CSPC PHARMACEUTICAL GROUP LIMITED
石藥集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1093)

ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2024

The Board of Directors (the "Board") of CSPC Pharmaceutical Group Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (together, the "Group") for the year ended 31 December 2024.

FINANCIAL HIGHLIGHTS
(in RMB'000, unless otherwise stated)

	2024	2023	Change
Revenue by business units:			
Finished drugs	**23,736,157**	25,637,134	-7.4%
Bulk products	**3,583,163**	3,641,328	-1.6%
Functional food and others	**1,689,934**	2,171,647	-22.2%
Total revenue	**29,009,254**	31,450,109	-7.8%
Profit attributable to shareholders			
Underlying profit *(Note)*	**4,682,909**	6,275,253	-25.4%
As reported	**4,328,035**	5,873,325	-26.3%
Earnings per share *(RMB cents)*			
Based on underlying profit attributable to shareholders			
— Basic	**39.90**	52.86	-24.5%
— Diluted	**39.90**	52.85	-24.5%
Based on profit attributable to shareholders as reported			
— Basic	**36.87**	49.47	-25.5%
— Diluted	**36.87**	49.47	-25.5%
Final dividend per share *(HK cents)*	**10.00**	14.00	-28.6%
Full-year dividend per share *(HK cents)*	**26.00**	28.00	-7.1%

Note: Underlying profit attributable to shareholders, a non-HKFRS measure, represents profit attributable to shareholders before taking into account fair value loss on financial assets measured at fair value through profit or loss ("FVTPL"), employee share-based compensation expenses and gain on deemed disposal of partial interests in an associate. Reconciliation between the reported and underlying profit is provided on pages 31 of this announcement.

CHAIRMAN'S STATEMENT

Results

In 2024, the profit attributable to shareholders was RMB4,328 million, compared with RMB5,873 million in 2023. The underlying profit attributable to shareholders for the year (excluding fair value loss on financial assets measured at fair value through profit or loss, employee share-based compensation expenses and gain on deemed disposal of partial interest in an associate) was RMB4,683 million, compared with RMB6,275 million in 2023.

Dividend and Share Buy-Backs

The Board recommended a final dividend of HK10 cents per share for 2024. Subject to the approval of shareholders at the forthcoming annual general meeting, the proposed final dividend will be paid on 18 July 2025 to shareholders whose names appear on the register of members on 9 June 2025. Together with an interim dividend of HK16 cents per share, the full-year dividend for 2024 amounted to HK26 cents per share, a decrease of 7.1% as compared to 2023.

In the first half of 2024, the Company completed share buy-back of HK$387 million. On 21 August 2024, the Company announced a further share buy-back of up to HK$1 billion, which was completed in November 2024. On 19 September 2024, the Company announced a further share buy-back of up to HK$5 billion within 24 months, and HK$334 million has been utilised as of 31 December 2024. A total of 340,168,000 shares have been repurchased during the year.

Industry Review

In 2024, China's pharmaceutical industry ushered in new opportunities and challenges for development driven by policies such as deepening reforms and strengthened regulations. In the field of innovation, the Implementation Plan for Full-Chain Support for the Development of Innovative Drugs explicitly proposed to strengthen policy support in an all-round way and pool resources from various parties to promote breakthrough developments in innovative drugs. In terms of payment reform, the National Healthcare Security Administration continued advancing reforms in medical insurance payment methods, with the DRG (Diagnosis Related Groups) and DIP (Disease-Intervention Packet) payment models being implemented in more regions.

At the same time, the 2024 National Reimbursement Drug List negotiation further focused on the inclusion of innovative drugs. Among the 91 newly added drugs, 90 were newly launched within the past five years, and 38 were "global new" innovative drugs, hitting historical highs in terms of both proportion and absolute quantity. These concrete actions have incentivised enterprises to engage in original innovation, and propelled domestic enterprises of innovative drugs towards a higher-level of technological breakthroughs.

The number of innovative chemical and biological drugs newly approved for marketing during the year also reached an all-time high. The launch of these innovative drugs has expanded the clinical treatment options and promoted the transformation and upgrading of the pharmaceutical industry. In addition, China's pharmaceutical companies set new highs in terms of the scale of out-licensing collaborations, with multiple innovative drugs successfully entering the European and American markets and obtaining marketing approvals. This demonstrates a gradual improvement in R&D and innovation capabilities of China's pharmaceutical companies over the years, further aligning them with international standards.

Artificial intelligence (AI) technology is accelerating its empowerment in the pharmaceutical and healthcare industries, driving industrial upgrades, and has broad application prospects in the fields of medicine and health. With a forward-looking vision, the Group has taken the lead in applying AI technology to key aspects such as R&D and manufacturing. In particular, our independently developed AI-driven small molecule drug design platform has successfully developed YS2302018 and SYH2039, which have been licensed to AstraZeneca and BeiGene, respectively. These two licensing deals not only demonstrate the Group's leading position in the field of AI-driven drug development but also provide a strong support for future innovative development.

Business Review

The Group underwent organisational restructuring and established a more flattened organisational structure in 2024. This series of management reforms effectively reduced operating costs and significantly enhanced the organisational flexibility and decision-making efficiency, establishing a solid foundation for the steady development of the Group in the complex and ever-changing market environment.

In 2024, the Group faced significant challenges, with the pressure from centralised volume-based procurement being particularly notable. The prices of two products of the Group, Jinyouli and Duomeisu, were reduced by approximately 58% and 23%, respectively, after being included in the centralised volume-based procurement of the Beijing-Tianjin-Hebei "3+N" Alliance. Following the gradual implementation of the centralised volume-based procurement in the relevant provinces starting from March 2024, the revenue from these two products experienced a substantial decline. However, several new products launched in recent years, including Mingfule (recombinant human TNK tissue-type plasminogen activator for injection), Duoenyi (irinotecan hydrochloride liposome injection), Duoenda (mitoxantrone hydrochloride liposome injection), Yishuning (nifedipine controlled-release tablets), Geruite (lenvatinib mesilate capsules) and Enliwei (lacosamide injection/lacosamide tablets), achieved rapid growth and contributed significantly to sales.

In addition, a number of blockbuster drugs, such as the new indication of Mingfule for the treatment of acute ischemic stroke patients, Enshuxing (enlonstobart injection) and the first monoclonal antibody biosimilar Enyitan (omalizumab for injection), were approved for marketing in 2024. The approval of these new indications/new products provides a solid foundation for the growth of the Group's sales revenue, and have also led to a more balanced product portfolio across various therapeutic areas.

The Group continued to increase R&D investments, with steady improvements in R&D efficiency. The R&D and clinical development of innovative drugs were progressing as planned. In 2024, the Group obtained 16 marketing approvals, 66 clinical trial approvals and 3 breakthrough therapy designations, among which, several are blockbuster products with global patents and high market value.

In terms of internationalisation, the Group has moved forward steadily. By newly establishing a preparation sales company in the United States and a new drug development division in Southeast Asia, the Group is committed to accelerating the project initiation and expansion of various types of high-end products such as high-end complex injectable preparations, monoclonal and bispecific antibody drugs and inhalants in the European and American markets. At the same time, we have set up companies in countries along the "Belt and Road", such as Singapore, Thailand, Malaysia and Vietnam, to promote product registration and sales. In Indonesia and the Philippines, we have collaborated with strategic customers to carry out business development for new drugs, continuously enhancing the contribution of our overseas business through a series of measures.

In terms of business expansion, the Group has completed the in-licensing of one project and the out-licensing of three projects during the year. For in-licensing, the Group has obtained the rights to develop and commercialise JSKN003 (a biparatopic HER2-targeting antibody-drug conjugate) in mainland China from Jiangsu Alphamab. For out-licensing, we have reached collaboration agreements with internationally renowned pharmaceutical companies to license the global rights of a preclinical-stage Lp(a) small molecule inhibitor to AstraZeneca, the global rights of a novel methionine adenosyltransferase 2A (MAT2A) inhibitor to BeiGene, and the development and commercialisation rights of the antibody-drug conjugate SYS6005 in several countries including the United States and the United Kingdom to Radiance Biopharma, Inc. Such collaborations mark the international recognition of the Group's innovation capabilities and also enhance our global reputation, paving the way for expanding international markets and deepening international cooperation.

The Group attaches great importance to its ESG standard and is committed to creating a green, harmonious and sustainable development path, improving corporate governance and actively giving back to society. The MSCI ESG rating of the Company has remained at A for four consecutive years.

Outlook

We strongly believe that R&D innovation is the core competitiveness of a pharmaceutical enterprise. Looking forward, the Group will continue to focus on in-house pipeline development with our existing eight innovative R&D platforms, adhere to a clinical demand-oriented approach and endeavor to expand into new therapeutic targets. Besides, the Group will actively venture into emerging fields such as gene therapy and cell therapy. Concurrently, we will further enhance the application of AI technology and broaden our AI-driven drug development platform based on our existing AI platform. This will enable us to empower pharmaceutical innovation with technological advancement, accelerate our transformation into an AI-enabled pharmaceutical company, and holistically improve R&D efficiency.

In terms of internationalisation, we will expedite the R&D, regulatory approval and commercialisation processes of key innovative drugs in overseas markets, and increase our market share through cooperation with international commercial companies. Furthermore, we will intensify our out-licensing initiatives and license the rights of a number of innovative drugs to international pharmaceutical companies. Leveraging our partners' global sales networks and clinical capabilities, we will accelerate the product internationalisation, delivering more innovative results to the global market and showcasing the strength of pharmaceutical innovation.

The Group will actively seize policy opportunities and adhere to the "dual-driver" of innovation and internationalisation. The Group is also committed to the philosophy of "All for Better Medicine, All for a Healthier World", striving to become an innovative pharmaceutical company with international influence.

Appreciation

I would like to take this opportunity to express my gratitude to all staff for their dedication and diligence, and to all our shareholders, business partners and customers for their continued support.

CAI Dongchen
Chairman

28 March 2025

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

The Group is an innovation-driven pharmaceutical enterprise integrating R&D, manufacture and sales. With the corporate mission of "All for Better Medicine, All for a Healthier World", the Group is committed to developing innovative products to address unmet clinical needs and provide cutting-edge treatment options for patients.

"Leading Innovation and Creating an Excellent CSPC" is the core vision of CSPC people. Under the leadership of the Chairman, consistently adhering to the dual-drive strategy of "innovation and internalisation", the Group has continuously increased its investment in R&D, promoted the R&D team and capability building, enhanced its domestic and international competitiveness, which provides the driving force for the long-term sustainable development of the Group.

The Group has built an internationalised R&D team with more than 2,000 professionals and R&D centers located in Shijiazhuang, Shanghai, Beijing and the US respectively, focusing on key therapeutic areas such as oncology, psychiatry and neurology, cardiovascular, immunology and respiratory, digestion and metabolism, and anti-infectives, etc..

The Group has made outstanding contributions towards safeguarding the safety of people's lives and enhancing industrial competitiveness. The Group had taken the initiative to successfully develop the first Class 1 new drug NBP in the field of stroke before other domestic enterprises were paying attention to innovative drugs, benefiting more than 40 million patients; in order to solve the problem of bone marrow suppression in tumor chemotherapy, the first long-acting white blood cell booster drug Jinyuoli was developed in China; we independently developed the China's first COVID-19 mRNA vaccine in response to the national call during the COVID-19 pandemic, achieving a breakthrough in mRNA vaccines in China; in order to further meet the emergency needs of stroke patients, we developed the first thrombolytic drug Mingfule that can be administered in ambulances in China; we took the lead in the R&D and launch of several nano-formulations in China, such as Duomeisu, Keaili, Duoenyi, Anfulike and Duoenda, which successfully broke the technological monopoly of foreign countries, significantly reduced the cost of medication and benefited countless patients.

The Group has achieved rapid advancements in innovative drug research and development with innovative achievements continuously emerging. In the field of large molecules, we successfully built a leading anti-body drug conjugate (ADC) platform with more than 10 ADC products entering into different clinical stages, and took the initiative to license ADCs such as Claudin 18.2, Nectin 4 and ROR 1 to overseas companies; in the field of small molecules, the Group took the lead in using AI technology for design and screening, and successfully licensed small molecule drugs such as Lp(a) and MAT2A to international companies, setting off a wave of domestic AI design of small molecule drugs; in the field of cell therapy, the Group was the first in the world to advance LNP/mRNA-based CAR-T therapy to clinical trial for the treatment of multiple myeloma, systemic lupus erythematosus and myasthenia gravis; in terms of long-acting drug administration technology, an in situ gel platform has been created to advance long-acting agents such as octreotide, semaglutide and leuprorelin to clinical

trial; in terms of nano-formulation, the Group invented new albumin nano-delivery technology. In a head-to-head comparative study, product candidate paclitaxel (albumin-bound) II demonstrated better efficacy and safety results compared to the paclitaxel albumin preparation. Docetaxel, sirolimus and other albumin preparations have entered the stage of registrational clinical trials; the research and development of small nucleic acid drugs also ranks in the first echelon in China, products such as PCSK9 and AGT have successively entered clinical trials; the development of mRNA vaccines has expanded from preventive vaccines to therapeutic vaccines, and the clinical trials of a number of vaccine products such as VZV and HPV are actively progressing. As a whole, in terms of technology, the Group has established eight innovative technology R&D platforms, encompassing nano-formulation, messenger RNA (mRNA), small interfering RNA (siRNA), antibody/fusion protein, cell therapy, and antibody-drug conjugates (ADC), which provide strong support for the R&D in innovative drugs.

Our efforts and dedications have been recognised by the government, regulatory authorities and various sectors of society. The Group is recognised as a "National Innovative Enterprise" with two national key laboratories, i.e. "National Key Laboratory for New Pharmaceutical Preparations and Excipients" and "National Engineering Laboratory of Chiral Drugs". It is also the "National Enterprise Technology Center" and the only "National Nano Intelligent Manufacturing Industry Innovation Center" (jointly built with the National Institute of Nanotechnology Innovation in the Guangdong-Hong Kong-Macao Greater Bay Area) in China, among which the National Key Laboratory and National Enterprise Technology Center was rated as Excellent in the previous evaluations. The Group has also won the Second Prize of the National Award for Science and Technology Progress four times, China Grand Awards for Industry twice and China Patent Gold Prize three times.

The Group's R&D achievements (such as Mingfule, NBP and mRNA vaccines) have been published multiple times in the top international journals such as *The New England Journal of Medicine* and *The Lancet,* and have rewritten the Chinese or even international diagnosis and treatment guidelines. Other products including mitoxantrone liposomes, EGFR ADC, EGFR monoclonal antibody, SYH1813 and docetaxel (albumin-bound) have been selected for oral presentations at American Society of Clinical Oncology (ASCO), European Society for Medical Oncology (ESMO), American Society of Hematology (ASH) and other international conferences, receiving good international response and wide attention from the industry.

The Group has rich innovation pipelines and has ranked among the top 25 pharmaceutical companies by size of pipeline by Citeline for two consecutive years. At present, more than 200 innovative drugs and preparations are under research and development, including over 90 large molecule drugs, over 60 small molecule drugs, over 50 new preparations and more than 160 clinical trials in progress, nearly 60 of which were in the phase III clinical trials. EGFR ADC, Nectin 4 ADC, HER2 bispecific

antibody, sirolimus albumin preparation and other developed products have been granted breakthrough therapy designation and fast track designation by Chinese and US regulatory authorities. It is expected that, by the end of 2028, there will be more than 50 new drugs/new indications to be submitted for marketing approval application. Examples of some of the core drugs in several areas are as follows:

In the field of breast cancer, our products include paclitaxel (albumin-bound) II for the treatment of advanced breast cancer, KN026 in combination with docetaxel (albumin-bound) for HER2-positive breast cancer neoadjuvant therapy and HER2-positive breast cancer first-line treatment, sirolimus albumin preparation (granted breakthrough therapy designation) in combination with fluvestrant for the second-line treatment of HR-positive/HER2-negative breast cancer, JSKN003 for the treatment of HER2-positive breast cancer in second-line and beyond, and for the treatment of HER2-low expression breast cancer in second-line and beyond.

In the field of lung cancer, our products include EGFR ADC for the treatment of EGFR mutated non-small cell lung cancer in second-line and beyond (granted breakthrough therapy designation and fast track designation), glumetinib tablets (granted breakthrough therapy designation) in combination with oxetinib for the treatment of MET amplification or overexpression in non-small cell lung cancer after EGFR-TKI resistance, JMT101 in combination with ohitinib for the first-line treatment of EGFR classical mutated non-small cell lung cancer.

In the field of gastrointestinal tumors, our products include KN026 for second-line treatment of HER2-positive gastric cancer (granted breakthrough therapy designation), cimetinib tablets for second-line treatment of esophageal squamous cell carcinoma, docetaxel (albumin-bound) for advanced pancreatic cancer and second-line treatment of gastric cancer.

In the cardiovascular and metabolic field, our products include TG103 for the treatment of diabetes and obesity, prugliptin metformin sustained-release tablets and prugliptin daglizin sustained-release metformin tablets for the treatment of diabetes, valsartan maleate levamlodipine tablets for the treatment of hypertension.

The successive market launches of these products will address the unmet clinical needs and benefit many patients, while also fully demonstrating the core value of the Group's pipelines, enhancing the Group's competitiveness in the industry, and providing continuous momentum for the Group's development. At the same time, this also signifies that the Group has quickly passed the painful period of transformation and is steadily moving towards a path of sustainable development.

The Group possesses strong commercialisation capabilities and has currently established a professional sales team of over 10,000 individuals, extensively covering medical institutions across the country. We are actively expanding into lower-tier markets and developing the potential of county-level markets to provide high-quality drugs to the grass roots. Through patient-centric and clinical-data driven academic promotions, the Group's sales team has successfully nurtured a number of market-leading core products. This robust sales team and extensive commercialisation experience provide strong safeguards for the sales performance of the Group's innovative drugs to be launched on the market.

BUSINESS REVIEW

Finished Drug Business

In 2024, the Group proactively responded to the challenges amidst the complex and volatile market environment and continued to adopt the strategies of hospital coverage expansion, lower-tier market penetration, retail channel development, expansion of the clinical applications and professional academic promotion to drive the business of finished drug products. During the year, market expansion efforts for the newly launched drugs progressed in an orderly manner, with a number of drugs successfully included in national volume-based procurement (VBP) or the National Reimbursement Drug List (NRDL), which boosted sales and led to a more balanced product portfolio.

The finished drug business recorded a revenue of RMB23,736 million (including licence fee income of RMB17.83 million) for the year, a decrease of 7.4% compared to the previous year. Sales by major therapeutic areas are as follows:

Therapeutic Area	**Sales in 2024** *(RMB' million)*	**Change**
Nervous system	9,645	+6.1%
Oncology	4,400	–28.3%
Anti-infectives	4,086	–3.5%
Cardiovascular	2,079	–14.8%
Respiratory system	1,199	–23.1%
Digestion and metabolism	1,051	+18.1%
Others	1,258	+0.8%

Nervous System

Major products include NBP (恩必普®) (butylphthalide soft capsules/injection), Mingfule (明復樂®) (recombinant human TNK tissue-type plasminogen activator for injection), Shuanling (舒安靈®) (pentoxifylline extended-release tablets/injection), Enliwei (恩理維®) (lacosamide injection/tablets), Enxi (恩悉®) (pramipexole dihydrochloride tablets), Oushuan (歐舒安®) (paliperidone extended-release tablets) and Oulaining (歐來寧®) (oxiracetam capsules/oxiracetam for injection).

During the year, NBP, Enliwei and Oushuan maintained stable growth, while Shuanling and Oulaining experienced significant sales declines due to market condition. A new indication of Mingfule for the treatment of acute ischemic stroke patients received marketing approval, bringing new growth momentum to this therapeutic area.

- NBP is a Class 1 new chemical drug and a patent-protected exclusive product indicated for the treatment of acute ischemic stroke. The product is recommended by many professional organisations and guidelines and is one of the major drugs for this indication. The new NRDL price of NBP will be implemented in 2025, which will further improve the accessibility of the product.

- Mingfule is a third-generation thrombolytic drug with its own intellectual property rights. The market potential of the product has been significantly expanded through expansion of indication from the field of cardiovascular to nervous system. The product is the first of its kind to be approved in China for the thrombolytic treatment in patients with acute ischemic stroke and has been included in the several clinical treatment guidelines. In December 2024, the General Office of the National Health Commission published the Guideline for Prevention and Treatment of Cerebrovascular Disease (2024 Edition), which clearly recommended Mingfule (TNK) as the preferred medication for intravenous thrombolysis. This recommendation further validates the important role of Mingfule in clinical applications.

Oncology

Major products include Jinyouli (津優力®) (PEG-rhG-CSF injection), Duomeisu (多美素®) (doxorubicin hydrochloride liposome injection), Keaili (克艾力®) (paclitaxel for injection (albumin-bound)), Duoenyi (多恩益®) (irinotecan hydrochloride liposome injection), Duoenda (多恩達®) (mitoxantrone hydrochloride liposome injection), Geruite (戈瑞特®) (lenvatinib mesilate capsules), Enshuxing (恩舒幸®) (enlonstobart injection) and Jinlitai (津立泰®) (narlumosbart injection).

Sales of this therapeutic area decreased significantly in 2024, mainly due to the price cuts of approximately 58% and 23% for Jinyouli and Duomeisu, respectively, at the volume-based procurement ("VBP") in the Beijing-Tianjin-Hebei "3+N" Alliance, which has been gradually implemented in the related provinces since March 2024. Duomeisu was subsequently selected in the tenth batch of national centralised procurement catalogue, with the winning bid price further reduced to RMB98 per unit, which is expected to be implemented in April 2025. The significant decrease in product price is expected to exert great pressure on the sales revenue of the oncology therapeutic area.

On the other hand, the sales of newly launched products, such as Duoenyi, Duoenda and Jinlitai, continued to grow during the year, providing new growth drivers.

- Duoenyi is the first generic irinotecan hydrochloride liposome injection in China. It was approved in September 2023 for use in combination with 5-fluorouracil (5-FU) and leucovorin (LV) for the treatment of patients with metastatic pancreatic cancer that have progressed after receiving gemcitabine treatment. The 2024 CSCO Guidelines recommend the combination regimen as a Class II recommendation for the treatment of metastatic pancreatic cancer in second-line and beyond and for inclusion in the first-line treatment of pancreatic cancer. The marketing efforts currently focus on gastrointestinal stromal tumors, including pancreatic cancer, biliary tract tumors, and colorectal cancer.

- Duoenda, a Class 2 new chemical drug developed by the Group, which was approved for marketing in early 2022 and included in the NRDL in 2023 for the treatment of relapsed/refractory peripheral T-cell lymphoma, is the world's first mitoxantrone liposomal formulation on the market with patents in several countries. Currently, the product is under active exploration and research in the field of hematological tumors and solid tumors including diffuse large B-cell lymphoma, acute myeloid leukemia and nasopharyngeal cancer.

- Enshuxing is a Class 1 new therapeutic biological drug, for which the Group owns the invention patent and complete independent property rights. The product obtained marketing approval in June 2024 and was included in the NRDL in the same year. The median survival (mOS) of patients with recurrent metastatic cervical cancer treated with monotherapy for second-line and beyond treatment was up to 21.3 months, which was significantly better than the efficacy of similar products. Since its market launch, the product has rapidly increased in sales volume. The marketing efforts of the product currently focus on gynecological tumors, including cervical cancer and endometrial cancer, and will be expanded to esophageal squamous carcinoma, colorectal cancer and other solid tumors in the future.

- Jinlitai, a Class 1 new therapeutic biologic drug approved for marketing in September 2023 and included in the NRDL in the same year, is the world's first IgG4 RANKL inhibitor developed by the Group, and is indicated for the treatment of giant cell tumor of bone, tumor bone metastasis and the improvement of osteoporosis. Compared with denosumab, Jinlitai has a faster onset of action (median time to tumor response of 0.95 month for narlumosbart compared to 3.1 months for denosumab) and good safety profile. Narlumosbartmab has been included in the recommendation of the Chinese Clinical Guidelines on Diagnosis and Treatment of Lung Cancer Bone Metastasis (2024 Edition). Currently, Jinlitai is also under active exploration and research in the fields of tumor bone metastasis and osteoporosis.

Anti-infectives

Major products include Anfulike (安複利克®) (amphotericin B cholesteryl sulfate complex for injection), Weihong (維宏®) (azithromycin tablets/capsules/enteric tablets, azithromycin for injection), Shuluoke (舒羅克®) (meropenem for injection), Nuomoling (諾莫靈®) (amoxicillin capsules), Xianqu (先曲®) (ceftriaxone sodium for injection), Xianwu (先伍®) (cefazolin sodium for injection) and Oujian (歐健®) (cefixime capsules), etc.

During the reporting period, sales of anti-infective products remained stable. With continuous academic promotion of Anfulike, the sales increased significantly. The sales of Weihong and Shuluoke declined due to market demand.

- Anfulike was approved for marketing through priority review in March 2021 and included in the NRDL in the same year for the treatment of patients with invasive fungal infections. This product has undergone modifications of lipid structure, which significantly reduce the incidence of nephrotoxicity and hypokalaemia, expand the applicable population, and lower the medical cost. It is recommended jointly by the State Ministry of Industry and Health Care Commission as a "clinically urgent, market-deficient" drug.

Cardiovascular

Major products include Xuanning (玄寧®) (maleate levamlodipine tablets/dispersible tablets), Encun (恩存®) (clopidogrel bisulfate tablets), Abikang (阿比康®) (aspirin enteric tablets), Yishuning (意舒寧®) (nifedipine controlled-release tablets), Mingfule (明復樂®) (recombinant human TNK tissue-type plasminogen activator for injection), Daxinning (達新寧®) (dronedarone hydrochloride tablets) and Meiluolin (美洛林®) (ticagrelor tablets).

Sales in this therapeutic area declined in 2024 primarily because Xuanning was not selected in the eighth batch of national VBP in 2023, resulting in a significant impact on its sales in hospitals that strictly implemented the VBP policy, and its sales revenue continued to decline. In contrast, the sales revenues of Encun, Yishuning, Meiluolin and Abikang recorded steady growth.

- Xuanning is mainly used for the treatment of hypertension, chronic stable angina and variant angina, and is a product in the NRDL and essential drug list. The Group will continue to adopt all-channel promotion strategy, deepen the expansion into lower-tier and private markets, and at the same time enhance promotion in retail markets and online sales channel, so as to fully unleash the brand influence of the product.

- Encun is a platelet aggregation inhibitor, which is mainly used to prevent atherosclerotic thrombotic events such as myocardial infarction and ischemic stroke. The product is the only domestically produced clopidogrel in China that has obtained the US FDA approval and was included in the national VBP. We will continue to strengthen lower-tier market penetration to further improve accessibility of the product.

- Mingfule is a third-generation thrombolytic drug with its own intellectual property rights, focusing on the thrombolysis treatment in patients with acute myocardial infarction within 6 hours of onset. It is a preferred thrombolytic drug recommended by authoritative guidelines, including the Guidelines for the Rational Medication for Thrombolytic Treatment of Acute ST-Segment Elevation Myocardial Infarction (2nd Edition), Chinese Expert Consensus on Microcirculation Protection Strategies for Emergency PCI in Patients with ST-Segment Elevation Myocardial Infarction, and Chinese Expert Consensus on Prehospital Thrombolytic Therapy for ST-Segment Elevation Myocardial Infarction, occupying a leading position in the cardiovascular emergency field.

Respiratory System

Major products include Yiluoda (伊絡達®) (nintedanib capsules), Qixin (琦昕®) (oseltamivir phosphate capsules), Nuoyian (諾一安®) (montelukast sodium tablets/chewable tablets), Qixiao (琦效®) (arbidol hydrochloride tablets), Zhongnuo Like (中諾立克®) (ambroxol hydrochloride oral solution), Zhongnuoping (中諾平®) (ambroxol hydrochloride extended-release tablets) and Enyitan (恩益坦®) (omalizumab for injection).

During the year, benefiting from effective promotion strategies and strong market demand, the sales of Yiluoda increased significantly. In contrast, the sales of Qixiao and Qixin decreased notably due to a decline in market demand. Enyitan launched during the year has brought new sales contributions to the Company.

- Yiluoda is the first-to-market generic nintedanib drug in China, which is indicated for the treatment of systemic sclerosis-associated interstitial lung disease (SSc-ILD) and progressive fibrosing interstitial lung diseases (PF-ILD). Two indications of such product have been included in the NRDL, supporting the continuous growth of such product.

- Enyitan is the first biosimilar drug of Xolair® developed as Class 3.3 therapeutic biological product in China. The product was approved for marketing in October 2024 and indicated for adults and adolescents (12 years of age and older) with chronic spontaneous urticaria who remain symptomatic despite H1 antihistamine treatment, and was also approved for the indication of moderate to severe persistent allergic asthma in February 2025. The Global Strategy for Asthma Management and Prevention (GINA 2024) report states that for patients 6 years of age and older with severe allergic asthma, IgE therapy (such as Omalizumab) is strongly recommended. The market launch of such product will bring new growth momentum to the field of respiratory system.

Digestion and metabolism

Major products include Linmeixin (林美欣®) (glimepiride dispersible tablets), Shuanglexin (雙樂欣®) (metformin hydrochloride tablets/extended-release tablets), Xinweiping (欣維平®) (acarbose tablets), Oubeituo (歐倍妥®) (esomeprazole capsules) and Debixin (得必欣®) (omeprazole capsules/tablets/injection).

Mainly driven by Oubeituo and Debixin, this therapeutic area recorded a satisfactory growth in sales during the year.

- Oubeituo is indicated for acid-related disorders such as gastro-esophageal reflux disease, stomach ulcers caused by non-steroidal anti-inflammatory drugs (NSAIDs), and the eradication of Helicobacter pylori (Hp) in combination with antibiotics. As an optically isomeric proton pump inhibitor (PPI) with a relatively wide range of indications, esomeprazole meets the needs of drug treatment for acid-related diseases and has been widely recommended by the Chinese Journal of Gastroenterology and the Chinese Journal of General Practitioners.

- Debixin, a classic proton pump inhibitor, is included in the National Essential Medicines List and classified as Category A under the medical insurance. Recommended by numerous domestic and international authoritative guidelines, it is indicated for the treatment of various gastric diseases caused by excessive gastric acid.

Other therapeutic areas

Major products include Qimaite (奇邁特®) (tramadol hydrochloride tablets), Oubida (歐必達®) (apremilast tablets), Gujie (固杰®) (tofacitinib citrate extended-release tablets), Gubang (固邦®) (alendronate sodium tablets/enteric tablets) and Xianpai (先派®) (omeprazole sodium for injection).

Bulk Product Business

In 2024, the bulk product business recorded sales of RMB3,583 million, representing a year-on-year decrease of 1.6%.

Vitamin C

Sales of Vitamin C products amounted to RMB1,994 million, representing a year-on-year increase of 3.4%. During the year, market demand decreased while product prices increased. The Group will focus on product quality and actively expand into the high-end market, as well as develop overseas sales networks and establish overseas offices to further increase its market share.

Antibiotics

Sales of antibiotics products amounted to RMB1,589 million, representing a year-on-year decrease of 7.2%, mainly due to the impact of lower demand in overseas markets. The Group will adopt a market-oriented approach, continue to enhance its product chain and optimise its sales, production, quality and registration in order to enhance its ability to expand into the high-end market.

Functional Food and Other Businesses

In 2024, the functional food and other businesses recorded sales of RMB1,690 million, representing a year-on-year decrease of 22.2%. During the year, the prices of caffeine products remained stable, but were still significantly lower than last year.

Research and Development

R&D expenses for the year increased by 7.5% to RMB5,191 million as compared with last year, accounting for approximately 21.9% of the revenue from the finished drug business. Currently, there are nearly 90 products in various stages of clinical trial, with 9 of them having submitted application for marketing approval and 26 key products in the registration stage of clinical trials.

Regulatory Updates

Since the beginning of the year, the regulatory progress of the Group in the PRC is as follows: 6 innovative drugs have obtained registration approval, applications for marketing approval of 4 innovative drugs have been accepted, 60 approvals for clinical trial have been obtained, 3 breakthrough therapy designations have been granted and 10 generic drugs have been approved for drug registration approvals. In addition, the Group received clinical trial approval for 6 innovative drugs and 2 fast track designations in North America.

China

- In February 2024, Mingfule (recombinant human TNK tissue-type plasminogen activator for injection) obtained marketing approval for the thrombolytic treatment in patients with acute ischemic stroke. It is the first approval for this indication of this product type in China, and the second approved indication of the product.

- In June 2024, Enshuxing (enlonstobart injection, SG001) obtained conditional marketing approval for the treatment of recurrent or metastatic cervical cancer patients with positive PD-L1 (CPS≥1) expression who have previously failed to respond to platinum-based chemotherapy.

- In September 2024, Ansulike (amphotericin B liposome for injection) obtained marketing approval for the treatment of: i) systemic fungal infections caused by sensitive fungi; ii) neutropenic patients with unexplained fever highly suggestive of systemic fungal infection; and iii) visceral leishmaniasis in adults and children.

- In September 2024, Enyitan (omalizumab for injection) obtained marketing approval for the treatment of adults and adolescents (aged 12 and older) with chronic spontaneous urticaria who remain symptomatic despite treatment with H1 antihistamines, and is the first biosimilar drug of Xolair® developed in China under Class 3.3 therapeutic biological product category.

- In January 2025, Shanzeping (善澤平®) (prusogliptin tablets) obtained marketing approval for the improvement of glycemic control in adults with type 2 diabetes, including monotherapy and combination therapy when metformin hydrochloride alone does not provide adequate glycemic control.

- In February 2025, Enyitan (omalizumab for injection) obtained marketing approval for the treatment of moderate to severe persistent allergic asthma.

- In November 2024, the application for marketing approval of ulinumab injection for the treatment of moderate to severe plaque psoriasis was accepted.

- In November 2024, the application for marketing approval of SYHX2011 (paclitaxel for injection (albumin-bound) II) for the treatment of advanced breast cancer was accepted.

- In March 2025, the application for marketing approval of aprepitant injection indicated for the prevention of postoperative nausea and vomiting was accepted.

- In March 2025, the application for marketing approval for irinotecan liposome injection for the indication of first-line treatment of pancreatic cancer was accepted.

- In January 2025, SYS6010 (humanised anti-human EGFR monoclonal antibody-JS-1 conjugate injection) for the indication of monotherapy for EGFR mutation-positive advanced non-small cell lung cancer (NSCLC) after failure of EGFR TKIs and platinum-based chemotherapy was granted breakthrough therapy designation.

- In February 2025, Sirolimus for Injection (albumin-bound) for the treatment of malignant perivascular epithelioid cell tumor (PEComa) was granted breakthrough therapy designation.

- In March 2025, JSKN003 (biparatopic HER2 antibody-drug conjugate) was granted breakthrough therapy designation for monotherapy in the treatment of patients with platinum-resistant recurrent epithelial ovarian, primary peritoneal carcinoma, or fallopian tube cancer.

- 25 innovative drug candidates have obtained clinical trial approval for their first indications and 35 new indications have obtained clinical trial approval:

First Indication

Drug Candidate	Indication
JMT202 injection (FGFR1c/ß-Klotho agonist)	Lower triglyceride (TG) levels in patients with hypertriglyceridaemia
SYS6023 (ADC)	Advanced solid tumors
SYH2039 (MAT2A)	Advanced malignant tumors
Dexmedetomidine hydrochloride nasal spray	Sedation before invasive procedures
Pilocarpine hydrochloride eye drops	Presbyopia
Pregabalin extended-release tablets	Neuropathic pain associated with diabetic peripheral neuropathy
Semaglutide injection	Weight management
SYS6020 injection (BCMA CAR-T)	Recurrent or refractory multiple myeloma
Aprepitant injection	Prevention of nausea and vomiting after surgery in adults
SYS6016 injection (RSV mRNA vaccine)	Prevention of lower respiratory tract diseases caused by RSV infections
Dextromethorphan bupropion hydrochloride extended-release tablets	Adult depression
Tebipenem pivoxil fine granules	Community-acquired bacterial pneumonia in children
Valsartan levamlodipine maleate tablets	Primary mild and moderate hypertension that cannot be effectively controlled by monotherapy
Leuprorelin extended-release injection (1M)	Solid tumors
SYH2062 injection (AGT)	Primary hypertension in adults
Semaglutide long-acting injection	Weight management
SYS6005 for injection (ADC)	Advanced tumors
SYS6043 for injection (ADC)	Advanced solid tumors
SYS6026 injection (HPV mRNA vaccine)	High-grade squamous intraepithelial lesion (HSIL) associated with HPV type 16 or 18
SYH2059 tablets (PDE4B inhibitor)	Interstitial lung disease
SYS6045 for injection (ADC)	Advanced solid tumors
SYS6041 for injection (ADC)	Advanced solid tumors
SYS6017 injection (VZV-mRNA vaccine)	Prevention of herpes zoster virus infection
JMT108 (PD-1/IL-15)	Advanced malignant tumors
SYS6040 (ADC)	Advanced solid tumors

Additional Indication

Drug Candidate	Indication
SYSA1801 injection	In combination with CAPOX and SG001 or with irinotecan hydrochloride liposome injection for first-line and second-line treatment of Claudin18.2-positive gastric cancer
	In combination with capecitabine for the first-line treatment of unresectable locally advanced or metastatic gastric adenocarcinoma or gastroesophageal junction adenocarcinoma
JMT101 injection	In combination with docetaxel (albumin-bound) for the treatment of EGFR lung squamous cell carcinoma in second-line and beyond
	In combination with glumetinib tablets for the treatment of colorectal cancer with MET amplification/high expression
	In combination with docetaxel for injection (albumin-bound) or mitoxantrone liposomal drug for the second-line/third-line treatment of head and neck squamous cell carcinoma
	In combination with mitoxantrone liposome injection for recurrent or metastatic nasopharyngeal carcinoma
	In combination with irinotecan liposome and glumetinib for second-line treatment of colorectal cancer with MET amplification/MET high expression
Simmitinib hydrochloride tablets	In combination with irinotecan liposome for the treatment of advanced esophageal cancer
Sirolimus for injection (albumin-bound)	In combination with endocrine therapy for the treatment of HR-positive HER2-negative advanced breast cancer after failure of standard therapy
Docetaxel for injection (albumin-bound)	In combination with glumetinib tablets for the treatment of locally advanced or metastasis non-small cell lung cancer with negative driver genes and MET overexpression in patients whose disease has progressed after recovery immunotherapy (anti-PD-1/PD-L1 antibody) and platinum-based doublet chemotherapy (in combination or sequential)
Enshuxing (enlonstobart injection)	In combination with docetaxel for injection (albumin-bound) and carboplatin for the first-line treatment of newly diagnosed advanced or recurrent endometrial cancer in patients who have not received previous systemic treatment
SYH2043 tablets	In combination with fulvestrant for the treatment of advanced breast cancer
Cisplatin micelle injection	In combination with paclitaxel for the treatment of advanced solid tumors
Octreotide long-acting injection	Gastroenteropancreatic neuroendocrine tumors
Irinotecan liposome injection	In combination with oxaliplatin and tegafur for adjuvant treatment after pancreatic cancer surgery
DP303c injection	In combination with simmitinib hydrochloride or irinotecan liposome for the treatment of HER2-expressing locally advanced or metastatic gastric adenocarcinoma or gastroesophageal junction adenocarcinoma
Simmitinib hydrochloride tablets	In combination with DP303c injection for the treatment of HER2 low-expressing recurrent/metastatic breast cancer
SYS6002 for injection (Nectin-4 ADC)	In combination with SG001 for the treatment of advanced solid tumors
	In combination with JMT101 and SG001 for the treatment of first-line advanced head and neck squamous cell carcinoma
SYHA1813 oral solution	In combination with SG001 and docetaxel for injection (albumin-bound) for the treatment of advanced solid tumors
	In combination with enlonstobart injection with or without TACE for the treatment of hepatocellular carcinoma
	In combination with SG001 for consolidation after synchronous/sequential radiotherapy in limited stage small cell lung cancer
	In combination with sirolimus for injection (albumin-bound) for the treatment of advanced renal cell carcinoma in second-line and beyond
Sirolimus for injection (albumin-bound)	In combination with irinotecan liposome injection for the treatment of small cell lung cancer
SYS6020 injection (CAR-T)	Systemic lupus erythematosus
	Myasthenia gravis

Drug Candidate	Indication
SYS6010 injection	In combination with osimertinib for the treatment of locally advanced or metastatic EGFR mutated non-small cell lung cancer
	In combination with SYH2051 tablets with or without bevacizumab for the treatment of advanced solid tumors
	In combination with SG001 with or without chemotherapy for the treatment of EGFR and ALK wild-type advanced non-small cell lung cancer and other advanced solid tumors
KN026 injection	Neoadjuvant therapy for early stage or locally advanced HER2-positive breast cancer in combination with HB1801
ALMB-0168 injection	In combination with regorafenib for the treatment of advanced osteosarcoma
SYH2051 tablets (ATM inhibitor)	In combination with SYS6010 with or without bevacizumab for the treatment of advanced solid tumors
	In combination with irinotecan liposome for the treatment of advanced solid tumors
Paclitaxel cationic liposome for injection	Indications for the treatment of liver metastases of advanced solid tumors in combination with systemic therapy
SYHX1901 (JAK&TYK)	In combination with other drugs for the treatment of solid tumors and hematological tumors

- Since the beginning of 2024, a total of 10 generic drugs have obtained drug registration approval, namely dapagliflozin tablets, peramivir injection, olaparib tablets, palbociclib tablets, roxadustat capsules, aprepitant injection, dexrazoxane for injection, tedizolid phosphate tablets, regorafenib tablets and ilaprazole enteric-coated tablets.

North America

- In January 2024, JMT106 injection (bispecific fusion protein targeting GPC3 and interferon receptors) obtained clinical trial approval in the US.

- In April 2024, SYH2039 tablets (highly selective MAT2A inhibitor) obtained clinical trial approval in the US.

- In July 2024, SYS6023 (ADC) obtained clinical trial approval in the US.

- In January 2025, SYS6043 (ADC) obtained clinical trial approval in the US.

- In February 2025, SYH2059 tablets (PDE4B inhibitor) obtained clinical trial approval in the US.

- In March 2025, SYH2051 tablets (selective ATM inhibitor) obtained clinical trial approval in the US.

- In September 2024, CPO301 (EGFR-ADC) had been granted fast track designation by the US Food and Drug Administration (FDA) for the treatment of recurrent or metastatic squamous non-small cell lung cancer (NSCLC) with epidermal growth factor receptor (EGFR) overexpression that has progressed on or after treatment with platinum-based chemotherapy and anti-PD-L1 therapy.

- In December 2024, CRB-701 (SYS6002), developed by Corbus Pharmaceuticals, Inc. under a license from the Group, had been granted Fast Track designation by the FDA for the treatment of relapsed or refractory metastatic cervical cancer.

Major Clinical Trials Progress

DP303c injection (recombinant humanised anti-HER2 monoclonal antibody-MMAE conjugate for injection)

- In February 2024, the phase III clinical trial for the treatment of HER2-positive advanced breast cancer in second-line and beyond was initiated in China.

Daunorubicin cytarabine liposome for injection

- In February 2024, the phase III clinical trial for the treatment of high-risk secondary AML in the elderly patients who have not been previously treated was initiated in China.

Docetaxel for injection (albumin-bound)

- In February 2024, the phase III clinical trial comparing to Taxotere® for the treatment of locally advanced or metastatic gastric adenocarcinoma or gastroesophageal junction adenocarcinoma that has previously failed first-line treatments was initiated in China.

- In July 2024, the phase III clinical trial for the treatment of advanced pancreatic cancer in combination with best supportive care (BSC) versus BSC was initiated in China.

Semaglutide injection

- In August 2024, subject enrollment of the phase III clinical trial for the treatment of type 2 diabetes initiated in China was completed.

- In September 2024, subject enrollment of the phase III clinical trial for the treatment of weight management initiated in China was completed.

JMT103 (narlumosbart injection)

- In March 2024, the phase III clinical trial for the treatment of bone metastasis of malignant solid tumors was initiated in China.

Pregabalin extended-release tablets

- In December 2024, subject enrollment of the phase III clinical trial for neuropathic pain associated with diabetic peripheral neuropathy initiated in China was completed.

Secukinumab injection

- In November 2024, subject enrollment of the phase III clinical trial comparing to Cosentyx® for the treatment of moderate-to-severe plaque psoriasis initiated in China was completed.

TG103 injection (GLP-1 receptor agonists)

- In January 2024, subject enrollment of the phase III clinical trial for the treatment of overweight and obesity initiated in China was completed.

- In December 2024, subject enrollment of the phase III clinical trial for the treatment of type 2 diabetes initiated in China was completed.

- In March 2025, the database lock for phase III clinical trials conducted in China for the treatment of overweight and obesity was completed.

JMT101 injection (recombinant humanised anti-epidermal growth factor receptor monoclonal antibody injection)

- In April 2024, the phase III clinical trial of JMT101 in combination with osimertinib comparing to cisplatin in combination with pemetrexed for the treatment of NSCLC patients with first-line EGFR exon 20 insertion mutations was initiated in China.

- In May 2024, the phase II/III clinical trial of JMT101 in combination with docetaxel (albumin-bound) for treatment of EGFR lung squamous cell carcinoma in second-line and beyond was initiated in China.

Mitoxantrone hydrochloride liposome injection

- In September 2024, subject enrollment of the phase III confirmatory clinical trial for the treatment of relapsed/refractory peripheral T-cell lymphoma initiated in China in second-line and beyond was completed.

Simmitinib hydrochloride tablets

- In October 2024, the phase III clinical trial of simmitinib hydrochloride tablets comparing to investigator's choice of chemotherapy as the second-line treatment of esophageal cancer was initiated in China.

KN026 injection

- In December 2024, the phase III clinical trial of KN026 injection in combination with docetaxel (albumin-bound) comparing to trastuzumab and pertuzumab in combination with docetaxel for neoadjuvant treatment of HER2-positive breast cancer was initiated in China.

Irinotecan liposome injection

- In October 2024, the phase III clinical trial of irinotecan liposome injection in combination with oxaliplatin and tegafur comparing to gemcitabine and capecitabine for adjuvant treatment of pancreatic cancer was initiated in China.

Aprepitant injection

- In November 2024, subject enrollment of the phase III clinical trial for prevention of nausea and vomiting after surgery initiated in China was completed.

Pertuzumab injection

- In November 2024, subject enrollment of the phase III clinical trial of pertuzumab injection in combination with trastuzumab and docetaxel for the treatment of early-stage or locally advanced HER2-positive breast cancer initiated in China was completed.

Valsartan levoamlodipine maleate tablets

- In December 2024, the phase III clinical trial of valsartan levoamlodipine maleate tablets comparing to valsartan or levamlodipine for the treatment of hypertension was initiated in China.

Ammuxetine hydrochloride enteric tablets

- In February 2025, the phase III clinical trial of a controlled sertraline for the treatment of depression was initiated in China.

JSKN003

- In December 2024, the phase III clinical trial for a controlled investigator-selected chemotherapy for the treatment of patients with platinum-resistant recurrent epithelial ovarian, primary peritoneal cancer, or fallopian tube cancers treated with second-line or beyond therapies was initiated in China (conducted by Alphamab Oncology).

- In February 2025, the phase III clinical trial against TDM1 for the treatment of HER2-positive advanced breast cancer in second-line and beyond was initiated in China.

Dextromethorphan bupropion extended-release tablets

- In March 2025, the phase III clinical trial for a controlled placebo treatment for depression was initiated in China.

Publication of Major Clinical Trial Results

SYS6002 for injection (anti-Nectin-4 monoclonal antibody-drug conjugate)

- In January 2024, the results of the phase I clinical study for the treatment of advanced solid tumors were presented at the 2024 ASCO Genitourinary Cancers Symposium (ASCO-GU) (No. B622). Preliminary results indicated that SYS6002 demonstrated clear efficacy signals and good tolerability in advanced solid tumors such as cervical cancer and urothelial cancer.

- In May 2024, the results of the phase I clinical study for the treatment of advanced solid tumors were presented in a poster session at the 2024 ASCO Annual Meeting (No. 3151). Preliminary results indicated that SYS6002 demonstrated clear efficacy signals and good tolerability in patients with advanced solid tumors.

DBPR108 tablets (prusogliptin tablets)

- In January 2024, the results of the phase III clinical study of the monotherapy for the treatment of diabetes were published in the international journal *Diabetes, Obesity & Metabolism*. The results demonstrated that the hypoglycemic efficacy of DBPR108 was significantly better than the placebo group and non-inferior to the active group of sitagliptin phosphate tablets. In addition, the safety profile of DBPR108 tablets was similar to the placebo group and the active group of sitagliptin phosphate tablets.

- In March 2025, the results from the PK/PD study of DBPR108 tablets in patients with type 2 diabetes were accepted by *Clinical Pharmacokinetics* (IF 5.6).

Duentai (度恩泰®) (SARS-CoV-2 mRNA vaccine)

- From February 2024 to March 2024, multiple clinical study results of the first-generation COVID-19 mRNA vaccine were published in international journals *Emerging Microbes & Infections, Vaccine* and *Journal of Medical Virology*, demonstrating that the vaccine had good protective efficacy and immunogenicity as well as a good safety profile, and that it had a certain protective effect against XBB mutant strains.

- In March 2024, the results of the phase I clinical study of the bivalent COVID-19 mRNA vaccine (XBB.1.5/BQ.1 variants) (SYS6006.32) were published in the international journal *Vaccine* (IF 5.5), demonstrating that the vaccine had a good safety profile and good immunogenicity, and could produce cross-immunity against multiple mutant strains.

JMT101 injection (recombinant humanised anti-epidermal growth factor receptor monoclonal antibody injection)

- In March 2024, the results of the phase II clinical trial (BECOME) of JMT101 in combination with osimertinib for the treatment of patients with locally advanced or metastatic NSCLC carrying EGFR exon 20 insertion mutations were orally presented at the European Lung Cancer Congress 2024 (2024 ELCC), demonstrating significant efficacy of JMT101 in combination with osimertinib for the above indications with a controllable safety profile.

- In September 2024, the results of the phase II clinical trial of JMT101 in combination with osimertinib for the treatment of patients with EGFR-sensitive mutated NSCLC were accepted as a mini-oral presentation at the 2024 ESMO Asia Congress (ESMO Asia) and were presented in December 2024 (614M).

- In November 2024, the results of the phase II clinical trial of JMT101 in combination with irinotecan + SG001 versus regorafenib for the treatment of patients with ≥3L colorectal cancer were accepted as a poster presentation at the 2025 ASCO Gastrointestinal Cancers Symposium (ASCO GI) and were presented in January 2025 (TPS314).

TG103 injection (GLP-1 receptor agonists)

- In April 2024, the results of the phase Ib clinical study of the monotherapy for overweight or obesity without type 2 diabetes were published in the international journal *BMC Medicine* (IF 9.3). The study results indicated that the weight-reducing efficacy of TG103 monotherapy was significantly better than the placebo group.

Enshuxing (enlonstobart injection, SG001)

- In May 2024, the results of the phase Ib clinical study of SG001 monotherapy for recurrent or metastatic cervical cancer were published in the international journal *Cancer Communications* (IF 20.1). The study results indicated that SG001 monotherapy demonstrated good efficacy with a controllable safety profile, and SG001 had great potential for future combination treatments in recurrent or metastatic cervical cancer.

- In May and October 2024, the results of the phase II clinical study of SG001 monotherapy for recurrent or metastatic cervical cancer were presented in a poster session at the 2024 ASCO Annual Meeting (No. 5526) and published in the international journal *Gynecologic Oncology* (IF 4.5), respectively. The study results indicated that SG001 monotherapy demonstrated durable anti-tumor activity with an acceptable safety profile in patients with PD-L1 positive recurrent/metastatic cervical cancer.

- In November 2024, the phase III safety run-in results of SG001 in combination with platinum-based chemotherapy with or without bevacizumab for recurrent or metastatic cervical cancer were accepted as a poster presentation at the 2025 Society of Gynecologic Oncology (SGO) Annual Meeting.

Simmitinib hydrochloride tablets

- In May 2024, the results of the phase I clinical study of simmitinib hydrochloride tablets for the treatment of advanced solid tumors were presented in a poster session at the 2024 ASCO Annual Meeting (No. 3109). Preliminary study results indicated that simmitinib hydrochloride tablets had a controllable safety profile and demonstrated good efficacy in patients with esophageal squamous cell carcinoma.

JMT103 (narlumosbart injection)

- In May 2024, the results of the phase Ib clinical study of JMT103 for the treatment of bone metastasis of solid tumors were presented online at the 2024 ASCO Annual Meeting (No. e15190). Preliminary study results indicated that JMT103 had low immunogenicity and a good safety profile, and demonstrated good efficacy in reducing biomarkers of bone metabolism.

- In September 2024, the results of the phase Ib/II clinical study of JMT103 for the treatment of patients with unresectable or surgically challenging giant cell tumor of bone were presented orally at the 2024 Chinese Society of Clinical Oncology (CSCO) Annual Meeting and awarded the Outstanding Paper Award. In October 2024, the results of the study were published in the journal *Nature Communications* (IF 14.7). The results indicated the therapeutic potential of JMT103 for this indication with a good safety profile.

Docetaxel for injection (albumin-bound)

- In May 2024, the results of the phase II clinical study of docetaxel (albumin-bound) for the treatment of gastric adenocarcinoma or gastroesophageal junction adenocarcinoma were presented online at the 2024 ASCO Annual Meeting (No. e16018). Preliminary study results indicated that docetaxel (albumin-bound) had a controllable safety profile and demonstrated good efficacy for such indication. At the same year, the updated results of this clinical study were accepted as a rapid-oral presentation by 2025 ASCO GI and presented in January 2025. The study results showed that the safety profile of docetaxel albumin was comparable to Taxotere®, reducing mortality risk by 41% and demonstrating a numerical advantage in PFS.

DP303c injection (recombinant humanised anti-HER2 monoclonal antibody-MMAE conjugate for injection)

- In August 2024, the results of phase I clinical study of DP303c for the treatment of HER2-expressing advanced solid tumors were published in *npj Precision Oncology*, an international journal (IF 7.9). The study results showed that DP303c demonstrated a favorable efficacy in the treatment of HER2-expressing advanced solid tumors, particularly HER2-expressing breast cancers.

SYHA1813 oral solution

- In September 2024, the results of phase I clinical study of SYHA1813 for the treatment of recurrent or advanced solid tumors were published in a mini-oral session at the 2024 ESMO Congress (No. 2032). The study results showed that SYHA1813 demonstrated a favourable anti-tumor efficacy for the treatment of recurrent glioma.

KN026 injection

- In September 2024, the results of phase II clinical study of KN026 for the combination treatment of HER2-positive advanced unresectable or metastatic gastric cancers/gastroesophageal junction adenocarcinoma were published in a poster session at 2024 ESMO Congress (No. 1425P). The study results showed that KN026 demonstrated an outstanding efficacy and a favourable safety profile for the combination treatment of patients with HER2-positive gastric cancers/ gastroesophageal junction adenocarcinoma in second-line and beyond.

NBL-012 injection (anti-IL-23 p19 subunit antibody)

- In September 2024, the results of phase I clinical study of NBL-012 in healthy group were presented in a poster session at 2024 EADV Congress (No. P0959). The study results showed that NBL-012 demonstrated a general favourable safety profile and tolerability in healthy Chinese subjects, and linear pharmacokinetic characteristics in the dose range of 20mg to 400mg.

SYHX1901 tablets

- In September 2024, the results of the Phase II clinical study of SYHX1901 tablets for moderate-to-severe plaque psoriasis were presented in poster session at the 2024 EADV Congress (No. P3135). The study results indicated that all three dose groups of SYHX1901 tablets showed significantly higher PASI75 achievement rate than the placebo group at 12 weeks of treatment, with good overall safety and tolerability.

Duoenyi (irinotecan liposome injection, HE072)

- In December 2024, the article in relation to the Phase Ib project of irinotecan liposome for triple negative breast cancer (TNBC) was published in *Nature Communications* (IF 14.7). The results indicated that irinotecan liposome had good anti-tumor efficacy, safety and tolerability in the treatment of advanced metastatic TNBC patients.

Ustekinumab injection (SYSA1902)

- In November 2024, the results of the Phase III trial of ustekinumab injection for the treatment of patients with moderate-to-severe plaque psoriasis were accepted as a e-poster presentation at the 2025 American Academy of Dermatology (AAD) Annual Meeting. In March 2025, the results were accepted by the *Journal of the American Academy of Dermatology* (JAAD, IF 12.8), the top-ranked journal in the field of dermatology.

Duoenda (mitoxantrone liposome)

- In October 2024, the article in relation to the phase II project of mitoxantrone liposome for the treatment of peripheral T-cell lymphoma (PTCL) was published in journal *Cancer* (IF 6.1). The results indicated that mitoxantrone liposome had good anti-tumor efficacy, safety and tolerability in the treatment of patients with refractory or relapsed PTCL.

- In February 2025, the results of phase Ib clinical trial of hydrochloride liposome for the treatment of head and neck squamous carcinoma were accepted by the journal *Oral Oncology* (IF4.0), demonstrating good anti-tumor efficacy and safe tolerance of hydrochloride liposome in patients with recurrent/metastatic head and neck squamous carcinoma.

Sirolimus Albumin for Injection

- In February 2025, the results of the phase Ib trial of sirolimus albumin for injection in the treatment of PEComa were accepted as a mini oral presentation by the ESMO Sarcoma.

ALMB-0166

- In March 2025, the results of the phase I/II clinical trial of ALMB-0166 in patients with acute spinal cord injury were accepted as an oral and poster presentation by the American Academy of Neurology (AAN) Annual Meeting, demonstrating the safety and improved initial neurological recovery of ALMB-0166 in patients with acute spinal cord injury.

SYS6010 (anti-human EGFR humanised monoclonal antibody)

- In March 2025, the results of the phase I clinical trial of SYS6010 in advanced solid tumors were accepted as an oral presentation at the 2025 American Association for Cancer Research (AACR) Annual Meeting.

JMT601 (CD20/CD47 bispecific fusion protein)

- In March 2025, the results of the phase I trial of JMT601 in CD20-positive B-cell non-Hodgkin's lymphoma were accepted as a poster presentation at the 2025 AACR Annual Meeting.

SWY2321 (EGFR/c-MET ADC)

- In February 2025, the non-clinical research results of SWY2321 (EGFR/c-MET ADC) were accepted by AACR and selected for poster presentation. Preclinical studies of this drug showed excellent efficacy against tumors with low-to-medium expression of EGFR/c-MET, effectively overcoming tumor heterogeneity and resistance induced by MET amplification.

SYH2039 (MAT2A small molecule inhibitor)

- In February 2025, the non-clinical research results of SYH2039 were accepted by AACR and selected for oral presentation (Mini symposium). This drug is a highly active MAT2A inhibitor with high selectivity for killing MTAP-deficient tumor cells; it has inhibitory effects on various MTAP-deficient tumor cells, high brain penetrance, excellent safety profile, and is the second most advanced drug globally with the same target.

SYS6041 (FR α ADC)

- In February 2025, the non-clinical research results of SYS6041 (*FR* α ADC) were accepted by AACR for poster presentation. Preclinical studies of this drug demonstrated excellent efficacy in low-to-medium FR α expression models and superiority compared to the competitor MTi-ADC, as well as superior efficacy in models resistant to Olaparib and insensitive to MTi-ADC. Additionally, SYS6041 achieves high toxin accumulation at tumor sites, exhibiting good targeting capability and safety profile.

SYS6042 (TROP2 ADC)

- In February 2025, the non-clinical research results of SYS6042 (TROP2–ADC) were accepted by AACR for poster presentation. Preclinical results showed that SYS6042 had superior efficacy in various tumor models compared to similar TROP2–ADCs. Additionally, SYS6042 adopts a pH-sensitive differentiated design, significantly reducing both on-target and off-target toxicities with a good safety profile.

SYS6051 (TF-ADC)

- In February 2025, the non-clinical research results of SYS6051 (TF-ADC) were accepted by the AACR for poster presentation. Preclinical studies of this drug showed good efficacy in tumors with varying levels of tissue factor (TF) expression, demonstrating superior or comparable performance to similar TF-ADCs. Additionally, SYS6051 utilises non-blocking antibodies that do not interfere with coagulation function, thereby reducing the risk of bleeding, and no rash was observed, indicating a better safety profile.

Clinical Pipeline Overview

Registration and Pivotal Trial of Key Products

Drug candidate	Type	Target	Indication(s)	Status
Meloxicam nanocrystal injection	Nanodrug	Selective COX-2 inhibitor	Moderate-to-severe pain in adults	Application for marketing approval submitted
Amphotericin B liposome for injection	Nanodrug	Anti-infective, nonspecific drug	Invasive fungal infection	Application for marketing approval submitted (US)
Irinotecan hydrochloride liposome injection	Nanodrug	Topoisomerase inhibitor	Pancreatic cancer	Application for marketing approval submitted (US)
Clevidipine butyrate injectable emulsion	Nanodrug	Calcium channel blocker	Hypertension	Application for marketing approval submitted
Batoclimab (HBM9161)	Biological drug (monoclonal antibody)	FcRn	Myasthenia gravis	Application for marketing approval submitted
Ustekinumab injection (SYSA1902)	Biological drug (monoclonal antibody)	IL-12/IL-23p40	Psoriasis	Application for marketing approval submitted
Paclitaxel for injection (albumin-bound) II (SYHX2011)	Nanodrug	Microtubule inhibitor	Breast cancer	Application for marketing approval submitted
Aprepitant injection	Chemical drug	NK-1 receptorantagonist	Prevention of nausea and vomiting after surgery	Application for marketing approval submitted
Irinotecan hydrochloride liposomeinjection	Nanodrug	Topoisomeraseinhi bitor	First-line pancreatic cancer	Application for marketing approval submitted
DP303c injection (recombinant humanised anti-HER2 monoclonal antibody-MMAE conjugate for injection)	Biological drug (ADC)	HER2 receptor (ADC)	Breast cancer	Pivotal trial
JMT101 injection (recombinant humanised anti-epidermal growth factor receptor monoclonal antibody injection)	Biological drug (monoclonal antibody)	EGFR	EGFR exon 20 insertion non-small cell lung cancer/Lung squamous cell carcinoma/EGFR mutant non-small cell lung cancer	Pivotal trial
KN026 injection	Biological drug (bispecific antibody)	HER2 bispecific antibody	Gastric cancer/Breast cancer/ Neoadjuvant therapy for breast cancer	Pivotal trial
Pertuzumab injection	Biological drug (monoclonal antibody)	HER2	Breast cancer	Pivotal trial
TG103 injection	Biological drug (monoclonal antibody)	GLP-1 receptor agonist	Obesity and overweight/Diabetes/ Diabetes (combined)	Pivotal trial
Daunorubicin cytarabine liposome for injection	Nanodrug	RNA/DNA polymerase inhibitor	Primary treatment of secondary AML	Pivotal trial
Docetaxel for injection (albumin-bound)	Nanodrug	Microtubule inhibitor	Gastric cancer/Pancreatic cancer	Pivotal trial
Semaglutide injection	Chemical drug	GLP-1Ra/GLP-1 receptor agonist	Diabetes/weight management	Pivotal trial
Mitoxantrone hydrochloride liposome injection	Nanodrug	Cell-cycle non-specific drug	Nasopharyngeal cancer	Pivotal trial
JMT103 (Narlumosbart injection)	Biological drug (monoclonal antibody)	RANKL	Bone metastasis of malignant solid tumors	Pivotal trial
Pregabalin extended-release tablets	Chemical drug	γ-GABA analogue	Neuropathic pain associated with diabetic peripheral neuropathy	Pivotal trial
Pilocarpine hydrochloride eye drops	Chemical drug	Cholinergic muscarinic agonist	Presbyopia	Pivotal trial

Drug candidate	Type	Target	Indication(s)	Status
Secukinumab injection	Biological drug (monoclonal antibody)	IL-17 monoclonal antibody	Psoriasis	Pivotal trial
SYHX1901 tablets	Chemical drug	JAK&TYK dual-target inhibitor	Psoriasis	Pivotal trial
Sirolimus for injection (albumin-bound)	Nanodrug	mTOR inhibitor	Perivascular epithelioid cell tumor (PEComa)/Second-line breast cancer	Pivotal trial
Irinotecan hydrochloride liposome injection	Nanodrug	Topoisomerase inhibitor	Adjuvant pancreatic cancer	Pivotal trial
Simmitinib hydrochloride tablets	Chemical drug	FGFR1-3 & KDR & CSF1R multi-targeted small molecule kinase inhibitor	Esophageal squamous cell carcinoma	Pivotal trial
SYS6010 injection	Biological drug	EGFR(ADC)	Treatment-naive and TKI-resistant EGFR mutant non-small cell lung cancer	Pivotal trial
SYSA1801 injection	Biological drug	CLDN18.2(ADC)	CLDN18.2-positive HER2-negative gastric adenocarcinoma	Pivotal trial
Valsartan Levoamlodipine Maleate Tablets	Chemical drug	Angiotensin II receptor blocker	Hypertension	Pivotal trial
Ammuxetine hydrochloride enteric tablets	Chemical drug	5-Hydroxytryptamine and norepinephrine reuptake inhibitors	Depression	Pivotal trial
Dextromethorphan bupropion extended-release tablets	Chemical drug	NMDA receptor antagonist	Depression	Pivotal trial
JSKN003	Biological drug	HER2 bispecific anti-ADC	Second-line and beyond HER2-positive breast cancer/HER2 low-expression breast cancer/ patients with second-line and beyond platinum-resistant recurrent epithelial ovarian cancer, primary peritoneal carcinoma, or fallopian tube cancer	Pivotal trial
SYHA1813 oral solution	Chemical drug	VEGFR/CSF1R	Small cell lung cancer	Pivotal trial
Prusogliptin tablets	Chemical drug	DPP-4 inhibitor	Diabetes (combined treatment)	Pivotal trial
Glumetinib tablets	Chemical drug	MET inhibitor	Non-small cell lung cancer	Pivotal trial

Awards and Patents

- In December 2024, the Group's project on "Key Technology Research and Industrialisation of Nintedanib Mesylate for Pulmonary Fibrosis" was awarded the First Prize of the Hebei Provincial Science and Technology Progress Award.

- In December 2024, the "Hebei Province Innovative Drug Formulation and Delivery Technology Collaborative Innovation Alliance", led by the Group, was approved for establishment by the Hebei Provincial Department of Science and Technology.

- Since the beginning of 2024, 51 international PCT applications and 338 patent applications (200 domestic and 138 overseas) were filed, and 93 patents (44 domestic and 49 overseas) were granted.

- Cumulatively 213 international PCT applications and 2,132 patent applications (1,384 domestic and 748 overseas) were filed, and 992 patents (649 domestic and 343 overseas) were granted.

Business Development

While continuing to enhance in-house innovation and R&D capabilities, the Group is also driving forward its business development efforts. We will seek to further strengthen our product pipelines and create new growth drivers through collaboration with biotech companies having high-quality drug candidates. In addition, we will actively promote internationalisation of the business by out-licensing the Group's innovative products.

In-Licensing

- In September 2024, the Group entered into an exclusive license agreement with Jiangsu Alphamab to obtain the development and commercialisation rights of JSKN003 (a biparatopic HER2-targeting ADC) in mainland China.

Out-Licensing

- In October 2024, the Group entered into an exclusive license agreement with AstraZeneca to out-license the global development, manufacture and commercialisation rights of the Group's pre-clinical small molecule inhibitor Lp(a) (YS302018) and any pharmaceutical product subsequently developed that is comprised of or contains the compound. The Group will receive an upfront payment of US$100 million, and is also eligible to receive up to US$370 million in potential development milestone payments and up to US$1,550 million in potential sales milestone payments, plus tiered royalties.

- In December 2024, the Group entered into an exclusive license agreement with BeiGene to out-license the global development, manufacture and commercialisation rights of the Group's novel and highly selective methionine adenosyltransferase 2A (MAT2A) inhibitor (SYH2039) and any pharmaceutical product subsequently developed that is comprised of or contains the compound. The Group will receive upfront payments totaling US$150 million, and is also eligible to receive potential development milestone payments of up to US$135 million and potential sales milestone payments of up to US$1,550 million, plus tiered royalties.

- In February 2025, the Group entered into an exclusive license agreement with Radiance Biopharma, Inc. to out-license the development and commercialisation rights of the Group's SYS6005 (ADC) in the United States, the European Union, the United Kingdom, Switzerland, Norway, Iceland, Liechtenstein, Albania, Montenegro, North Macedonia, Serbia, Australia, and Canada. The Group will receive upfront payments of US$15 million and is also eligible to receive potential development milestone payments of up to US$150 million and potential sales milestone payments of up to US$1,075 million, plus tiered royalties.

FINANCIAL REVIEW

Financial Results

Revenue and Gross Profit Margin

Revenue for the year amounted to RMB29,009 million, a decrease of 7.8% compared to RMB31,450 million in 2023. The decrease was mainly due to the decline in revenue from the finished drug business. Gross profit margin slightly decreased by 0.5 percentage point to 70.0%.

Other Income

Other income for the year amounted to RMB561 million (2023: RMB626 million), mainly consisting of interest income on bank deposits and balances of RMB232 million (2023: RMB260 million), government grant income of RMB129 million (2023: RMB216 million) and agency income of RMB118 million (2023: RMB27 million) .

Other gains or losses, net

A net loss of RMB118 million was recorded for the year (2023: net loss of RMB105 million), mainly consisting of fair value loss on financial assets measured at FVTPL of RMB152 million (2023: loss of RMB211 million) , net foreign exchange gain of RMB20 million (2023: net gain of RMB103 million) and fair value gain on structured bank deposits of RMB47 million (2023: gain of RMB87 million).

Operating Expenses

Selling and distribution expenses for the year amounted to RMB8,662 million, a decrease of 5.2% compared to RMB9,141 million in 2023. During the year, the Group continued to expand the market coverage of each product and actively promote the newly launched products, while strengthening control over expenses and enhancing efficiency of marketing activities.

Administrative expenses for the year amounted to RMB1,080 million, a decrease of 9.3% compared to RMB1,190 million in 2023. The decrease was mainly because the Group strengthened control over expenses.

R&D expenses for the year amounted to RMB5,191 million, an increase of 7.5% compared to RMB4,830 million in 2023. The increase was primarily attributable to the increased spending on ongoing and newly initiated clinical trials.

Income tax expense

Income tax expenses for the year amounted to RMB1,240 million (2023: RMB1,317 million), which represented provision of income tax expense based on the taxable income of each subsidiary and PRC withholding tax on dividend distributions by certain subsidiaries. The effective tax rate, being the ratio of tax expenses to profit before tax for the year, was 22.2%.

Non-HKFRS Measure

For the purpose of assessing the performance of the Group, the Company has also presented the underlying profit attributable to shareholders as an additional financial measure, which is not required by, or presented in accordance with the Hong Kong Financial Reporting Standards ("HKFRS"). The Group believes that this non-HKFRS financial measure better reflects the underlying operational performance of the Group by eliminating certain non-operating items which the Group does not consider indicative of the Group's operational performance. However, the presentation of this non-HKFRS financial measure is not intended to be a substitute for, or superior to, the financial information prepared and presented in accordance with HKFRS.

Additional information is provided below to reconcile the profit attributable to shareholders as reported and the underlying profit attributable to shareholders:

	2024	2023
	(RMB'000)	*(RMB'000)*
Profit attributable to shareholders	**4,328,035**	5,873,325
Adjustment for:		
— Fair value loss on financial assets measured at FVTPL *(note a)*	**151,936**	210,712
— Employee share-based compensation expenses *(note b)*	**210,454**	235,092
— Gain on deemed disposal of partial interests in an associate	**–**	(32,861)
— Effect of corresponding income tax	**(7,516)**	(11,015)
Underlying profit attributable to shareholders	**4,682,909**	6,275,253

Notes:

(a) Fair value loss on financial assets measured at FVTPL arises from the measurement of the Group's investments in certain partnerships, funds and listed equity securities at fair value.

(b) Of the total employee share-based compensation expenses recognised during the year, RMB198,319,000 (2023: RMB193,952,000) was in respect of share awards granted to selected employees of the Group by Key Honesty Limited (a shareholder of the Company).

Liquidity and Financial Position

In 2024, the Group's operating activities generated a cash inflow of RMB4,535 million (2023: RMB4,179 million). Turnover days of trade receivables (ratio of balance of trade receivables to sales, inclusive of value added tax for sales in China) was 62 days, slightly lower than 63 days in 2023. The Group will strengthen its control and management in this aspect. Turnover days of inventories (ratio of balance of inventories to cost of sales) was 132 days, higher than 124 days in 2023. Current ratio was 2.3 as at 31 December 2024, lower than the ratio of 2.6 in the previous year. Capital expenditure for the year amounted to RMB2,104 million, which was mainly used to construct production facilities and improve production efficiency.

The Group's financial position remained solid. As at 31 December 2024, the Group had bank deposits, balances and cash of RMB9,187 million (2023: RMB12,755 million), structured bank deposits of RMB1,307 million (2023: RMB1,077 million) and bank borrowings of RMB392 million (2023: RMB450 million). As at 31 December 2024, gearing ratio (ratio of bank borrowings to total equity) was 1.2% (2023: 1.3%).

The Group's sales are primarily denominated in Renminbi for domestic sales in China and US dollars for export sales. The Group effectively manages its foreign exchange risks by closely monitoring its foreign exchange exposures and mitigating the impact of foreign currency fluctuations through the use of appropriate hedging arrangements when considered necessary.

Pledge of Assets

As at 31 December 2024, bank deposits of RMB44 million have been pledged to secure short-term banking facilities.

Contingent Liabilities

The Group did not have any material contingent liabilities as at 31 December 2024.

Employees

The Group employed a total of approximately 21,400 employees as at 31 December 2024, with a majority of them employed in mainland China. The Group continues to offer competitive remuneration packages, discretionary share options, share awards and bonuses to eligible staff, based on the overall performance of the Group and the individual employees.

CONSOLIDATION FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2024

	Note	**2024**	2023
		RMB'000	*RMB'000*
Revenue	*3*	**29,009,254**	31,450,109
Cost of sales		**(8,710,543)**	(9,273,423)
Gross profit		**20,298,711**	22,176,686
Other income		**561,089**	626,271
Other gains or losses, net		**(118,149)**	(104,936)
Selling and distribution expenses		**(8,662,306)**	(9,140,652)
Administrative expenses		**(1,079,603)**	(1,189,648)
Research and development expenses		**(5,190,656)**	(4,830,375)
Other expenses		**(97,213)**	(100,743)
Share of results of associates		**(45,922)**	(41,065)
Share of results of joint ventures		**(43,552)**	(13,131)
Gain on deemed disposal of partial interests in an associate		**–**	32,861
Finance costs		**(43,673)**	(25,896)
Profit before tax		**5,578,726**	7,389,372
Income tax expense	*5*	**(1,239,901)**	(1,316,679)
Profit for the year	*4*	**4,338,825**	6,072,693
Profit for the year attributable to:			
Owners of the Company		**4,328,035**	5,873,325
Non-controlling interests		**10,790**	199,368
		4,338,825	6,072,693
		RMB cents	*RMB cents*
Earnings per share	*6*		
— Basic		**36.87**	49.47
— Diluted		**36.87**	49.47

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	2024	2023
	RMB'000	*RMB'000*
Profit for the year	**4,338,825**	6,072,693
Other comprehensive expense:		
Item that will not be reclassified to profit or loss:		
Fair value loss on financial assets measured at fair value through other comprehensive income, net of income tax	**(12,453)**	(6,003)
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	**(29,594)**	(17,544)
Other comprehensive expense for the year, net of income tax	**(42,047)**	(23,547)
Total comprehensive income for the year	**4,296,778**	6,049,146
Total comprehensive income for the year attributable to:		
Owners of the Company	**4,285,988**	5,849,778
Non-controlling interests	**10,790**	199,368
	4,296,778	6,049,146

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	Note	**2024**	2023
		RMB'000	*RMB'000*
Non-current assets			
Property, plant and equipment		**11,374,442**	10,416,599
Right-of-use assets		**1,128,458**	1,226,293
Investment property		**56,127**	59,432
Goodwill		**234,904**	234,904
Intangible assets		**2,609,506**	2,198,549
Interests in associates		**815,094**	786,085
Interests in joint ventures		**711,799**	682,351
Other financial assets		**2,334,120**	2,387,159
Deferred tax assets		**250,297**	186,776
Deposits, prepayments and other receivables	*9*	**576,100**	619,077
Bank deposits		**2,410,000**	740,000
		22,500,847	19,537,225
Current assets			
Inventories		**3,130,014**	3,138,664
Trade receivables	*8*	**5,160,672**	5,869,223
Deposits, prepayments and other receivables	*9*	**887,059**	672,655
Bills receivables	*10*	**4,035,490**	3,685,282
Amounts due from related companies		**359,123**	157,313
Amounts due from joint ventures		**65,475**	129,531
Other financial assets		**166,105**	–
Structured bank deposits		**1,307,007**	1,077,054
Bank deposits, balances and cash		**6,777,199**	12,015,223
		21,888,144	26,744,945
Current liabilities			
Trade payables	*11*	**1,667,247**	2,426,115
Other payables	*12*	**5,741,793**	5,978,313
Contract liabilities		**283,901**	326,205
Bills payables	*13*	**945,753**	415,624
Amounts due to related companies		**272,659**	21,436
Amounts due to joint ventures		**133,965**	35,587
Lease liabilities		**58,991**	149,627
Tax liabilities		**137,514**	379,450
Bank borrowings		**392,204**	450,216
		9,634,027	10,182,573
Net current assets		**12,254,117**	16,562,372
Total assets less current liabilities		**34,754,964**	36,099,597

	Note	**2024**	2023
		RMB'000	*RMB'000*
Non-current liabilities			
Other payables	*12*	**407,808**	399,684
Lease liabilities		**56,135**	107,058
Deferred tax liabilities		**424,731**	574,843
		888,674	1,081,585
Net assets		**33,866,290**	35,018,012
Capital and reserves			
Share capital		**11,032,752**	10,899,412
Reserves		**21,231,943**	22,303,796
Equity attributable to owners of the Company		**32,264,695**	33,203,208
Non-controlling interests		**1,601,595**	1,814,804
Total equity		**33,866,290**	35,018,012

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and on the historical cost basis except for certain financial instruments that are measured at fair value at the end of the reporting period.

The financial information relating to the years ended 31 December 2024 and 2023 included in this preliminary announcement of 2024 annual results does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

- The Company has delivered the financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance and will deliver the financial statements for the year ended 31 December 2024 in due course.

- The Company's auditor has reported on the financial statements of the Group for the years ended 31 December 2024 and 2023. The auditor's reports for both years were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

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

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRSS

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs in the current year has no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

	2024	2023
	RMB'000	*RMB'000*
Sale of goods	**28,991,423**	31,415,409
Licence fee income	**17,831**	34,700
	29,009,254	31,450,109

Information reported to executive directors , being collectively the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered.

The Group's reportable segments are as follows:

(a) Finished drugs — research and development, manufacture and sale of pharmaceutical products and licence fee income;

(b) Bulk products — manufacture and sale of vitamin C, antibiotic products in bulk powder form; and

(c) Functional food and others — manufacture and sale of functional food products (including caffeine additives, anhydrous glucose, acarbose and vitamin C buccal tablets), provision of healthcare service and others.

Sales of goods

Revenue is recognised at a point of time upon control of the goods has transferred, being when the goods have been delivered to the customer's specific location. Following delivery, the customer bears the risks of obsolescence and loss in relation to the goods. The normal credit term is 90 days upon delivery.

The transaction price received by the Group is recognised as a contract liability until the goods have been delivered to the customer.

As at 31 December 2024, all outstanding sales contracts are expected to be fulfilled within one year.

Licence fee income

The Group provides licence of its patented intellectual property ("IP") or commercialisation licence to customers and revenue is recognised when the customers obtain rights to access or use the underlying IP or licence. Licence fee income is recognised at a point in time upon the customer obtains control of IP.

The consideration for license comprises a fixed element (the upfront payment) and variable elements (including but not limited to development milestones and royalties).

For license associated with customers' right to use, upfront fee received is recorded under contract liabilities and recognised as revenue only when customers have ability to use the license and variable consideration is recognised only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future.

Segment revenues and results

The following is an analysis of the Group's revenue and results by operating and reportable segments.

For the year ended 31 December 2024:

	Finished drugs	Bulk products		Functional food and others	Segment total	Eliminations	Consolidated
		Vitamin C	Antibiotics				
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
SEGMENT REVENUE							
External sales	**23,718,326**	**1,994,256**	**1,588,907**	**1,689,934**	**28,991,423**	**–**	**28,991,423**
Inter-segment sales	**–**	**36,478**	**183,575**	**174,697**	**394,750**	**(394,750)**	**–**
Licence fee income	**17,831**	**–**	**–**	**–**	**17,831**	**–**	**17,831**
TOTAL REVENUE	**23,736,157**	**2,030,734**	**1,772,482**	**1,864,631**	**29,404,004**	**(394,750)**	**29,009,254**
SEGMENT PROFIT	**4,827,585**	**211,279**	**299,175**	**305,291**	**5,643,330**		**5,643,330**
Unallocated income							**279,966**
Unallocated expenses							**(211,423)**
Share of results of associates							**(45,922)**
Share of results of joint ventures							**(43,552)**
Finance costs							**(43,673)**
Profit before tax							**5,578,726**

For the year ended 31 December 2023

	Finished drugs	Bulk products		Functional food and others	Segment total	Eliminations	Consolidated
		Vitamin C	Antibiotics				
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
SEGMENT REVENUE							
External sales	25,602,434	1,929,406	1,711,922	2,171,647	31,415,409	–	31,415,409
Inter-segment sales	–	11,960	299,812	300,250	612,022	(612,022)	–
Licence fee income	34,700	–	–	–	34,700	–	34,700
TOTAL REVENUE	25,637,134	1,941,366	2,011,734	2,471,897	32,062,131	(612,022)	31,450,109
SEGMENT PROFIT	6,699,897	4,950	154,346	561,525	7,420,718		7,420,718
Unallocated income							414,636
Unallocated expenses							(398,751)
Share of results of associates							(41,065)
Share of results of joint ventures							(13,131)
Gain on deemed disposal of partial interests in an associate							32,861
Finance costs							(25,896)
Profit before tax							7,389,372

Segment profit represents the profit earned by each segment without allocation of interest income, fair value changes on structured bank deposits, fair value changes on financial assets measured at fair value through profit or loss, central administrative expenses, share of results of associates and joint ventures, gain on deemed disposal of partial interests in an associate and finance costs. This is the measure reported to the executive directors for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates.

The executive directors makes decisions according to operating results of each segment. No analysis of segment asset and segment liability is presented as the executive directors do not regularly review such information for the purposes of resource allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

Geographical information

Revenue from the external customers by geographical market (irrespective of the origin of the goods) based on the location of customers is presented below:

	2024	2023
	RMB'000	*RMB'000*
Mainland China	**25,106,726**	27,183,715
Other Asian regions	**1,182,318**	1,582,878
Europe	**1,313,288**	1,276,883
North America	**853,042**	881,801
Others	**553,880**	524,832
	29,009,254	31,450,109

The Group's operations are substantially based in Mainland China and majority of the Group's non-current assets are located in Mainland China. Therefore, no further analysis of geographical information is presented.

None of the Group's customers contributed over 10% of the total revenue of the Group for both years.

4. PROFIT FOR THE YEAR

	2024	2023
	RMB'000	*RMB'000*
Profit for the year has been arrived at after charging/(crediting):		
Staff costs, including directors' and chief executive's remuneration		
— salaries, wages and other benefits	**4,001,063**	4,230,760
— contribution to retirement benefit schemes	**193,978**	241,560
— employee share-based compensation expenses *(note a)*	**210,454**	235,092
Total staff costs	**4,405,495**	4,707,412
Depreciation of property, plant and equipment	**1,023,305**	867,252
Depreciation of right-of-use assets	**163,768**	164,077
Depreciation of investment property	**3,305**	3,305
Amortisation of intangible assets	**149,072**	82,856
Total depreciation and amortisation	**1,339,450**	1,117,490
Auditor's remuneration	**7,461**	7,493
Government grant income (included in other income)	**(128,772)**	(215,702)
Impairment losses recognised under ECL loss model (included in other gains or losses)	**16,304**	18,412
Impairment loss of intangible assets (included in other gains or losses)	**–**	42,315
Interest income on bank deposits and balances (included in other income)	**(232,497)**	(259,881)
Fair value loss on financial assets measured at FVTPL (included in other gains or losses)	**151,936**	210,712
Fair value gain on structured bank deposits (included in other gains or losses)	**(47,470)**	(87,228)
Loss on disposal of property, plant and equipment (included in other gains or losses)	**23,398**	22,226
Net foreign exchange gains (included in other gains or losses)	**(19,789)**	(102,531)

Notes:

(a) The amount mainly included employee share-based compensation expenses of RMB12,052,000 (2023: RMB42,030,000) in respect of share awards and share options granted by the Company and RMB198,319,000 (2023: RMB193,952,000) in respect of share awards granted by a shareholder of the Company involving the existing shares of the Company held by the shareholder.

(b) Cost of inventories recognised as an expense approximated cost of sales as shown in the consolidated income statement for the years ended 31 December 2024 and 2023.

5. INCOME TAX EXPENSE

	2024	2023
	RMB'000	*RMB'000*
Current taxation:		
— PRC Enterprise Income Tax	**1,191,896**	1,279,724
— PRC withholding tax on dividends distributed by subsidiaries	**253,000**	136,017
— Overseas taxation	**6,095**	11,250
	1,450,991	1,426,991
Deferred taxation	**(211,090)**	(110,312)
	1,239,901	1,316,679

No provision for Hong Kong Profits Tax has been made as the Group did not have any assessable profits arising in or derived from Hong Kong for both years.

The standard tax rate of the Company's PRC subsidiaries is 25% under the law of the PRC on Enterprise Income Tax (the "EIT Law") and implementation regulations of the EIT Law. Certain subsidiaries of the Company are qualified as High and New Technology Enterprises, and they are subject to a preferential tax rate of 15% up to 2027.

Under the EIT Law, dividends distributed by a company established in the PRC to foreign investor with respect to profits earned from 1 January 2008 onwards are subject to a withholding tax of 10%. The tax rate will be reduced to 5% if such foreign investors meet certain conditions specified in the relevant tax regulations.

Taxation arising in other jurisdictions is calculated at the rates prevailing in relevant jurisdictions.

The Group is operating in one of the jurisdictions where the Pillar Two Rules is effective. As the Group's estimated effective tax rates of such in-effect jurisdiction in which the Group operates is higher than 15%, after taking into account the adjustments under the Global Anti-base Erosion Rules based on management's best estimate, the management of the Group considered the Group is not liable to top-up tax under the Pillar Two Rules.

6. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is as follows:

	2024	2023
	RMB'000	*RMB'000*
Profit attributable to owners of the Company *(RMB'000)*	**4,328,035**	5,873,325
Weighted average number of ordinary shares for the purpose of basic earnings per share *(in '000)*	**11,738,041**	11,872,021
Effect of dilutive potential ordinary shares:		
Share options and share awards *(in '000)*	**2**	1,010
Weighted average number of ordinary shares for the purpose of diluted earnings per share *('000)*	**11,738,043**	11,873,031

The weighted average number of ordinary shares for the calculation of basic earnings per share for both years has been adjusted for the effects of the shares held by the trustee under the share award scheme of the Company.

7. DIVIDENDS

	2024	2023
	RMB'000	*RMB'000*
Dividends recognised as distribution during the year:		
Interim dividend paid:		
2024: HK16 cents (approximately RMB14.7 cents) (2023: HK14 cents (approximately RMB12.8 cents)) per share	**1,716,637**	1,529,135
Final dividend paid:		
2023: HK14 cents (approximately RMB13 cents) (2022: HK11 cents (approximately RMB10.1 cents)) per share	**1,540,544**	1,207,225
Less: dividend for shares held by share award scheme	**(23,366)**	(10,107)
	3,233,815	2,726,253

The final dividend for current year proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

8. TRADE RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**5,219,113**	5,911,360
Less: allowance for ECL	**(58,441)**	(42,137)
	5,160,672	5,869,223

As at 1 January 2023, trade receivables (net of allowance under ECL model) from contracts with customers amounted to RMB3,937,967,000.

The Group allows a general credit period of 90 days to its trade customers. The following is an ageing analysis of trade receivables (net of allowance under ECL model) at the end of the reporting period presented based on the invoice dates which approximated the respective revenue recognition dates:

	2024	2023
	RMB'000	*RMB'000*
0 to 90 days	**4,322,517**	5,272,089
91 to 180 days	**672,925**	564,976
181 to 365 days	**147,431**	29,364
More than 365 days	**17,799**	2,794
	5,160,672	5,869,223

Trade receivables with aggregate carrying amount of RMB838,155,000 (2023: RMB597,134,000) are past due as at the reporting date. Out of the past due balances, RMB165,230,000 (2023: RMB32,158,000) has been past due 90 days or more and is not considered as in default because there has not been significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

9. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Prepayments for raw materials and research and development expenses	**207,080**	175,305
Deposits paid for acquisition of property, plant and equipments and right-of-use assets	**576,100**	619,077
Other taxes recoverable	**362,346**	210,162
Others	**317,633**	287,188
	1,463,159	1,291,732
Analysed as:		
Current	**887,059**	672,655
Non-current	**576,100**	619,077
	1,463,159	1,291,732

10. BILLS RECEIVABLES

All bills receivables of the Group are with a maturity period of less than 365 days (2023: less than 365 days) and not yet due at the end of the reporting period. The management considers the default risk is low based on historical information, experience and forward looking information that is available without undue cost of effort.

11. TRADE PAYABLES

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

	2024	2023
	RMB'000	*RMB'000*
0 to 90 days	**1,360,917**	1,994,671
91 to 180 days	**170,476**	203,696
More than 180 days	**135,854**	227,748
	1,667,247	2,426,115

The general credit period on purchases of goods is up to 90 days (2023: 90 days).

12. OTHER PAYABLES

	2024	2023
	RMB'000	*RMB'000*
Other taxes payable	**196,717**	181,502
Payables arising from construction and acquisition of property, plant and equipment	**1,033,790**	1,027,366
Deferred government grants	**661,956**	509,226
Salaries, wages and staff welfare payable	**509,439**	660,299
Selling expense payable	**2,925,497**	3,293,158
Research and development expense payable	**189,807**	264,913
Others	**632,395**	441,533
	6,149,601	6,377,997
Analysed as:		
Current	**5,741,793**	5,978,313
Non-current	**407,808**	399,684
	6,149,601	6,377,997

13. BILLS PAYABLES

All bills payables of the Group are aged within 365 days (2023: 365 days) and not yet due at the end of the reporting period.

SUSTAINABLE DEVELOPMENT STRATEGIES

The Group will continue to pursue the development strategies of (i) active development of innovative drug business; (ii) continuation of products internationalisation; and (iii) consolidation of leadership in bulk drug business in order to achieve long-term sustainable growth.

CORPORATE GOVERNANCE

The Company has complied with all the code provisions in the Corporate Governance Code set out in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited throughout the year ended 31 December 2024.

REVIEW OF ANNUAL RESULTS

The consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2024 have been reviewed by the Audit Committee of the Company and audited by the Company's auditor.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 26 May 2025 to Friday, 30 May 2025, both days inclusive, during which period no transfer of shares will be effected. In order to determine the identity of members who are entitled to attend and vote at the annual general meeting to be held on Friday, 30 May 2025, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Friday, 23 May 2025.

The register of members of the Company will be closed from Friday, 6 June 2025 to Monday, 9 June 2025, both dates inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 5 June 2025.

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

During the year, the Company repurchased its own shares on The Stock Exchange of Hong Kong Limited as follows:

Date	Number of shares repurchased	Highest purchase price per share	Lowest purchase price per share	Aggregate consideration (before expenses)	
		HK$	*HK$*	*HK$'000*	*RMB'000 (equivalent)*
April 2024	26,628,000	5.99	5.66	155,616	141,147
June 2024	36,350,000	6.58	6.21	231,848	211,185
August 2024	55,760,000	4.93	4.69	268,055	244,853
September 2024	108,100,000	4.88	4.51	504,924	460,291
November 2024	57,580,000	5.25	5.02	295,822	273,376
December 2024	55,750,000	4.87	4.61	264,804	244,964
	340,168,000			1,721,069	1,575,816

Of the shares repurchased, 284,418,000 shares and 55,750,000 shares were cancelled during the year and in January 2025 respectively.

The repurchase of shares was made for the benefit of the shareholders with a view to enhancing the earnings per share as well as maximizing shareholders' return.

Saved as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company during the year.

By order of the Board
CAI Dongchen
Chairman

Hong Kong, 28 March 2025

As at the date of this announcement, the Board comprises Mr. CAI Dongchen, Mr. ZHANG Cuilong, Mr. WANG Zhenguo, Mr. PAN Weidong, Mr. WANG Huaiyu, Dr. LI Chunlei, Dr. YAO Bing, Mr. CAI Xin and Mr. CHEN Weiping as executive directors; and Mr. WANG Bo, Mr. CHEN Chuan, Prof. WANG Hongguang, Mr. AU Chun Kwok Alan, Mr. LAW Cheuk Kin Stephen and Ms. LI Quan as independent non-executive directors.