	(205,532)	(105,166)
Selling and marketing expenses	(73,114)	(35,654)
Administrative expenses	(51,316)	(43,546)
Finance costs	(5,125)	(6,908)
Loss for the period	(252,284)	(270,183)
Other comprehensive income:		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	1,151	269
Total comprehensive expense for the period	(251,133)	(269,914)
Non-IFRS measures:		
Adjusted loss for the period	(230,915)	(265,099)

Revenue. Our revenue was RMB205.1 million for the six months ended June 30, 2026, representing an increase of RMB155.7 million or 315.2% compared to RMB49.4 million for the six months ended June 30, 2025. The revenue is composed of RMB183.2 million from sales of pharmaceutical products (avapritinib, pralsetinib and sugemalimab), RMB6.9 million from license fee income and RMB15.0 million from royalty income of sugemalimab. The substantial revenue growth was primarily driven by a significant increase in sales of pharmaceutical products, particularly pralsetinib, following its successful inclusion in the NRDL effective from January 2026, which led to a marked sales ramp-up.

Management Discussion and Analysis

Cost of Revenue. Our cost of revenue was RMB110.9 million for the six months ended June 30, 2026, representing a decrease of RMB31.3 million from RMB142.2 million for the six months ended June 30, 2025, primarily due to the write-off of inventory write-downs that had been recognized in 2025 and charged to cost of revenue, as the corresponding inventories were sold during the current period.

Other Income. Our other income increased by RMB6.7 million from RMB9.3 million for the six months ended June 30, 2025 to RMB16.0 million for the six months ended June 30, 2026, primarily due to an increase on bank and other interest income.

Other Gains and Losses. Our other gains and losses decreased by RMB32.0 million from a gain of RMB4.6 million for the six months ended June 30, 2025 to a loss of RMB27.4 million for the six months ended June 30, 2026, primarily due to a net loss arising from exchange rate fluctuations.

Research and Development Expenses. Our research and development expenses increased by RMB100.3 million from RMB105.2 million for the six months ended June 30, 2025 to RMB205.5 million for the six months ended June 30, 2026. This increase was primarily attributable to an increase of RMB86.3 million in milestone fee and third-party contracting cost for clinical trials, including the Phase II study for CS2009 and for research programs, including CS5006 and CS5007, from RMB51.3 million for the six months ended June 30, 2025 to RMB137.6 million for the six months ended June 30, 2026.

	For the six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Milestone fee and third-party contracting cost	137,598	51,315
Employee cost	50,572	35,895
Depreciation and others	17,362	17,956
Total	205,532	105,166

Administrative Expenses. Our administrative expenses increased by RMB7.8 million from RMB43.5 million for the six months ended June 30, 2025 to RMB51.3 million for the six months ended June 30, 2026. This increase was primarily attributable to an increase of RMB8.0 million in employee cost from RMB24.4 million for the six months ended June 30, 2025 to RMB32.4 million for the six months ended June 30, 2026.

	For the six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Employee cost	32,418	24,359
Professional fees	12,280	13,345
Depreciation and amortization	2,570	2,636
Rental expenses	859	484
Others	3,189	2,722
Total	51,316	43,546

Management Discussion and Analysis

Selling and Marketing Expenses. Our selling and marketing expenses increased by RMB37.4 million from RMB35.7 million for the six months ended June 30, 2025 to RMB73.1 million for the six months ended June 30, 2026. This increase was primarily attributable to an increase of RMB39.6 million in channel service fee and others from RMB33.9 million for the six months ended June 30, 2025 to RMB73.5 million for the six months ended June 30, 2026.

	For the six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Employee cost	(401)	1,713
Channel service fee and others	73,515	33,941
Total	73,114	35,654

Finance Costs. The finance costs decreased by RMB1.8 million from RMB6.9 million for the six months ended June 30, 2025 to RMB5.1 million for the six months ended June 30, 2026, primarily due to a decrease in interest on deferred payment arrangement on account payables, following its settlement in 2025.

Non-IFRS Measures

To supplement the Group's condensed consolidated financial statements, which are presented in accordance with the IFRS, the Company also uses adjusted loss for the period and other adjusted figures as additional financial measures, which are not required by, or presented in accordance with, the IFRS. The Company believes that these adjusted measures provide useful information to shareholders and potential investors in understanding and evaluating the Group's consolidated results of operations in the same manner as they help the Company's management.

Adjusted loss for the period represents the loss for the period excluding the effect of certain noncash items and one-time events, namely the share-based payment expenses. The term adjusted loss for the period is not defined under the IFRS. The use of this non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for analysis of, the Group's results of operations or financial condition as reported under IFRS. The Company's presentation of such adjusted figures may not be comparable to a similarly titled measure presented by other companies. However, the Company believes that this and other non-IFRS measures are reflections of the Group's normal operating results by eliminating potential impacts of items that the management do not consider to be indicative of the Group's operating performance, and thus facilitate comparisons of operating performance from period to period and company to company to the extent applicable.

Management Discussion and Analysis

The table below sets forth a reconciliation of the loss to adjusted loss during the periods indicated:

	For the six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss for the period	(252,284)	(270,183)
Added:		
Share-based payment expenses	21,369	5,084
Adjusted loss for the period	(230,915)	(265,099)

The table below sets forth a reconciliation of the research and development expenses to adjusted research and development expenses during the periods indicated:

	For the six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Research and development expenses for the period	(205,532)	(105,166)
Added:		
Share-based payment expenses	12,173	3,077
Adjusted research and development expenses for the period	(193,359)	(102,089)

The table below sets forth a reconciliation of the administrative and selling and marketing expenses to adjusted administrative and selling and marketing expenses during the periods indicated:

	For the six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Administrative and selling and marketing expenses for the period	(124,430)	(79,200)
Added:		
Share-based payment expenses	9,196	2,007
Adjusted administrative and selling and marketing expenses for the period	(115,234)	(77,193)

Management Discussion and Analysis

Employees and Remuneration Policies

The following table sets forth a breakdown of our employees as of June 30, 2026 by function:

Function	Number of employees	% of total number of employees
Research and development	98	66.67
Sales, general and administrative	49	33.33
Total	147	100.00

As of June 30, 2026, we had 102 employees in Shanghai, 10 employees in Beijing, 23 employees in Suzhou and 12 employees in other regions of the PRC and overseas. Our employees' remuneration comprises salaries, bonuses, employee provident fund, social security contributions and other welfare payments. In accordance with applicable Chinese laws, we have made contributions to social security insurance funds (including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing funds for our employees. Please refer to Note 6 "LOSS FOR THE PERIOD" to the Condensed Consolidated Financial Statements for details of the remuneration of employees of the Company.

Liquidity and Financial Resources

The Group has always adopted a prudent treasury management policy. The Group has taken a multi-source approach to fund our operations and meet capital requirements for development, including service and milestone payments and upfront payments from our collaboration partners, bank borrowings, investments from other third parties, proceeds from our listing on the Stock Exchange and subsequent equity fundraisings.

For details of the placings and the utilization of their respective proceeds, please refer to the section headed "Use of Net Proceeds" below.

As of June 30, 2026, our cash and cash equivalents and time deposits were RMB1,560.2 million, as compared to RMB918.7 million as of December 31, 2025. The cash and cash equivalents were mainly denominated in RMB, US\$ and HK\$.

Gearing Ratio

Gearing ratio is calculated using total liabilities divided by total assets and multiplied by 100%. On June 30, 2026, our gearing ratio was 37.1% (December 31, 2025: 54.6%).

Charge on Assets

As of June 30, 2026, the Group did not pledge any assets (December 31, 2025: Nil).

Management Discussion and Analysis

OTHER FINANCIAL INFORMATION

Significant Investments, Material Acquisitions and Disposals

As of June 30, 2026, we did not hold any significant investments, and there had been no material acquisitions and disposals of subsidiaries, associates and joint ventures by the Group. As of the date of this report, we have no specific future plans for material investments or capital assets, as well as for material acquisitions or disposals of subsidiaries, associates and joint ventures.

Foreign Exchange Risk

Our financial statements are expressed in RMB, but certain of our cash and cash equivalents, time deposits, other receivables, financial assets measured at FVTPL and trade and other payables are denominated in foreign currencies, and are exposed to foreign currency risk. We currently do not have a foreign currency hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Bank Loans and Other Borrowings

As of June 30, 2026, the Group's bank borrowings, all denominated in RMB, amounted to RMB340,950,000, of which RMB85,000,000 was at fixed interest rates.

Contingent Liabilities

As of June 30, 2026, the Group did not have any material contingent liabilities (December 31, 2025: Nil).

Directors and Senior Management

DIRECTORS

Executive Director

Dr. Jianxin Yang (楊建新), M.D., Ph.D., aged 62, is our Chief Executive Officer, Executive Director, President of Research and Development, chairman of the Strategy Committee and an authorized representative of the Company and was re-elected as an Executive Director on June 23, 2026. Dr. Yang was our founding Chief Medical Officer and Senior Vice President of Clinical Development from December 2016 to August 2022. Currently, he is responsible for the overall operation strategic planning and business operation of our Group. Dr. Yang also acts as a director in certain of our subsidiaries.

Dr. Yang is a seasoned biopharma leader with 30+ years of experience spanning drug discovery, translational research, clinical development, and commercialization in the U.S. and China. Throughout his career, Dr. Yang has made significant contributions to the successful development of several anticancer drugs. At CStone, he successfully brought 4 novel drugs to market – Sugemalimab, Avapritinib, Pralsetinib, and Ivosidenib. Sugemalimab was approved in the EU and the UK in 2024, marking the first successful international entry of a domestically developed PD-L1 inhibitor from China. He has built CStone into a preferred global partner for bringing innovative medicines to Greater China and enabled China biopharmas to access global markets.

Prior to joining us, he served as the Senior Vice President and Head of Clinical Development at BeiGene, Ltd. (NASDAQ: BGNE, HKSE: 6160, the Star Market of SHSE: 688235) from July 2014 to December 2016. He built the clinical team and led global development/operations for their diverse oncology pipeline (PD-1, BTKi, PARPi, RAFi), conducting 10+ trials from FIH to pivotal studies and approvals.

Prior to joining BeiGene, Ltd., Dr. Yang served in several roles including as an Oncology Medical Director at Covance Inc. from September 2011 to July 2014. He served as Senior Principal Scientist for tumor biomarkers in Pfizer Inc. from October 2004 to August 2011, and served as a Research Scientist in the cancer genomics division at Tularik Inc. from September 1998 and September 2004 (acquired by Amgen Inc. in 2004).

Dr. Yang is an author of 80+ publications and conference reports, including 10+ articles in JAMA, Nature Medicine, The Lancet Oncology, JCO, Nature Cancer, Clinical Cancer Research, among others. He is an inventor of 15 patents.

Dr. Yang received a bachelor's degree in medicine from Xianning Branch of Hubei Medical College (湖北醫學院咸寧分院) (currently known as Hubei Institute of Science and Technology (湖北科技學院)) in Hubei, China in July 1985 and a master's degree in pathophysiology from Nanjing Medical College (南京醫學院) (currently known as Nanjing Medical University (南京醫科大學)) in Nanjing, China in July 1988. He then received his Ph.D. training in molecular biology with Nobel Laureates Drs. Michael S. Brown and Joseph L. Goldstein at the University of Texas Southwestern Medical Center at Dallas, U.S. in June 1995. He conducted his postdoctoral training in chemical biology with Dr. Stuart L. Schreiber at Harvard University in the United States from 1995 to 1998.

Directors and Senior Management

Non-executive Directors

Dr. Wei Li (李偉), Ph.D. aged 54, is our Chairman of Board. He has been our Director since December 2015 and was re-designated as a non-executive Director on October 29, 2018, and was re-elected as a non-executive Director on June 25, 2025. Dr. Li took up the role of Chairman and the chairman of the Nomination Committee on May 31, 2022. Dr. Wei Li is also a member of the Compensation Committee. Dr. Li also acts as a director in certain of our subsidiaries.

Dr. Li has over 20 years of experience in the biotech industry. He serves as a partner of Creacion Ventures since April 2020 and the managing partner of 6 Dimensions Capital, L.P. since October 2017 and is a founding partner and the managing partner of WuXi Healthcare Ventures II, L.P. since July 2015. Dr. Li served as an executive director of Ocumension Therapeutics (歐康維視生物), a company listed on the Stock Exchange (stock code: 1477), from April 2018 to July 2021 and re-designated as a non-executive director since July 2021. Dr. Li resigned as non-executive director of Ocumension Therapeutics with effect from January 16, 2025.

During his scientific research career, Dr. Li has first-authored numerous scientific publications in journals including Science, Proceedings of the National Academy of Sciences, and Journal of Biological Chemistry.

Dr. Li received a Ph.D. in chemistry from Harvard University in the United States in November 1998, and master's degree in business administration ("MBA") from the J. L. Kellogg School of Management at Northwestern University in the United States in June 2003. He graduated with a bachelor of science in chemical physics from the University of Science and Technology of China (中國科學技術大學) in Anhui, China in July 1993.

Mr. Kenneth Walton Hitchner III, aged 66, was appointed as our non-executive Director with effect from December 10, 2021 and was re-elected as a non-executive Director on June 23, 2026. Mr. Hitchner is a member of the Investment Committee.

Mr. Hitchner has more than 30 years of experience in corporate finance. He had served as the Chairman and Chief Executive Officer of The Goldman Sachs Group, Inc. in Asia Pacific Ex-Japan before his retirement in 2019. He was also a member of Goldman Sachs' Management Committee and co-chaired its Asia Pacific Management Committee.

Mr. Hitchner has served as an independent non-executive director of Provident Acquisition Corp., a company listed on NASDAQ (stock code: PAQC), from January 2021 to October 2022. He ceased to serve as a senior advisor to a leading global life sciences investor Valiance Asset Management in December 2022. During the period from 2013 to 2017, Mr. Hitchner had served as President of Goldman Sachs in Asia Pacific Ex-Japan. Prior to relocating to Hong Kong, he was global head of Goldman Sachs' Healthcare Banking Group and global co-head of its Technology, Media and Telecom Group. He was named managing director in 2000 and partner in 2002. He became head of the global medical device banking practice in 1998 and head of the global pharmaceutical banking practice in 2001. He began his career with Goldman Sachs' Corporate Finance Department in 1991.

Directors and Senior Management

Mr. Hitchner has been serving as an independent non-executive director of WuXi Biologics (Cayman) Inc., a company listed on the Main Board of the Stock Exchange (stock code: 2269), since June 2020. Mr. Hitchner has been serving as a director of the alternative investment management firm Elements Advisors SPV since May 2020. He has joined Global Advisory Board of the global early-stage venture capitalist Antler since January 2021. He served as a senior advisor of WuXi AppTec Co., Ltd.* (無錫藥明康德新藥開發股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603259) and the Main Board of the Stock Exchange (stock code: 2359) ("**WuXi AppTec**"), from February 2020 to February 2025. Mr. Hitchner served as the chairman of the board of HH&L Acquisition Co., a company listed on the New York Stock Exchange (stock code: HHLA), from February 2021 to March 2024. Mr. Hitchner has been serving as the chairman of the board of a UK private healthcare company, Cydar Medical since February 2023. He served as chairman of the board of Sphere Fluidics, another UK private healthcare company from May 2023 to July 2025. He has also been serving as an independent non-executive director of WuXi XDC Cayman Inc., a company listed on the Main Board of the Stock Exchange (stock code: 2268), since November 2024.

Mr. Hitchner obtained a bachelor's degree in arts from the University of Colorado in 1982 and a master's degree in MBA as a merit fellow from Columbia University Business School in 1992.

Mr. Edward Hu (胡正國), aged 63, was appointed as our non-executive Director on July 9, 2021 and was re-elected as a non-executive Director on June 23, 2026. He is a member of the Strategy Committee and the chairman of the Investment Committee.

Mr. Hu currently is the Chairman and CEO of BaseCure Therapeutics Inc since December 2025. Previously he served as the vice chairman, Global Chief Investment Officer and an executive director of WuXi AppTec and he was primarily responsible for the overall business and management of WuXi AppTec before his retirement with effect from July 31, 2025. Mr. Hu joined WuXi AppTec in August 2007 and served as an executive director from March 2017 to July 2025. Mr. Hu served as a Co-Chief Executive Officer of WuXi AppTec from August 2018 to May 2020. He served as the Chief Financial Officer from March 2016 to January 2019.

- From July 2022 to September 2024, he served as a non-executive director of CANbridge Pharmaceuticals Inc., a company listed on the Main Board of the Stock Exchange (stock code: 1228).
- From July 2022 to February 2023, he served as a director of Ambrx Biopharma Inc., a company listed on NASDAQ (stock code: AMAM).
- From February 2014 to June 2021, he served as a non-executive director of WuXi Biologics (Cayman) Inc., a company listed on the Main Board of the Stock Exchange (stock code: 2269) and was primarily responsible for providing guidance on the business strategy and financial management.
- From May 2018 to March 2021, he served as a director of Viela Bio Inc., a company listed on NASDAQ (stock code: VIE).
- From August 2007 to December 2015, he served as the Chief Financial Officer and Chief Operating Officer of WuXi PharmaTech (Cayman) Inc., a company previously listed on the New York Stock Exchange and was responsible for the financial and operational management.
- From October 2000 to July 2007, he served on various roles to become a Senior Vice President and Chief Operating Officer of Tanox Inc., a biopharmaceutical company previously listed on NASDAQ (stock code: TNOX, acquired by Genentech Inc. in August 2007) and primarily engaged in discovering and developing antibody therapeutic drugs, and was responsible for company operations, quality control, finance and information technology.

Directors and Senior Management

- From April 1998 to October 2000, he served as a business planning manager of Biogen Inc., a global biotechnology company listed on NASDAQ (stock code: BIIB) and primarily engaged in developing, marketing and sales of biopharmaceuticals for neurologic and immune diseases, and was responsible for business planning and budget management of its research and development division.
- From May 1996 to December 1998, he served as a senior financial analyst of Merck, and was responsible for financial planning and analysis.

Mr. Hu obtained a bachelor's degree in physics from Hangzhou University, currently known as Zhejiang University (浙江大學) in the PRC in July 1983. He also obtained a master's degree in chemistry and a master's degree of business administration from Carnegie Mellon University in the United States in May 1993 and May 1996, respectively.

Independent Non-executive Directors

Mr. Kenneth Howard Jarrett, aged 73, has been an INED since September 23, 2025 and was re-elected as an INED on June 23, 2026. He is a member of the Audit Committee and the Strategy Committee.

Mr. Jarrett has over 40 years of experience in government and business relations, strategic planning and key relationship building. Mr. Jarrett has been serving as senior advisor of Albright Stonebridge Group, a strategic advisory firm based in Washington D.C. in the U.S. since January 2019. Prior to joining the Company, Mr. Jarrett served as independent director and members of the audit, compensation and nomination/governance committee of Wanda Sports Group Company Limited (a company delisted from Nasdaq in February 2021) from October 2019 to January 2021. During his extensive diplomatic career, Mr. Jarrett held several key positions across U.S. consulates, embassies and the private sector including president of the American Chamber of Commerce in Shanghai from September 2013 to December 2018, Greater China chairman of APCO Worldwide, a public affairs and strategic communication consultancy firm in the U.S. from October 2008 to July 2013, Consul General of the U.S. Consulate General in Shanghai from July 2005 to August 2008 and Deputy Consul General of the U.S. Consulate General in Hong Kong from July 2001 to July 2004. Prior to that, Mr. Jarrett served as chief of the Political Unit of the U.S. Embassy in Singapore, senior political officer of the Office of Israeli Affairs of the Department of State in the U.S., chief of the Political Section of the U.S. Embassy in Beijing and director for Asian Affairs of the National Security Council in Washington D.C. from 1991 to 2001.

Mr. Jarrett brings extensive board-level experience from services with universities and a range of public sector organizations. He has been serving as member of the National Committee on U.S.-China Relations, a non-profit organization promoting understanding between the U.S. and China, since 2009, as trustee of the Yale-China Association since 2025 and as an independent non-executive director of KnowledgeLink Group since November 2025. Previously, Mr. Jarrett served as member of Cornell University China Advisory Council from 2016 to 2024, board member of the American Chamber of Commerce in Shanghai from 2011 to 2013, chairman of the board of the USA Pavilion at the Shanghai World Expo from 2009 to 2012 and board member of the Hong Kong International School from 2001 to 2004.

Mr. Jarrett obtained his bachelor's degree in history from Cornell University in the U.S. in May 1975. He obtained his master's degree in East Asian studies, Chinese history from Yale University in the U.S. in December 1979 and a master's degree in national security studies from National War College in Washington D.C. in May 1997.

Directors and Senior Management

Ms. Fang Xie, also known as Heather Xie, aged 62, has been an INED since November 1, 2025 and was re-elected as an INED on June 23, 2026. She is the chairperson of the Audit Committee and a member of each of the Compensation Committee, the Nomination Committee and the Investment Committee.

Ms. Xie has over 30 years of experience in operational finance and management consulting. Ms. Xie has been serving as independent non-executive director of ZTO Express (Cayman) Inc., a company listed on both the Main Board of the Stock Exchange (HKEx: 2057) and the New York Stock Exchange (NYSE: ZTO), and chairperson of the environmental, social and governance committee since November 2021, the chairperson of the compensation committee since March 2026, and a member of the nominating and corporate governance committee since March 2025. Prior to joining the Company, Ms. Xie has been a director and portfolio investment manager at Seres Capital from May 2021 to October 2025. Ms. Xie has been serving as independent non-executive director of DST Sustainable Technology (Shenzhen) Co., Ltd (地上鐵綠色科技(深圳)股份有限公司), a private intelligent management solutions provider for logistics electronic vehicles in the PRC, since August 2025. Ms. Xie provided management consulting and leadership coaching services to startup companies and investment management companies from July 2018. Ms. Xie joined Prologis Inc., a real estate investment trust headquartered in San Francisco, the U.S., in March 2008, which later span off its China and Japan businesses and formed Global Logistic Properties ("GLP"). Ms. Xie led GLP's initial public offering on the Singapore Stock Exchange (SGX: MC0) and served as chief financial officer and a member of global investment committee of GLP from May 2010 to January 2018. Prior to GLP, Ms. Xie worked in various companies of General Electric ("GE"), a company listed on the New York Stock Exchange (NYSE: GE), in the U.S. and Asia from 1994 with increasing responsibilities, including as head of Treasury of GE Asia Pacific, financial controller of GE Asia Pacific, chief financial officer of GE infrastructure Asia and GE Toshiba Silicones China.

Ms. Xie obtained her bachelor's degree and master's degree in industrial economy from Renmin University of China in July 1986 and October 1989, respectively, and a master's degree in economics from U.S. Cornell University in January 1994.

Ms. Catherine Yen, aged 62, has been an INED since January 21, 2026 and was re-elected as an INED on June 23, 2026. She is the chairperson of the Compensation Committee and a member of each of the Audit Committee and the Nomination Committee.

Ms. Yen over 35 years of experience in financial accounting and assurance service with extensive involvement in initial public offerings and mergers and acquisitions. Ms. Yen served as partner of the China practice of Ernst & Young ("E&Y") in Hong Kong from January 1996 to June 2024. During part of this period, Ms. Yen took on the role of E&Y's People Leader for Greater China and the Far East Asia, a senior leadership role focused on talent strategy and organizational culture across E&Y's operations. Ms. Yen was seconded to E&Y Tokyo office from July 2007 to June 2010 to assist with the implementation of the firm's Global People Strategies. Prior to that, Ms. Yen held various positions in E&Y since joining the firm in August 1989. Ms. Yen serves as board member and as chairperson of the audit committee of the West Kowloon Cultural District Authority in Hong Kong since November 2022.

Ms. Yen has been admitted as an associate member and subsequently admitted as a fellow member of the Institute of Chartered Accountants in England and Wales since January 1989 and July 2017, respectively. She is also a fellow member of the Hong Kong Institute of Certified Public Accountants.

Ms. Yen obtained her degree of bachelor of arts from the University of East Anglia in the United Kingdom in July 1985.

Directors and Senior Management

SENIOR MANAGEMENT

Dr. Jianxin Yang (楊建新), M.D., Ph.D., aged 62, has been our CEO and president of research and development since August 25, 2022 and March 27, 2024, respectively. For further details, please refer to “Directors – Executive Director” in this section.

Mr. Michael J. Choi, MBA, aged 52, joined our Company in May 2021 and he has been our Chief Business and Strategy Officer since September 2022. In this role, he is responsible for business development, alliance management, and corporate strategy.

Mr. Choi is an accomplished business executive with over 25 years of experience in the life science industry. Prior to joining us, Mr. Choi was Vice President and Head of Business Development at Sun Pharma Advanced Research Corporation (SPARC) from September 2019 to April 2021. In this role, he led business development, commercial strategy and investor relations and oversaw the strategy and operations of SPARC as a member of the Executive Leadership Team. From March 2011 to July 2019, Mr. Choi served at Pfizer, Inc. in various business development roles including most recently as Business Alliance Lead for China, Japan, Asia Pacific, Latin-America and Canada at Pfizer Essential Health. While at Pfizer, Mr. Choi completed over 40 transactions across 6 continents representing over US\$2 billion in deal value. From April 2009 to March 2011, Mr. Choi served as the Strategy Leader for the Molecular and Cell Biology business unit at Life Technologies (now Thermo Fisher). Mr. Choi started his career as a Research Associate at the Columbia University College of Physicians and Surgeons before starting his business career as a strategy focused Management Consultant at various firms such as PricewaterhouseCoopers – Management Consulting Services, Envision Consulting Group (now IQVIA), and Frankel Group (now Oliver Wyman).

Mr. Choi obtained his MBA in Finance and Economics from Columbia Business School in New York City in May 2004 and Bachelor of Arts in History with a pre-medical concentration from Columbia College in New York City in May 1996.

Dr. Qingmei Shi (史青梅), M.D., Ph.D., aged 50, joined our Company in May 2019, and currently is our Chief Medical Officer. In her current role, Dr. Shi oversees the clinical development of our assets from IND until NDA approval. Additionally, she leads the medical/science, pharmacovigilance, regulatory affairs, clinical operations, clinical quality assurance and biometrics functions to support progression of clinical development. Prior to this role, Dr. Shi was our head of clinical development and mainly responsible for the clinical development of our late-stage assets. Dr. Shi also acts as a director in one of our subsidiaries.

With over 20 years of experience in clinic and the pharmaceutical industry, Dr. Shi brings extensive expertise in oncology and hematology therapeutic areas. Prior to joining our Company, she served as a senior medical director at Covance Pharmaceutical Research and Development (Shanghai) Co., Ltd. from 2018 to 2019, where she was the lead physician in charge of multiple global and regional oncology and haematology studies.

From January 2007 to January 2018, Dr. Shi worked as a medical director at the Singapore and China offices of PAREXEL International China Pte. Ltd., where she led the Asia Pacific medical and pharmacovigilance functions and supported drug development for both global and China-pharmaceutical companies.

Dr. Shi obtained a Ph.D. in microbiology from the National University of Singapore in 2006. She obtained her medical doctor degree and a master of science in otolaryngology from Shan Dong Medical University in 1998 and 2001, respectively.

Directors and Senior Management

Dr. Yujuan La (喇玉娟), Ph.D., aged 48, joined us in May 2021 and currently serves as Senior Vice President of Product Development. She has overall responsibilities for supervising IND applications, overseeing technology transfer and business collaborations, leading chemistry, manufacturing, and controls (CMC) development across the entire product lifecycle, including upstream and downstream process development, analytical method development and validation, process scale-up, clinical supply manufacturing, and quality assurance management.

Dr. La has over 20 years of experience in the biopharmaceutical industry, with extensive expertise in the research and development, manufacturing, quality, and project management of therapeutic antibody products. Throughout her career, she has successfully advanced multiple IND applications, technology transfers, strategic partnerships, and CMC development programs. Prior to joining us, Dr. La worked at Startup Biotech Co., Ltd. as an Executive Director of preclinical development from September 2020 to April 2021, where she was mainly responsible for bispecific antibody research and development, CMC project management and portfolio strategy development. Dr. La worked at CRO/CDMO Biopharm Co., Ltd. from October 2018 to August 2020 and held the positions of Vice President and Senior Director, leading CMC programs (including maintaining service delivery), supporting business development and sales activities, and overseeing marketing and resource planning strategies. From June 2008 to October 2018, Dr. La worked at Biopharmaceutical Co., Ltd., where she served successively as the Senior Director of Process Development and Quality Assurance Management. Her responsibilities included (i) establishing the process development platform and team, leading process development, optimization and scale-up activities; (ii) building the quality system; and (iii) implementing a continuous improvement quality assurance system to ensure compliance with quality standards throughout product development and clinical manufacturing. Earlier in her career, from June 2006 to May 2008, Dr. La was a Research Associate at Bio-X Centre of Shanghai Jiaotong University, where she conducted research and teaching activities.

Dr. La obtained a Ph.D. in Biochemistry and Molecular Biology from Shanghai Jiao Tong University in 2006 and a Bachelor's degree in Biology from Inner Mongolia University in 2000.

Ms. Weicong Ni (倪維聰), aged 35, joined us in August 2018 and currently serves as Chief Financial Officer and company secretary. In her role, she has overall responsibilities for financial management and control, corporate finance, investor relations and board related matters. Prior to her current roles, Ms. Ni served various roles within the Company including head of capital markets and chief of staff to CEO, reporting directly to our chief executive officer. Ms. Ni also acts as a director in one of our subsidiaries.

Ms. Ni has over 13 years of experience in capital markets and corporate financial management with exposure in both sell side and buy side in public and private markets. Prior to joining us, from July 2013 to May 2016, Ms. Ni worked at Deutsche Bank Hong Kong branch as an investment banker advising public and private companies in Asia on equity and debt financing, investments, and merger and acquisition, across a few industries from healthcare to internet and technology. Ms. Ni also gained experience as a public market investor in the United States in 2017.

Ms. Ni received her bachelor's degree in finance and economics from Hong Kong University of Science and Technology in 2013 and an MBA degree from Harvard Business School in 2018. Ms. Ni is a Chartered Financial Analyst.

Directors and Senior Management

Ms. Yinghua Zhang (張英華), aged 47, joined us in August 2016. She was appointed as the Chief Operating Officer on 1 April 2026 and currently serves in this role. In her role, she is responsible for overseeing the Company's overall operations management. She leads several key functions, including Commercial Operations, Human Resources, Administration, Legal & Compliance, and Government Affairs. Upon joining CStone, she served as the Human Resources and Administration Lead, establishing this department from the ground up and progressively extending her management responsibilities to encompass more enabling functions. Ms. Zhang also serves as a director of certain subsidiaries of the Company.

Ms. Zhang has more than 20 years of experience in the life sciences industry. Prior to joining us, Ms. Zhang was the head of human resources at Simcere-MSD (Shanghai) Pharmaceuticals Co., Ltd. She was actively involved in the initial planning and establishment of a joint venture company, and she was responsible for orchestrating the foundational organizational framework and overseeing personnel recruitment during the nascent stages of the company's inception. From December 2002 to August 2011, Ms. Zhang worked at various subsidiaries of Simcere Pharmaceutical Group Limited, a company listed on the Stock Exchange (stock code: 2096), where her last position was the head of human resources of the Shanghai subsidiary. From July 2000 to November 2002, she was an administration assistant at Jiangsu Scottwilson Engineering Consulting Co., Ltd.

Ms. Zhang obtained a master's degree in applied psychology from Nankai University and a bachelor's degree in business management from Inner Mongolia University of Finance and Economics.

Dr. Qinzhou Qi, Ph.D., aged 42, joined our Company in January 2018. He was appointed as Vice President effective April 1, 2026, and currently serves as Head of R&D Management and Chief of Staff to the CEO. In this role, he has overall responsibility for R&D management functions, oversees the Program Management Office and the Medical Writing & Scientific Publication team, and drives the translation of leadership strategies into frontline execution. He also oversees Medical Affairs and Medical Information functions.

Dr. Qi has over 15 years of experience in the biopharmaceutical industry. He began his career at BeiGene Co., Ltd., where he worked as a Clinical Scientist from May 2016 to January 2018. Prior to that, he served as a Research Assistant and Teaching Assistant at Northern Illinois University during his doctoral studies.

Since joining our Company, Dr. Qi has been deeply involved in the clinical development of multiple core products. As Project Team Leader, he successfully secured both FDA and NMPA Breakthrough Therapy Designation and NMPA approval for sugemalimab. As Head of Medical Writing & Scientific Publications, he oversaw the development of clinical submission dossiers and the publication of clinical data for all company assets, successfully completing multiple NDA/BLA submissions and leading the publication of manuscripts in top-tier journals including JAMA, Nature Medicine, and The Lancet Oncology, with sugemalimab alone achieving a cumulative impact factor exceeding 400. Since assuming the additional role of Chief of Staff to the CEO in May 2023, he has played a key role in shaping corporate strategy and driving organizational effectiveness.

Dr. Qi obtained his Ph.D. in Molecular Biology from Northern Illinois University in December 2015, his M.S. in Microbiology and Bioinformatics from Illinois Institute of Technology in December 2009, and his Bachelor of Engineering in Biopharmaceutics from Beijing University of Chinese Medicine in 2007.

Directors and Senior Management

Mr. Ye Shi (時燁), aged 60, rejoined our Company in April 2026 and currently serves as our Senior Vice President and Head of Quality. In this role, Mr. Shi has responsibility for formulating the Company's quality policy and objectives according to our strategic goals and organizing their implementation. This covers quality assurance for manufacturing, supply chain, commercial products, etc.

Mr. Shi has over 30 years of experience in both biopharmaceutical and pharmaceutical industries in the U.S. and China. He has worked closely with regulators including U.S. FDA, European Medicines Agency ("**EMA**"), Health Canada, Center for Drug Evaluation ("**CDE**") of the NMPA, and European Union Qualified Person ("**QP**") inspection. His expertise spans quality assurance and compliance, quality control, validation, technical support, vendor qualification, project management, facility design, etc. Before rejoining CStone, Mr. Shi served as Quality Head and Head of two sites at Shanghai Asymchem Biotechnology Co., Ltd. (AsymBio). Prior to that, Mr. Shi worked at CStone as Vice President of Quality and Site Head of Suzhou Facility from July 2021 to September 2022. Earlier, Mr. Shi was at CMAB Biopharma (Suzhou) Co., Ltd. (now known as WuXi Biologics (Suzhou) Co., Ltd.) as Vice President of Quality and QP and served at Qilu Pharmaceutical Co., Ltd. as Deputy General Manager and Director of Quality Assurance. Earlier in his career, Mr. Shi spent over 20 years working at several healthcare and biopharmaceutical companies in the U.S., including Professional Disposables International, Inc. (Orangeburg), Immunomedics, Inc. (acquired by Gilead Sciences, Inc.), Wyeth-Lederle Vaccines and Pediatrics (acquired by Pfizer Inc.), and The Validation Group, Inc., where he held responsibilities of Quality Assurance & Compliance and Validation.

Mr. Shi obtained a master's degree in biological science from the State University of New York at Buffalo in 1996. He obtained his bachelor's degree in biochemistry from Fudan University in 1988.

Other than the working relationships in the Company, there was no other relationship between any of the Directors or senior management of the Company in respect of finance, business and family or in other material aspects.

Other Information

CHANGES OF DIRECTORS AND THEIR INFORMATION

- Mr. Ting Yuk Anthony Wu resigned as an independent non-executive Director, the chairman of the Compensation Committee and a member of each of the Audit Committee and the Nomination Committee with effect from January 21, 2026.
- Ms. Catherine Yen was appointed as an independent non-executive Director, the chairperson of the Compensation Committee, and a member of each of the Audit Committee and the Nomination Committee with effect from January 21, 2026.

So far as the Directors are aware and saved as disclosed in this report, there has been no other change of information of Directors during the Reporting Period pursuant to Rule 13.51B(1) of the Listing Rules.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board is committed to achieving high corporate governance standards. During the Reporting Period, the Company has complied with all the code provisions as set out in Part 2 of the CG Code contained in Appendix C1 to the Listing Rules.

We will continue to regularly review and monitor its corporate governance practices to ensure compliance with the CG Code, and maintain a high standard of corporate governance practices of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

We have adopted our own code of conduct, the Securities Transactions Code, which applies to all Directors on terms not less exacting than the required standard indicated by the Model Code as set out in Appendix C3 to the Listing Rules.

Specific enquiries have been made to all the Directors and they have confirmed that they have complied with the Securities Transactions Code during the Reporting Period, save as disclosed below.

Pursuant to Rule 3.17 of the Listing Rules, every director shall comply with the Model Code set out in Appendix C3 of the Listing Rules or the listed issuer's own code on no less exacting terms. Rule A.3(a)(i) of the Model Code requires a director must not deal in any securities of the listed issuer on any day on which its financial results are published and during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results. Rule B.8 of the Model Code requires a director must not deal in any securities of the issuer without first notifying in writing the chairman or a director (otherwise than himself) designated by the board for the specific purpose and receiving a dated written acknowledgement.

According to the Company's notice of board meeting on January 23, 2026, the blackout period for the Company's annual results for the year ended December 31, 2025 was from January 25, 2026 to March 26, 2026 (the "**Blackout Period**"). Two batches of 39,375 RSUs out of the 1,890,000 RSUs granted to Dr. Jianxin Yang, an executive Director, on March 28, 2024 were vested in accordance with the time-based vesting schedule in the Blackout Period. Based on the disclosure of interests forms filed on February 5, 2026 and March 6, 2026, Dr. Yang disposed of 9,507 Shares and 12,620 Shares of the Company on February 4, 2026 and March 4, 2026, respectively, during the Blackout Period (the "**Disposals**").

The Disposals were effected pursuant to a technical and automatic tax obligation settlement arrangement (i.e. the "sell-to-cover" mechanism), implemented by the Company's share scheme administrator, which is triggered on the relevant vesting dates pursuant to the predetermined vesting schedules, where a portion of the vested RSUs corresponding to the amount of PRC tax payable will be automatically sold, with the corresponding proceeds used to satisfy all related tax obligations in connection with such vested RSUs. The Disposals were executed for the purpose of satisfying Dr. Yang's corresponding PRC personal income tax obligation arising from the RSUs vested under the Company's Post-IPO RSU Scheme.

The Company and Dr. Yang acknowledged that the Disposals constituted "dealings" under paragraph 7(a) of the Model Code and did not fall within the exemptions under paragraph 7(d)(iv) of the Model Code and FAQ17.3 – No. 1 of the Stock Exchange, and without notifying the Board in writing and receiving a dated written acknowledgement before the Disposals. As such, Dr. Yang has failed to strictly comply with Rules A.3(a)(i) and B.8 of the Model Code.

Dr. Yang further acknowledged that pursuant to Rule 3.09B of the Listing Rules, in the exercise of his powers and duties as a director of the Company, he shall comply to the best of his ability with the Listing Rules and use his best endeavours to procure the Company to comply with the Listing Rules. The Company and Dr. Yang understand their obligations and are familiar with the Listing Rule requirements to prevent the occurrence of similar incidents. In abundance of caution, the Company has adjusted existing vesting schedules to avoid vesting dates falling within blackout or restricted dealing periods. Where a vesting date nevertheless falls within such a period, vesting will be deferred and will only take effect upon the expiry of the relevant blackout or restricted dealing period. For future grants, the Company will effect vesting on the same basis and will continue to reinforce its compliance procedures and internal monitoring to ensure ongoing compliance with the relevant Listing Rule requirements.

Other Information

The Company's employees, who are likely to be in possession of our unpublished inside information, are subject to the Model Code. No incident of non-compliance of the Model Code by the employees was noted by the Company as of the date of this interim report.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Reporting Period, the Company repurchased a total of 4,597,000 Shares through the Stock Exchange, details of which are set out below:

Month	Number of Shares purchased	Highest price per Share (HK\$)	Lowest price per Share (HK\$)	Aggregate Price Paid (excluding expenses) (HK\$)
June 2026	4,597,000	4.84	4.37	21,356,924.20

All 4,597,000 repurchased Shares were cancelled on July 27, 2026. The purchase of Shares during the period was effected by the Directors pursuant to the general mandate to repurchase Shares as approved by the shareholders of the Company at the annual general meetings of the Company held on June 25, 2025 and June 23, 2026 respectively. These share repurchases demonstrate the Company's firm confidence in its long-term business prospects and reflect the Company's commitment to prioritizing its shareholders' returns and continuously optimizing its capital return framework.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including any sale of treasury Shares (as defined in the Listing Rules)) during the Reporting Period. As of June 30, 2026, the Company did not hold any treasury Shares as defined in the Listing Rules.

MATERIAL LITIGATION

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

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

Save as disclosed in this interim report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

MATERIAL EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this interim report, the Group has no other material events after the Reporting Period and up to the date of this interim report.

USE OF NET PROCEEDS

2020 Share Subscription

On September 30, 2020 (before trading hours), the Company entered into the share subscription agreement with Pfizer Corporation Hong Kong Limited ("**Pfizer**"), pursuant to which Pfizer has conditionally agreed to subscribe for an aggregate of 115,928,803 subscription shares (being ordinary shares of the Company) at the subscription price of HK\$13.37 per subscription share (the closing price of the Company as quoted on the Stock Exchange on September 29, 2020 was HK\$9.30 per Share) (the "**2020 Share Subscription**"). The aggregate nominal value of the subscription shares under the 2020 Share Subscription is US\$11,592.88. Pfizer applies science and its global resources to improve health and well-being at every stage of life, and was a third-party independent of the Company or any of its connected person at the time of the 2020 Share Subscription. The gross and net proceeds from the allotment and issue of the subscription shares were approximately US\$200.0 million (equivalent to approximately RMB1,355.9 million), representing a net subscription price of HK\$13.37 per subscription share, which will be used to fund the development activities under the collaboration agreement dated September 30, 2020 entered into among the Company, CStone Pharmaceuticals (Suzhou) Co., Ltd. (基石藥業(蘇州)有限公司) ("**CStone Suzhou**"), CStone Pharmaceuticals (Shanghai) Co., Ltd. (拓石藥業(上海)有限公司) ("**CStone Shanghai**") and Pfizer Investment Co. Ltd. (the "**Collaboration Agreement**"), where CStone Suzhou and CStone Shanghai are wholly-owned subsidiaries of the Company. The Company entered into the 2020 Share Subscription and the Collaboration Agreement to advance the Company's strategic, commercial and financial objectives as it transitions into a fully integrated biopharma company. The closing of the 2020 Share Subscription took place on October 9, 2020. The use of these proceeds is in line with the planned use, and there is no significant change.

Other Information

The table below sets out the planned applications of the proceeds from the 2020 Share Subscription and actual usage up to June 30, 2026:

			Unutilized net proceeds as of December 31, 2025 (RMB million)	Actual usage during the Reporting Period (RMB million)	Unutilized net proceeds as of June 30, 2026 (RMB million)
	% of use of proceeds	Net proceeds from the subscription (RMB million)			
Fund the development activities under the Collaboration Agreement	100%	1,355.9	338.5	24.9	313.6

Note: The unutilized net proceeds are planned to be put into use by December 31, 2027. As disclosed in the 2025 annual report of the Company, the Board had noticed a delay in the planned application of the proceeds from the 2020 Share Subscription due to changes on clinical development plan in relation to the Collaboration Agreement. The Board will evaluate and adjust the expected timeline of full utilisation prudently considering the future development of the Company and market conditions.

April 2025 Placing

On April 2, 2025 (before trading hours), the Company entered into a placing agreement with Morgan Stanley Asia Limited as the placing agent, pursuant to which the Company agreed to place, through the placing agent, an aggregate of 80,000,000 placing shares (being ordinary shares of the Company) to not less than six placees at a price of HK\$2.933 per placing share (the closing price of the Company as quoted on the Stock Exchange on April 1, 2025 was HK\$3.45 per Share) (the “**April 2025 Placing**”). The net placing price (after deducting related costs and expenses to be borne by the Company) is approximately HK\$2.904 per Share. The aggregate nominal value of the placing shares under the April 2025 Placing is US\$8,000. The placees are professional, institutional or other investors and, together with their ultimate beneficial owners, are third parties independent of the Company and any of its connected persons. The April 2025 Placing would enlarge the Shareholder base and the capital base of the Company, and strengthen the Group’s financial position for its future development. The net proceeds from the April 2025 Placing, after deducting the placing commission and other related expenses and professional fees, were approximately HK\$232.29 million (equivalent to approximately RMB215.82 million). The closing of the April 2025 Placing took place on April 10, 2025. The use of these proceeds is in line with the planned use, and there is no significant change or delay.

Other Information

The table below sets out the planned applications of the proceeds from the April 2025 Placing and actual usage up to June 30, 2026:

			Unutilized net proceeds as of December 31, 2025 (RMB million)	Actual usage during the Reporting Period (RMB million)	Unutilized net proceeds as of June 30, 2026 (RMB million)
% of use of proceeds	Net proceeds from the placing (RMB million)				
Research and development of Pipeline "2.0", including in particular CS5001, a clinical stage ROR1 ADC (a potentially best-in-class ROR1 ADC), and CS2009, a trispecific antibody targeting PD-1, VEGFA and CTLA-4 (a potentially first- in-class/best-in-class next-generation immuno-oncology backbone)	90%	194.24	30.34	30.34	–
General corporate purposes	10%	21.58	0.78	0.78	–
Total	100%	215.82	31.12	31.12	–

July 2025 Placing

On July 8, 2025 (after trading hours), the Company entered into a placing agreement with Morgan Stanley Asia Limited as the placing agent, pursuant to which the Company agreed to place, through the placing agent, an aggregate of 100,000,000 placing shares (being ordinary shares of the Company) to not less than six placees at a price of HK\$4.72 per placing share (the closing price of the Company as quoted on the Stock Exchange on July 8, 2025 was HK\$5.18 per Share) (the **"July 2025 Placing"**). The net placing price (after deducting related costs and expenses to be borne by the Company) is approximately HK\$4.673 per Share. The aggregate nominal value of the placing shares under the July 2025 Placing is US\$10,000. The placees are professional, institutional or other investors and, together with their ultimate beneficial owners, are third parties independent of the Company and any of its connected persons. The July 2025 Placing would enlarge the Shareholder base and the capital base of the Company, and strengthen the Group's financial position for its future development. The net proceeds from the July 2025 Placing, after deducting the placing commission and other related expenses and professional fees were approximately HK\$467.28 million (equivalent to approximately RMB425.79 million). The closing of the July 2025 Placing took place on July 16, 2025. The use of these proceeds is in line with the planned use, and there is no significant change or delay.

Other Information

The table below sets out the planned applications of the proceeds from the July 2025 Placing and actual usage up to June 30, 2026:

			Unutilized net proceeds as of December 31, 2025 (RMB million)	Actual usage during the Reporting Period (RMB million)	Unutilized net proceeds as of June 30, 2026 (RMB million)
	% of use of proceeds	Net proceeds from the placing (RMB million)			
Research and development relating to CS2009 (Phase II clinical trials and potential pivotal study) and CS5001 (Phase 1b clinical trials), including monotherapy and combination therapy studies	73%	310.83	310.83	64.83	246.0
Research and development relating to pre-clinical assets, including discovery and PCC of candidates and IND enabling studies	17%	72.38	72.38	72.38	–
General corporate purposes (including staff costs and rental expenses)	10%	42.58	42.58	21.75	20.83
Total	100%	425.79	425.79	158.96	266.83

Note: The unutilized net proceeds are planned to be put into use by December 31, 2026.

April 2026 Placing

On April 14, 2026 (after trading hours), the Company entered into a placing agreement with Goldman Sachs (Asia) L.L.C. as the placing agent, pursuant to which the Company has conditionally agreed to place, through the placing agent, an aggregate of 118,000,000 placing shares (being ordinary shares of the Company) to not less than six placees at a price of HK\$8.97 per placing share (the closing price of the Company as quoted on the Stock Exchange on April 14, 2026 was HK\$9.64 per Share) (the “**April 2026 Placing**”). The net placing price (after deducting related costs and expenses to be borne by the Company) is approximately HK\$8.9252 per Share. The aggregate nominal value of the placing shares under the April 2026 Placing is US\$11,800. The placees are professional, institutional or other investors and, together with their ultimate beneficial owners, are third parties independent of the Company and any of its connected persons. The April 2026 Placing would enlarge the Shareholder base and the capital base of the Company, and strengthen the Group’s financial position for its future development. The net proceeds from the April 2026 Placing, after deducting the placing commission and other related expenses and professional fees were approximately HK\$1,053.17 million (equivalent to approximately RMB923.0 million). The closing of the April 2026 Placing took place on April 22, 2026. The use of these proceeds is in line with the planned use, and there is no significant change or delay.

Other Information

The table below sets out the planned applications of the proceeds from the April 2026 Placing and actual usage up to June 30, 2026:

	% of use of proceeds	Net proceeds from the placing (RMB million)	Actual usage during the Reporting Period (RMB million)	Unutilized net proceeds as of June 30, 2026 (RMB million)
Research and development relating to CS2009 in Phase II clinical trials with 15 cohorts exploring monotherapy and combination therapy studies, and a potential first wave of Phase III multi-regional clinical trials (MRCTs)	60%	553.8	–	553.8
Research and development relating to CS5001 and pre-clinical assets such as CS5007 (EGFR/HER3 ADC) and other proprietary ADCs and multi-specific antibodies for immunology and inflammation diseases including discovery and PCC of candidates and IND enabling studies	30%	276.9	–	276.9
General corporate purposes (including staff costs and rental expenses)	10%	92.3	–	92.3
Total	100%	923.0	–	923.0

Note: The unutilized net proceeds are planned to be put into use by December 31, 2027.

Other Information

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in accordance with the Listing Rules. The Audit Committee currently comprises three independent non-executive Directors, namely, Ms. Fang Xie (Chairperson), Mr. Kenneth Howard Jarrett and Ms. Catherine Yen.

The Audit Committee has considered and reviewed the accounting principles and practices adopted by the Group and discussed matters in relation to internal control and financial reporting with the management. The Audit Committee reviewed and considered that the interim financial results for the six months ended June 30, 2026 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

REVIEW OF INTERIM RESULTS

The independent auditors of the Company, namely Deloitte Touche Tohmatsu, have conducted a review of the interim financial information in accordance with the International Standard on Review Engagement 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the International Auditing and Assurance Standards Board. The Audit Committee has jointly reviewed with the management of the Company, the accounting principles and policies adopted by the Company and discussed internal control and financial reporting matters (including the review of the unaudited interim results for the six months ended June 30, 2026) of the Group.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended June 30, 2026 (2025: Nil).

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

Interests and Short Positions of our Directors in the Share Capital of the Company

As of June 30, 2026, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any of the associated corporations of the Company (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code, are as follows:

Long Position in the Shares of the Company

Name of Director or chief executive	Nature of interest	Number and class of securities	Approximate percentage of interest in our Company⁽¹⁾
Dr. Jianxin Yang, CEO and executive Director	Beneficial Owner	84,284,142 Shares ⁽²⁾	5.27%
Mr. Kenneth Walton Hitchner III, non-executive Director	Beneficial Owner	2,513,481 Shares ⁽³⁾	0.16%
Dr. Wei Li, Chairman of Board and non-executive Director	Beneficial Owner	2,250,000 Shares ⁽⁴⁾	0.14%
Mr. Edward Hu, non-executive Director	Beneficial Owner	3,721,000 Shares ⁽⁵⁾	0.23%
Ms. Fang Xie, independent non-executive Director	Beneficial Owner	8,500 Shares ⁽⁶⁾	0.00%

Notes:

- (1) The calculation is based on the total number of 1,600,749,183 Shares in issue as of June 30, 2026.
- (2) Includes (i) 21,374,683 Shares beneficially held by Dr. Jianxin Yang; (ii) share options to subscribe for 56,639,959 Shares granted to him under the Post-IPO ESOP, subject to the vesting and other conditions of those options; and (iii) Dr. Yang's entitlement to restricted share units equivalent to 6,269,500 Shares granted to him under the Post-IPO RSU Scheme, subject to vesting conditions.
- (3) Includes 2,513,481 Shares beneficially held by Mr. Kenneth Walton Hitchner III.
- (4) Includes (i) 1,291,658 Shares beneficially held by Dr. Wei Li; (ii) Dr. Wei Li's entitlement to restricted share units equivalent to 458,338 Shares granted to him under the Post-IPO RSU Scheme, subject to vesting conditions; and (iii) share options to subscribe for 500,004 Shares granted to him under the Post-IPO ESOP, subject to the vesting conditions.
- (5) Includes (i) 2,262,662 Shares beneficially held by Mr. Edward Hu; (ii) Mr. Edward Hu's entitlement to restricted share units equivalent to 458,338 Shares granted to him under the Post-IPO RSU Scheme, subject to vesting conditions; and (iii) share options to subscribe for 1,000,000 Shares granted to him under the Post-IPO ESOP, subject to the vesting conditions.
- (6) Ms. Fang Xie beneficially held 8,500 Shares in the Company.

Save as disclosed above and to the best knowledge of the Directors, none of the Directors or the chief executive of the Company has or is deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations as of June 30, 2026.

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

Interests and Short Positions Discloseable under Divisions 2 and 3 of Part XV of the SFO

As of June 30, 2026, the following are the persons, other than the Directors or the chief executive of the Company, who had interests or short positions in the Shares and underlying Shares as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of Part XV of the SFO:

Other Information

Long Position and Short Position in the Shares of the Company

Substantial Shareholder	Capacity/Nature of Interest	Total number of Shares/underlying Shares ⁽¹⁾	Approximately percentage of interest in our Company ⁽¹⁾
WuXi Healthcare Ventures II, L.P. ⁽²⁾	Beneficial interest	173,381,444 (L)	10.83%
WuXi Healthcare Management, LLC ⁽²⁾	Interest in controlled corporation	173,381,444 (L)	10.83%
Pfizer Corporation Hong Kong Limited ⁽³⁾	Beneficial interest	115,928,803 (L)	7.24%
Pfizer Inc. ⁽³⁾	Interest in controlled corporation	115,928,803 (L)	7.24%
HHLR Advisors, Ltd. ⁽⁴⁾	Investment manager	88,664,500 (L)	5.54%
Morgan Stanley ⁽⁵⁾	Interest in controlled corporation	80,757,231 (L)	5.04%
		16,375,673 (S)	1.02%

Notes:

- (1) The calculation is based on the total number of 1,600,749,183 Shares in issue as of June 30, 2026. (L) means holding a long position in the Shares. (S) means holding a short position in the Shares.
- (2) As of June 30, 2026, WuXi Healthcare Ventures II, L.P. directly held 173,381,444 Shares. To the best knowledge of us, WuXi Healthcare Ventures II, L.P. is a limited partnership established under the laws of Cayman Islands managed by its sole general partner, WuXi Healthcare Management, LLC, a Cayman Islands exempted company in which each of its five members holds an equal share of equity interest. For the purpose of the SFO, WuXi Healthcare Management, LLC is deemed to have an interest in the Shares held by WuXi Healthcare Ventures II, L.P.
- (3) As of June 30, 2026, Pfizer Corporation Hong Kong Limited, a company incorporated in Hong Kong with limited liability, directly held 115,928,803 Shares. For the purpose of the SFO, Pfizer Inc., a Delaware-incorporated company listed on the New York Stock Exchange and indirectly holding 100% of the shares in Pfizer Corporation Hong Kong Limited is deemed to have an interest in the Shares held by Pfizer Corporation Hong Kong Limited.
- (4) The total of 88,664,500 Shares acquired by HHLR Advisors, Ltd. as of June 30, 2026
- (5) As of June 30, 2026, Morgan Stanley Bank, N.A., a company incorporated in the United States, directly held 3,961 Shares (L). Morgan Stanley Capital Services LLC, a company incorporated in the United States, directly held 6,872 Shares (L) and 2,026 Shares (S). Morgan Stanley & Co. LLC, a company incorporated in the United States, directly held 1,106,500 Shares (L) and 4,134,500 Shares (S). Morgan Stanley & Co. International plc, a company incorporated in the United Kingdom, directly held 79,639,898 Shares (L) and 12,239,147 Shares (S). To the best knowledge of the Directors, Morgan Stanley Bank, N.A., Morgan Stanley Capital Services LLC, Morgan Stanley & Co. LLC and Morgan Stanley & Co. International plc. are indirectly wholly owned by Morgan Stanley, a company incorporated in the United States. For the purpose of the SFO, Morgan Stanley is deemed to have an interest in the Shares held by Morgan Stanley Bank, N.A., Morgan Stanley Capital Services LLC, Morgan Stanley & Co. LLC and Morgan Stanley & Co. International plc.

Save as disclosed above and to the best knowledge of the Directors, as of June 30, 2026, the Company is not aware of any other person (other than the Directors or the chief executive of the Company) who had an interest or short position in the Shares or underlying Shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

SHARE INCENTIVIZATION SCHEMES

We have adopted three share incentivization schemes, collectively referred to as the Share Incentivization Schemes.

Pre-IPO Incentivization Plan

We have adopted the Pre-IPO Incentivization Plan by the resolutions in writing of the Board passed on July 7, 2017 and as amended and restated on August 14, 2018 and as further amended and restated on January 26, 2019 and as further amended and restated on January 7, 2020. No options and RSUs will be granted under the Pre-IPO Incentivization Plan after completion of the Listing.

During the Reporting Period, pursuant to the Pre-IPO Incentivization Plan, no options or RSUs were granted to Directors, other related entity participants, other service providers or other employee participants of the Group. As of June 30, 2026, no further options or RSUs were available for grant under the Pre-IPO Incentivization Plan. All options granted to Directors and other employee participants of the Group under the Pre-IPO Incentivization Plan will continue to remain valid and exercisable in accordance with the terms of the Pre-IPO Incentivization Plan. All RSUs granted to Directors and other employee participants of the Group under the Pre-IPO Incentivization Plan had been fully vested.

Movement of the options, which were granted under the Pre-IPO Incentivization Plan, during the Reporting Period is as follows:

Name of Participant or Category of Participant	Date of grant	Number of options held at January 1, 2026	Number of options granted	Number of options lapsed	Number of options cancelled	Number of options exercised	Number of options held at June 30, 2026	Exercise Price	Exercise Period ⁽¹⁾	Vesting Period ⁽²⁾	Weighted average closing price of the shares immediately before the dates on which the options were exercised	Fair value of options at the date of grant
Director						N/A						
Other employee participants	2016-7-11-2019-2-25	1,175,618	-	-	-	13,332	1,162,286	HKD0.20-HKD4.65	10 years	4 years	HKD9.81	USD0.24-USD1.39
Other related entity participants						N/A						
Other service providers						N/A						
Total		1,175,618	-	-	-	13,332	1,162,286					

Other Information

Notes:

- (1) The exercise period of all options in the table above shall be 10 years from the date of grant.
- (2) The vesting schedule of all options in the table above shall be 25% of the shares will be vested on the first anniversary of the vesting commencement date, and the remaining shares will be vested with equal monthly installments over the following thirty-six months.
- (3) The closing price of the Shares immediately before the dates on which the options were granted was not applicable as the Company was not yet listed on the dates of grant.
- (4) Given no option has been granted and no more options will be granted under the Pre-IPO Incentivization Plan, it is not applicable for the Company to set out the number of Shares that may be issued in respect of the options granted under the Pre-IPO Incentivization Plan during the Reporting Period divided by the weighted average number of Shares in issue (excluding treasury Shares).

Post-IPO ESOP

We have adopted the Post-IPO ESOP by resolutions passed by our Company on January 30, 2019, with effect upon completion of the Listing, and as amended and restated on March 7, 2023.

The total number of options available for grant under the Post-IPO ESOP as of January 1, 2026 and June 30, 2026 was 45,380,169 and 22,030,170, respectively. The total number of options available for grant under the Service Provider Sublimit of the Post-IPO ESOP as of January 1, 2026 and June 30, 2026 was 12,663,640 and 12,663,640, respectively. As at the date of this report, the total number of shares available for issue under the Post-IPO ESOP is 104,779,850, representing approximately 6.56% of the Shares in issue (excluding treasury Shares).

Other Information

Movement of the options, which were granted under the Post-IPO ESOP, during the Reporting Period is as follows:

Name of Participant or Category of Participant	Date of grant	Closing price of shares immediately before the date on which the options were granted	Number of options held as at January 1, 2026	Number of options granted	Number of options lapsed	Number of options cancelled	Number of options exercised	Number of options held as at June 30, 2026	Exercise Price	Exercise Period ⁽¹⁾	Vesting Period	Weighted average closing price of the shares immediately before the dates on which the options were exercised	Fair value of options as at the date of grant
Directors													
Dr. Jianxin Yang, CEO and executive Director	2022-08-30	HKD4.77	28,000,000	-	-	-	-	28,000,000	HKD4.660	10 years	4 years ⁽⁴⁾	-	HKD1.28 – HKD3.12
	2023-01-06	HKD4.92	4,340,000	-	-	-	-	4,340,000	HKD4.900	10 years	4 years ⁽⁵⁾	-	HKD3.26
	2023-11-08	HKD2.28	11,033,334	-	-	-	-	11,033,334	HKD2.350	10 years	4 years ⁽⁶⁾	-	HKD1.11 – HKD1.16
	2024-03-28	HKD0.96	1,220,625	-	-	-	-	1,220,625	HKD0.944	10 years	4 years ⁽⁹⁾	-	HKD0.67
	2025-04-11	HKD2.31	2,646,000	-	-	-	-	2,646,000	HKD2.406	10 years	4 years ⁽¹³⁾	-	HKD1.53
	2025-08-27	HKD10.84	2,400,000	-	-	-	-	2,400,000	HKD10.00	10 years	4 years ⁽¹⁴⁾	-	HKD6.57
Dr. Wei Li, Chairman and non-executive Director	2026-01-23	HKD5.35	-	7,000,000	-	-	-	7,000,000	HKD5.65	10 years	4 years ⁽¹⁵⁾	-	HKD3.08
	2024-03-28	HKD0.96	1,000,000	-	-	-	499,996	500,004	HKD0.944	10 years	4 years ⁽⁹⁾	HKD8.69	HKD0.58
Mr. Edward Hu, non-executive Director	2024-03-28	HKD0.96	1,000,000	-	-	-	-	1,000,000	HKD0.944	10 years	4 years ⁽⁹⁾	-	HKD0.58
Other employee participants													
	2019-04-01	HKD15.88	7,511	-	-	-	-	7,511	HKD15.860	10 years	4 years ⁽³⁾	-	HKD7.19
	2019-10-11	HKD12.04	8,000	-	-	-	-	8,000	HKD12.200	10 years	4 years ⁽³⁾	-	HKD6.90 – HKD7.02
	2020-04-01	HKD8.70	34,941	-	-	-	-	34,941	HKD8.850	10 years	4 years ⁽³⁾	-	HKD4.58 – HKD4.68
	2021-04-01	HKD9.25	259,503	-	-	-	-	259,503	HKD9.850	10 years	4 years ⁽³⁾	-	HKD5.26 – HKD6.32
	2021-12-10	HKD9.75	15,000	-	-	-	-	15,000	HKD9.588	10 years	4 years ⁽³⁾	-	HKD4.77 – HKD5.15
	2022-06-06	HKD5.10	819,354	-	24,797	-	15,014	779,543	HKD5.274	10 years	4 years ⁽³⁾	HKD9.84	HKD2.63 – HKD2.93
	2022-07-21	HKD4.90	1,037,022	-	74,797	-	37,694	924,531	HKD5.002	10 years	4 years ⁽³⁾	HKD8.99	HKD2.30 – HKD2.39

Other Information

Name of Participant or Category of Participant	Date of grant	Closing price of shares immediately before the date on which the options were granted	Number of options held as at January 1, 2026	Number of options granted	Number of options lapsed	Number of options cancelled	Number of options exercised	Number of options held as at June 30, 2026	Exercise Price	Exercise Period ⁽¹⁾	Vesting Period	Weighted average closing price of the shares immediately before the dates on which the options were exercised	Fair value of options as at the date of grant
	2023-01-06	HKD4.92	3,755,661	-	33,193	-	-	3,722,468	HKD4.900	10 years	4 years ⁽³⁾	-	HKD2.63 – HKD2.83
	2023-03-23	HKD3.67	5,558,611	-	64,833	-	107,344	5,386,434	HKD3.768	10 years	4 years ⁽⁸⁾	HKD8.57	HKD0.75 – HKD2.01
	2024-03-28	HKD0.96	5,436,649	-	95,451	-	45,812	5,295,386	HKD0.944	10 years	4 years ⁽⁹⁾	HKD9.44	HKD0.45 – HKD0.48
	2024-10-18	HKD1.62	6,280,000	-	-	-	35,000	6,245,000	HKD1.760	10 years	4 years ⁽¹⁰⁾⁽¹¹⁾⁽¹²⁾	HKD9.55	HKD0.86 – HKD1.04
	2025-04-11	HKD2.31	13,007,400	-	90,533	-	13,150	12,903,717	HKD2.406	10 years	4 years ⁽¹³⁾	HKD9.82	HKD1.15 – HKD1.27
	2025-08-27	HKD10.84	2,400,000	-	-	-	-	2,400,000	HKD10.00	10 years	4 years ⁽¹⁴⁾	-	HKD5.00 – HKD5.49
	2026-01-23	HKD5.35	-	8,715,500	73,200	-	-	8,642,300	HKD5.65	10 years	4 years ⁽¹⁵⁾	-	HKD1.97 – HKD2.89
Other related entity participants								N/A					
Other service providers ⁽⁷⁾	2023-03-23	HKD3.67	30,140	-	-	-	-	30,140	HKD3.768	10 years	4 years ⁽⁸⁾	-	HKD1.86
	2024-03-28	HKD0.96	36,458	-	-	-	-	36,458	HKD0.944	10 years	4 years ⁽⁹⁾	-	HKD0.55
Total			90,326,209	15,715,500	456,804	-	754,010	104,830,895					

Notes:

- (1) The exercise period of all options in the table above shall be 10 years from the date of grant.
- (2) All options granted are subject to any of the individual performance result and other requirements as set out in the grant letters to be entered into between each of the grantees and the Company.
- (3) The vesting schedules of the grant of options shall vest in accordance with either of the followings:
 - 25% of shall vest on the first anniversary of the date of grant and the remaining shares shall vest with equal monthly installments over the thirty-six months immediately following the first anniversary of the date of grant;
 - 25% shall vest on each of the first to fourth anniversary of the date of grant; or
 - 25% shall vest on each of the first to fourth anniversary of the date of satisfaction of the respective performance target milestone.

- (4) The vesting schedules of the grant of 28,000,000 options to Dr. Jianxin Yang shall be as follows:
- 14,000,000 options granted to Dr. Yang shall vest as follows:
 - 25% shall vest on the first anniversary of August 25, 2022 (rounding to the nearest whole option);
 - 25% shall vest on the second anniversary of August 25, 2022 (rounding to the nearest whole option);
 - 25% shall vest on the third anniversary of August 25, 2022 (rounding to the nearest whole option); and
 - 25% shall vest on the fourth anniversary of August 25, 2022 (rounding to the nearest whole option).
 - The remaining 14,000,000 options granted to Dr. Yang are divided into various batches of options. Upon satisfaction of the performance target milestone specified for each batch of options, the respective batch of options shall vest as follows:
 - 25% shall vest on the first anniversary of the date of satisfaction of the respective performance target milestone (rounding to the nearest whole option);
 - 25% shall vest on the second anniversary of the date of satisfaction of the respective performance target milestone (rounding to the nearest whole option);
 - 25% shall vest on the third anniversary of the date of satisfaction of the respective performance target milestone (rounding to the nearest whole option); and
 - 25% shall vest on the fourth anniversary of the date of satisfaction of the respective performance target milestone (rounding to the nearest whole option).
- (5) The vesting schedules of the grant of 4,340,000 options to Dr. Jianxin Yang shall be as follows:
- 25% shall vest on the first anniversary of the date of grant (rounding to the nearest whole option); and
 - 75% shall vest monthly in equal installments over the 36 months (rounding to the nearest whole option) immediately following the first anniversary of the date of grant.
- (6) The vesting schedules of the grant of 14,000,000 Options to Dr. Jianxin Yang shall be as follows:
- Upon satisfaction of the performance target milestone specified for each batch of Options, the respective batch of Options shall vest as follows:
- 25% of Share Options corresponding to the relevant performance target milestone shall vest on the first anniversary of the respective date of satisfaction of the respective performance target milestone; and
 - the remaining 75% of Share Options corresponding to the relevant performance target milestone shall vest monthly in equal installments over the 36 months immediately following the first anniversary of the date of satisfaction of the respective performance target milestone.
- (7) According to the relevant scheme rules, Service Providers means any persons (nature person or corporate entity) who provide services to the Group on a continuing and recurring basis in the ordinary course of business of the Group which are in the interests of the long term growth of the Group, including independent contractor, consultant and/or advisors for the research & development, product commercialization, marketing, innovation upgrading, strategic/commercial planning on corporate image and investor relations in investment environment of the Company (excluding any placing agents or financial advisers providing advisory services for fundraising, mergers or acquisition, and service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity).

Other Information

- (8) The vesting commencement date of the 12,721,120 options out of the total of 14,321,120 options granted to other employee participants and service providers on March 23, 2023 (the “**March 2023 Grant**”) was April 1, 2023 (the “**Vesting Commencement Date**”). No performance targets were attached to the 12,721,120 options granted. The 12,721,120 options shall commence vesting as follows:

480,000 options granted under the March 2023 Grant shall vest as follows:

- 25% shall vest on the first anniversary of the Vesting Commencement Date (rounding to the nearest whole option);
- 25% shall vest on the second anniversary of the Vesting Commencement Date (rounding to the nearest whole option);
- 25% shall vest on the third anniversary of the Vesting Commencement Date (rounding to the nearest whole option); and
- 25% shall vest on the fourth anniversary of the Vesting Commencement Date (rounding to the nearest whole option).

12,241,120 options granted under the March 2023 Grant shall vest as follows:

- 25% shall vest on the first anniversary of the Vesting Commencement Date (rounding to the nearest whole option); and
- 75% shall vest monthly in equal installments over the 36 months (rounding to the nearest whole option) immediately following the first anniversary of the Vesting Commencement Date.

The remaining 1,600,000 options out of the March 2023 Grant shall commence vesting upon satisfaction of the performance target milestone (including individual performance based on periodic performance assessment and annual review results by the Company) as follows:

- 25% shall vest on the first anniversary of the date of satisfaction of the respective performance target milestone (rounding to the nearest whole option);
- 25% shall vest on the second anniversary of the date of satisfaction of the respective performance target milestone (rounding to the nearest whole option);
- 25% shall vest on the third anniversary of the date of satisfaction of the respective performance target milestone (rounding to the nearest whole option); and
- 25% shall vest on the fourth anniversary of the date of satisfaction of the respective performance target milestone (rounding to the nearest whole option).

- (9) The vesting commencement date of the total of 11,202,900 options granted to Directors, other employee participants and other service providers on March 28, 2024 was April 1, 2024 (the “**Vesting Commencement Date**”). The grant of such options is not subject to performance targets and shall vest as follows:

- 25% shall vest on the first anniversary the Vesting Commencement Date (rounding to the nearest whole option); and
- 75% shall vest monthly in equal installments over the 36 months (rounding to the nearest whole option) immediately following the first anniversary of the Vesting Commencement Date.

The grant of options under the Post-IPO ESOP to Dr. Jianxin Yang, Dr. Wei Li and Mr. Edward Hu (the “**Directors Options Grantees**”) on March 28, 2024 are not subject to performance targets. Having considered that (i) the grant of options could bring about an immediate incentivization effect for the Directors Options Grantees, which was considered a more attractive motivation to the Directors Options Grantees for continuing to serve in such roles; (ii) the grant of options to the Directors Options Grantees served as a recognition of their past contributions to the Group; and (iii) the grant of options without performance target was consistent with the Company’s customary practice on previous grants of share incentives to the Directors, employees of the Company (including members of senior management) and service providers, the Compensation Committee considered that without performance targets, the grant of options to the Directors Options Grantees could align the interests of the Directors Options Grantees with incentive to the Directors Options Grantees to work towards the continued success of the Group, and reinforce their commitment to provide long-term services to the Group, which is in line with the purpose of the Post-IPO ESOP.

- (10) The vesting commencement date of the 2,000,000 options granted to a member of the senior management shall commence on October 18, 2024 (the “**Senior Manager Options Vesting Commencement Date**”) and shall vest as follow:

- 25% shall vest on the first anniversary of the Senior Manager Options Vesting Commencement Date (rounding to the nearest whole option); and
- 75% shall vest monthly in equal instalments over the 36 months (rounding to the nearest whole option) immediately following the first anniversary of the Senior Manager Options Vesting Commencement Date.

The grant of 2,000,000 options under the Post-IPO ESOP to a member of the senior management on October 18, 2024 are not subject to performance targets. Having considered that (i) the grant of options to a member of the senior management served as a recognition of his/her past contributions to the Group; (ii) the grant of options can bring about an immediate incentivization effect of the grantee, which was considered a more attractive motivation to the grantee; and (iii) the grant of options without performance target was consistent with the Company’s customary practice on previous grants of share incentives to the Directors, employees of the Company (including members of senior management) and service providers, the Compensation Committee considered that without any performance targets, the grant of the 2,000,000 options to a member of the senior management could align the interests of the relevant grantee with incentive to the relevant grantee to work towards the continued success of the Group, and reinforce his/her commitment in providing long-term services to the Group, which is in line with the purpose of the Post-IPO ESOP.

- (11) Among the aggregate of 6,280,000 options granted to the grantees, the vesting period of the 4,000,000 options granted shall commence on the dates upon which the relevant employee participant having fulfilled the following performance target milestones (the “**Milestone Vesting Commencement Dates**”):

- Vesting period of 1,000,000 options shall commence on the date of fulfilment of the first performance target milestone;
- Vesting period of 2,500,000 options shall commence on the date of fulfilment of the second performance target milestone; and
- Vesting period of 500,000 options shall commence on the date of fulfilment of the third performance target milestone.

Subject to fulfilment of the respective performance target milestones, 4,000,000 options granted shall vest as follows:

- 25% of options corresponding to the relevant performance target milestone shall vest on the first anniversary of the respective Milestone Vesting Commencement Dates;
- 25% of options corresponding to the relevant performance target milestone shall vest on the second anniversary of the respective Milestone Vesting Commencement Dates;
- 25% of options corresponding to the relevant performance target milestone shall vest on the third anniversary of the respective Milestone Vesting Commencement Dates; and
- 25% of options corresponding to the relevant performance target milestone shall vest on the fourth anniversary of the respective Milestone Vesting Commencement Dates.

- (12) Among the 280,000 options granted to the employee participants, the vesting period of 80,000 options shall commence on June 13, 2024 and the vesting period of 200,000 options shall commence on October 9, 2024 (the “**Employee Options Vesting Commencement Dates**”). The 280,000 options shall vest as follows:

- 25% shall vest on the first anniversary of the respective Employee Options Vesting Commencement Dates (rounding to the nearest whole option);
- 25% shall vest on the second anniversary of the respective Employee Options Vesting Commencement Dates (rounding to the nearest whole option);
- 25% shall vest on the third anniversary of the respective Employee Options Vesting Commencement Dates (rounding to the nearest whole option); and
- 25% shall vest on the fourth anniversary of the respective Employee Options Vesting Commencement Dates (rounding to the nearest whole option).

Other Information

The options granted to the grantees shall vest in several batches, with a total vesting period of more than 12 months. Due to administrative reasons, the periods between the date of grant and the first vesting periods for the 280,000 options granted to two of the grantees (none of which is a member of senior management) are less than 12 months to reflect the time from which the options would have been granted as permitted under specific circumstances as set out in the Post-IPO ESOP. In any event, the Board has the discretion to accelerate the above vesting schedules of the options, subject to compliance with the requirements of Rule 17.03F of the Listing Rules as and when appropriate. The Board was of the view that the grant of options and the relevant vesting periods were appropriate and in line with the market practice and the purposes of the Post-IPO ESOP.

- (13) The vesting commencement date of the total of 15,766,800 options granted to Dr. Jianxin Yang and other employee participants on April 11, 2025 was April 2, 2025 (the “**Vesting Commencement Date**”). The grant of such options is not subject to performance targets and shall vest as follows:

- 25% shall vest on the first anniversary the Vesting Commencement Date (rounding to the nearest whole option); and
- 75% shall vest monthly in equal installments over the 36 months (rounding to the nearest whole option) immediately following the first anniversary of the Vesting Commencement Date.

The options granted to the grantees will vest in several batches, with a total vesting period of more than 12 months. The period between the date of grant and the first vesting period of the options granted to the grantees are less than 12 months. Having considered, due to administrative reasons and for the purpose of reflecting the time from which the options would have been granted as permitted under specific circumstances as set out in the Post-IPO ESOP, the Board and the Compensation Committee were of the view that the grant of options and the relevant vesting periods are appropriate and in line with market practice and the purposes of the Post-IPO ESOP.

- (14) Among the 4,800,000 options granted to Dr. Jianxin Yang and other employee participants on August 27, 2025, the vesting period of the 2,400,000 options granted to Dr. Jianxin Yang and 1,800,000 options granted to employees of the Company shall commence on August 27, 2025 (the “**Options Vesting Commencement Date 1**”), and the vesting period of the 600,000 options granted to employees of the Company shall commence on August 4, 2025 (the “**Options Vesting Commencement Date 2**”).

4,200,000 options granted shall vest as follows:

- 25% shall vest on the first anniversary of the Options Vesting Commencement Date 1 (rounding to the nearest whole option); and
- 75% shall vest monthly in equal instalments over the 36 months (rounding to the nearest whole option) immediately following the first anniversary of the Options Vesting Commencement Date 1.

600,000 options granted shall vest as follows:

- 25% shall vest on the first anniversary of the Options Vesting Commencement Date 2 (rounding to the nearest whole option);
- 25% shall vest on the second anniversary of the Options Vesting Commencement Date 2 (rounding to the nearest whole option);
- 25% shall vest on the third anniversary of the Options Vesting Commencement Date 2 (rounding to the nearest whole option); and
- 25% shall vest on the fourth anniversary of the Options Vesting Commencement Date 2 (rounding to the nearest whole option).

The options granted to the grantees will vest in several batches, with a total vesting period of more than 12 months. The periods between the date of grant and the first vesting periods for the options granted to employees of the Company are less than 12 months to reflect the time from which the employees joined the Company and their relevant periods of service, as permitted under specific circumstances as set out in the Post-IPO ESOP. In any event, the Board has the discretion to accelerate the above vesting schedule of the options, subject to compliance of the requirements under Rule 17.03F of the Listing Rules as and when appropriate. The Board is of the view that the grant of options and the relevant vesting periods are appropriate and in line with the market practice and the purposes of the Post-IPO ESOP.

Vesting of the options granted to the grantees will be subject to the grantees’ fulfilment of annual performance targets and performance appraisals as stipulated in the respective grant letters entered into by the Company and each of the grantees. These performance targets are set against certain benchmark of the roles in which the individual grantee serves.

- (15) Among the 15,715,500 options granted to Dr. Jianxin Yang and other employee participants on January 23, 2026, the vesting period of the options granted to 4 employees of the Company shall commence on January 23, 2026, September 15, 2025, September 29, 2025 and October 24, 2025, and the vesting period of the options granted to Dr. Jianxin Yang and 91 employees of the Company shall commence upon achievement of the performance milestones attached to the options (the **"Share Options Vesting Commencement Dates"**).

228,000 options granted shall vest as follows:

- 25% shall vest on the first anniversary of the Share Options Vesting Commencement Dates (rounding to the nearest whole option);
- 25% shall vest on the second anniversary of the Share Options Vesting Commencement Dates (rounding to the nearest whole option);
- 25% shall vest on the third anniversary of the Share Options Vesting Commencement Dates (rounding to the nearest whole option); and
- 25% shall vest on the fourth anniversary of the Share Options Vesting Commencement Dates (rounding to the nearest whole option).

15,487,500 options granted shall vest as follows:

- 25% shall vest on the first anniversary of the Share Options Vesting Commencement Dates (rounding to the nearest whole option); and
- 75% shall vest monthly in equal instalments over the 36 months (rounding to the nearest whole option) immediately following the first anniversary of the Share Options Vesting Commencement Dates.

The options granted to the grantees will vest in several batches, with a total vesting period of more than 12 months. The periods between the date of grant and the first vesting periods for the options granted to employees of the Company are less than 12 months to reflect the time from which the employees joined the Company and their relevant periods of service, as permitted under specific circumstances as set out in the Post-IPO ESOP.

Vesting of the options granted to the grantees will be subject to fulfilment of the grantees' respective performance milestones.

- (16) The number of Shares that may be issued in respect of options granted under the Post-IPO ESOP during the Reporting Period divided by the weighted average number of Shares in issue (excluding treasury Shares) for the period was 1.03%.
- (17) For details of the basis of measurement for the fair value of options granted, please refer to note 19 to the Condensed Consolidated Financial Statements.

Post-IPO RSU Scheme

We have adopted the Post-IPO RSU Scheme by resolutions passed by our Company on March 22, 2019 and restated and amended by our Company on December 10, 2019, January 7, 2020 and March 7, 2023, as amended from time to time.

The total number of RSUs available for grant under the Post-IPO RSU Scheme as of January 1, 2026 and June 30, 2026 was 45,380,169 and 22,030,170, respectively. The total number of RSUs available for grant under the Service Provider Sublimit of the Post-IPO RSU Scheme as of January 1, 2026 and June 30, 2026 was 12,663,640 and 12,663,640, respectively. As at the date of this report, the total number of shares available for issue under the Post-IPO RSU Scheme was 19,806,772, representing approximately 1.24% of the Shares in issue (excluding treasury Shares).

Other Information

Details of RSUs granted under the Post-IPO RSU Scheme, during the Reporting Period are as follows:

Name of Participant or Category of Participant	Date of grant	Closing price of shares immediately before the date on which the RSUs were granted	Number of RSUs held at January 1, 2026	Number of RSUs granted	Number of RSUs lapsed	Number of RSUs cancelled	Number of RSUs vested	Number of RSUs held at June 30, 2026	Vesting Period	Exercise Period ⁽¹¹⁾	Purchase Price ⁽¹⁰⁾	Weighted average closing price of the shares immediately before the dates on which the RSUs were vested	Fair value of RSUs at the date of grant
Directors													
Dr. Jianxin Yang, CEO and executive Director	2024-03-28	HKD0.96	1,102,500	-	-	-	236,250	866,250	4 years ⁽²⁾	N/A	Nil	HKD5.28	HKD0.94
	2025-04-11	HKD2.31	1,134,000	-	-	-	330,750	803,250	4 years ⁽⁷⁾	N/A	Nil	HKD4.88	HKD2.39
	2025-08-27	HKD10.84	330,000	-	-	-	-	330,000	4 years ⁽⁸⁾	N/A	Nil	-	HKD10.00
	2026-01-23	HKD5.35	-	4,270,000	-	-	-	4,270,000	4 years ⁽⁹⁾	N/A	Nil	-	HKD5.65
Dr. Wei Li, Chairman and non-executive Director	2024-03-28	HKD0.96	583,336	-	-	-	124,998	458,338	4 years ⁽²⁾	N/A	Nil	HKD5.33	HKD0.94
Mr. Edward Hu, non-executive Director	2024-03-28	HKD0.96	583,336	-	-	-	124,998	458,338	4 years ⁽²⁾	N/A	Nil	HKD5.33	HKD0.94
Other employee participants													
	2019-10-11	HKD12.04	1,151	-	-	-	-	1,151	4 years ⁽¹⁾	N/A	Nil	-	HKD12.20
	2021-04-01	HKD9.25	500	-	-	-	-	500	4 years ⁽¹⁾	N/A	Nil	-	HKD9.85
	2023-03-23	HKD3.67	884,205	-	4,600	-	236,177	643,428	4 years ⁽⁴⁾⁽⁵⁾	N/A	Nil	HKD7.73	HKD3.57
	2024-03-28	HKD0.96	3,761,853	-	53,034	-	859,969	2,848,850	4 years ⁽²⁾	N/A	Nil	HKD7.68	HKD0.94
	2024-10-18	HKD1.62	150,000	-	-	-	-	150,000	4 years ⁽⁶⁾	N/A	Nil	-	HKD1.76
	2025-04-11	HKD2.31	5,574,600	-	38,850	-	1,597,073	3,938,677	4 years ⁽⁷⁾	N/A	Nil	HKD9.01	HKD2.39
	2025-08-27	HKD10.84	1,600,000	-	-	-	-	1,600,000	4 years ⁽⁸⁾	N/A	Nil	-	HKD10.00
	2026-01-23	HKD5.35	-	3,754,700	-	-	-	3,754,700	4 years ⁽⁹⁾	N/A	Nil	-	HKD5.65
Other related entity participants													
							N/A						
Other service providers⁽⁹⁾													
	2023-03-23	HKD3.67	7,480	-	-	-	3,740	3,740	4 years ⁽⁴⁾⁽⁵⁾	N/A	Nil	HKD9.43	HKD3.57
	2024-03-28	HKD0.96	29,164	-	-	-	6,252	22,912	4 years ⁽²⁾	N/A	Nil	HKD7.35	HKD0.94
Total			15,742,125	8,024,700	96,484	-	3,520,207	20,150,134					

Notes:

- (1) The vesting schedules of the grant of RSUs shall vest in accordance with either of the followings:
- 25% of the shares shall vest on the first anniversary of the date of grant and the remaining shares shall vest with equal monthly installments over the thirty-six months immediately following the first anniversary of the date of grant;
 - 25% shall vest on each of the first to fourth anniversary of the date of grant; or
 - 25% shall vest on each of the first to fourth anniversary of the date of satisfaction of the respective performance target milestone.
- (2) The vesting commencement date of the 1,890,000 RSUs granted to Dr. Jianxin Yang, 1,000,000 RSUs granted to Dr. Wei Li and 1,000,000 RSUs granted to Mr. Edward Hu, 7,257,900 RSUs granted to other employee participants and 50,000 RSUs granted to other service providers on March 28, 2024 (the “**March 2024 RSU Grant**”) was April 1, 2024 (the “**Vesting Commencement Date**”). No performance targets were attached to the March 2024 RSU Grant. The total of 11,197,900 RSUs granted to Directors, other employee participants and other service providers shall vest as follows:

925,500 RSUs out of the 11,197,900 RSUs granted under the March 2024 RSU Grant shall vest as follows:

- 25% shall vest on the first anniversary of the RSU Vesting Commencement Date (rounding to the nearest whole RSU);
- 25% shall vest on the second anniversary of the RSU Vesting Commencement Date (rounding to the nearest whole RSU);
- 25% shall vest on the third anniversary of the RSU Vesting Commencement Date (rounding to the nearest whole RSU); and
- 25% shall vest on the fourth anniversary of the RSU Vesting Commencement Date (rounding to the nearest whole RSU).

10,272,400 RSUs out of the 11,197,900 RSUs granted under the March 2024 RSU Grant shall vest as follows:

- 25% shall vest on the first anniversary of the RSU Vesting Commencement Date (rounding to the nearest whole RSU); and
- 75% shall vest monthly in equal instalments over the 36 months (rounding to the nearest whole RSU) immediately following the first anniversary of the RSU Vesting Commencement Date.

The grant of RSUs under the Post-IPO RSU Scheme to Dr. Jianxin Yang, Dr. Wei Li and Mr. Edward Hu (the “**Directors RSUs Grantees**”) on March 28, 2024 are not subject to performance targets. Having considered that (i) the grant of RSUs could bring about an immediate incentivization effect for the Directors RSUs Grantees, which was considered a more attractive motivation to the Directors RSUs Grantees for continuing to serve in such roles; (ii) the grant of RSUs to the Directors RSUs Grantees served as a recognition of their past contributions to the Group; and (iii) the grant of RSUs without performance target was consistent with the Company’s customary practice on previous grants of share incentives to the Directors, employees of the Company (including members of senior management) and service providers, the Compensation Committee considered that without performance targets, the grant of RSUs to the Directors RSUs Grantees could align the interests of the Directors RSUs Grantees with incentive to the Directors RSUs Grantees to work towards the continued success of the Group, and reinforce their commitment to provide long-term services to the Group, which is in line with the purpose of the Post-IPO RSU Scheme.

- (3) According to the relevant scheme rules, service providers means any persons (nature person or corporate entity) who provide services to the Group on a continuing and recurring basis in the ordinary course of business of the Group which are in the interests of the long term growth of the Group, including independent contractor, consultant and/or advisors for the research & development, product commercialization, marketing, innovation upgrading, strategic/commercial planning on corporate image and investor relations in investment environment of the Company (excluding any placing agents or financial advisers providing advisory services for fundraising, mergers or acquisition, and service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity).

Other Information

- (4) The vesting commencement date of the 2,979,180 RSUs out of the total of 3,379,180 RSUs granted to other employee participants and service providers on March 23, 2023 (the “**March 2023 RSU Grant**”) was April 1, 2023 (the “**Vesting Commencement Date**”). No performance targets were attached to the 2,979,180 RSUs granted.

The remaining 400,000 RSUs granted under the March 2023 RSU Grant to one employee amongst the other employee participants shall commence vesting upon certain performance target (including individual performance based on periodic performance assessment and annual review results by the Company) and other requirements as set out in the grant letter entered into between the employee and the Company have been met.

- (5) 1,059,180 RSUs granted under the March 2023 RSU Grant shall vest as follows:

- 25% shall vest on the first anniversary of the Vesting Commencement Date (rounding to the nearest whole RSU);
- 25% shall vest on the second anniversary of the Vesting Commencement Date (rounding to the nearest whole RSU);
- 25% shall vest on the third anniversary of the Vesting Commencement Date (rounding to the nearest whole RSU); and
- 25% shall vest on the fourth anniversary of the Vesting Commencement Date (rounding to the nearest whole RSU).

1,920,000 RSUs granted under the March 2023 RSU Grant shall vest as follows:

- 25% shall vest on the first anniversary of the Vesting Commencement Date (rounding to the nearest whole RSU); and
- 75% shall vest monthly in equal installments over the 36 months (rounding to the nearest whole RSU) immediately following the first anniversary of the Vesting Commencement Date.

400,000 RSUs granted under the March 2023 RSU Grant shall vest as follows:

- 25% shall vest on the first anniversary of the date of satisfaction of the respective performance target milestone (rounding to the nearest whole RSU);
- 25% shall vest on the second anniversary of the date of satisfaction of the respective performance target milestone (rounding to the nearest whole RSU);
- 25% shall vest on the third anniversary of the date of satisfaction of the respective performance target milestone (rounding to the nearest whole RSU); and
- 25% shall vest on the fourth anniversary of the date of satisfaction of the respective performance target milestone (rounding to the nearest whole RSU).

- (6) The vesting commencement date of the 200,000 RSUs granted on October 18, 2024 was October 9, 2024. The 200,000 RSUs shall vest as follows:

- 25% shall vest on the first anniversary of the RSU Vesting Commencement Date (rounding to the nearest whole RSU);
- 25% shall vest on the second anniversary of the RSU Vesting Commencement Date (rounding to the nearest whole RSU);
- 25% shall vest on the third anniversary of the RSU Vesting Commencement Date (rounding to the nearest whole RSU); and
- 25% shall vest on the fourth anniversary of the RSU Vesting Commencement Date (rounding to the nearest whole RSU).

The RSUs granted to the grantee shall vest in several batches, with a total vesting period of more than 12 months. Due to administrative reasons, the period between the date of grant and the first vesting period for the RSUs granted to the grantee is less than 12 months to reflect the time from which the RSUs would have been granted as permitted under specific circumstances as set out in the Post-IPO RSU Scheme. In any event, the Board has the discretion to accelerate the above vesting schedules of the RSUs, subject to compliance with the requirements of Rule 17.03F of the Listing Rules as and when appropriate. The Board was of the view that the grant of RSUs and the relevant vesting periods were appropriate and in line with the market practice and the purposes of the Post-IPO RSU Scheme.

A time-based vesting schedule is applicable to the grant of RSUs with no performance target attached.

- (7) The vesting commencement date of the 1,134,000 RSUs granted to Dr. Jianxin Yang and 5,623,200 RSUs granted to other employee participants (including members of senior management) on April 11, 2025 (the **"April 2025 RSU Grant"**) was April 2, 2025 (the **"Vesting Commencement Date"**). No performance targets were attached to the April 2025 RSU Grant.

658,200 RSUs granted under the April 2025 RSU Grant shall vest as follows:

- 25% shall vest on the first anniversary of the Vesting Commencement Date (rounding to the nearest whole RSU);
- 25% shall vest on the second anniversary of the Vesting Commencement Date (rounding to the nearest whole RSU);
- 25% shall vest on the third anniversary of the Vesting Commencement Date (rounding to the nearest whole RSU); and
- 25% shall vest on the fourth anniversary of the Vesting Commencement Date (rounding to the nearest whole RSU).

6,099,000 RSUs granted under the April 2025 RSU Grant shall vest as follows:

- 25% shall vest on the first anniversary of the Vesting Commencement Date (rounding to the nearest whole RSU); and
- 75% shall vest monthly in equal installments over the 36 months (rounding to the nearest whole RSU) immediately following the first anniversary of the Vesting Commencement Date.

The RSUs granted to the grantees under the April 2025 RSU Grant will vest in several batches, with a total vesting period of more than 12 months. The period between the date of grant and the first vesting period of the RSUs granted to the grantees are less than 12 months. Having considered, due to administrative reasons and for the purpose of reflecting the time from which the RSUs would have been granted as permitted under specific circumstances as set out in the Post-IPO RSU Scheme, the Board and the Compensation Committee were of the view that the grant of RSUs and the relevant vesting periods are appropriate and in line with market practice and the purposes of the Post-IPO RSU Scheme.

- (8) Among the 1,930,000 RSUs granted to the grantees, the vesting period of the 330,000 RSUs granted to Dr. Jianxin Yang and 1,200,000 RSUs granted to employees of the Company shall commence on August 27, 2025 (the **"Vesting Commencement Date 1"**), and the vesting period of the 400,000 RSUs granted to employees of the Company shall commence on August 4, 2025 (the **"Vesting Commencement Date 2"**).

400,000 RSUs granted shall vest as follows:

- 25% shall vest on the first anniversary of the Vesting Commencement Date 2 (rounding to the nearest whole RSU);
- 25% shall vest on the second anniversary of the Vesting Commencement Date 2 (rounding to the nearest whole RSU);
- 25% shall vest on the third anniversary of the Vesting Commencement Date 2 (rounding to the nearest whole RSU); and
- 25% shall vest on the fourth anniversary of the Vesting Commencement Date 2 (rounding to the nearest whole RSU).

1,530,000 RSUs granted shall vest as follows:

- 25% shall vest on the first anniversary of the Vesting Commencement Date 1 (rounding to the nearest whole RSU); and
- 75% shall vest monthly in equal instalments over the 36 months (rounding to the nearest whole RSU) immediately following the first anniversary of the Vesting Commencement Date 1.

The RSUs granted to the grantees will vest in several batches, with a total vesting period of more than 12 months. The periods between the date of grant and the first vesting periods for the RSUs granted to employees of the Company are less than 12 months to reflect the time from which the employees joined the Company and their relevant periods of service, as permitted under specific circumstances as set out in the Post-IPO RSU Scheme. In any event, the Board has the discretion to accelerate the above vesting schedule of the RSUs, subject to compliance of the requirements under Rule 17.03F of the Listing Rules as and when appropriate. The Board is of the view that the grant of RSUs and the relevant vesting periods are appropriate and in line with the market practice and the purposes of the Post-IPO RSU Scheme.

Other Information

Vesting of the RSUs granted to the grantees will be subject to the grantees' fulfilment of annual performance targets and performance appraisals as stipulated in the respective grant letters entered into by the Company and each of the grantees. These performance targets are set against certain benchmark of the roles in which the individual grantee serves.

- (9) Among the 4,270,000 RSUs granted to Dr. Jianxin Yang, the vesting period of 1,270,000 RSUs shall commence on January 23, 2026, and the vesting period of the remaining 3,000,000 RSUs shall commence upon Dr. Jianxin Yang's achievement of the performance milestones attached to the RSUs. Among the 3,785,000 RSUs granted to 87 employees of the Company, vesting period of the RSUs granted to 4 employees of the Company shall commence on January 23, 2026, September 15, 2025, September 29, 2025 and October 24, 2025, and the vesting period of the RSUs granted to 83 employees of the Company shall commence upon achievement of the performance milestones attached to their RSUs (the "**RSU Vesting Commencement Dates**").

719,000 RSUs granted shall vest as follows:

- 25% shall vest on the first anniversary of the RSU Vesting Commencement Dates (rounding to the nearest whole RSU);
- 25% shall vest on the second anniversary of the RSU Vesting Commencement Dates (rounding to the nearest whole RSU);
- 25% shall vest on the third anniversary of the RSU Vesting Commencement Dates (rounding to the nearest whole RSU); and
- 25% shall vest on the fourth anniversary of the RSU Vesting Commencement Dates (rounding to the nearest whole RSU).

7,336,000 RSUs granted shall vest as follows:

- 25% shall vest on the first anniversary of the RSU Vesting Commencement Dates (rounding to the nearest whole RSU);
- 75% shall vest monthly in equal instalments over the 36 months (rounding to the nearest whole RSU) immediately following the first anniversary of the RSU Vesting Commencement Dates.

The RSUs granted to the RSU Grantees will vest in several batches, with a total vesting period of more than 12 months. The periods between the Grant Date and the first vesting periods for the RSUs granted to the RSU Grantees of the Company are less than 12 months to reflect the time from which the employees joined the Company and their relevant periods of service, as permitted under specific circumstances as set out in the Post-IPO RSU Scheme.

Vesting of the RSUs granted to the grantees will be subject to fulfilment of the grantees' respective performance milestones.

- (10) The RSUs under the Post-IPO RSU Scheme were granted to the grantees at nil consideration and were or will be transferred to the grantees upon vesting at nil consideration.
- (11) Exercise period is not applicable to RSUs.
- (12) The number of Shares that may be issued in respect of RSUs granted under the Post-IPO RSU Scheme during the Reporting Period divided by the weighted average number of Shares in issue (excluding treasury Shares) for the period was 0.53%.
- (13) For details of the basis of measurement for the fair value of RSUs granted, please refer to note 19 to the Condensed Consolidated Financial Statements.

For further details of the Share Incentivization Schemes, including the fair value of the options and RSUs granted under the Share Incentivization Schemes, please refer to note 19 to the Condensed Consolidated Financial Statements.

SUMMARY OF THE SHARE INCENTIVIZATION SCHEMES

The major terms and details of the Share Incentivization Schemes are set out below:

Details	Pre-IPO Incentivization Plan	Post-IPO ESOP	Post-IPO RSU Scheme
1. Purpose	To attract, motivate and/or to reward eligible employees, officers, directors, contractor, advisors and consultants of our Group.	To attract and retain employees, to reward eligible participants for their past contribution to the Company, to provide incentives to the eligible participants to further contribute to the Group and to align their interests with the best interests of the Company and the Shareholders as a whole.	To: - recognize the contributions by certain selected participants with an opportunity to acquire a proprietary interest in the Company; - encourage and retain such individuals for the continual operation and development of the Group; - provide additional incentives for them to achieve performance goals; - attract suitable personnel for further development of the Group; and - motivate the selected participants to maximize the value of the Company for the benefits of both the selected participants and the Company, with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the selected participants directly to the Shareholders of the Company through ownership of Shares.

Other Information

Details	Pre-IPO Incentivization Plan	Post-IPO ESOP	Post-IPO RSU Scheme
2. Participants	Eligible employees include any employee, officer, director, contractor, advisor or consultant of the Group who is notified by the Board that he or she is eligible by reason of their contribution to the Group.	Eligible employees include any employee, officer, director, contractor, advisor or consultant of the Group who is notified by the Board that he or she is an employee eligible by reason of his or her contribution to the Group, to the extent that an offer of an award to or a receipt of such award by him or her is permitted under the applicable laws, rules and regulations or accounting or tax rules and regulations. In the amended rules of the Post-IPO ESOP as adopted on the Amendment Date, eligible participants include (i) employee participant: any employee (whether fulltime or part-time), a director (including executive directors, non-executive directors and independent non-executive directors) of any member of the Group, and any persons who are granted awards under this plan as an inducement to enter into employment contracts with any member of the Group, in each case until such employee shall cease to be an employee with effect from (and including) the date of termination of his or her employment; and (ii) service provider: any persons (nature person or corporate entity) who provide services to the Group on a continuing and recurring basis in the ordinary course of business of the Group which are in the interests of the long term growth of the Group, including independent contractor, consultant and/or advisors for the R&D, product commercialization, marketing, innovation upgrading, strategic/commercial planning on corporate image and investor relations in investment environment of the Company (excluding any placing agents or financial advisers providing advisory services for fundraising, mergers or acquisition, and service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity).	Eligible persons include any employee of any member of the Group and any consultant, adviser or agent of any member of the Group (including the connected persons (as defined in the Listing Rules) of the Company), who have contributed or will contribute to the growth and development of the Group. In the amended rules of the Post-IPO RSU Scheme as adopted on the Amendment Date, eligible participants include (i) employee participant: any employee (whether full-time or part-time), a director (including executive directors, non-executive directors and independent non-executive directors) of any member of the Group, and any persons who are granted awards under this scheme as an inducement to enter into employment contracts with any member of the Group, in each case until such employee shall cease to be an employee with effect from (and including) the date of termination of his or her employment; and (ii) service provider: any persons (nature person or corporate entity) who provide services to the Group on a continuing and recurring basis in the ordinary course of business of the Group which are in the interests of the long term growth of the Group, including independent contractor, consultant and/or advisors for the R&D, product commercialization, marketing, innovation upgrading, strategic/commercial planning on corporate image and investor relations in investment environment of the Company (excluding any placing agents or financial advisers providing advisory services for fundraising, mergers or acquisition, and service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity).

Details	Pre-IPO Incentivization Plan	Post-IPO ESOP	Post-IPO RSU Scheme
3. Maximum number of Shares that can be awarded	The maximum number of Shares in respect of which awards may be granted under the plan shall not, subject to any reorganisation of capital structure and other corporate events, exceed 130,831,252 Shares in the aggregate (taken into account of the capitalization issue on the Listing Date).	The maximum number of Shares in respect of which awards may be granted or delivered in satisfaction of awards under the plan shall not, subject to any reorganisation of capital structure and other corporate events, exceed 98,405,153 (taken into account of the capitalization issue on the Listing Date), being 10% of the Shares in issue as of the adoption date. The limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the plan and any other schemes must not exceed 30% of the relevant class of Shares in issue from time to time. In the amended rules of the Post-IPO ESOP as adopted on the Amendment Date, the Company shall not make any further grant of options which will result in the aggregate number of Shares underlying all grants of (i) new Shares or restricted share units or restricted shares of the Company; or (ii) options over new Shares made pursuant to this Plan and other share schemes adopted by the Company from time to time to exceed 128,384,401 Shares, representing 10% of the total number of issued Shares as of the Amendment Date without Shareholders' approval (the " Scheme Mandate Limit "). Within the Scheme Mandate Limit, the total number of Awards which may be granted under this plan and grants made under other share schemes of the Company to service providers shall not exceed 12,838,440 Shares, representing 1% of the total number of Shares in issue on the Amendment Date (the " Service Provider Sublimit ").	The Board may not make any further award which will result in the aggregate number of the Shares awarded by the Board under the scheme exceeding, initially, 7,650,000 Shares (being approximately 0.78% of the issued share capital of the Company as at the adoption date), which was subsequently increased to 38,010,316 Shares (being approximately 2.37% of the issued share capital of the Company as at June 30, 2026) pursuant to a board meeting dated July 15, 2019. In the amended rules of the Post-IPO RSU Scheme as adopted on the Amendment Date, the Company shall not make any further grant of restricted new share award which will result in the aggregate number of Shares underlying all grants of (i) new Shares of the Company; or (ii) options over new Shares made pursuant to this scheme and other share schemes adopted by the Company to exceed the Scheme Mandate Limit. Within the Scheme Mandate Limit, the total number of restricted new shares which may be granted under this scheme and grants made under other share schemes of the Company to service providers shall not exceed the Service Provider Sublimit. The maximum number of grant of restricted existing shares under this scheme is 5% of the total issued Shares of the Company as at the Amendment Date (excluding any restricted existing shares lapsed in accordance with term of this scheme).

Other Information

Details	Pre-IPO Incentivization Plan	Post-IPO ESOP	Post-IPO RSU Scheme
4. Maximum entitlement of each participant	No employee shall be granted an award which, if exercised or settled in full, would result in such employee becoming entitled to subscribe for such number of shares as, when aggregated with the total number of shares already issued under all the awards previously granted to him which have been exercised, and, issuable or settled under all the awards previously granted to him which for the time being subsisting and unexercised, would exceed 10% of the aggregate number of Shares for the time being issued and issuable under the plan.	Except with the approval of the Shareholders in general meeting, no option may be granted to any one person which, if exercised or settled in full, such that the total number of Shares issued and to be issued upon exercise of options and any other option over the Shares (including exercised, cancelled and outstanding options) granted and to be granted to such person in any 12-month period up to the date of the latest grant exceeds 1% of the Shares in issue from time to time. In the amended rules of the Post-IPO ESOP as adopted on the Amendment Date, for any 12-month period up to and including the grant date, the aggregate number of Shares issued and to be issued in respect of all options granted to any eligible participant under this plan and any grants made under any other share scheme(s) of the Company (excluding any options or awards lapsed under any share scheme of the Company) shall not exceed 1% of the total number of the Shares in issue as at the grant date without Shareholders' approval.	In the amended rules of the Post-IPO RSU Scheme as adopted on the Amendment Date, for any 12-month period up to and including the grant date, the aggregate number of Shares issued and to be issued in respect of all restricted new shares granted to any selected participant and all grants made under any other share scheme(s) of the Company (excluding any options and/or awards lapsed in accordance with the share schemes of the Company) shall not exceed 1% of the total number of the Shares in issue as at the grant date without Shareholders' approval. Where any grant of awards to a substantial shareholder of the Company or an independent non-executive Director, or their respective associates, would result in the total number of Shares issued and to be issued in respect of all awards or options granted and to be granted to such person in the 12-month period up to and including the date of such grant (excluding any awards or options lapsed in accordance with the terms of the share schemes of the Company), representing in aggregate over 0.1% of the total number of Shares in issue, such further grant of awards must be approved by the Shareholders in general meeting.
5. Option period	The period during which the option can be exercised as set forth in the relevant offer letters in accordance with the plan.	The period during which the option can be exercised as set forth in the relevant offer letters in accordance with the plan, which, in any event, must end on or before the tenth anniversary of the date of the grant of such option. In the amended rules of the Post-IPO ESOP as adopted on the Amendment Date, the option must be held by the grantee for at least 12 months before the option can be vested save for the exceptional circumstances prescribed in the plan.	The vesting of the awarded Shares is subject to the selected participant remaining at all times after the grant date and on the date of vesting, an eligible person, subject to the rules of the scheme. Save for the circumstances prescribed in the scheme, the vesting period of the restricted new shares granted shall not be less than 12 months.

Details	Pre-IPO		
	Incentivization Plan	Post-IPO ESOP	Post-IPO RSU Scheme
6. Acceptance of offer	Awards granted must be accepted within the period as stated in the offer of the grant, upon payment of exercise price as set out in the relevant offer letter per grant, if any. There is no amount payable solely for application or acceptance of the option or awards.		
7. Exercise price	The subscription price shall be approved by the Board and shall be set out in the offer letter. The exercise prices of the options granted between the adoption date and the Listing Date include US\$0.1, US\$0.2, US\$0.57 and US\$2.37 (without taking into account the effect of the capitalisation issue).	The subscription price shall be approved by the Board and shall be set out in the offer letter. The subscription price per Share of each award requiring exercise must be determined in accordance with the Fair Market Value of the Shares subject to the award, determined as of the date of grant. “Fair Market Value” means the higher of (a) the closing price of a Share on the date of grant, which must be a business day, on the principal stock market or exchange on which the Shares are quoted or traded, and (b) the average closing price of a Share for the five trading days immediately preceding the date of grant, on the principal stock market or exchange on which the Shares are quoted or traded, or if Shares are not so quoted or traded, the fair market value of a Share as determined by the Compensation Committee.	–
8. Remaining life of the scheme	The plan shall be valid and effective for the period of ten years commencing on the adoption date until July 7, 2027 after which period no further awards will be granted, but the provisions of the plan shall in all other respects remain in full force and effect and the grantees may exercise the options in accordance with the terms upon which the options are granted. The remaining life of the plan is approximately nine months as at the date of this report.	The plan shall be valid and effective for the period of ten years commencing on the adoption date until February 26, 2029 after which period no further awards will be granted, but the provisions of the plan shall in all other respects remain in full force and effect and the grantees may exercise the options in accordance with the terms upon which the options are granted. The remaining life of the plan is approximately two years and five months as at the date of this report.	The scheme remains valid and effective from the adoption date until March 22, 2029, being the tenth anniversary of the adoption date, after which period no further awards will be granted, but the provisions of the scheme will in all other respects remain in full force and effect and awards that are granted from the adoption date until the tenth anniversary of the adoption date may continue to be exercisable in accordance with their terms of issue. The remaining life of the scheme is approximately two years and six months as at the date of this report.

Report on Review of Condensed Consolidated Financial Statements

TO THE BOARD OF DIRECTORS OF CSTONE PHARMACEUTICALS

(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of CStone Pharmaceuticals (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 69 to 92, which comprise the condensed consolidated statement of financial position at June 30, 2026 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting* (“IAS 34”) as issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the International Auditing and Assurance Standards Board. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

27 August, 2026

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Six Months Ended June 30, 2026

		For the six months ended June 30,	
	NOTES	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue	3	205,099	49,451
Cost of revenue		(110,900)	(142,241)
Gross profit (loss)		94,199	(92,790)
Other income	4	15,987	9,315
Other gains and losses	4	(27,383)	4,566
Research and development expenses		(205,532)	(105,166)
Selling and marketing expenses		(73,114)	(35,654)
Administrative expenses		(51,316)	(43,546)
Finance costs		(5,125)	(6,908)
Loss for the period	6	(252,284)	(270,183)
Other comprehensive income:			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		1,151	269
Total comprehensive expense for the period		(251,133)	(269,914)
LOSS PER SHARE			
– Basic (RMB)	8	(0.17)	(0.21)
– Diluted (RMB)		(0.17)	(0.21)

Condensed Consolidated Statement of Financial Position

At June 30, 2026

	NOTES	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Non-current Assets			
Property, plant and equipment	9	73,439	77,047
Right-of-use assets		16,525	6,081
Intangible assets		143,847	149,687
Financial assets measured at fair value through profit or loss ("FVTPL")	13	4,612	4,759
Other receivables	12	9,923	7,606
		248,346	245,180
Current Assets			
Account receivables	10	107,358	33,811
Deposits, prepayments and other receivables	12	65,869	43,792
Inventories		74,174	116,886
Time deposits with original maturity over three months	14	165,000	165,000
Cash and cash equivalents	14	1,395,248	753,699
		1,807,649	1,113,188
Current Liabilities			
Account and other payables and accrued expenses	15	326,445	306,077
Refund liabilities		170	2,173
Bank borrowings	17	151,700	185,900
Contract liabilities	16	10,385	10,385
Lease liabilities		15,922	5,688
		504,622	510,223
Net current Assets		1,303,027	602,965
Total Assets less Current Liabilities		1,551,373	848,145

Condensed Consolidated Statement of Financial Position

At June 30, 2026

	NOTES	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Non-current Liabilities			
Bank borrowings	17	189,250	156,500
Contract liabilities	16	69,254	74,447
Lease liabilities		366	429
		258,870	231,376
Net Assets		1,292,503	616,769
Capital and Reserves			
Share capital	18	1,084	998
Treasury shares	18	(18,627)	–
Treasury shares held in the trusts	18	(5)	(3)
Reserves		1,310,051	615,774
Total Equity		1,292,503	616,769

Condensed Consolidated Statement of Changes in Equity

For the Six Months Ended June 30, 2026

	Share capital RMB'000	Share premium RMB'000	Treasury shares RMB'000	Other reserves RMB'000	Treasury shares held in the trusts RMB'000	Share-based payment reserve RMB'000	Foreign currency translation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At January 1, 2025 (Audited)	860	9,003,959	–	(92,733)	(7)	564,783	(2,057)	(9,110,934)	363,871
Loss for the period	–	–	–	–	–	–	–	(270,183)	(270,183)
Other comprehensive income for the period	–	–	–	–	–	–	269	–	269
Total comprehensive income (expense) for the period	–	–	–	–	–	–	269	(270,183)	(269,914)
Restricted stock units exercised under trust (note 18)	–	8,316	–	(3)	3	(8,316)	–	–	–
Recognition of equity-settled share-based payment (note 19)	–	–	–	–	–	5,084	–	–	5,084
Exercise of share options (note 19)	–	488	–	–	–	(309)	–	–	179
Issue of ordinary shares (note 18)	58	215,766	–	–	–	–	–	–	215,824
At June 30, 2025 (Unaudited)	918	9,228,529	–	(92,736)	(4)	561,242	(1,788)	(9,381,117)	315,044
At January 1, 2026 (Audited)	998	9,701,836	–	(92,737)	(3)	556,722	(2,110)	(9,547,937)	616,769
Loss for the period	–	–	–	–	–	–	–	(252,284)	(252,284)
Other comprehensive income for the period	–	–	–	–	–	–	1,151	–	1,151
Total comprehensive income (expense) for the period	–	–	–	–	–	–	1,151	(252,284)	(251,133)
Restricted stock units exercised under trust (note 18)	–	6,184	–	(2)	2	(6,184)	–	–	–
Recognition of equity-settled share-based payment (note 19)	–	–	–	–	–	21,369	–	–	21,369
Exercise of share options (note 19)	1	1,820	–	–	–	(692)	–	–	1,129
Shares issued to trusts and converted into treasury shares held in trusts (note 18)	4	–	–	–	(4)	–	–	–	–
Repurchase of ordinary shares (note 18)	–	–	(18,627)	–	–	–	–	–	(18,627)
Issue of ordinary shares (note 18)	81	922,915	–	–	–	–	–	–	922,996
At June 30, 2026 (Unaudited)	1,084	10,632,755	(18,627)	(92,739)	(5)	571,215	(959)	(9,800,221)	1,292,503

Condensed Consolidated Statement of Cash Flows

For the Six Months Ended June 30, 2026

	For the six months ended June 30,	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
OPERATING ACTIVITIES		
Loss for the period	(252,284)	(270,183)
Adjustments for non-cash or non-operating items	141,469	99,237
Operating cash flows before movements in working capital	(110,815)	(170,946)
Interest received	2,422	1,206
(Increase) decrease in account receivables	(55,743)	16,994
Increase in deposits, prepayments and other receivables	(40,943)	(10,242)
(Increase) decrease in inventories	(36,287)	72,344
Increase (decrease) in account and other payables and accrued expenses	21,668	(189,218)
(Decrease) increase in refund liabilities	(2,003)	5,550
NET CASH USED IN OPERATING ACTIVITIES	(221,701)	(274,312)
INVESTING ACTIVITIES		
Interest received	5,499	3,152
Receipt of return from money market funds	1,640	136
Proceeds on disposal of financial asset measured at FVTPL	–	1,568
Withdrawal of time deposits with maturity over three months	–	90,000
NET CASH FROM INVESTING ACTIVITIES	7,139	94,856
FINANCING ACTIVITIES		
Interest paid	(5,125)	(5,156)
Repayment of lease liabilities	(16,347)	(10,098)
Exercise of share options	1,129	179
Proceeds from bills receivables discounted to banks	–	4,396
New bank borrowings raised	60,000	150,000
Repayments of bank borrowings	(61,450)	(105,000)
Proceeds on issue of ordinary shares	927,634	218,004
Transaction costs attributable to issue of shares	(4,638)	(2,180)
Payments on repurchase of shares	(18,627)	–
NET CASH FROM FINANCING ACTIVITIES	882,576	250,145
NET INCREASE IN CASH AND CASH EQUIVALENTS	668,014	70,689
Effect of foreign exchange rate changes	(26,465)	(860)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	753,699	387,937
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1,395,248	457,766

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended June 30, 2026

1. GENERAL AND BASIS OF PREPARATION

CStone Pharmaceuticals (the “Company”) is a public limited company incorporated in the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since February 26, 2019.

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board (“IASB”) as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange.

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

2. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

Other than change in accounting policies resulting from application of amendments to IFRS Accounting Standards as issued by IASB, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2026 are the same as those presented in the Group’s annual consolidated financial statements for the year ended December 31, 2025.

Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to IFRS Accounting Standards as issued by the IASB, for the first time, which are mandatory effective for the Group’s annual period beginning on January 1, 2026 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11

The application of the amendment to IFRS Accounting Standards in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended June 30, 2026

3. REVENUE AND SEGMENT INFORMATION

Disaggregation of revenue from contracts with customers

	For the six months ended June 30,	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Types of goods or services		
Sales of pharmaceutical products	183,170	20,216
License fee income	6,893	17,934
Royalty income	15,036	11,301
	205,099	49,451
Timing of revenue recognition		
A point in time	205,099	49,451

Segment Information

The Group has been operating in one reportable segment, being the research and development of highly complex biopharmaceutical products, sale of pharmaceutical products, and provide license of its intellectual property or commercialisation license to customers.

The Group's chief operating decision maker ("CODM") has been identified as the chief executive officer of the Group. For the purpose of resource allocation and performance assessment, the CODM reviews the overall results and financial position of the Group prepared based on the Group's accounting policies.

Geographical Markets

Substantially majority of the Group's operation and non-current assets are located in the People's Republic of China (the "PRC"). The geographical information of the Group's revenue, determined based on geographical location of the registered office of the customers, during the reporting period is as follows:

	For the six months ended June 30	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Mainland China	188,544	26,942
Outside Mainland China	16,555	22,509
	205,099	49,451

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended June 30, 2026

4. OTHER INCOME AND OTHER GAINS AND LOSSES

Other income

	For the six months ended June 30,	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Bank and other interest income	9,380	1,087
Government grants income (note a)	609	2,712
Amortisation of payments received for exclusive promotion rights granted (note b)	5,193	5,193
Others	805	323
	15,987	9,315

Notes:

- Government grants include subsidies from the PRC government related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.
- The amount represents the amortisation of advance payments received to grant the promotion rights to the independent third parties on the pharmaceutical products over the agreed exclusive promotion period as detailed in note 16.

Other gains and losses

	For the six months ended June 30,	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Net gain on fair value changes of money market funds	1,640	136
Net loss on fair value changes of financial assets measured at FVTPL	(147)	(2,617)
Net foreign exchange (loss) gains	(28,879)	7,021
Others	3	26
	(27,383)	4,566

5. INCOME TAX EXPENSE

No income tax expense for the six months ended June 30, 2026 and 2025 as the Group had no assessable profits derived from the operating entities of the Group.

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended June 30, 2026

6. LOSS FOR THE PERIOD

	For the six months ended June 30,	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Loss for the period has been arrived at after charging (crediting):		
Depreciation of		
Property, plant and equipment	111	291
Right-of-use assets	16,268	15,964
Amortisation of intangible assets	5,840	5,840
Total depreciation and amortisation	22,219	22,095
Directors' emoluments	15,205	10,909
Other staff costs:		
Salaries and other allowances	38,290	34,523
Performance related bonus	10,893	11,249
Retirement benefit scheme contributions	8,996	7,475
Share-based payment expenses	13,757	(1,525)
	71,936	51,722
	87,141	62,631
Impairment losses recognised on construction in progress (included in research and development expenses)	3,518	4,303
(Reversal) write-down of inventories (included in cost of revenue)	(213)	64,901
Cost of inventories recognised as cost of revenue	64,339	53,181

7. DIVIDENDS

No dividends were paid, declared or proposed during the interim period, nor has any dividend been proposed since the end of the reporting period.

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended June 30, 2026

8. LOSS PER SHARE

The calculation of the basic and diluted loss per share for the period is as follows:

	For the six months ended June 30,	
	2026 (Unaudited)	2025 (Unaudited)
Loss (RMB'000)		
Loss for the period attributable to owners of the Company for the purpose of basic and diluted loss per share	(252,284)	(270,183)
Number of shares ('000)		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	1,521,205	1,314,139

The calculation of basic and diluted loss per share for both periods has excluded the treasury shares and treasury shares held in trusts of the Company.

Diluted loss per share for both periods did not assume the exercise of share options awarded under the employee stock option and the vesting of unvested restricted stock units (note 19) as their inclusion would be anti-dilutive.

9. PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group had addition to property, plant and equipment of RMB21,000 (six months ended June 30, 2025: no addition or disposal of property, plant and equipment incurred).

During the current interim period, in view that CStone Suzhou Factory (the "Facilities") remained temporary suspension of the operation, the directors of the Company have performed an impairment assessment of the Facilities and consequently determined an impairment of the related construction in progress amounting to RMB3,518,000 (six months ended June 30, 2025: RMB4,303,000). The impairment loss has been included in profit or loss in the research and development expenses line item.

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended June 30, 2026

10. ACCOUNT RECEIVABLES

The Group allows an average credit period of 60 days to its customers.

The following is an aged analysis of account receivables presented based on invoice dates at the end of the reporting period:

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
0 – 60 days	97,324	32,062
61 – 90 days	2,701	–
Over 90 days	7,333	1,749
	107,358	33,811

11. TRANSFERS OF FINANCIAL ASSETS

At June 30, 2026, no bill was derecognised bills discounted to banks on a full recourse basis by the Group (December 31, 2025: RMB4,399,000). The bills derecognised in 2025 were issued or guaranteed by reputable PRC banks with high credit ratings, therefore the directors of the Company considered the substantial risks in relation to these bills were interest risk as the credit risk arising from these bills were minimal, the Group had transferred substantially all the risks of these bills to relevant banks. However, if the bills cannot be accepted at maturity, the relevant banks or sellers have the right to require the Group to pay off the outstanding balance. Although the Group continues to have involvement in these bills, the management of the Group estimates that the exposure of incurring a loss from its continuing involvement in the derecognised financial assets is insignificant. Such bills were matured and settled in July 2025.

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended June 30, 2026

12. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Rental deposits	8,756	9,587
Prepayments	41,496	4,923
Value-added tax ("VAT") recoverable	11,508	7,867
Other receivable from a customer (note a)	–	17,804
Interest receivables	8,811	7,362
Others	5,221	3,855
	75,792	51,398
Analysed as:		
Non-current	9,923	7,606
Current	65,869	43,792
	75,792	51,398

Note:

- (a) Amount represents the balance in which the Group is entitled to be reimbursed from its customer. Such amounts were fully settled during the six months ended June 30, 2026.

13. FINANCIAL ASSETS MEASURED AT FVTPL

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Unlisted equity investment	4,612	4,759
Listed equity investment	–	–
	4,612	4,759

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended June 30, 2026

13. FINANCIAL ASSETS MEASURED AT FVTPL (continued)

Note: At June 30, 2026 and December 31, 2025, the Group held 500,000 and 500,000, respectively, Class X units of a private equity after the redemption of the fund linked note as detailed in note 19 of the annual report of the Group's for the year ended December 31, 2022.

Pursuant to the amended agreement of the private equity, the distribution of class B shares of the unlisted entity are made to the holders of Class X units while class B shares of the unlisted entity are automatically converted into the class A shares of the unlisted entity upon the completion of business combination. The management of the Group assessed its fair value of Class X units of the private equity is nil at June 30, 2026 and December 31, 2025, after considering the expected return of the underlying investments.

14. CASH AND CASH EQUIVALENTS AND TIME DEPOSITS

Time deposits with original maturity over three months

At June 30, 2026, the Group held time deposits of RMB165,000,000 (December 31, 2025: RMB165,000,000) with original maturity of 3 years which carried effective interest rates of 2.35% (December 31, 2025: 2.35%) per annum. The management intends to hold such time deposits within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets.

Cash and cash equivalents

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Cash at banks	1,235,826	570,851
Cash on hand	71	71
Cash equivalents		
– Money market funds (<i>note</i>)	91,242	92,489
– Time deposits with original maturity less than three months	68,109	90,288
	1,395,248	753,699

Note: Amount represents investments money market fund with low volatility.

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended June 30, 2026

15. ACCOUNT AND OTHER PAYABLES AND ACCRUED EXPENSES

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Account payables (<i>note b</i>)	99,035	77,201
Accrued expenses		
– Research and development (<i>note a</i>)	110,694	113,148
– Royalty fees	21,675	9,875
– Selling and marketing	17,559	13,383
– Legal and professional fees	2,985	3,343
– Others	7,081	1,964
Staff payroll payables	19,695	30,685
Other tax payable	1,397	2,516
Other payables	46,324	53,962
	227,410	228,876
	326,445	306,077

Notes:

- (a) Amounts mainly included accrued service fees to outsourced the service providers including contract research organisations, contract manufactory organisations and clinical trial centres.
- (b) In 2023, the Group entered into a supplemental agreement with the vendors, pursuant to which both parties agreed to defer an amount of RMB24,987,000 and US\$7,945,000. Such amounts are carried at a fixed interest rate of 4% per annum. Pursuant to the supplemental agreement, the repayment schedule is US\$1,000,000 to be settled in the first quarter of 2024, and US\$3,000,000 in total to be settled in the third quarter of 2024 and the first quarter of 2025, the remaining principal and interest to be settled in the third quarter of 2025. As at June 30, 2026, the Group has an outstanding balance of US\$776,000 (equivalent to RMB5,288,000) (December 31, 2025: US\$776,000, equivalent to RMB5,458,000) and RMB1,727,000 (December 31, 2025: RMB1,727,000) representing the interest payable due to the vendors. No amounts were settled during the current interim period.

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended June 30, 2026

15. ACCOUNT AND OTHER PAYABLES AND ACCRUED EXPENSES (continued)

The credit period on account payables is ranged from 0 to 90 days. The following is an aged analysis of account payables presented based on invoice dates at the end of the reporting period.

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
0 – 30 days	57,523	52,756
31 – 60 days	18,858	12,481
61 – 90 days	10,795	2,714
Over 90 days	11,859	9,250
	99,035	77,201

16. CONTRACT LIABILITIES

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Advance from customers for exclusive promotion rights	79,639	84,832
Analysed as:		
Non-current	69,254	74,447
Current	10,385	10,385
	79,639	84,832

The Group entered into exclusive promotion service agreement with the independent third parties pursuant to which the Group is entitled to receive the upfront payment and additional milestone payments, while the counterparties receive the exclusive rights to commercialise the Group's pharmaceutical product in China and receives tiered service fee based on the net sales. The VAT-excluded amount was recognised in contract liabilities and will be amortised over the agreed exclusive promotion period.

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended June 30, 2026

17. BANK BORROWINGS

During the current interim period, the Group obtained new bank borrowings of RMB45,000,000 (June 30, 2025: RMB100,000,000) which are unsecured, unguaranteed and carried at variable interest rate (also being the effective interest rate) ranging from Loan Prime Rate ("LPR") less 65 basis points to LPR less 45 basis points (June 30, 2025: from LPR less 65 basis points to LPR less 60 basis points) per annum, for the purpose of working capital. Additionally, the Group also obtained new bank borrowings of RMB15,000,000 (six months ended June 30, 2025: RMB50,000,000) which are unsecured, unguaranteed and carried at fixed rate of 2.9% (June 30, 2025: from 2.6% to 2.9%) per annum for the purpose of working capital. The Group repaid bank loans of RMB61,450,000 (six months ended June 30, 2025: RMB105,000,000).

In respect of bank borrowings with carrying amount of RMB148,000,000 as at June 30, 2026 (December 31, 2025: RMB150,000,000), the Group is subjected to the financial covenant that CStone Suzhou's ratio of the liabilities to the asset shall not be more than 0.9:1 and ratio of the current assets to the current liabilities shall not be less than 1.5:1.

The Group has complied with the relevant covenants at each test date on or before the end of the reporting period and classified the related bank loans balances as non-current.

18. SHARE CAPITAL/TREASURE SHARES/TREASURY SHARES HELD IN THE TRUSTS

	Number of shares	Share capital US\$'000
Ordinary shares		
Ordinary shares of US\$0.0001 each		
Authorised		
At January 1, 2025 (Audited), June 30, 2025 (Unaudited), January 1, 2026 (Audited) and June 30, 2026 (Unaudited)	2,000,000,000	200

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended June 30, 2026

18. SHARE CAPITAL/TREASURE SHARES/TREASURY SHARES HELD IN THE TRUSTS (continued)

	Number of shares	Amount US\$'000	Equivalent amount of ordinary shares RMB'000
Issued and fully paid			
At January 1, 2025 (Audited)	1,284,237,212	129	860
Exercise of share options	264,123	—*	—*
Issuance of ordinary shares	80,000,000	8	58
At June 30, 2025 (Unaudited)	1,364,501,335	137	918
At January 1, 2026 (Audited)	1,475,981,841	148	998
Exercise of share options	767,342	—*	1
Issuance of shares to a trust	6,000,000	1	4
Issuance of ordinary shares	118,000,000	12	81
At June 30, 2026 (Unaudited)	1,600,749,183	161	1,084

* Amount less than US\$1,000 or RMB1,000

Treasury shares:

	Number of shares	Amount US\$'000	Equivalent amount of ordinary shares RMB'000
Issued and fully paid			
At January 1, 2025 (Audited), June 30, 2025 (Unaudited) and December 31, 2025 (Audited)	—	—	—
Repurchase of ordinary shares	4,597,000	2,734	18,627
At June 30, 2026 (Unaudited)	4,597,000	2,734	18,627

During the six months ended June 30, 2026, the Company repurchased 4,597,000 (six months ended June 30, 2025: nil) of its own ordinary shares through the Stock of Exchange of Hong Kong Limited with an aggregate consideration of HKD21,423,000 (equivalent to approximately RMB18,627,000) (June 30, 2025: nil) paid.

The above ordinary shares were not cancelled and remained as treasury shares at the end of the reporting period.

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended June 30, 2026

18. SHARE CAPITAL/TREASURE SHARES/TREASURY SHARES HELD IN THE TRUSTS (continued)

Treasury shares held in the trusts:

	Number of treasury shares	Amount US\$'000	Equivalent amount of treasury shares RMB'000
At January 1, 2025 (Audited)	7,314,374	1	7
RSUs exercised under the trust	(3,701,125)	—*	(3)
At June 30, 2025 (Unaudited)	3,613,249	1	4
At January 1, 2026 (Audited)	2,039,854	—*	3
RSUs exercised under the trust	(3,520,207)	—*	(2)
Issuance of shares to a trust	6,000,000	1	4
At June 30, 2026 (Unaudited)	4,519,647	1	5

* Amount less than US\$1,000

19. SHARE-BASED PAYMENT TRANSACTIONS

(i) Employee stock option plan ("ESOP")

The Pre-IPO ESOP

The Group granted share options under its employee stock option plan (the "Pre-IPO ESOP") which was adopted and approved on July 7, 2017 and amended on August 3, 2018 (the "Pre-IPO Incentivisation Plan") for the purpose of incentivising, retaining and rewarding certain employees and board members of the Company or its subsidiaries for their contributions to the Group's business, and to align their interests with those of the Group.

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended June 30, 2026

19. SHARE-BASED PAYMENT TRANSACTIONS (continued)

(i) Employee stock option plan ("ESOP") (continued)

The Pre-IPO ESOP (continued)

The following table discloses movements of the Company's Pre-IPO ESOP held by grantees during the period:

Option type	Outstanding at 1/1/2026 (Audited)	Forfeited	Exercised	Outstanding at 30/6/2026 (Unaudited)
Pre-IPO ESOP	1,175,618	–	(13,332)	1,162,286
Exercisable	1,175,618			1,162,286
Weighted average exercise price			USD0.05	

Option type	Outstanding at 1/1/2025 (Audited)	Forfeited	Exercised	Outstanding at 30/6/2025 (Unaudited)
Pre-IPO ESOP	4,702,487	(172)	(143,356)	4,558,959
Exercisable	4,702,487			4,558,959
Weighted average exercise price		USD0.14	USD0.05	

The Post-IPO ESOP

Pursuant to a resolution passed on January 30, 2019, the directors of the Company further adopted an employee equity plan (the "Post-IPO ESOP") to grant option awards to any employee, officer, director, contractor, advisor or consultant of the Group by reason of his or her contribution to the Group.

During the current interim period, the Company granted 15,715,500 share options, including 7,000,000 shares options granted to a director and 8,715,500 shares options granted to employees of the Company. These share options are performance-based and will be subject to fulfilment of their respective performance milestones. Of these, for 15,487,500 share options, 25% of the shares shall vest and become exercisable on the first anniversary of the date of satisfaction of the respective performance target milestone and 75% shall vest monthly in equal instalments over the 36 months immediately following the first anniversary of share options vesting commencement date, whereas for the remaining 228,000 share options shall vest and become exercisable with 25%, 25%, 25% and 25% of the shares vesting on the first, second, third, fourth anniversary of share options vesting commencement date.

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended June 30, 2026

19. SHARE-BASED PAYMENT TRANSACTIONS (continued)

(i) Employee stock option plan ("ESOP") (continued)

The Post-IPO ESOP (continued)

The following table discloses movements of the Company's Post-IPO ESOP held by grantees during the period:

Option type	Outstanding at 1/1/2026 (Audited)	Granted	Exercised	Forfeited	Outstanding at 30/6/2026 (Unaudited)
Post-IPO ESOP	90,326,209	15,715,500	(754,010)	(456,804)	104,830,895
Exercisable	25,510,649				34,813,649
Weighted average exercise price	HK\$2.67	HK\$5.65	HK\$1.70	HK\$3.58	HK\$4.01
Option type	Outstanding at 1/1/2025 (Audited)	Granted	Exercised	Forfeited	Outstanding at 30/6/2025 (Unaudited)
Post-IPO ESOP	82,547,155	15,766,800	(120,767)	(4,154,554)	94,038,634
Exercisable	20,776,651				22,155,253
Weighted average exercise price	HK\$3.01	HK\$2.41	HK\$1.38	HK\$6.45	HK\$3.33

During the six months ended June 30, 2026, the fair values of the Post-IPO ESOP granted determined at the dates of grant ranged from HK\$1.97 to HK\$3.08 per share.

The fair value was calculated using Option Pricing Model ("OPM") and Monte Carlo Simulation for the period ended June 30, 2025 and 2026, respectively. The key assumptions, such as risk-free interest rate and volatility, are required to be determined by the directors of the Company with best estimate.

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended June 30, 2026

19. SHARE-BASED PAYMENT TRANSACTIONS (continued)

(i) Employee stock option plan ("ESOP") (continued)

The Post-IPO ESOP (continued)

The key inputs into the model for the grants during the periods ended June 30, 2025 and 2026 were as follows:

	For the six months ended June 30, 2026	For the six months ended June 30, 2025
Exercise price	HK\$5.65	HK\$2.41
Expected life	10 years	10 years
Expected volatility	65.46% – 67.18%	62.93%
Expected dividend yield	0%	0%
Risk-free rate	3.24% – 3.41%	3.33%

(ii) RSUs

The Post-IPO RSUs Plan

A restricted share award scheme (the "Post-IPO RSUs Plan") was approved and adopted pursuant to a resolution passed on March 22, 2019. The directors of the Company may, from time to time, at its absolute discretion grant RSUs to an eligible person in accordance with the Post-IPO RSU Plan.

During the current interim period, the Company granted 8,024,700 RSUs, including 4,270,000 RSUs granted to a director and 3,754,700 RSUs granted to employees of the Company. These RSUs are performance-based and will be subject to fulfilment of their respective performance milestones. Of these, for 7,322,500 RSUs, 25% of total RSUs shall vest on the anniversary date one year after the date of fulfilment of respective performance milestones and the remaining 75% vesting subsequently in 36 equal monthly instalments, whereas for 702,200 RSUs shall vest with 25%, 25%, 25% and 25% of total RSUs vesting on the first, second, third and fourth anniversary date one year after the vesting commencement date.

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended June 30, 2026

19. SHARE-BASED PAYMENT TRANSACTIONS (continued)

(ii) RSUs (continued)

The Post-IPO RSUs Plan (continued)

The following table discloses the movement of the Company's Post-IPO RSUs during the period:

	Number of RSUs	
	2026	2025
At January 1, (Audited)	15,742,125	12,687,382
Granted	8,024,700	6,757,200
Forfeited	(96,484)	(73,875)
Vested	(3,520,207)	(3,701,125)
At June 30, (Unaudited)	20,150,134	15,669,582

The fair value of the Post-IPO RSUs granted during the current interim period was from HK\$4.88 to HK\$5.65 (2025: HK\$2.39 to HK\$10.00) per Post-IPO RSU which was determined by the observable market price at grant date.

20. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value measurements and valuation processes

In estimating the fair value, the Group uses market-observable data to the extent it is available. For instruments with significant unobservable inputs under Level 3, the Chief Financial Officer of the Group establishes the appropriate valuation techniques and inputs to the model and reports any findings to the directors of the Company.

The fair values of these financial assets are determined (in particular, the valuation techniques and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorized (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are based on quoted prices (unadjusted) in active market for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include the lowest level inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended June 30, 2026

20. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Financial assets	Fair value at		Fair value hierarchy	Valuation techniques and key input(s)
	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)		
Unlisted equity investment	4,612	4,759	Level 2	Recent transaction price
Money market funds	91,242	92,489	Level 2	Based on the net asset values of the funds, which are determined with reference to observable and quoted prices of underlying investment portfolio and adjustments of related expenses
Time deposits with original maturity over three months measured at FVTOCI	165,000	165,000	Level 2	Discounted cash flows, estimated based on expected return

There were no transfers between Level 1 and 2 during the period.

The directors of the Company consider that the carrying amount of the Group's financial assets and liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended June 30, 2026

21. RELATED PARTY TRANSACTIONS

The Group entered into the following transactions during the period with its related parties.

Compensation of key management personnel

The remuneration of directors of the Company and other members of key management were as follows:

	For the six months ended June 30,	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Short term benefits	11,594	11,569
Retirement benefits scheme contributions	638	485
Total cash compensation	12,232	12,054
Non-cash share-based payment expenses	20,045	11,898
	32,277	23,952

The remuneration of key management personnel of the Group is determined by the directors of the Company having regard to the performance of individuals and market trends.

22. EVENTS AFTER THE REPORTING PERIOD

Except as disclosed elsewhere of the condensed consolidated financial statements, no important events affecting the Company occurred since the end of the reporting period and up to the date of this report.

Definitions

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

"Amendment Date"	means	March 7, 2023, being the date on which the amendments of the Post-IPO ESOP and the Post-IPO RSU Scheme are conditionally approved by resolutions of the Company in its general meeting
"Articles" or "Articles of Association"	means	the sixth amended and restated articles of association of the Company adopted on June 18, 2024, as amended, supplemented or otherwise modified from time to time
"Audit Committee"	means	the audit committee of the Board
"Board", "our Board" or "Board of Directors"	means	the board of Directors
"Board Committees"	means	the Audit Committee, the Nomination Committee, the Compensation Committee, the Strategy Committee and the Investment Committee
"CEO" or "Chief Executive Officer"	means	chief executive officer of the Company
"CG Code"	means	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"Chairman"	means	the chairman of the Board
"China" or "PRC"	means	the People's Republic of China, for the purposes of this report only, excluding Hong Kong and Macau Special Administrative Region and Taiwan
"Company", "CStone" or "our Company"	means	CStone Pharmaceuticals (stock code: 2616), an exempted company with limited liability incorporated under the laws of the Cayman Islands on December 2, 2015, the Shares of which are listed on the Main Board of the Stock Exchange
"Compensation Committee"	means	the compensation committee of the Board
"Condensed Consolidated Financial Statements"	means	the condensed consolidated financial statements of the Group

Definitions

"CRO(s)"	means	contract research organization, a company that provides support to the pharmaceutical, biotechnology, and medical device industries in the form of research services outsourced on a contract basis
"CStone Suzhou"	means	CStone Pharmaceuticals (Suzhou) Co., Ltd. (基石藥業(蘇州)有限公司), a company established under the laws of the PRC on April 21, 2016 and one of the Company's subsidiaries
"Director(s)"	means	the director(s) of our Company
"GIST"	means	gastrointestinal stromal tumor, a type of tumor that occurs in the gastrointestinal tract, most commonly in the stomach or small intestine
"Global Offering"	means	the Hong Kong public offering and the international offering of the Shares
"Group", "our Group", "the Group", "we", "us", or "our"	means	the Company and its subsidiaries from time to time
"HCC"	means	hepatocellular carcinoma, a type of cancer arising from hepatocytes in predominantly cirrhotic liver
"HKD" or "HK\$" or "HK dollars"	means	Hong Kong Dollars, the lawful currency of Hong Kong
"Hong Kong" or "HK"	means	the Hong Kong Special Administrative Region of the PRC
"IND"	means	investigational new drug or investigational new drug application, also known as clinical trial application in China or clinical trial notification in Australia
"Independent Auditor" or "Deloitte"	means	Deloitte Touche Tohmatsu
"INED(s)"	means	the independent non-executive Director(s)
"Investment Committee"	means	the investment committee of the Board
"IO"	means	immuno-oncology
"IPO"	means	the initial public offering of the Company on the Stock Exchange
"Listing"	means	the listing of the Shares on the Main Board of the Stock Exchange

Definitions

"Listing Date"	means	February 26, 2019, being the date on which the Shares were listed on the Main Board of the Stock Exchange
"Listing Rules"	means	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Main Board"	means	the stock exchange (excluding the option market) operated by the Stock Exchange, which is independent from and operated in parallel with the GEM of the Stock Exchange. For the avoidance of doubt, the Main Board excludes the GEM
"Model Code"	means	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
"NDA"	means	new drug application
"NMPA"	means	National Medical Products Administration (國家藥品監督管理局) and its predecessor, the China Food and Drug Administration (國家食品藥品監督管理總局)
"Nomination Committee"	means	the nomination committee of the Board
"Pfizer"	means	Pfizer Inc., a company incorporated in Delaware and listed on the New York Stock Exchange (NYSE: PFE)
"Pfizer Corporation"	means	Pfizer Corporation Hong Kong Limited, a company incorporated in Hong Kong with limited liability, an indirectly wholly-owned subsidiary of Pfizer
"Post-IPO ESOP"	means	the Company's post-IPO employee share option plan
"Post-IPO RSU Scheme"	means	the Company's post-IPO restricted share award scheme
"Preferred Share(s)"	means	preferred share(s) in the share capital of the Company prior to the Listing
"Pre-IPO Incentivization Plan"	means	the Company's pre-IPO employee equity plan
"Prospectus"	means	the prospectus of the Company, dated February 14, 2019, in relation to the Global Offering
"Reporting Period"	means	the six-month period from January 1, 2026 to June 30, 2026

Definitions

"RET"	means	rearranged during transfection
"RMB" or "Renminbi"	means	Renminbi Yuan, the lawful currency of China
"RSU(s)"	means	restricted share unit(s)
"Securities Transactions Code"	means	the code of conduct of the Company regarding Directors' securities transactions, namely the Policy on Management of Securities Transactions by Directors
"SFO"	means	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	means	ordinary share(s) of US\$0.0001 each in the issued share capital of our Company
"Share Incentivization Schemes"	means	the Pre-IPO Incentivization Plan, Post-IPO ESOP and Post-IPO RSU Scheme
"Shareholder(s)"	means	holder(s) of Shares
"SM"	means	systemic mastocytosis, a form of mastocytosis, in which mast cells accumulate in internal tissues and organs such as the liver, spleen, bone marrow, and small intestines
"Stock Exchange"	means	The Stock Exchange of Hong Kong Limited
"Strategy Committee"	means	the strategy committee of the Board
"treasury Share(s)"	means	has the meaning ascribed to it under the Listing Rules
"U.S."	means	United States of America
"U.S. FDA" or "FDA"	means	U.S. Food and Drug Administration
"USD" or "US\$" or "US dollars"	means	United States Dollars, the lawful currency of the United States of America
"%"	means	per cent.

In this report, unless otherwise indicated, the terms "associate", "associated corporation", "connected person", "controlling shareholder", "subsidiary" and "substantial shareholder" shall have the meanings given to such terms in the Listing Rules.



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