THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Sichuan Kelun-Biotech Biopharmaceutical Co., Ltd.**, you should at once hand this circular and the form of proxy of the EGM to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase, or subscribe for any securities of Sichuan Kelun-Biotech Biopharmaceutical Co., Ltd..

Sichuan Kelun-Biotech Biopharmaceutical Co., Ltd.
四川科倫博泰生物醫藥股份有限公司

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

(Stock Code: 6990)

CONTINUING CONNECTED TRANSACTIONS
PROPOSED ADOPTION OF THE 2025 SHARE INCENTIVE SCHEME
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders

ALTUS CAPITAL LIMITED

Sichuan Kelun-Biotech Biopharmaceutical Co., Ltd. will convene the EGM at Meeting Room 1, 2/F, K1 Building, Sichuan Kelun-Biotech Biopharmaceutical Co., Ltd., No. 666 Xinhua Avenue, Chengdu Cross-Strait Science and Technology Industry Development Park, Wenjiang District, Chengdu, Sichuan Province, the PRC, at 9:00 a.m. on December 31, 2025. The notice of the EGM is set out on pages EGM-1 to EGM-4 of this circular. The form of proxy for use at the EGM is published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (https://kelun-biotech.com).

Shareholders who intend to appoint a proxy to attend the EGM shall complete and return the form of proxy of the EGM in accordance with the instructions stated thereon to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not less than 24 hours before the time fixed for holding the EGM (i.e. not later than 9:00 a.m. on December 30, 2025) or any adjourned meeting thereof (as the case may be). Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the EGM or any adjourned meeting thereof if they so wish.

References to dates and time in this circular are to Hong Kong dates and time.

December 15, 2025

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In this circular, the following expressions have the following meanings unless defined otherwise:

"2024 Annual Report"	the annual report of the Company for the year ended December 31, 2024
"2025 Promotional Services Framework Agreement"	the promotional services framework agreement dated February 12, 2025 between the Company and Kelun Jiaxun, details of which are set out in the announcement of the Company dated February 12, 2025
"2025 Share Incentive Scheme"	the 2025 Share Incentive Scheme proposed to be approved by the Shareholders at the EGM
"2026 Auxiliary R&D Services Framework Agreement"	the auxiliary R&D services framework agreement dated December 15, 2025 between the Company and Kelun Pharmaceutical
"2026 Procurement and Sale of Equipment and Materials Framework Agreement"	the procurement and sale of equipment and materials framework agreement dated December 15, 2025 between the Company and Kelun Pharmaceutical
"2026 Promotional Services Framework Agreement"	the promotional services framework agreement dated December 15, 2025 between the Company and Kelun Jiaxun
"Adoption Date"	the date on which the 2025 Share Incentive Scheme is conditionally adopted by the Shareholders at the EGM
"Affiliates"	with respect to any specified company, any subsidiary of such specified company, any company controlling such specified company, and any company under common control with such specified company
"Amended Auxiliary R&D Services Framework Agreement"	the auxiliary R&D services framework agreement dated June 1, 2023, between the Company and Kelun Pharmaceutical (for itself and on behalf of the Remaining Kelun Group), as amended and supplemented by the supplementary auxiliary R&D services framework agreement dated August 19, 2024 between the Company and Kelun Pharmaceutical, details of which are set out in the announcements of the Company dated August 19, 2024 and August 30, 2024
"Announcement"	the announcement of the Company dated December 15, 2025 in respect of, amongst others, the CCT Agreements and the transactions contemplated thereunder

"Applicable Laws"	all applicable laws, regulations, ordinances or requirements of the relevant regulatory authorities including without limitation the Company Ordinance (Chapter 622 of the laws of Hong Kong), the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) or the Listing Rules
"Articles"	the articles of association of the Company, as amended, supplemented or otherwise modified from time to time
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Auditors"	the auditors for the time being of the Company
"Auxiliary R&D Equipment"	auxiliary R&D and other miscellaneous equipment and materials, which include, without limitation, laboratory equipment, instruments and machines, engineering materials, reagents and consumables
"Auxiliary R&D Services"	auxiliary R&D services, which include (1) the procurement of auxiliary R&D services, including but not limited to process development and optimization, sample purification, crystallization screening, GMP batch release testing, packing material releasing testing and production of raw materials and formulation, from Kelun Pharmaceutical and/or the Remaining Kelun Group, and (2) the provision of auxiliary R&D services, including but not limited to preclinical toxicology, pharmacology studies (including toxicology, pharmacokinetics, pharmacodynamic and other screening studies), clinical biostatistics, data management, quality control and clinical audit to Kelun Pharmaceutical and/or the Remaining Kelun Group
"Award Share(s)"	H Share(s) underlying a Share Award
"Board"	the board of directors of the Company
"Board or its Delegate(s)"	means the Board or an administration committee set up to administer the 2025 Share Incentive Scheme
"business day(s)"	means any day on which securities are traded on the Stock Exchange

"CCT Agreement(s)"	2026 Promotional Services Framework Agreement, 2026 Auxiliary R&D Services Framework Agreement and 2026 Procurement and Sale of Equipment and Materials Framework Agreement
"Cetuximab N01 Injection"	Cetuximab N01 Injection (formerly A140) (brand name: 达泰莱®), a recombinant epidermal growth factor receptor (EGFR) human-mouse chimeric monoclonal antibody developed by the Company
"close associate(s)"	has the meaning ascribed to it under the Listing Rules
"Company"	Sichuan Kelun-Biotech Biopharmaceutical Co., Ltd. (四川科倫博泰生物醫藥股份有限公司), a joint stock company incorporated in the PRC with limited liability, the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 6990)
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"controlling shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"core connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Date of Grant"	The date on which the Board or its Delegate(s) resolves to make a grant of an Award to the Participant, which date must be a business day
"Director(s)"	the director(s) of the Company
"Domestic Share(s)"	ordinary shares in the share capital of our Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB
"EGM"	the extraordinary general meeting of the Company to be convened and held at Meeting Room 1, 2/F, K1 Building, Sichuan Kelun-Biotech Biopharmaceutical Co., Ltd., No. 666 Xinhua Avenue, Chengdu Cross-Strait Science and Technology Industry Development Park, Wenjiang District, Chengdu, Sichuan Province, the PRC at 9:00 a.m. on December 31, 2025. for the purpose of, among others, considering and, if thought fit, approving the CCT Agreements and the transactions contemplated thereunder including the annual caps for the respective transactions, and the proposed adoption of the 2025 Share Incentive Scheme

"Grantee"	any Participant who accepts an offer of the grant of a Share Award in accordance with the terms of the 2025 Share Incentive Scheme, or (where the context so permits) any person who is entitled in accordance with applicable laws of succession to any such Share Award in consequence of the death of the original Grantee, or the legal personal representative of such person
"Group"	the Company and its subsidiaries
"H Share(s)"	overseas listed foreign share(s) in the ordinary share capital of the Company with nominal value of RMB1.00 each, which are listed on the Stock Exchange
"H Share Registrar" or "Share Registrar"	Computershare Hong Kong Investor Services Limited, or the Hong Kong branch share registrar of the Company from time to time
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"HK$"	Hong Kong Dollars, the lawful currency of Hong Kong Special Administrative Region
"Independent Financial Adviser" or "Altus Capital"	Altus Capital Limited, a corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders on the CCT Agreements, the transactions contemplated thereunder and the annual caps related thereto
"Independent Shareholders"	any Shareholder(s) other than (i) the controlling shareholders and their associates and (ii) those who are required to abstain from voting at the EGM under the Listing Rules
"Kelun Jiaxun"	Sichuan Kelun Jiaxun Pharmaceutical Technology Co., Ltd. (四川科倫嘉訊醫藥科技有限責任公司), a wholly-owned subsidiary of Kelun Pharmaceutical, and/or its Affiliates
"Kelun Pharmaceutical"	Sichuan Kelun Pharmaceutical Co., Ltd. (四川科倫藥業股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002422), and a controlling shareholder of the Company

"Latest Practicable Date"	December 8, 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
"Listing"	the listing of Shares on the Main Board
"Listing Committee"	has the meaning ascribed to it under the Listing Rules
"Listing Date"	July 11, 2023
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange. For the avoidance of doubt, the Main Board excludes the GEM of the Stock Exchange
"NMPA"	the National Medical Products Administration (國家藥品監督管理局)
"Offer"	the offer of the grant of a Share Award made in accordance with the 2025 Share Incentive Scheme
"Original Auxiliary R&D Services Framework Agreement"	the auxiliary R&D services framework agreement dated June 1, 2023 between the Company and Kelun Pharmaceutical (for itself and on behalf of the Remaining Kelun Group), details of which are set out in the Prospectus
"Participant(s)"	any of director and employee (whether full-time or part-time) of the Company or any of its subsidiaries
"PRC"	the People's Republic of China, which for the purpose of this circular, shall not include Hong Kong Special Administrative Region of the PRC, Macau Special Administrative Region of the PRC and Taiwan
"Pre-IPO Employee Incentive Scheme"	the pre-IPO employee incentive scheme of the Company approved and adopted by the Board in 2016, as amended from time to time
"Prospectus"	the prospectus issued by the Company dated June 29, 2023

"Purchase Price"	means the consideration, if any, payable by a Grantee to purchase a Share Award. Unless otherwise determined by the Board or its Delegate(s) at its sole discretion or as required by applicable law in respect of the Purchase Price (if any) of any particular Share Award which shall be stated in the Offer documentation, the Purchase Price per Award Share, determined by the Board or its Delegate(s), is RMB1.00 per Share
"Remaining Kelun Group"	Kelun Pharmaceutical and its subsidiaries, excluding the Group
"RMB"	Renminbi, the lawful currency of the PRC
"RSU(s)"	restricted share unit(s) conferring the Grantee a conditional right upon vesting of the RSU(s) to obtain, as determined by the Board or its Delegate(s) in its absolute discretion, either a H Share with reference to the market value of a Share on or around the vesting period of such RSU as determined by the Board or its Delegate(s) in its absolute discretion
"scheme mandate limit"	has the meaning ascribed to it under the Rule 17.03(3) of the Listing Rules
"Scheme Period"	the period of ten years commencing on the Adoption Date
"Share(s)"	ordinary shares in the share capital of the Company with a nominal value of RMB1.00 each
"Shareholders"	holder(s) of the Share(s)
"Share Award(s)"	award(s) of RSU(s) granted under the 2025 Share Incentive Scheme
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary" or "subsidiaries"	has the meaning ascribed to it in the Listing Rules
"substantial shareholder"	has the meaning ascribed to it under the Listing Rules
"Supplemental Auxiliary R&D Services Framework Agreement"	a supplemental agreement dated August 19, 2024, between the Company and Kelun Pharmaceutical (for itself and on behalf of the Remaining Kelun Group) to amend certain terms of the Original Auxiliary R&D Services Framework Agreement

"treasury shares"	has the meaning ascribed to it under the Listing Rules
"Trust Deed"	a trust deed entered or to be entered into between the Company and the Trustee (as restated, supplemented and amended from time to time) in respect of the 2025 Share Incentive Scheme
"Trustee(s)"	the trustee(s) (which is/are independent of and not connected with the Company) appointed or to be appointed by the Company for the administration of the 2025 Share Incentive Scheme or any additional or replacement trustee(s)
"Unlisted Foreign Share(s)"	unlisted ordinary Share(s) issued by the Company, with a nominal value of RMB1.00 each, which are subscribed for in a currency other than RMB
"Unlisted Share(s)"	Domestic Share(s) and/or Unlisted Foreign Share(s)
"U. S." or "United States"	the United States of America
"US$"	United States dollars, the lawful currency of the United States
"vest"	means the Grantee becoming entitled to receive such H Shares pursuant to the 2025 Share Incentive Scheme
"%"	per cent

Sichuan Kelun-Biotech Biopharmaceutical Co., Ltd.
四川科倫博泰生物醫藥股份有限公司

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

(Stock Code: 6990)

Chairman of the Board and Non-executive Director
Mr. LIU Gexin (劉革新)

Executive Director
Dr. GE Junyou (葛均友)

Non-Executive Directors
Mr. LIU Sichuan (劉思川)
Mr. LAI Degui (賴德貴)
Mr. FENG Hao (馮昊)
Ms. LIAO Yihong (廖益虹)
Mr. ZENG Xuebo (曾學波)

Independent Non-Executive Directors
Dr. ZHENG Qiang (鄭強)
Dr. TU Wenwei (涂文偉)
Dr. JIN Jinping (金錦萍)
Dr. LI Yuedong (李越冬)

Registered Office, Headquarters and Principal Place of Business in the PRC
No. 666 Xinhua Avenue
Chengdu Cross-Strait Science and
Technology Industry Development Park
Wenjiang District, Chengdu
Sichuan Province, PRC

Principal Place of Business in Hong Kong
40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai
Hong Kong

To the Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS
PROPOSED ADOPTION OF THE 2025 SHARE INCENTIVE SCHEME
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

I. INTRODUCTION

Reference is made to the Announcement dated December 15, 2025, where the Board announced that, amongst others,

- on December 15, 2025, the Company entered into the 2026 Promotional Services Framework Agreement with Kelun Jiaxun in terms similar to the continuing connected transactions contemplated under the 2025 Promotional Services Framework Agreement (which is expiring on December 31, 2025) for a term of three years commencing from January 1, 2026 to December 31, 2028. Pursuant to the 2026 Promotional Services Framework Agreement,

the Company has appointed Kelun Jiaxun to provide promotional services to the Group in relation to Cetuximab N01 Injection (formerly A140) (brand name: 达泰莱®), a recombinant epidermal growth factor receptor (EGFR) human-mouse chimeric monoclonal antibody (mAb) developed by the Group;

- on December 15, 2025, the Company entered into the 2026 Auxiliary R&D Services Framework Agreement with Kelun Pharmaceutical (for and on behalf of the Remaining Kelun Group) for a term of three years commencing from January 1, 2026 to December 31, 2028 and on terms similar to the Original Auxiliary R&D Services Framework Agreement. Pursuant to the 2026 Auxiliary R&D Services Framework Agreement, the Company agreed to (1) procure auxiliary R&D services, which include process development and optimization, sample purification, crystallization screening, GMP batch release testing, packing material releasing testing and production of raw materials and formulation from the Remaining Kelun Group, and (2) provide auxiliary R&D services, which include preclinical pharmacology, toxicology studies (including toxicology, pharmacokinetics, pharmacodynamic and other screening studies), clinical biostatistics, data management, quality control and clinical audit, and other supporting services, to the Remaining Kelun Group (collectively, the "**Auxiliary R&D Services**"); and

- on December 15, 2025, the Company entered into the 2026 Procurement and Sale of Equipment and Materials Framework Agreement with Kelun Pharmaceutical (for and on behalf of the Remaining Kelun Group) for a term of three years commencing from January 1, 2026 to December 31, 2025. Pursuant to the 2026 Procurement and Sale of Equipment and Materials Framework Agreement, the Company agreed to (1) procure from Kelun Pharmaceutical and/or the Remaining Kelun Group or (2) provide Kelun Pharmaceutical and/or the Remaining Kelun Group with the R&D and other miscellaneous equipment and materials, including but not limited to laboratory equipment, instruments and machines, engineering materials, reagents and consumables (collectively, the "**Auxiliary R&D Equipment**"). The 2026 Procurement and Sale of Equipment and Materials Framework Agreement are on terms similar to the Supplemental Auxiliary R&D Services Framework Agreement in relation to the Auxiliary R&D Equipment that the Group sells and purchases to/from the Remaining Kelun Group.

Reference is also made to the announcement of the Company dated December 11, 2025 in relation to the proposed adoption of the 2025 Share Incentive Scheme.

The purpose of this circular is to provide you with the notice of the EGM and information in respect of the resolutions to be proposed at the EGM to be held on December 31, 2025, so as to enable you to make an informed decision as to whether to vote in favour of the CCT Agreements and the transactions contemplated thereunder and of the proposed adoption of the 2025 Share Incentive Scheme.

In order to enable you to have a better understanding of the CCT Agreements and the 2025 Share Incentive Scheme and to make an informed decision in the circumstances where sufficient and necessary information is available, we have provided detailed information in this circular to the Independent Shareholders including:

(a) a letter from the Board containing further details in respect of the CCT Agreements and the transactions contemplated thereunder, and the 2025 Share Incentive Scheme;

(b) a letter from the Independent Board Committee containing its advice to the Independent Shareholders in respect of the CCT Agreements and the transactions contemplated thereunder;

(c) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the CCT Agreements and the transactions thereunder;

(d) a notice of the EGM; and

(e) other information as required under the Listing Rules.

II. THE CCT AGREEMENTS

(I) Principal Terms and Further Details of the CCT Agreements

1. 2026 Promotional Services Framework Agreement

The principal terms of the 2026 Promotional Services Framework Agreement and further details of the transactions thereunder are set out as follows, which are substantially the same as those of the 2025 Promotional Services Framework Agreement:

Date of agreement	December 15, 2025
Parties	(1) the Company; and (2) Sichuan Kelun Jiaxun Pharmaceutical Technology Co., Ltd. (四川科倫嘉訊醫藥科技有限責任公司).
Term	January 1, 2026 to December 31, 2028

Subject matter

The Company shall engage Kelun Jiaxun to provide, within the PRC and targeting medical end customers, promotional, marketing planning and end customer access services for Cetuximab N01 Injection, including but not limited to market research, market development, doctor and patient visits, academic promotion and maintenance of business (the "**Promotional Services**").

In respect of the terms of specific promotional services of Cetuximab N01 Injection contemplated under the 2026 Promotional Services Framework Agreement, the Company and Kelun Jiaxun may enter into individual promotional services agreements. In the event that the terms of an individual promotional services agreement and the 2026 Promotional Services Framework Agreement conflict, the terms of the 2026 Promotional Services Framework Agreement shall prevail.

The 2026 Promotional Services Framework Agreement further provides that all transactions contemplated thereunder shall be conducted in compliance with the terms of the 2026 Promotional Services Framework Agreement, the Listing Rules and applicable laws and regulations.

Consideration and Pricing Policies

The Company shall pay promotional services fee(s) to Kelun Jiaxun. The services fees to be paid by the Company to Kelun Jiaxun for the specific promotional services under the 2026 Promotional Services Framework Agreement ("**Service Fees**") has been negotiated on an arm's length basis between the Company and Kelun Jiaxun on normal commercial terms.

The Services Fees shall be set forth in an individual promotional services agreement and shall be determined in accordance with an agreed service fees structure between the Company and Kelun Jiaxun ("**Service Fees Structure**"). The Service Fees Structure was determined taking into account the following:

(1) the nature, complexity and value of the Promotional Services involved over the term of the 2026 Promotional Services Framework Agreement, taking into account the early stage of commercialization of Cetuximab N01 Injection, and the expected costs and expenses in carrying out the Promotional Services (including but not limited to cost of staff and supplies);

(2) the fees of independent third party promotional services providers for provision of the Promotional Services for Cetuximab N01 Injection to ensure that the Service Fees to be charged by Kelun Jiaxun shall be no less favourable to the Company than the fee charged by independent third party promotional services providers under similar conditions. The management of the Company has solicited fee quotes from more than three independent third party promotional services providers for the same or similar promotional services. Since the service fee structure proposed to be charged by the independent third parties and by Kelun Jiaxun varied in terms of (i) level of base fee (if any), (ii) fee stages and (iii) sales milestones to be achieved and fee scale at different milestones, in order to make a meaningful comparison, the Company has normalized the service fees to be charged by the independent third parties and by Kelun Jiaxun over a 10-year period, based on the estimated sales volume of Cetuximab N01 Injection that the Group expects to achieve. It then compared the Company's rates of return that can be achieved under the different fee structures proposed by the independent third parties and Kelun Jiaxun to ensure that the Service Fees to be charged by Kelun Jiaxun shall be no less favourable to the Company than the fee charged by independent third party promotional services providers under similar conditions; and

(3) the recent market fees of promotional services offered to similar or comparable companies. The Company has conducted researches on industry websites and other public sources and enquired into the recent market fees of same or similar promotional services provided to similar or comparable companies (which are independent of the Group) by their promotional services providers, to ensure that the Service Fees are not higher than such market fees.

Payment terms The promotional services fee(s) payable under the 2026 Promotional Services Framework Agreement shall be payable on a monthly basis with a credit period of up to 30 days.

2. 2026 Auxiliary R&D Services Framework Agreement

The Company and Kelun Pharmaceutical (for itself and on behalf of the Remaining Kelun Group) entered into the Original Auxiliary R&D Services Framework Agreement on June 1, 2023, which was amended and supplemented by the Supplemental Auxiliary R&D Services Framework Agreement dated August 19, 2024. Pursuant to the Supplemental Auxiliary R&D Services Framework Agreement, the original scope under the Original Auxiliary R&D Services Framework Agreement was revised to include the Auxiliary R&D Equipment that the Group sells and purchases to/from the Remaining Kelun Group (the "**Additional Scope**").

The service scope of the existing Amended Auxiliary R&D Services Framework Agreement include (1) the provision and the procurement of the Auxiliary R&D Services and (2) the sale and purchase of the Auxiliary R&D Equipment, which are two distinct categories of transactions with different nature and pricing policies. Therefore, the Company considers that it would be more appropriate to regulate the Auxiliary R&D Services-related transactions and the Auxiliary R&D Equipment-related transactions under separate framework agreements with respective annual caps. Such separation will also enable the Company to better monitor the transaction amounts and evaluate the performance of the respective transactions. As such, with the upcoming expiration of the Amended Auxiliary R&D Services Framework Agreement, the Company entered into two separate framework agreements, namely the 2026 Auxiliary R&D Services Framework Agreement and the 2026 Procurement and Sale of Equipment and Materials Framework Agreement.

The principals terms of the 2026 Auxiliary R&D Services Framework Agreement and the 2026 Procurement and Sale of Equipment and Materials Framework Agreement, collectively, are substantially the same as those of the Amended Auxiliary R&D Services Framework Agreement.

The principal terms of the 2026 Auxiliary R&D Services Framework Agreement and further details of the transactions thereunder are set out as follows, which are substantially the same as the Original Auxiliary R&D Services Framework Agreement:

Date of agreement	December 15, 2025
Parties	(1) the Company; and (2) Sichuan Kelun Pharmaceutical Co., Ltd. (四川科倫藥業股份有限公司) (for and on behalf of the Remaining Kelun Group)
Term	January 1, 2026 to December 31, 2028
Subject matter	(1) The Company shall engage Kelun Pharmaceutical and/or the Remaining Kelun Group to carry out auxiliary R&D services, including but not limited to process development and optimization, sample purification, crystallization screening, GMP batch release testing, packing material releasing testing and production of raw materials and formulation. (2) Kelun Pharmaceutical and/or the Remaining Kelun Group shall engage the Company to provide auxiliary R&D services, including but not limited to preclinical toxicology, pharmacology studies (including toxicology, pharmacokinetics, pharmacodynamic and other screening studies), clinical biostatistics, data management, quality control and clinical audit. There is no overlapping between the auxiliary R&D services provided by and to Kelun Pharmaceutical. In respect of the terms of engagement of the Auxiliary R&D Services contemplated under the 2026 Auxiliary R&D Services Framework Agreement, the Company and Kelun Pharmaceutical may enter into individual Auxiliary R&D Services agreements. In the event that the terms of an individual Auxiliary R&D Services agreement and the 2026 Auxiliary R&D Services Framework Agreement conflict, the terms of the 2026 Auxiliary R&D Services Framework Agreement shall prevail.

The 2026 Auxiliary R&D Services Framework Agreement further provides that all transactions contemplated thereunder shall be conducted in compliance with the terms of the 2026 Auxiliary R&D Services Framework Agreement, the Listing Rules and the applicable laws and regulations.

Consideration and Pricing Policies

The services fees of the procurement and provision of the Auxiliary R&D Services will be based on cost-plus basis according to (i) the actual cost of provisions of such services (such as the labor cost and the cost of consumables used for providing the services); plus (ii) the agreed margin rates.

To determine the actual cost of provisions of such services, the finance department of each of the Company and Kelun Pharmaceutical will record the costs incurred by itself for each project under the 2026 Auxiliary R&D Services Framework Agreement. The two finance departments will then share with each other the relevant cost information with supporting cost records (such as invoices and receipts), and each of the finance departments will review and verify the cost of the other party with the assistance of its own business department, and conduct monthly reconciliation of their respective cost as and when necessary. Such costs will also be reviewed and audited by the external independent auditors on a yearly basis.

The margin rates are determined through arm's length negotiation with reference to the range between the lower quartile and the upper quartile of the three-year weighted average cost-plus-margins of comparable companies offering similar services as stated in a transfer pricing analysis report (the "**Transfer Pricing Report**") prepared by one of the Big Four professional firms, which is independent and has extensive experience in transfer pricing analysis. The Transfer Pricing Report will be used for determining the applicable margin rate throughout the entire term of the 2026 Auxiliary R&D Services Framework Agreement, unless parties determine it necessary to obtain an updated report for determination of the margin rate based on results of internal review.

In respect of the mechanism of formulating the range of margins, the Transfer Pricing Report adopts a structured screening process to identify ten comparable companies in Asia to establish the appropriate margin range. The main screening process consists of (1) database selection, (2) application of screening criteria and (3) manual qualitative reviews. Examples of screening criteria include industry characteristics (such as healthcare, scientific research and experimental development, medical laboratories, testing laboratories and biological research services) and geographical characteristics (such as companies listed in Shanghai, Shenzhen and Beijing stock exchanges). In addition, during the manual qualitative reviews, potential comparable companies with business activities not sufficiently similar to the nature of Auxiliary R&D Services, significant corporate events adversely affecting normal operations and other abnormalities will be excluded to ensure comparability.

After arm's length negotiation and taking into account the range of margin rate derived from the Transfer Pricing Report, the parties agreed to select a margin rate near the median of the range of the margin rate in the Transfer Pricing Report as the margin rate to be used for the 2026 Auxiliary R&D Services Framework Agreement. Such margin rate is a fixed margin rate between 10.0% and 19.9% and will be applied to all transactions contemplated under the 2026 Auxiliary R&D Services Framework Agreement.

The Directors consider the use of Transfer Pricing Report a reasonable and acceptable practice to determine margin of auxiliary R&D services as such report is prepared by a professional, reputable and independent expert and provides an objective view supported by the qualitative and quantitative analysis with scientific methodology, and the range of the margin provided in the Transfer Pricing Report were derived from the market comparables therefore could reflect the prevailing market prices. As such, this ensures that the pricing for each individual transaction remains consistent with market standards and aligned with arm's-length principle. In view of the above, the Directors are of the view that the pricing policy would be able to ensure the pricing of the Auxiliary R&D Services would be fair and reasonable and on normal commercial terms or better.

Payment terms The services fees payable under the 2026 Auxiliary R&D Services Framework Agreement shall be payable on a quarterly basis, depending on the terms of the individual Auxiliary R&D Services agreements.

3. 2026 Procurement and Sale of Equipment and Materials Framework Agreement

The principal terms of the 2026 Procurement and Sale of Equipment and Materials Framework Agreement and further details of the transactions thereunder are set out as follows, which are substantially the same as the Additional Scope set out in the Supplemental Auxiliary R&D Services Framework Agreement:

Date of agreement December 15, 2025

Parties
(1) the Company; and
(2) Sichuan Kelun Pharmaceutical Co., Ltd. (四川科倫藥業股份有限公司) (for and on behalf of the Remaining Kelun Group)

Term January 1, 2026 to December 31, 2028

Subject matter

The Company shall (1) procure from Kelun Pharmaceutical and/or the Remaining Kelun Group or (2) provide Kelun Pharmaceutical and/or the Remaining Kelun Group with the R&D and other miscellaneous equipment and materials, including but not limited to laboratory equipment, instruments and machines, engineering materials, reagents and consumables (collectively, the "**Auxiliary R&D Equipment**").

These Auxiliary R&D Equipment could be broadly categorized into (1) equipment and machines, and (2) materials and consumables. The Group will make the purchases/sales based primarily on the Group's commercial needs.

For equipment and machines, the Company sells those equipment and machines that are no longer expected to be required for the Group's business. On the other hand, when the Group is looking to acquire some equipment or machines, and the Remaining Kelun Group happens to have such equipment or machines that it no longer needs, the Group may consider acquiring such equipment or machines from the Remaining Kelun Group, provided that the Group is satisfied with the conditions of such equipment or machines, which are believed to be suitable for Group's business needs.

For materials and consumables, since the materials and consumables usually have an expiry date, there are circumstances when certain materials or consumables are not in immediate use and may expire and be wasted if not resold. As such, the Company will consider selling such materials or consumables if they are suitable for the needs of the Remaining Kelun Group, or on the other way around, the Group will purchase such materials or consumables from the Remaining Kelun Group at terms no less favourable to the Group.

For completeness, there will not be circumstances where the same item of equipment and machine or materials and consumables which was previously sold by the Group to the Remaining Kelun Group is purchased back by the Group from the Remaining Kelun Group, or vice versa.

In respect of the terms of procurement and/or sale of Auxiliary R&D Equipment contemplated under the 2026 Procurement and Sale of Equipment and Materials Framework Agreement, the Company and Kelun Pharmaceutical may enter into individual procurement and/or sale of equipment and materials agreements. In the event that the terms of an individual procurement and/or sale of equipment and materials agreement and the 2026 Procurement and Sale of Equipment and Materials Framework Agreement conflict, the terms of the 2026 Procurement and Sale of Equipment and Materials Framework Agreement shall prevail.

The 2026 Procurement and Sale of Equipment and Materials Framework Agreement further provides that all transactions contemplated thereunder shall be conducted in compliance with the terms of the 2026 Procurement and Sale of Equipment and Materials Framework Agreement, the Listing Rules and the applicable laws and regulations.

Consideration and Pricing Policies

The prices of the purchase of the Auxiliary R&D Equipment by the Group from the Remaining Kelun Group will be determined with reference to:

(1) the book value, depreciation amount and acquisition cost of the Auxiliary R&D Equipment as recorded in the latest accounts of the Remaining Kelun Group, which will be provided by the Remaining Kelun Group upon the Company's request. To verify the book value of the Auxiliary R&D Equipment and determine whether the depreciation policy adopted is fair and reasonable, the Company will calculate the book value based on the information provided by the Remaining Kelun Group and by reference to other relevant information disclosed in the latest financial report(s) of Kelun Pharmaceutical. As Kelun Pharmaceutical is a company listed on and regulated by the Shenzhen Stock Exchange, such depreciation policies shall follow the accounting standard as disclosed in its financial reports;

(2) the prices of similar equipment and/or materials in comparable transactions conducted by the Group with independent third parties during the same period (if any), to ensure that price to be paid by the Company for the Auxiliary R&D Equipment to the Remaining Kelun Group will not be higher than the price paid by the Company in comparable transactions; and

(3) the recent market prices of comparable transactions, by making enquiries on market prices of similar materials and/or equipment with industry players and conducting researches on industry websites, and then compare the references with the prices quoted by Remaining Kelun Group to ensure that the price to be paid by the Company for the Auxiliary R&D Equipment to the Remaining Kelun Group will not be higher than the price offered by independent suppliers to the Company. To implement this policy, the management of the Company would solicit at least two other contemporaneous transactions with independent third parties for the materials or equipment in similar quantities for comparison.

The prices of the sale of the Auxiliary R&D Equipment by the Group to the Remaining Kelun Group will be determined with reference to:

(1) the book value of the R&D equipment and/or materials as recorded in the latest accounts of the Group;

(2) the prices of similar equipment and/or materials in comparable transactions conducted by the Group with independent third parties during the same period (if any), to ensure that the price to be received by the Company for the Auxiliary R&D Equipment from the Remaining Kelun Group will not be lower than the price received by the Company in comparable transactions; and

(3) the recent market prices of comparable transactions, by making enquiries on market prices of similar materials and/or equipment with industry players and conducting researches on industry websites, to ensure that the price to be received by the Company for the Auxiliary R&D Equipment from the Remaining Kelun Group will not be lower than the price offered by independent third party purchasers to the Company (if any).

In implementing the above pricing policies and principles, the internal audit department of the Company or the departments responsible for the connected transactions of the Company will assess the terms of proposed connected transactions, in particular the pricing, with reference to the above pricing policies and principles. Such internal audit department will be monitored by the Audit Committee of the Company. The final price will be implemented after confirmation of the internal audit department or the departments responsible for the connected transactions of the Company with reference to the above pricing policies and principles and after the approval of the general manager or the deputy general manager or other authorized management personnel of the Company or the relevant subsidiaries.

Payment terms

In respect of the procurement/sale of large equipment and machines, the fees payable under the 2026 Procurement and Sale of Equipment and Materials Framework Agreement shall be paid on a payment-on-delivery basis.

In respect of the procurement/sale of small equipment and devices, materials and consumables, the fees payable under the 2026 Procurement and Sale of Equipment and Materials Framework Agreement shall be payable on a quarterly basis, subject to the terms of the individual Auxiliary R&D Services agreements.

(II) Annual Cap and Basis of Determination

1. 2026 Promotional Services Framework Agreement

Historical Amounts

The parties entered into the 2025 Promotional Services Framework Agreement on February 12, 2025, which is expiring on December 31, 2025, with terms similar to the 2026 Promotional Services Framework Agreement.

Set out below are (1) the historical transaction amount paid by the Company to Kelun Jiaxun under the 2025 Promotional Services Framework Agreement from February 12, 2025 to October 31, 2025, (2) the annual cap of the 2025 Promotional Services Framework Agreement for the year ending December 31, 2025:

2025 Promotional Services Framework Agreement	*(RMB'000)*
Historical transaction amount from February 12, 2025 to October 31, 2025	4,729
Annual cap for the year ending December 31, 2025	35,000

Annual Caps

The proposed annual caps for the transactions contemplated under the 2026 Promotional Services Framework Agreement are set out below:

	From January 1, 2026 to December 31, 2026 *(RMB'000)*	**From January 1, 2027 to December 31, 2027** *(RMB'000)*	**From January 1, 2028 to December 31, 2028** *(RMB'000)*
Proposed annual caps	210,000	378,000	432,000

Basis of Determination of Annual Caps

The annual caps were determined based on the following factors:

(i) the historical transaction amounts incurred under 2025 Promotional Services Framework Agreement and the expected stable growth in demand for Cetuximab N01 Injection in the PRC during the term of the 2026 Promotional Services Framework Agreement.

a. **The reasons for the low utilization rate of the historical annual caps.** Based on the historical transaction amounts, the utilization rates of the historical annual caps throughout the 2025 Promotional Services Framework Agreement were lower than originally anticipated. The relatively low utilization rates are mainly attributable to Cetuximab N01 Injection being still in its first year of launch and is awaiting the approval of its reimbursable status under the National Reimbursement Drug List (醫保目錄). Meanwhile, two competing products have already obtained reimbursable status and are being sold in hospitals. Coupled with stringent controls on non-reimbursable prescriptions outside hospitals, actual sales volume of Cetuximab N01 Injection had thus far been lower than the original plan and hence the corresponding promotional expenses actually incurred were also lower;

b. **The expected stable growth in demand for Cetuximab N01 Injection in the PRC.** The Company expects a growth in the entire market size of Cetuximab-based treatments (including for Cetuximab N01 Injection and its competing products) in the near future mainly because Cetuximab N01 Injection has been included in the National Reimbursement Drug List (醫保目錄) since December 7, 2025. Prior to the reimbursement coverage, the market share of Cetuximab N01 Injection was approximately 1% in 2025. With broadened patient accessibility and reduced out-of-pocket burden, the Company expects a significant growth in the demand for Cetuximab N01 Injection in the PRC. In particular, the Company expects that the market share of Cetuximab N01 Injection will increase to more than 20% in 2026 and will progressively increase in each year for the two years ending December 31, 2028. Such market share of Cetuximab N01 Injection is an estimate only and is determined after taking into account the following factors: (1) as there are currently two other competitors who are already in the National Reimbursement Drug List, there are in total three market players (inclusive of

the Company) providing Cetuximab-based treatment for certain colorectal cancer; (2) the Company's Cetuximab N01 Injection is relatively newer to the National Reimbursement Drug List and it might be difficult to achieve equal market share among the three market players at early stage; and (3) with adequate marketing efforts, the Company believes Cetuximab N01 Injection can achieve a higher market share as its presence is progressively established. Due to the significant increase in market share, there is a need for adopting higher annual caps during the term of the 2026 Promotional Services Framework Agreement.

(ii) the estimated stable growth in sales volume of Cetuximab N01 Injection promoted by Kelun Jiaxun considering the ability of Kelun Jiaxun to promote and sell Cetuximab N01 Injection, and the scale and sophistication of the promotional services of Kelun Jiaxun and the network of downstream customers of Kelun Jiaxun. With adequate marketing efforts, Cetuximab N01 Injection can achieve greater market share as its presence is progressively established;

(iii) the market conditions for the promotion of Cetuximab N01 Injection during the term of the 2026 Promotional Services Framework Agreement and any applicable laws and policies with respect to the pricing, procurement and retailing of pharmaceutical products in the PRC; and

(iv) the need for a buffer for any unexpected further increase in the transaction amounts under the 2026 Promotional Services Framework Agreement, which may be caused by any unexpected increase in market demand for Cetuximab N01 Injection or any unexpected increase in costs and expenses of the Promotional Services during the effective term of the 2026 Promotional Services Framework Agreement.

In view of the above, the Directors, whereby the independent non-executive Directors' opinion will be subject to the advice of the Independent Financial Adviser, consider that the proposed annual caps under the 2026 Promotional Services Framework Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

2. 2026 Auxiliary R&D Services Framework Agreement

Historical Amounts

Set out below are (1) the historical transaction amount under the Original Auxiliary R&D Services Framework Agreement from the Listing Date to December 31, 2023, and (2) the annual cap of the Original Auxiliary R&D Services Framework Agreement for the year ending December 31, 2023:

From the Listing Date to December 31, 2023

	Procurement of Auxiliary R&D Services from the Remaining Kelun Group *(RMB'000)*	**Provision of Auxiliary R&D Services to the Remaining Kelun Group** *(RMB'000)*
Historical transaction amount from the Listing Date to December 31, 2023	11,369	2,597
Annual cap for the year ending December 31, 2023 based on the Original Auxiliary R&D Services Framework Agreement	22,000	16,000

Set out below are (1) the historical transaction amount under the Amended Auxiliary R&D Services Framework Agreement for the year ended December 31, 2024 and the period from January 1, 2025 to October 31, 2025 and (2) the annual cap of the Original Auxiliary R&D Services Framework Agreement for the two years ending December 31, 2025. Given that the service scope of the 2026 Auxiliary R&D Services Framework Agreement only includes procurement and provision of Auxiliary R&D Services but not Auxiliary R&D Equipment, only the historical transaction amounts with respect to the provision and procurement of the Auxiliary R&D Services (but not the Auxiliary R&D Equipment) under Amended Auxiliary R&D Services Framework Agreement will be considered in determining the proposed annual caps of the 2026 Auxiliary R&D Services Framework Agreement. As such, the historical transaction amounts with respect to the provision and procurement of the Auxiliary R&D Services (but not the Auxiliary R&D Equipment) under Amended Auxiliary R&D Services Framework Agreement for the year ended December 31, 2024, and the period from January 1, 2025 to October 31, 2025 are also set out below.

From January 1, 2024 to October 31, 2025

(1) Historical transaction amount under the Amended Auxiliary R&D Services Framework Agreement

	For the year ended December 31, 2024 *(RMB'000)*	From January 1, 2025 to October 31, 2025 *(RMB'000)*
Procurement of Auxiliary R&D Services and Auxiliary R&D Equipment from the Remaining Kelun Group	17,334	9,930
Provision of Auxiliary R&D Services and Auxiliary R&D Equipment to the Remaining Kelun Group	7,269	6,051

(2) Annual cap under the Amended Auxiliary R&D Services Framework Agreement

	For the year ended December 31, 2024 *(RMB'000)*	For the year ending December 31, 2025 *(RMB'000)*
Procurement of Auxiliary R&D Services and Auxiliary R&D Equipment from the Remaining Kelun Group	19,000	17,000
Provision of Auxiliary R&D Services and Auxiliary R&D Equipment to the Remaining Kelun Group	17,000	18,000

(3) Historical transaction amount with respect to the provision and procurement of the Auxiliary R&D Services (but not the Auxiliary R&D Equipment) under Amended Auxiliary R&D Services Framework Agreement

	For the year ended December 31, 2024 *(RMB'000)*	From January 1, 2025 to October 31, 2025 *(RMB'000)*
Procurement of Auxiliary R&D Services from the Remaining Kelun Group	17,003	9,631
Provision of Auxiliary R&D Services to the Remaining Kelun Group	6,738	6,021

Annual Caps

The proposed annual caps for the transactions contemplated under the 2026 Auxiliary R&D Services Framework Agreement are set out below:

	From January 1, 2026 to December 31, 2026 *(RMB'000)*	From January 1, 2027 to December 31, 2027 *(RMB'000)*	From January 1, 2028 to December 31, 2028 *(RMB'000)*
Proposed annual caps for the procurement of Auxiliary R&D Services from the Remaining Kelun Group	14,000	15,000	16,000
Proposed annual caps for the provision of Auxiliary R&D Services to the Remaining Kelun Group	12,000	13,000	14,000

Basis of Determination of Annual Caps

The annual caps for the procurement of Auxiliary R&D Services from the Remaining Kelun Group were determined based on the following factors:

(i) the historical transaction amounts in respect of the Company's procurement of the Auxiliary R&D Services and the projected growth in transaction amounts of the Auxiliary R&D Services for the three years ending December 31, 2028.

a. **An overall trajectory of growth in the historical transaction amounts in respect of the Company's procurement of the Auxiliary R&D Services.** The Company's procurement of Auxiliary R&D Services from the Remaining Kelun Group had increased by 49.5% from RMB11.37 million in 2023 to RMB17.0 million in 2024. For the ten months ended October 31, 2025, the procured amount of Auxiliary R&D Services from the Remaining Kelun Group was RMB9.6 million. Annualizing this figure for analysis, the full year amount for 2025 would be approximately RMB11.56 million, resulting in a compound annual growth rate (CAGR) for the Company's procurement of Auxiliary R&D Services from the Remaining Kelun Group being of around 1% between 2023 and 2025;

b. **The reasons for the low utilization rate of the historical annual caps.** The reasons for the relatively low utilization rates in certain years are mainly attributable to the fact that the historical annual caps under the Amended Auxiliary R&D Services Framework Agreement have included both amounts for procurement and/or provision Auxiliary R&D Services, and amounts for procurement and/or sales of auxiliary R&D equipment. Meanwhile, the actual historical transaction amounts stated above were related to the portion of Auxiliary R&D Services only, which distorted the historical utilization rate.

c. **The projected growth in transaction amounts of the Auxiliary R&D Services for the three years ending December 31, 2028.** The Company expects that the annual caps of the procurement of Auxiliary R&D Services in terms of transaction amounts will grow at an annual rate of around 8% for each of the three years ending December 31, 2028. This was determined with reference to (i) the CAGR for the Company's procurement of Auxiliary R&D Services from the Remaining Kelun Group between 2023 and 2025 being approximately 1%; (ii) the Group's historical

growth rate of research and development expenses in recent years, which increased by 21.9% for the year ended December 31, 2023 as compared to the year ended December 31, 2022 and further increased by 17.0% for the year ended December 31, 2024 and (iii) factors such as the increasing need for Auxiliary R&D Services by the Group in the event of discovery of new and potential pharmaceutical products;

(ii) the fee rates of the Auxiliary R&D Services charged by the Remaining Kelun Group and the expected fluctuation in the rate; and

(iii) the relevant service provision capacity of Remaining Kelun Group in providing Auxiliary R&D Services.

The annual caps for the provision of Auxiliary R&D Services to the Remaining Kelun Group were determined based on the following factors:

(i) the historical transaction amounts in respect of the Company's provision of the Auxiliary R&D Services and the projected growth in transaction amounts of the Auxiliary R&D Services for the three years ending December 31, 2028.

a. **An overall trajectory of growth in the historical transaction amounts in respect of the Company's provision of the Auxiliary R&D Services.** The Company's provision of Auxiliary R&D Services to the Remaining Kelun Group had increased by 159.4% from RMB2.6 million in 2023 to RMB6.7 million in 2024. For the ten months ended October 31, 2025, the amount of Auxiliary R&D Services provided to the Remaining Kelun Group was RMB6.0 million. Annualizing this figure for analysis, the full year amount for 2025 would represent 7.2% growth as compared to that in 2024. The CAGR for the Company's provision of Auxiliary R&D Services to the Remaining Kelun Group between 2023 and 2025 was approximately 67%;

b. **The reasons for the low utilization rate of the historical annual caps.** The relatively low utilization rate is due to two main reasons. Firstly, the Company's focus on the R&D of its own innovative drugs, resulting in its limited spare capacity to provide Auxiliary R&D services to the Remaining Kelun Group as initially planned. Secondly, the historical annual caps under the Amended Auxiliary R&D Services Framework Agreement have included both (i) amounts for procurement and/or provision Auxiliary

R&D Services; and (ii) amounts for procurement and/or sales of auxiliary R&D equipment. Meanwhile, the actual historical transaction amounts stated above were related to the portion of Auxiliary R&D Services only, which distorted the historical utilization rate.

c. **The projected growth in transaction amounts of the Auxiliary R&D Services for the three years ending December 31, 2028.** The Company expects that the annual caps of the provision of Auxiliary R&D Services in terms of transaction amounts for the year ending December 31, 2026 will increase by 50% as compared to the respective historical transaction amounts for the year ending December 31, 2025 with reference to the historical growth rates of the transaction amounts between 2023 and 2025. The CAGR for the Company's provision of Auxiliary R&D Services to the Remaining Kelun Group between 2023 and 2025 was around 67%. The Company further expects that the annual caps of the provision of Auxiliary R&D Services shall increase by about 8% from the 2026 amounts for the two years ending December 31, 2028. This was determined with reference to the Group's historical growth rate of research and development expenses in recent years; and

(ii) the fee rates of the Auxiliary R&D Services charged by the Company and the expected fluctuation in the rate; and

(iii) the relevant service provision capacity of the Group in providing Auxiliary R&D Services.

In view of the above, the Directors, whereby the independent non-executive Directors' opinion will be subject to the advice of the Independent Financial Adviser, consider that the proposed annual caps under the 2026 Auxiliary R&D Services Framework Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

3. 2026 Procurement and Sale of Equipment and Materials Framework Agreement

Set out below are (1) the historical transaction amount under the Amended Auxiliary R&D Services Framework Agreement for the year ended December 31, 2024, and the period from January 1, 2025 to October 31, 2025 and (2) the annual cap of the Amended Auxiliary R&D Services Framework Agreement for the year ended December 31, 2024 and the year ending December 31, 2025. Given that the service scope of the 2026 Procurement and Sale of Equipment and Materials Framework Agreement only includes the procurement and sale of Auxiliary R&D Equipment, only the historical transaction amounts with respect to the procurement and sale of the Auxiliary R&D Equipment (but not the Auxiliary R&D Services)

under the Amended Auxiliary R&D Services Framework Agreement will be considered in determining the proposed annual caps of the 2026 Procurement and Sale of Equipment and Materials Framework Agreement. As such, the historical transaction amounts with respect to the procurement and sale of the Auxiliary R&D Equipment (but not the Auxiliary R&D Services) under Amended Auxiliary R&D Services Framework Agreement for the period from August 19, 2024 to December 31, 2024 and the period from January 1, 2025 to October 31, 2025 are also set out below.

(1) Historical transaction amount under the Amended Auxiliary R&D Services Framework Agreement

	For the year ended December 31, 2024 *(RMB'000)*	**From January 1, 2025 to October 31, 2025** *(RMB'000)*
Procurement of Auxiliary R&D Services and Auxiliary R&D Equipment from the Remaining Kelun Group	17,334	9,930
Provision of Auxiliary R&D Services and Auxiliary R&D Equipment to the Remaining Kelun Group	7,269	6,051

(2) Annual cap of under the Amended Auxiliary R&D Services Framework Agreement

	For the year ended December 31, 2024 *(RMB'000)*	**For the year ending December 31, 2025** *(RMB'000)*
Procurement of Auxiliary R&D Services and Auxiliary R&D Equipment from the Remaining Kelun Group	19,000	17,000
Provision of Auxiliary R&D Services and Auxiliary R&D Equipment to the Remaining Kelun Group	17,000	18,000

(3) Historical transaction amount with respect to the provision and procurement of the Auxiliary R&D Equipment (but not the Auxiliary R&D Services) under Amended Auxiliary R&D Services Framework Agreement

	From August 19, 2024 to December 31, 2024 *(RMB'000)*	From January 1, 2025 to October 31, 2025 *(RMB'000)*
Procurement of Auxiliary R&D Equipment from the Remaining Kelun Group	332	299
Provision of Auxiliary R&D Equipment to the Remaining Kelun Group	532	30

Annual Caps

The proposed annual caps for the transactions contemplated under the 2026 Procurement and Sale of Equipment and Materials Framework Agreement are set out below:

	From January 1, 2026 to December 31, 2026 *(RMB'000)*	From January 1, 2027 to December 31, 2027 *(RMB'000)*	From January 1, 2028 to December 31, 2028 *(RMB'000)*
Proposed annual caps for the procurement of Auxiliary R&D Equipment from the Remaining Kelun Group	3,160	3,160	3,160
Proposed annual caps for the provision of Auxiliary R&D Equipment to the Remaining Kelun Group	1,500	1,500	1,500

Basis of Determination of Annual Caps

The annual caps for the procurement and sale of Auxiliary R&D Equipment from the Remaining Kelun Group were determined based on the following factors:

(i) the fee rates of the Auxiliary R&D Equipment charged by the Group and the Remaining Kelun Group, and the expected fluctuation in the rate;

(ii) the historical transaction amounts in respect of the Group's procurement/provision of the Auxiliary R&D Equipment from/to the Remaining Kelun Group;

(iii) the anticipated demand for the Auxiliary R&D Equipment from the Group and the Remaining Kelun Group. In particular, the Company expects a growth in its demand for the Auxiliary R&D Equipment for the three years ending December 31, 2028 due to three main reasons. Firstly, the Company has made reference to the equipment that is currently leased by the Company from the Remaining Kelun Group, which is idle for the Remaining Kelun Group, with an aggregate value of approximately RMB9.0 million. It is expected that the Company will gradually purchase these leased assets from the Remaining Kelun Group, which are anticipated to be utilized by the Company over the three years ending December 31, 2028, resulting in an average purchasing amount of approximately RMB3.0 million per year. Secondly, in respect of the auxiliary R&D consumables, the Company noted that it has utilized the average annual procurement amount of approximately RMB210,000 over the year ended December 31, 2024 and the ten months ended October 31, 2025 and adopted such as the base reference. Thirdly, the Company anticipated demand from the Group driven by its R&D progress of its product candidates through 2025, considering the strengths, limitations and anticipated improvement of the Group's existing R&D capabilities; and

(iv) the anticipated availability of Auxiliary R&D Equipment of the Group and the Remaining Kelun Group and expected fluctuation in market value of the Auxiliary R&D Equipment. In particular, the Company has considered the availability of certain assets which are expected to become idle and the surplus consumables with an aggregate book value of approximately RMB1.9 million that are both held by the Group. Taking into account the historical sales amount to the Remaining Kelun Group and the potential additional surplus quantities arising from future operations, the Company expects potential disposal of the certain assets and gradual disposal of consumables over the next three years.

The Directors, whereby the independent non-executive Directors' opinion will be subject to the advice of the Independent Financial Adviser, consider that the proposed annual caps under 2026 Procurement and Sale of Equipment and Materials Framework Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

(III) Internal Control Measures

In order to ensure that the transactions contemplated under the CCT Agreements are conducted in accordance with the terms of the agreement, on normal commercial terms and in accordance with the pricing policies and principles above, the Company will comply with its existing internal control measures, which include the following:

(1) transaction will be conducted pursuant to an individual agreement which complies with the terms of the CCT Agreements and the pricing policies and principles above. The individual agreement will be approved by each of the relevant departments, including but not limited to the legal and finance departments, the deputy general managers of the Company and finally the general manager of the Company, who will execute the agreement;

(2) when assessing the applicable fees under an individual agreement, the Company will collect the relevant information on market fees or fees (as applicable) and share it with the relevant departments, and ensure that the fees under the individual agreement will be consistent with the pricing policy as stipulated in the CCT Agreements:

(i) Promotional services: The Service Fees Structure has been agreed between the parties. Kelun Jiaxun will provide a monthly report summarizing the promotional services they have provided in the relevant month, setting out the particulars including without limitation the types and the times of the campaigns and other promotional services conducted by Kelun Jiaxun (as applicable). The business department, compliance department and sales department of the Company will then review such report and assess on a monthly basis whether the services fees charged by Kelun Jiaxun strictly follow the Service Fees Structure. If the services fees proposed by Kelun Jiaxun do not follow the Service Fees Structure, the Company will discuss with Kelun Jiaxun to agree on the services fees to ensure that it is consistent with the Service Fees Structure before the finance department of the Company proceeds to make payment to Kelun Jiaxun.

(ii) Auxiliary R&D services: The Company will (i) review the terms of the transactions to ensure that prices are fair and reasonable, and properly reflect the level of costs incurred in the transactions; (ii) ensure the fixed margin rate as agreed between the parties is adopted for each individual transactions; and (iii) conduct internal review of the scope of Auxiliary R&D Services on a yearly basis (or more frequently if it is determined necessary) to determine

whether updated transfer pricing analysis report shall be obtained for the determination of the margin rate. To ensure that the costs under the Auxiliary R&D Services could be verified, the finance department of the Company and Kelun Pharmaceutical will separately record the costs incurred for each project under the 2026 Auxiliary R&D Services Framework Agreement and conduct monthly reconciliation of their respective cost records to ensure that both parties maintain consistent and accurate cost information.

(iii) Procurement and Sale of Equipment and Materials: The Company will make enquiries on market prices of similar materials and/or equipment with industry players and conducting researches on industry websites, and then compare the references with the prices quoted by Remaining Kelun Group to ensure that the price to be paid by the Company for the Auxiliary R&D Equipment to the Remaining Kelun Group will not be higher than the price offered by independent suppliers to the Company. To implement this policy, the management of the Company would solicit at least two other contemporaneous transactions with independent third parties for the materials or equipment in similar quantities for comparison. In the event that market price information is not available, the Company will verify the book value of the Auxiliary R&D Equipment and determine whether the depreciation policy adopted is fair and reasonable by requesting the relevant information of the book value, depreciation amount and acquisition cost as recorded in the latest accounts of the Remaining Kelun Group and by reference to other relevant information disclosed in the latest financial report(s) of Kelun Pharmaceutical.

The information on market fees or fees (as applicable), among other things, will be made available to the relevant departments and personnel for their reference as detailed below:

(i) For the assessment of the applicable fees under an individual promotional services agreement, the information will be made available to the sales department.

(ii) For the assessment of the applicable fees under an individual auxiliary R&D services agreement, the information will be made available to the clinical outsourcing management department.

(iii) For the assessment of the applicable fees under an individual procurement and sale of equipment and materials agreement: information in relation to the procurement and sale of equipment will be made available to the equipment, power & engineering department; information in relation to the procurement of materials will be made available to the purchasing department; information in relation to the sale of materials will be made available to the logistics department.

(3) the internal audit department of the Company and the departments responsible for the connected transactions of the Company will monitor the transactions under the CCT Agreements, in particular to monitor that the Company is paying or receiving from the relevant connected party the applicable fees stipulated in the relevant individual agreement and seek further information from individual departments where necessary to ensure, among other things, that such transactions are conducted in accordance with the terms of the CCT Agreements and the pricing policies and principles above. Such internal audit department will be monitored by the Audit Committee of the Company; and

(4) the finance department will closely monitor the actual transaction amounts under the CCT Agreements and closely and continuously review such amounts against the applicable annual cap. The finance department will conduct monthly review on the actual transaction amounts under the CCT Agreements. When the total transaction amounts under the CCT Agreements exceed 80% of the relevant annual cap, the finance team will determine there is a possibility that the relevant annual cap may be exceeded and timely report to the management of the Company, which may consider actions to ensure compliance with the Listing Rules, including obtaining the approval from independent Shareholders to revise the proposed annual cap if necessary.

Pursuant to the Listing Rules, the independent non-executive Directors and the auditor of the Company will conduct an annual review of the continuing connected transaction under the CCT Agreements in respect of whether, among other things, the transaction was conducted in accordance with the terms of the CCT Agreements and whether the relevant proposed annual cap has been exceeded.

The Company will continue to adopt and implement such internal procedures and corporate governance measures for all ongoing and proposed continuing connected transactions of the Company in order to ensure that the pricing mechanism and terms of the transactions, whether it relates to sales or procurement, are fair and reasonable and no less favourable than the terms provided by any independent third parties, so as to ensure that they serve the interests of the Company and its Shareholders as a whole.

By implementing such internal control measures and procedures, the Directors (including the independent non-executive Directors) consider that the Company has sufficient internal control measures and procedures to ensure that the transactions contemplated under the CCT Agreements will be on normal commercial terms and no less favorable to the Company than that available from independent third parties.

(IV) Reasons for and Benefits of the Transaction

1. 2026 Promotional Services Framework Agreement

Kelun Jiaxun provides comprehensive promotional services, such as sales planning, sales channel management and marketing. Kelun Jiaxun is familiar with promoting pharmaceutical products in the PRC. In particular, Kelun Jiaxun has dedicated resources and experience with respect to the promotion of pharmaceutical products for colorectal cancer (CRC) indications. The entry into the Promotional Services Framework Agreement with Kelun Jiaxun would enable the Company to leverage Kelun Jiaxun's existing resources to promote Cetuximab N01 Injection and more effectively reach its sales targets. In addition, since the obtaining of marketing authorization for Cetuximab N01 Injection in February 2025, the Company has established a good working relationship with Kelun Jiaxun in connection with the market management services for Cetuximab N01 Injection. The Company believes that Kelun Jiaxun has the necessary industry knowledge to effectively provide the services under the 2026 Promotional Services Framework Agreement, and that engaging Kelun Jiaxun would avoid the initial costs associated with engaging a new service provider with whom the Company has no prior cooperation.

2. 2026 Auxiliary R&D Services Framework Agreement

The Auxiliary R&D Services provided by the Remaining Kelun Group are not core to the Company's R&D activities. It is common for pre-profit biopharmaceutical companies like the Company to outsource these auxiliary R&D services to third parties so the pre-profit biopharmaceutical companies can concentrate on core R&D of their drug candidates. The Company has been engaging the Remaining Kelun Group to provide the Auxiliary R&D Services because (i) the Remaining Kelun Group has competent and reliable expertise in providing such Auxiliary R&D Services and can provide such services at arm's length and with good quality; and (ii) the Company has been cooperating with the Remaining Kelun Group for the Auxiliary R&D Services for a number of years and the Remaining Kelun Group is familiar with the Company's quality requirement for these services. In addition, the Company has been providing Auxiliary R&D Services to the Remaining Kelun Group. The Remaining Kelun Group will continue to procure the Auxiliary R&D Services from the Company because the Company's drug development capabilities has been proven to meet the needs and requirements of the Remaining Kelun Group. Continuous procuring and providing the Auxiliary R&D Services from/to the Remaining Kelun Group can reduce the Company's costs associated with involving in prolonged negotiations with new service providers and customers, and cooperating with them in run-in period.

3. 2026 Procurement and Sale of Equipment and Materials Framework Agreement

The Group has procured and provided the Auxiliary R&D Equipment from/to the Remaining Kelun Group since 2024. The two parties are familiar with and meet each other's R&D practices and quality requirement. Over the course of the Group's co-operation with the Remaining Kelun Group, it has come to the Group's attention that, in connection with the Auxiliary R&D Services, the Remaining Kelun Group has R&D equipment and materials available for sale from time to time, which is suitable to meet the R&D needs of the Group. At the same time, the Group has available R&D equipment and materials which is suitable to the R&D needs of the Remaining Kelun Group. The entry into the 2026 Procurement and Sale of Equipment and Materials Framework Agreement would enable the Group to continue to purchase and sell such R&D equipment and materials from/to the Remaining Kelun Group. Purchases made by the Group would enable the Group to steadily build on its existing R&D capabilities and improve its day-to-day operational efficiency. Further, continuous purchases/sales of the Auxiliary R&D Equipment from/to the Remaining Kelun Group can reduce the Group's costs associated with prolonged negotiations with new providers and customers, provide a reliable and cost-effective source of R&D equipment and materials for both parties, giving the Group flexibility to purchase or sell such equipment and materials as and when the need arises, and thereby enabling the Group and the Remaining Kelun Group to fine-tune and optimize its allocation of R&D resources.

Taking the above into consideration, the Directors, whereby the independent non-executive Directors' opinion will be subject to the advice of the Independent Financial Adviser, are of the view that the terms of the CCT Agreements are fair and reasonable, the transactions contemplated thereunder are on normal commercial terms and in the ordinary and usual course of business of the Group, and are in the interests of the Company and its Shareholders as a whole.

(V) Listing Rules Implications

Kelun Pharmaceutical is a controlling shareholder of the Company. Therefore, Kelun Pharmaceutical is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, each of the 2026 Auxiliary R&D Services Framework Agreement and 2026 Procurement and Sale of Equipment and Materials Framework Agreement and the transactions contemplated thereunder constitutes a continuing connected transaction for the Company under the Listing Rules.

Sichuan Kelun Jiaxun Pharmaceutical Technology Co., Ltd. (四川科倫嘉訊醫藥科技有限責任公司) is a wholly-owned subsidiary of Kelun Pharmaceutical. Therefore, Kelun Jiaxun is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the 2026 Promotional Services Framework Agreement constitute a continuing connected transaction for the Company under the Listing Rules.

When aggregating the continuing connected transaction contemplated under each of the CCT Agreements, the highest applicable percentage ratio (as defined under the Listing Rules) of the aggregated annual caps over the terms of each of the CCT Agreements exceeds 5%. Therefore, each of the each of the CCT Agreements and the transactions contemplated thereunder are subject to the reporting, announcement, independent Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

Mr. LIU Gexin, being a Director, has abstained from voting on the Company's board resolution(s) for approving each of the CCT Agreements and the transactions contemplated thereunder in view of his material interest by being the chairman and actual controller of Kelun Pharmaceutical. Dr. GE Junyou, Mr. LIU Sichuan, Mr. LAI Degui, Mr. FENG Hao and Ms. LIAO Yihong, being the Directors, have abstained from voting on the Company's board resolution(s) for approving each of the CCT Agreements and the transactions contemplated thereunder in view of their material interest by being directors and/or senior management and/or shareholders of Kelun Pharmaceutical. Save as aforesaid, no other Director has any material interest in each of the CCT Agreements and the transactions contemplated thereunder and was required to abstain from voting.

(VI) Information on the Parties

The Company

The Company is a biopharmaceutical company, principally engaged in the R&D, manufacturing and commercialization of novel drugs in oncology, immunology and other therapeutic areas.

Kelun Jiaxun

Sichuan Kelun Jiaxun Pharmaceutical Technology Co., Ltd. (四川科倫嘉訊醫藥科技有限責任公司) is principally engaged in the provision of promotional services of pharmaceutical products, and is a wholly-owned subsidiary of Kelun Pharmaceutical, a controlling shareholder of the Company. Kelun Pharmaceutical is principally engaged in the manufacturing of IV (intravenous) fluids solution products and antibiotics intermediates and listed on the Shenzhen Stock Exchange (stock code: 002422). As of the date of this circular, Mr. LIU Gexin, a Director, is the actual controller of Kelun Pharmaceutical.

Kelun Pharmaceutical

Kelun Pharmaceutical is a controlling shareholder of the Company. Kelun Pharmaceutical is principally engaged in the manufacturing of IV (intravenous) fluids solution products and antibiotics intermediates and listed on the Shenzhen Stock Exchange (stock code: 002422). As of the date of this circular, Mr. LIU Gexin, a Director, is the actual controller of Kelun Pharmaceutical.

(VII) Independent Board Committee and Independent Financial Adviser

An independent board committee comprising all independent non-executive Directors has been formed to advise the Independent Shareholders with respect to the CCT Agreements, which constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. Your attention is drawn to its letter of recommendation set out on pages 52 to 53 of this circular.

Altus Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard. Your attention is drawn to its letter of recommendation set out on pages 54 to 83 of this circular.

III. PROPOSED ADOPTION OF THE 2025 SHARE INCENTIVE SCHEME

1. Introduction

The Board proposes to adopt the 2025 Share Incentive Scheme, the provision of which will comply with the requirements of Chapter 17 of the Listing Rules, subject to approval of Shareholders by a special resolution at the EGM. The 2025 Share Incentive Scheme shall take effect upon the approval by the Shareholders at the EGM. The 2025 Share Incentive Scheme will be valid for ten years commencing from the Adoption Date. A summary of the principal terms of the 2025 Share Incentive Scheme is set forth in Appendix II to this circular. The Board considers that the adoption of the 2025 Share Incentive Scheme is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

2. Purpose

The purpose of the 2025 Share Incentive Scheme is to establish and improve a long-term incentive mechanism for the Company, attract and retain Participants to promote the development and success of the business of the Group, effectively aligning the interests of shareholders, the Company, and Participants, fostering a shared focus on the Company's long-term development, and driving the continuous achievement of the Company's strategic and operational goals.

The Company may issue new H Shares, utilize treasury shares (if any) or direct and procure the Trustee to purchase existing H Shares (on-market) to satisfy the grant of the Share Award(s) under the 2025 Share Incentive Scheme.

3. Conditions

The 2025 Share Incentive Scheme is conditional upon:

(i) the passing of special resolution(s) by the Shareholders at the EGM to approve the adoption of the 2025 Share Incentive Scheme, and to authorize the Board or its Delegate(s) to grant Share Awards under the 2025 Share Incentive Scheme and to allot and issue, procure the transfer of and otherwise deal with the Shares (including treasury shares) underlying the Awards granted in accordance with the terms and conditions of the 2025 Share Incentive Scheme; and

(ii) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the new H Shares to be allotted and issued (and/or transferred out of treasury) underlying the Share Awards granted in accordance with the terms and conditions the 2025 Share Incentive Scheme.

As at the Latest Practicable Date, none of the aforesaid conditions of the 2025 Share Incentive Scheme had been fulfilled. An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the new H Shares to be allotted and issued (and/or transferred out of treasury) underlying the Awards granted in accordance with the terms and conditions of the 2025 Share Incentive Scheme. At the EGM, special resolutions will be proposed for the Shareholders to consider and, if thought fit, approve the adoption of the 2025 Share Incentive Scheme. So far as the Directors are aware of, as at the Latest Practicable Date, none of the Shareholders is required to abstain from voting for said resolution.

4. Participants of the 2025 Share Incentive Scheme and the Basis of Determining the Eligibility of Participants

The eligible persons who may be selected to become a participant of the 2025 Share Incentive Scheme shall be any of director and employee (whether full-time or part-time) of the Company or any of its subsidiaries.

In assessing the eligibility of Participants, the Board or its Delegate(s) will consider, in its sole discretion, on a case-by-case basis, the following factors, including but not limited to (i) the individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; (ii) the length of engagement with the Group; (iii) the individual contribution or potential contribution to the development and growth of the Group; and (iv) the amount of support, assistance, guidance, advice or efforts that has been given or will be given towards the Group's success. The Board (including the independent non-executive Directors) is of the view that the criteria for the election of eligible Participants are in line with the Company's business needs and industry norm and align with the purpose of the 2025 Share

Incentive Scheme. By adopting a multi-faceted approach to eligibility assessment, the 2025 Share Incentive Schem ensures that the Share Award are granted to those who are most deserving and whose interests are closely aligned with those of our Company and its Shareholders. This approach not only supports the purpose of the 2025 Share Incentive Scheme, namely, to attract, motivate and retain high-caliber talent, but also reinforces the Group's commitment to meritocracy, fairness and long-term value creation.

5. Vesting Period

The vesting period in respect of any Share Award shall be vested in four (4) years, subject to the satisfaction of the vesting schedule, 1/4 of which shall be vested on each anniversary of the Date of Grant or shall be vested in other vesting schedule at the sole discretion of the Board or its Delegate(s) specified in the Offer documentation. Solely in the following exhaustive circumstances at the sole discretion of the Board or its Delegate(s), the vesting period in respect of any Share Award may be subject to a shorter vesting period less than 12 months from the Date of Grant:

(i) grants of "make-whole" Share Awards to new joiners to replace the share awards or options they forfeited when leaving their previous employers;

(ii) grants to a Participant whose employment is terminated due to death or disability or occurrence of any out of control event. In those circumstances the vesting of share awards may accelerate;

(iii) grants to a Participant that are subject to a vesting schedule incorporating both time-based and performance-based conditions may be eligible for accelerated vesting, in whole or in part, in the event that the applicable performance targets are achieved or materially exceeded ahead of the originally prescribed timeline;

(iv) grants that are made in batches during a year for administrative or compliance reasons, which include Share Awards that should have been granted earlier if not for such administrative or compliance reasons but had to wait for a subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Share Awards would have been granted;

(v) grants with a mixed or accelerated vesting schedule such as where the Share Awards may vest evenly over a period of twelve (12) months, or where the Share Awards may vest by several batches with the first batch to vest within twelve (12) months of the Date of Grant and the last batch to vest twelve (12) months after the Date of Grant;

(vi) grants with performance-based vesting conditions provided in the 2025 Share Incentive Scheme or as specified in the Offer documentation in lieu of time-based vesting criteria; and

(vii) grants with a total vesting period of more than twelve (12) months.

To ensure the practicability in fully attaining the purpose of the 2025 Share Incentive Scheme, the Board is of the view that the vesting period (including the circumstances under which a shorter vesting period may apply) and the authority that the Board or its Delegate(s) has in determining performance targets in relation to the grants, as detailed in the terms of the 2025 Share Incentive Scheme, enables the Company to offer competitive remuneration and reward packages to the Participants, in such circumstances that would be justified and reasonable, which is also consistent with the Listing Rules and market practice. In particular, the Board considers that such discretion and flexibility in relation to the vesting period and performance targets (as further elaborated below) will place the Group in a better position to reward its employees and retain human resources that are valuable to the growth and development of the Group as a whole. Such discretion and flexibility give the Company more flexibility to (i) provide higher incentives when attracting talents; (ii) reward exceptional performers with accelerated vesting schedule. Accordingly, the Directors are of the view that vesting period (including the circumstances under which a shorter vesting period may apply) and the authority that the Board or its Delegate(s) has in determining performance targets in relation to the grants are considered appropriate and align with the purposes of the 2025 Share Incentive Scheme.

According to the 2025 Share Incentive Scheme, upon vesting of the Share Awards granted to the Grantee, such Share Awards shall be satisfied by (i) new H Shares to be allotted and issued (including the Shares to be allotted and issued using treasury shares) to the Grantee or (ii) direct and procure the Trustee to purchase existing H Shares (on-market) to satisfy the Share Awards granted upon vesting (where the Company shall procure that sufficient funds are provided to the Trustee by whatever means as the Board may determine to enable the Trustee to satisfy its obligations in connection with the administration of the 2025 Share Incentive Scheme).

The Company will ensure that the treasury shares are appropriately identified and segregated (for example, holding the repurchased H Shares as treasury shares in a segregated account in CCASS and giving clear written instructions to the H Share Registrar and the relevant broker to update the record to clearly identify those repurchased H Shares held in CCASS as treasury shares).

6. Purchase Price

Unless otherwise determined by the Board or its Delegate(s) at its sole discretion or as required by applicable law, the Purchase Price (if any) of any particular Share Award which shall be stated in the Offer documentation, is RMB1.00 per H Share with reference to the nominal value of each H Share issued by the Company.

By setting the Purchase Price at a nominal value, the Scheme can lower the financial barrier for eligible Participants to acquire the H Share, making participation in the Scheme more accessible to a broader group of our employees. A nominal purchase price can also increase the perceived value of the Share Awards to Grantees, as they are able to acquire H Share at a relatively low price. This creates a strong incentive for Grantees to remain with the Group and contribute to its success, as the potential for capital appreciation could be maximized. The prospect of benefiting from the Company's further growth and performance serves as a powerful motivator for long-term

commitment and engagement. Therefore, the Board is of the view that such arrangement aligns with the purpose of the 2025 Share Incentive Scheme to try the best endeavors to attract and retain the Participants to promote the development and success of the business of the Group.

7. Performance Targets

Vesting of Share Award shall be subject to the performance targets, if any, to be satisfied by the Grantees as determined by the Board or its Delegate(s) from time to time. The Board or its Delegate(s) shall have the authority, after the grant of any Share Award which is performance-linked, to make fair and reasonable adjustments to the prescribed performance targets during the vesting period if there is a change in circumstances, provided that any such adjustments shall be less onerous than the prescribed performance targets and are considered fair and reasonable by the Board or its Delegate(s) (as the case may be). The performance targets may vary among the Grantees. The Board or its Delegate(s) (as the case may be) will conduct assessment from time to time by comparing the performance with the pre-set targets to determine whether and the extent to which such targets have been met. If, after the assessment, the Board or its Delegate(s) determines that any prescribed performance targets have not been met, the unvested Share Award(s) shall lapse automatically.

The Board is of the view that it may not always be appropriate to impose performance targets on the grant to all Participants, particularly when the purpose of granting the Share Award is to remunerate or compensate a Grantee for his or her past contributions to the Group or to retain key employees (at the same time the establishment of a multi-year vesting schedule can also ensure that the Grantees remain incentivized to contribute positively to the Company's ongoing success) or setting a time-based schedule may be a more appropriate and effective means of encouraging the Participants to make long-term contributions to the Company to incentivize certain Participants' further contributions, and considers that it is more beneficial to the Group to have the flexibility to determine in what circumstances and to what extent the performance targets are appropriate, which would then be a more meaningful for the Participant's contribution or potential contribution to the Group and aligns with the purpose and spirit of the 2025 Share Incentive Scheme. In addition, the Board is of the view that it is not practicable to expressly set out a generic set of performance targets in the 2025 Share Incentive Scheme, as each Grantee may play different roles and contribute in different ways to the Group. The Board or its Delegate(s) shall have regard to the purpose of the 2025 Share Incentive Scheme and the position, contributions and importance of the Grantee to the Group in making such determinations and ensure that appropriate specific performance targets will be set under particular circumstances of the relevant Grantee.

8. Clawback Mechanism

In the event that:

(i) Where a Grantee experiences any of the following circumstances of a non-culpable exit, unvested incentive Shares shall automatically lapse; for vested incentive Shares, in accordance with relevant foreign exchange regulatory requirements, the Grantee (or their legal representative) shall realise the Shares on the secondary market within 180 days from the date of termination or cessation of the labour relationship/service relationship/employment relationship (hereinafter collectively referred to as the "**Employment Relationship**") is terminated or dissolved, which facilitates the Company's smooth assistance in completing foreign exchange reporting and profit settlement for the Grantee. Should the Grantee (or his/her legal representative) fail to realise the Shares on the secondary market within 180 days of the termination or cessation of the Employment Relationship, the Company shall arrange for the exit of relevant equity interests in the following circumstances (the "**Non-culpable Exit Circumstances**"): 1) death, or being declared dead or missing by the People's Court; 2) reaching statutory retirement age, or reaching statutory retirement age where the Company offers re-employment but no agreement is reached; 3) loss of working capacity due to work-related injury; 4) illness or non-work-related injury where, after the prescribed medical leave expires, the individual cannot perform his/her original role nor any alternative role arranged by the Company; 5) upon expiry of the employment contract (or service agreement, consultancy agreement or similar arrangement) which the Company elects not to renew; 6) inability to perform duties, persisting after training or reassignment; 7) submission of a resignation application to the Company; 8) termination of the employment contract (or service agreement, consultancy agreement, etc.) by mutual agreement with the Company; 9) termination of the employment contract (or service agreement, consultancy agreement, etc.) by the Company due to its downsizing; 10) termination or cessation of the Employment Relationship arising from circumstances other than those constituting culpable exit; and 11) other circumstances recognised by the equity incentive management committee as constituting non-culpable exit.

(ii) Where a Grantee experiences any of the following circumstances of a culpable exit, unvested incentive Shares shall automatically lapse; vested incentive Shares shall be subject to mandatory clawback in accordance with the Company's requirements, with related gains recovered. The Company reserves the right to terminate the employment contract (or service agreement, consultancy agreement or similar arrangement). Where losses are incurred by the Company, the Company further reserves the right to seek compensation from the Grantee for damages to the Company's interests or reputation in the following circumstances (the "**Culpable Exit Circumstances**"): 1) during employment, involvement in illegal or disciplinary violations such as accepting

bribes, soliciting bribes, misappropriation, theft, or disclosure of business or technical secrets, causing damage to the Company or adversely affecting its reputation; 2) serious dereliction of duty, misconduct, or fraud for personal gain, causing substantial damage to the Company; 3) being subject to criminal liability for criminal acts and being unable to perform duties; 4) violation of the Company's non-competition restrictions; 5) material breach of the Company's labour discipline or regulations; 6) other circumstances recognised by the equity incentive management committee as constituting culpable exit.

Should a Grantee undergo a job change (without a demotion) due to work requirements while remaining an active employee of the Company or any of its subsidiaries, both vested and unvested incentive Shares shall, in principle, remain unaffected. In the event of a demotion, the Company reserves the right to make appropriate adjustments to the Grantee's unvested incentive Shares, with no adjustments made to vested Shares.

The clawback mechanism provides the Company with the necessary tools to address situations where Participants' actions are inconsistent with the values and interests of the Group. In particular, by enabling the Company to recover equity incentives in cases of misconduct, breach, or other specified circumstances, this mechanism helps to uphold the integrity the 2025 Share Incentive Scheme, promote responsible behaviour, and protect shareholder value. Therefore, the Board is of the view that such clawback mechanism provides an option for the Company to claw back the equity incentives granted to Participants in certain circumstances as mentioned above and is in line with the purpose of the 2025 Share Incentive Scheme and the interests of the Company and the Shareholders.

9. Scheme Mandate Limit

Limit of the 2025 Share Incentive Scheme

The maximum number of the Shares which will be issued in respect of all Share Awards involving issue of new H Shares (including the Shares to be allotted and issued using treasury shares) that may be granted under the 2025 Share Incentive Scheme adopted by the Company must not in aggregate exceed 3,500,000 H Shares, which is expected to represent approximately 1.5% of the total number of Shares in issue (excluding treasury shares (if any)) as at the Adoption Date.

10. Individual Limit

Unless approved by the Shareholders in the manner set out in the 2025 Share Incentive Scheme, the total number of Shares issued and to be issued in respect of all awards and options (if any) granted under the 2025 Share Incentive Scheme and any other share scheme(s) (if any) of the Company to each Participant in any 12-month period shall not exceed 1% of the total number of Shares in issue (excluding treasury shares (if any)) (the "**Individual Limit**"). Where any grant of Share Awards under the 2025 Share Incentive Scheme to a Participant would result in the aggregate

number of Shares issued and to be issued in respect of all awards and options (if any) granted under the 2025 Share Incentive Scheme and any other share scheme(s) (if any) of the Company to such Participant (excluding any options and awards lapsed in accordance with the terms of the 2025 Share Incentive Scheme and any other share scheme(s) (if any) of the Company) in the 12-month period up to and including the date of such grant exceeding the Individual Limit, such grant shall be subject to separate approval of the Shareholders in general meeting with such Participant and his/her close associates (or his/her associates if the Participant is a connected person of the Company) abstaining from voting.

Where any grant of awards (excluding grant of options (if any)) to a Director (other than an independent non-executive Director) or chief executive of the Company (or any of their associates) would result in the number of Shares issued and to be issued in respect of all awards involving issue of new H Shares (including the Shares to be allotted and issued using treasury shares (if any) already granted under the 2025 Share Incentive Scheme and any other share scheme(s) (if any) of the Company (excluding any awards lapsed in accordance with the terms of the 2025 Share Incentive Scheme or any other share scheme(s) (if any) of the Company) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of the total number of Shares in issue as at the Date of Grant (excluding treasury shares (if any)), such further grant of Share Awards shall be subject to prior approval by the Shareholders (voting by way of poll) in general meeting with such Participant and his/her associate and all core connected persons of the Company abstaining from voting in favor at such general meeting.

Where any grant of awards or options to a substantial shareholder or an independent non-executive Director of the Company (or any of their respective associates) would result in the number of Shares issued and to be issued in respect of all awards and options (if any) involving issue of new H Shares (including the Shares to be allotted and issued using treasury shares (if any)) already granted under the 2025 Share Incentive Scheme and any other share scheme(s) (if any) of the Company (excluding any awards or options (if any) lapsed in accordance with the terms of the 2025 Share Incentive Scheme or any other share scheme(s) (if any) of the Company) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of the total number of Shares in issue as at the Date of Grant (excluding treasury shares (if any)), such further grant of Share Awards shall be subject to prior approval by the Shareholders (voting by way of poll) in general meeting with such Participant and his/her associate and all core connected persons of the Company abstaining from voting in favor at such general meeting.

11. Voting of Unvested Share Awards

Pursuant to the 2025 Share Incentive Scheme, the Trustee (if a trustee is appointed by the Company) holding unvested Share Awards, whether directly or indirectly, shall abstain from voting or exercising any voting rights in respect of any Shares held, whether directly or indirectly, under the trust or as nominee on matters that require approval of the Shareholders under the Listing Rules, unless otherwise required by Applicable Laws or regulations to vote in accordance with the beneficial owner's direction and such a direction is given.

12. Others

As at the Latest Practicable Date, the Company had adopted one share incentive scheme, namely the Pre-IPO Employee Incentive Scheme while it does not involve the grant of new options or awards that will result in the issuance of new Shares after the Listing.

As at the Latest Practicable Date, the Company had not appointed a Trustee under the 2025 Share Incentive Scheme. None of the Director is and will be a Trustee of the 2025 Share Incentive Scheme or has a direct or indirect interest in the Trustee.

A summary of the principal terms of the 2025 Share Incentive Scheme is set out in Appendix II to this circular. A copy of the 2025 Share Incentive Scheme will be published on the websites of Stock Exchange (www.hkexnews.hk) and the Company (http://kelun-biotech.com) for not less than 14 days before the date of the EGM and a copy of the 2025 Share Incentive Scheme is available for inspection at the EGM.

An application will be made by the Company to the Stock Exchange for the approval for the listing of, and permission to deal in, the Shares that may be allotted and issued (and/or transferred out of treasury) in respect of the Share Awards granted from time to time under the 2025 Share Incentive Scheme.

Implications under the Listing Rules

As at the Latest Practicable Date, no Share Awards were planned to be conditionally or unconditionally granted. The Company will comply with the announcement, circular, Independent Shareholders' approval and other applicable requirements under the Listing Rules (if applicable) once the any grants under the 2025 Share Incentive Scheme are determined and conducted.

In case there is any grant that will trigger the individual limit under Rules 17.03D(1) or 17.04(2) and (3) of the Listing Rules, a general meeting will be held at that time for such grant.

The grant of Share Awards under the 2025 Share Incentive Scheme those Grantees who are connected persons of the Company shall comply with such provisions under Chapter 14A of the Listing Rules as may be applicable, including any reporting, announcement and Independent Shareholders' approval and other applicable requirements, unless otherwise exempted under the Listing Rules. Where the grants of Share Awards under the 2025 Share Incentive Scheme to those Grantees who are connected persons of the Company will be satisfied by treasury shares or the new Shares issued by the Company, such grants will be fully exempted from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.92(3) of the

Listing Rules. Where the grants of Share Awards under the 2025 Share Incentive Scheme to those Grantees who are connected persons of the Company will be satisfied by existing H Shares purchased (on-market), the Company shall comply with such provisions under Chapter 14A of the Listing Rules as may be applicable, including any reporting, announcement and independent shareholders' approval requirements, unless otherwise exempted under the Listing Rules.

IV. THE EGM

The EGM will be held at Meeting Room 1, 2/F, K1 Building, Sichuan Kelun-Biotech Biopharmaceutical Co., Ltd., No. 666 Xinhua Avenue, Chengdu Cross-Strait Science and Technology Industry Development Park, Wenjiang District, Chengdu, Sichuan Province, the PRC at 9:00 a.m. on December 31, 2025 by the Company. The notice convening the EGM is set out on pages EGM-1 to EGM-4 of this circular and published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (https://kelun-biotech.com).

Each of Kelun Pharmaceutical, Mr. LIU Gexin, Dr. GE Junyou, Mr. LIU Sichuan, Mr. LAI Degui, Mr. FENG Hao, Ms. LIAO Yihong and their respective associates who have material interests in the CCT Agreements and the transactions contemplated thereunder are required to abstain from voting on the relevant resolution at the EGM. As at the Latest Practicable Date, Kelun Pharmaceutical and its associates held 153,791,255 Shares of the Company (representing 65.95% of the total issued share capital of the Company), and the equity interest in the Company held by each of Mr. LIU Gexin, Dr. GE Junyou, Mr. LIU Sichuan, Mr. LAI Degui, Mr. FENG Hao and Ms. LIAO Yihong were all held through Kelun Pharmaceutical and/or its associates. Save as disclosed above, to the best of the Directors' knowledge and belief having made all reasonable enquiries, none of the Shareholders are required to abstain from voting on the proposed resolutions in relation to the CCT Agreements and the transactions contemplated thereunder at the EGM.

As at the Latest Practicable Date, to the best knowledge of the Directors and having made all reasonable inquiries, no Shareholders had any material interest in the proposed adoption of the 2025 Share Incentive Scheme. As such, no Shareholder is required to abstain from voting on the resolution in relation to the proposed adoption of the 2025 Share Incentive Scheme.

V. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules and the Articles, any resolution put to the vote of the meeting shall be decided on a poll save that the chairman may, in good faith, allow a resolution which relates purely to a procedural or administrative matter as prescribed under the Listing Rules to be voted on by a show of hands. Accordingly, each of the resolutions set out in the notice of the EGM will be taken by way of poll.

Holders of treasury shares (if any) shall abstain from voting on matters that require Shareholders' approval at the Company's general meeting.

VI. CLOSURE OF REGISTER OF MEMBERS

In order to determine the Shareholders who are entitled to attend the EGM, the register of members of the Company will be closed from December 24, 2025 to December 31, 2025, both days inclusive, during which period no transfer of Shares will be registered. To be eligible to attend and vote at the EGM, unregistered Shareholders shall ensure all transfer documents accompanied by the relevant share certificates are lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on December 23, 2025 for registration.

VII. PROXY ARRANGEMENT

The form of proxy of the EGM is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (http://kelun-biotech.com).

If you intend to appoint a proxy to attend the EGM, you are required to complete and return the form of proxy of the EGM in accordance with the instructions stated thereon. The form of proxy should be returned to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 24 hours before the time fixed for holding the EGM (i.e. not later than 9:00 a.m. on December 30, 2025) or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or at any adjourned meeting should you so wish.

VIII. RECOMMENDATION

CCT Agreements

Your attention is drawn to (i) the letter from the Independent Board Committee set out on page 52 to 53 of this circular which contains its advice to the Independent Shareholders in connection with the CCT Agreements and the transactions contemplated thereunder; (ii) the letter from the Independent Financial Adviser set out on pages 54 to 83 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in connection with the CCT Agreements and the transactions contemplated thereunder, and the principal factors and reasons taken into consideration in arriving at its advice; and (iii) the additional information set out in Appendix I to this circular.

The Board (excluding Mr. LIU Gexin, Dr. GE Junyou, Mr. LIU Sichuan, Mr. LAI Degui, Mr. FENG Hao and Ms. LIAO Yihong, who have abstained from voting on the relevant board resolution(s) of the Company, but including the independent non-executive Directors whose views are set out in the Letter from the Independent Board Committee contained in this circular) after reviewing and considering the advice of the Independent Financial Adviser in this circular, considers that the CCT Agreements and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the best interests of the Company and the Shareholders (including the Independent Shareholders) as a whole.

Accordingly, the Board (excluding Mr. LIU Gexin Dr. GE Junyou, Mr. LIU Sichuan, Mr. LAI Degui, Mr. FENG Hao and Ms. LIAO Yihong, who have abstained from voting on the relevant board resolution(s) of the Company, but including the independent non-executive Directors whose views are set out in the Letter from the Independent Board Committee contained in this circular) recommends the Independent Shareholders to vote in favor of the proposed resolutions in relation to the CCT Agreements and the transactions contemplated thereunder at the EGM as set out in the enclosed notice of the EGM.

2025 Share Incentive Scheme

The Board considers that the special resolutions in relation to the adoption of the 2025 Share Incentive Scheme are in the best interests of the Company and the Shareholders. Accordingly, the Directors (including all independent non-executive Directors) recommend the Shareholders vote in favor of the relevant resolutions at the EGM as set out in the enclosed notice of the EGM.

IX. GENERAL

Your attention is also drawn to the appendices to this circular. The English text of this circular shall prevail over the Chinese text.

By order of the Board
Sichuan Kelun-Biotech Biopharmaceutical Co., Ltd.
LIU Gexin
Chairman of the Board and Non-executive Director

Hong Kong, December 15, 2025

The following is the text of a letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders in relation to the CCT Agreements and the transactions contemplated thereunder.

Sichuan Kelun-Biotech Biopharmaceutical Co., Ltd.
四川科倫博泰生物醫藥股份有限公司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 6990)

December 15, 2025

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS
2026 PROMOTIONAL SERVICES FRAMEWORK AGREEMENT, 2026 AUXILIARY R&D SERVICES FRAMEWORK AGREEMENT AND 2026 PROCUREMENT AND SALE OF EQUIPMENT AND MATERIALS FRAMEWORK AGREEMENT

We refer to the circular dated December 15, 2025 (the "**Circular**") to the shareholders of the Company of which this letter forms part. Unless otherwise specified, terms defined in the Circular shall have the same meanings in this letter.

We have been appointed to form the Independent Board Committee to advise the Independent Shareholders in respect of the CCT Agreements and the transactions contemplated thereunder, details of which are set out in the "Letter from the Board" contained in the Circular. Altus Capital has been appointed to advise the Independent Shareholders and us in this regard.

Details of the advice and the principal factors and reasons that the Independent Financial Adviser has taken into consideration in giving such advice, are set out in the "Letter from the Independent Financial Adviser" in the Circular. Your attention is also drawn to the "Letter from the Board" in the circular and the additional information set out in Appendix I hereto.

Having taken into account the terms of the CCT Agreements and the transactions contemplated thereunder and the advice of the Independent Financial Adviser, we are of the opinion that the entering into of the CCT Agreements and the transactions contemplated thereunder is in the ordinary and usual course of business of the Group, the terms of the CCT Agreements are fair and reasonable so far as the Shareholders (including the Independent Shareholders) are concerned, and the CCT Agreements and the transactions contemplated thereunder are on normal commercial terms and in the interests of the Company and the Shareholders as a whole. We, therefore, recommend that you vote in favor of the resolutions to be proposed at the EGM to approve the CCT Agreements and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
Independent Board Committee

Dr. ZHENG Qiang (鄭強) **Dr. TU Wenwei (涂文偉)**
Dr. JIN Jinping (金錦萍) **Dr. LI Yuedong (李越冬)**
Independent Non-executive Directors

Set out below is the text of a letter received from Altus Capital Limited, the Independent Financial Adviser to the Independent Board Committee in respect of the CCT Agreements, the transactions contemplated thereunder and the annual caps related thereto, which has been prepared for the purpose of incorporation in the Circular.

ALTUS.

Altus Capital Limited
21 Wing Wo Street
Central
Hong Kong

15 December 2025

To the Independent Board Committee

Sichuan Kelun-Biotech Biopharmaceutical Co., Ltd.
No. 666 Xinhua Avenue
Chengdu Cross-Strait Science and Technology Industry Development Park
Wenjiang District, Chengdu
Sichuan Province, PRC

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS 2026 PROMOTIONAL SERVICES FRAMEWORK AGREEMENT, 2026 AUXILIARY R&D SERVICES FRAMEWORK AGREEMENT AND 2026 PROCUREMENT AND SALE OF EQUIPMENT AND MATERIALS FRAMEWORK AGREEMENT

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of (i) the 2026 Promotional Services Framework Agreement; (ii) the 2026 Auxiliary R&D Services Framework Agreement; (iii) 2026 Procurement and Sale of Equipment and Materials Framework Agreement; and (iv) the transactions contemplated thereunder (including the proposed annual caps related thereto) (the "**Transactions**"), details of which are set out in the "Letter from the Board" contained in the circular dated 15 December 2025 (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

Reference is made to the (i) announcements of the Company dated (a) 12 February 2025 that the Company entered into the 2025 Promotional Services Framework Agreement with Kelun Jiaxun, pursuant to which Kelun Jiaxun will provide promotional services to the Company in relation to Cetuximab N01 Injection for the period from 12 February 2025 to 31 December 2025; and (b) 19 August 2024 and 30 August 2024 that the Company entered into a supplementary auxiliary R&D services framework agreement with Kelun Pharmaceutical for itself and on behalf of the remaining Kelun group (the "**Remaining Kelun Group**") to procure and provide/sell Auxiliary R&D Services and Auxiliary R&D Equipment with the Company; (ii) the Announcement in respect of, amongst others, the CCT Agreements and the transactions contemplated thereunder; and (iii) the Company's prospectus dated 29 June 2023.

LISTING RULES IMPLICATIONS

Kelun Pharmaceutical is a controlling shareholder of the Company. Therefore, Kelun Pharmaceutical is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the CCT Agreements and the transactions contemplated thereunder constitute a continuing connected transaction for the Company under the Listing Rules.

Sichuan Kelun Jiaxun Pharmaceutical Technology Co., Ltd. (四川科倫嘉訊醫藥科技有限責任公司) is a wholly-owned subsidiary of Kelun Pharmaceutical, a controlling shareholder of the Company. Therefore, Kelun Jiaxun is a connected person of the Company under Chapter 14A of the Listing Rules. Thus, the transactions contemplated under the CCT Agreements constitute a continuing connected transaction for the Company and under the Listing Rules.

When aggregating the continuing connected transactions contemplated under the each of the CCT Agreements, the highest applicable percentage of the aggregated annual caps over the terms of each of the CCT Agreements exceed 5%. Therefore, each of the CCT Agreements and the transactions contemplated thereunder are subject to the reporting, announcement, annual review, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all the independent non-executive Directors, namely Dr. Zheng Qiang, Dr. Tu Wenwei, Dr. Jin Jinping and Dr. Li Yuedong, has been formed to advise the Independent Shareholders in respect of the CCT Agreements and the transactions contemplated thereunder as to (i) whether the entering into of the CCT Agreements and the transactions contemplated thereunder is in the ordinary and usual course of business of Group; (ii) whether the terms of the CCT Agreements are fair and reasonable so far as the Shareholders (including the Independent Shareholders) are concerned, and the CCT Agreements and the transactions contemplated thereunder are on normal commercial terms and in the interests of the Company and the Shareholders as a whole; and (iii) how to vote in respect of the resolution(s) to be proposed at the EGM after taking into account the recommendations from the Independent Financial Adviser.

THE INDEPENDENT FINANCIAL ADVISER

As the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders in respect of the CCT Agreements and the transactions contemplated thereunder as to (i) whether the entering into of the CCT Agreements and the transactions contemplated thereunder is in the ordinary and usual course of business of Group; (ii) whether the terms of the CCT Agreements are fair and reasonable so far as the Shareholders (including the Independent Shareholders) are concerned, and the CCT Agreements and the transactions contemplated thereunder are on normal commercial terms and in the interests of the Company and the Shareholders as a whole; and (iii) how to vote in respect of the resolution(s) to be proposed at the EGM.

We have not acted as an independent financial adviser or financial adviser in relation to any transactions of the Company in the last two years prior to the date of the Circular. Pursuant to Rule 13.84 of the Listing Rules, and given that the remuneration for our engagement to opine on the proposed Transactions is at market level and not conditional upon successful passing of the Resolution, and our engagement is on normal commercial terms, we are independent of and not associated with the Company, its controlling shareholder, or connected person(s).

BASIS OF OUR ADVICE

In formulating our opinion, we have reviewed, amongst others, (i) the 2026 Promotional Services Framework Agreement; (ii) the 2026 Auxiliary R&D Services Framework Agreement; (iii) the 2026 Procurement and Sale of Equipment and Materials Framework Agreement; (iv) the annual report of the Company for the year ended 31 December 2024 (the "**2024 Annual Report**"); (v) the interim report of the Company for the six months ended 30 June 2025 (the "**2025 Interim Report**"); and (vi) other information as set out in the Circular.

We have also relied on the statements, information, opinions and representations contained or referred to in the Circular and/or provided to us by the Company, the Directors and the management of the Company (the "**Management**"). We have assumed that all the statements, information, opinions and representations contained or referred to in the Circular and/or provided to us were true, accurate and complete at the time they were made and will continue to be so up to the date of EGM. The Directors collectively and individually accept full responsibility, including particulars given in compliance with the Listing Rules for the purpose of giving information with regards to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other facts the omission of which would make any statement in the Circular misleading.

We have no reason to believe that any statements, information, opinions or representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the statements, information, opinions or representations provided to us untrue, inaccurate or misleading.

We consider that we have been provided with, and have reviewed, sufficient information to reach an informed view and provide a reasonable basis for our opinion. We have not, however, conducted an independent investigation into the business, financial conditions and affairs or future prospects of the Group.

PRINCIPAL FACTORS AND REASONS CONSIDERED

1. Background

1.1 Background information of the Company

The Company is a biopharmaceutical company focused on the research and development, manufacturing and commercialisation of novel drugs in oncology, immunology and other therapeutic areas. The Company is currently developing more than 30 candidates in its pipeline, including Sacituzumab Tirumotecan, Trastuzumab botidotin, Tagitanlimab, and Cetuximab N01 Injection, all of which have been approved by the NMPA. Cetuximab N01 Injection is used in combination with FOLFOX or FOLFIRI regimens for first-line treatment of rat sarcoma virus (RAS) wild-type metastatic colorectal cancer (mCRC).

The following table sets out the Company's key items of consolidated statement of profit or loss for the two years ended 31 December 2024 ("**2023**" and "**2024**", respectively) and for the six months ended 30 June 2024 and 2025 ("**2024 1H**" and "**2025 1H**", respectively).

Consolidated statement of profit or loss	**For the year ended 31 December**		**For the six months ended 30 June**	
	2023	**2024**	**2024**	**2025**
	RMB'000 (audited)	*RMB'000 (audited)*	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*
Revenue	**1,540,493**	**1,933,045**	**1,382,791**	**950,445**
Gross profit	***759,185***	***1,273,657***	***1,076,690***	***659,988***
Gross profit margin	*49.3%*	*65.9%*	*77.9%*	*69.4%*
Selling and distribution expenses	(19,534)	(182,717)	(41,151)	(178,925)
Research and development ("**R&D**") expenses	(1,030,966)	(1,206,134)	(652,337)	(611,539)
(Loss)/profit for the year	**(574,134)**	**(266,766)**	**310,226**	**(145,175)**

The Company's revenue grew by 25.5% from RMB1,540.5 million in 2023 to RMB1,933.0 million in 2024, followed by a gross profit increase of 67.8% from RMB759.2 million in 2023 to 1,273.7 million in 2024. The Company's selling and distribution expenses had meanwhile increased by over eight times from RMB19.5 million in 2023 to RMB182.7 million in 2024, and it also recorded an increase in R&D expenses of 17.0% from RMB1,031.0 million in 2023 to RMB1,206.1 million in 2024.

Revenue decreased in 2025 1H compared to 2024 1H due to decrease in revenue from license and collaboration agreements. Notwithstanding this, in line with new drug marketing and launches, selling and distribution expenses were higher and the Company also continued putting resources into R&D.

We observed that while the Company had experienced fluctuations in its revenue and gross profit, it had continued to incur selling and distribution expenses as well as R&D expenses in line with its continuous development of innovative biopharmaceutical drugs and the increased selling and distribution activities of its newly approved drugs.

1.2 Background information of Kelun Jiaxun and Kelun Pharmaceutical

Kelun Pharmaceutical, a controlling shareholder of the Company, is principally engaged in the manufacturing of IV (intravenous) fluids solution products and antibiotics intermediates and is listed on the Shenzhen Stock Exchange (stock code: 002422). According to its annual report for the year ended 31 December 2024, Kelun Pharmaceutical recorded a revenue of RMB21,812.4 million for that year and had total assets of RMB37,316.3 million as at 31 December 2024.

Sichuan Kelun Jiaxun Pharmaceutical Technology Co., Ltd. (四川科倫嘉訊醫藥科技有限責任公司) is principally engaged in the provision of promotional services of pharmaceutical products and is a wholly-owned subsidiary of Kelun Pharmaceutical.

2. Reasons for and Benefits of the CCT Agreements

Taking into account the principle activities of the Company as described in the paragraph "1.1 Background information of the Company" above, we are of the view that it is in the ordinary and usual course of the business of the Company to (i) engage in the Promotional Services due to the Company obtaining marketing authorisation in the PRC from the NMPA for Cetuximab N01 Injection; and (ii) outsource auxiliary R&D services to the Remaining Kelun Group to allow pre-profit biopharmaceutical companies, including the Company itself to concentrate on the core R&D of its drug candidates. In particular, we noted that the aforementioned services procured and provisioned to the Remaining Kelun Group and Kelun Jiaxun align with the Company's mission to (i) focus on R&D for innovative drug candidates; and (ii) expand the use of Cetuximab N01 Injection nationwide through the Promotional Services. In addition, since both the Group and the Remaining Kelin Group are engaged in pharmaceutical R&D activities, the Group frequently generates idle or surplus R&D equipment and materials, which may be suitable for the Remaining Kelun Group's needs (and vice versa). The continued purchase from and sale/disposal to the Remaining Kelun Group of such Auxiliary R&D Equipment therefore enables both parties to optimise the allocation of their R&D resources, enhance their respective R&D capabilities, and improve day-to-day operational efficiency.

As each of the 2025 Promotional Services Framework Agreement and the Original Auxiliary R&D Services Framework Agreement will expire on 31 December 2025, each of the 2026 Promotional Services Framework Agreement, the 2026 Auxiliary R&D Services Framework Agreement and 2026 Procurement and Sale of Equipment and Materials Framework Agreement represents a continuation of the existing arrangement in respect of the Promotional Services provided to the Company by Kelun Jiaxun, Auxiliary R&D Services provided to and from the Company by and for the Remaining Kelun Group and Auxiliary R&D Equipment procured by and sold from the Company from and to the Remaining Kelun Group the during the Company's ordinary and usual course of business.

We noted from the Management that the Company has (i) procured Promotional Services from Kelun Jiaxun since 2025, (ii) procured and provide Auxiliary R&D Services from or to the Remaining Kelun Group since 2023; and (iii) procured and sold Auxiliary R&D Equipment from or to the Remaining Kelun Group since 2024. We noted from the Management that the (i) Promotional Services have had a positive impact on sales of Cetuximab N01 Injection; and (ii) the outsourced Auxiliary R&D Services has allowed the Company to focus more on the R&D of its innovative drug candidates; and (iii) the procurement and sale of Auxiliary R&D Equipment from or to the Remaining Kelun Group has enabled the Group to optimise its R&D resources allocation, enhance its existing R&D capabilities and improve its day-to-day operational efficiency. Therefore, in view of the benefits that can be brought to the Company as elaborated above, the continuity of the business relationship with Kelun Jiaxun and the Remaining Kelun Group are beneficial to the long-term development of the Company.

Overall, the Management believes and we concur that the transactions contemplated under each of the CCT Agreements will continue to be conducted in the ordinary and usual course of business of the Company and are in the interests of the Company and the Shareholders as a whole.

3. Particulars of the CCT Agreements

3.1 2026 Promotional Services Framework Agreement

To assess the fairness and reasonableness of the 2026 Promotional Services Framework Agreement, we have considered the following.

Principal terms and pricing policy of the 2026 Promotional Services Framework Agreement

The principal terms of the 2026 Promotional Services Framework Agreement are summarized below. For details, please refer to the paragraph headed "Principal Terms of the CCT Agreements" in the "Letter from the Board" of the Circular.

Date of agreement	15 December 2025
Parties	(1) the Company; and (2) Sichuan Kelun Jiaxun Pharmaceutical Technology Co., Ltd. (四川科倫嘉訊醫藥科技有限責任公司).
Term	January 1, 2026 to December 31, 2028
Subject matter	The Company shall engage Kelun Jiaxun to provide, within the PRC and targeting medical end customers, promotional, marketing planning and end customer access services for Cetuximab N01 Injection, including but not limited to market research, market development, doctor and patient visits, academic promotion and maintenance of business (the "**Promotional Services**").

In respect of the terms of specific promotional services of Cetuximab N01 Injection contemplated under the 2026 Promotional Services Framework Agreement, the Company and Kelun Jiaxun may enter into individual promotional services agreements. In the event that the terms of an individual promotional services agreement and the 2026 Promotional Services Framework Agreement conflict, the terms of the 2026 Promotional Services Framework Agreement shall prevail.

The 2026 Promotional Services Framework Agreement further provides that all transactions contemplated thereunder shall be conducted in compliance with the terms of the 2026 Promotional Services Framework Agreement, the Listing Rules and applicable laws and regulations.

Consideration and Pricing Policies

The Company shall pay promotional services fee(s) to Kelun Jiaxun. The services fees to be paid by the Company to Kelun Jiaxun for the specific promotional services under the 2026 Promotional Services Framework Agreement ("**Service Fees**") shall be set forth in an individual promotional services agreement.

The Services Fees to be paid by the Company to Kelun Jiaxun shall be no less favourable to the Company than the fee charged by independent third party promotional services providers under the same conditions. The Services Fees will be negotiated on an arm's length basis between the Company and Kelun Jiaxun on normal commercial terms with reference to:

(1) the nature, complexity and value of the Promotional Services involved over the term of the 2026 Promotional Services Framework Agreement, taking into account the early stage of commercialization of Cetuximab N01 Injection, and the expected costs and expenses in carrying out the Promotional Services (including but not limited to cost of staff and supplies);

(2) the fees of independent third party promotional services providers for provision of the Promotional Services for Cetuximab N01 Injection. To implement this policy, the management of the Company would solicit fee quotes from at least two independent third party promotional services providers for the same or similar promotional services, and ensure that the fees to be paid by the Company to Kelun Jiaxun will be no less favorable to the Company than the fee quotes from independent third party promotional services providers under the same conditions; and

(3) the recent market fees of promotional services offered to similar or comparable companies. To implement this policy, the Company will conduct researches on industry websites and other public sources, and otherwise enquire into the recent market fees of same or similar promotional services provided to similar or comparable companies (which are independent of the Group) by their promotional services providers, to ensure that the Service Fees are not higher than such market fees.

Payment terms The promotional services fee(s) payable under the 2026 Promotional Services Framework Agreement shall be payable on a monthly basis with a credit period of up to 30 days.

We noted that from the Management that given the long-term and integrated nature of promotional services, which typically involves campaigns aligned with key commercial milestones of the drugs over multiple years, it is impractical to obtain quotations from independent third parties for each individual transaction under the relevant framework agreement. Instead, prior to entering into the relevant service framework agreement with Kelun Jiaxun, the Group had obtained quotations from four independent third parties, who were established providers of promotional services in the market, that had expressed interest in collaborating with the Group to provide similar promotional services.

Based on our discussions with Management and our review of the information provided by Management including the proposed service fee structures from the four independent third parties, we noted that the service fee structure proposed to be charged by each of the four independent third parties and by Kelun Jiaxun vary in terms of (i) level of base fee (if any); (ii) fee stages; and (iii) sales milestones to be achieved and fee scale at different milestones. The differing marketing strategies and fee structures offered by each of these providers in terms of base fee, timelines and sales milestones made direct comparison not practicable. Therefore, a like-for-like comparison of service fees payable under each of

quotations (that is, across a same time period and based on the same assumed sales volume) was conducted by the Management to assess whether Kelun Jiaxun's service fees are more favorable to the Group than those offered by the independent third parties.

To enable a like-for-like comparison of the quotations, the Group normalized the service fees to be charged by the four independent third parties and by Kelun Jiaxun over a 10-year period, which is the typical duration of a drug's sales promotion cycle, based on the estimated sales volume of Cetuximab N01 Injection that the Group expects to achieve. It then compared the Group's rates of return that can be achieved under the different fee structures proposed by the four independent third parties and Kelun Jiaxun. We are of the view that in the absence of direct comparisons as mentioned above, the aforesaid normalisation approach provides a reasonable basis for comparison in assessing whether the service fees charged by Kelun Jiaxun are more favourable to the Group than those charged by the independent third parties.

According to the Management's calculations, the rate of return that can be achieved based on the fee structure of Kelun Jiaxun is higher than the rates expected from the promotional service quotations of the four independent third parties. The normalization therefore demonstrates that the service fees to be charged by Kelun Jiaxun are more favourable to the Group.

After entering into the relevant framework agreement, the Management continuously monitors the actual service fees charged by Kelun Jiaxun to ensure that Kelun Jiaxun continues to provide more favourable terms to the Group compared to the four independent third parties. In this regard, we have performed sample checks on the assessment conducted by the Management in respect of the actual service fees charged by Kelun Jiaxun from February 2025 to September 2025. We obtained from the Management the monthly assessment workings for July 2025 and September 2025, the two months with the highest transaction amounts. We further noted that the Management has applied the actual sales figures from (i) February 2025 to July 2025; and (ii) February 2025 to September 2025 to the aforesaid normalisation approach, and in each assessment, the Group's projected rate of return remained the highest when the promotional services are provided by Kelun Jiaxun as compared with the scenario in which the services are to be provided by any of the four independent third parties.

The long to medium-term nature of promotional planning renders it not practicable for the Group to obtain quotations from independent third parties prior to each single transaction as mentioned above. The alternative of obtaining independent third-party quotations prior to entering into the relevant framework agreement and ongoing verification of fairness of actual Kelun Jiaxun service fees incurred using the aforesaid normalisation model can ensure that Kelun Jiaxun continues to provide more favourable terms to the Group compared to the four independent third parties. We consider this justifiable and reasonable.

For random sample checks, we have obtained and reviewed the underlying documents for the two months between February 2025 and September 2025 with the highest transaction amounts, which included (i) expense settlement reports that provide breakdowns of the actual fees incurred during the relevant months; (ii) correspondences between the Group and Kelun Jiaxun confirming those fees; and (iii) the respective invoices or payment records. Such records were consistent with the actual service fees charged. We also noted that Kelun Jiaxun's service fees relating to the Cetuximab N01 Injection promotional services were charged based on its own actual costs and expenses in carrying out the Promotional Services (including but not limited to costs of its staff and supplies). We are of the view that this charging method can be more closely aligned with actual market sale progress of Cetuximab N01 Injection. We noted from the samples obtained above for July 2025 and September 2025, and the samples we obtained for the payment terms offered by independent third parties covering 2025, that the Group settles the promotional service fees with Kelun Jiaxun in arrears on a monthly basis, with a credit period of 30 days, which is consistent with or no less favourable than the payment terms offered to the Group by independent third-party service providers. Given that the transaction amounts in the two selected months represented over 50% of the total transaction amount for the nine months ended 30 September 2025, we consider the samples reviewed to be sufficient and representative.

Based on the above, we are of the view that (i) the pricing policy of the Promotional Services had been adhered to; and (ii) the terms of 2026 Promotional Services Framework Agreement (including the pricing policy) are on normal commercial terms and are fair and reasonable.

Historical transaction amounts of the 2025 Promotional Services Framework Agreement

The following table sets out the historical transaction amount paid by the Company to Kelun Jiaxun under the 2025 Promotional Services Framework Agreement from February 12, 2025 to 31 October 2025 and the respective utilisation rate:

2025 Promotional Services Framework Agreement	
Historical transaction amount from February 12, 2025 to 31 October 2025	RMB4,729,000
Annual cap for the year ending December 31, 2025	RMB35,000,000
Utilisation rate	13.5%

As advised by the Management, the relatively low utilisation rate to-date was primarily attributable to Cetuximab N01 Injection being still in its first year of launch and is awaiting the approval of its reimbursable status under the National Reimbursement Drug List (醫保目錄). Meanwhile, two competing products have already obtained reimbursable status and are being sold in hospitals. Coupled with stringent controls on non-reimbursable prescriptions outside hospitals, actual sales volume of Cetuximab N01 Injection had thus far been lower than the original plan and hence the corresponding promotional expenses actually incurred were also lower.

Proposed annual caps of the 2026 Promotional Services Framework Agreement

The following table sets out the proposed annual caps for the transactions contemplated under the Promotional Services Framework Agreement (inclusive of value added tax) for the three years ending 31 December 2028 (the "**Promotional Services Proposed Annual Caps**").

	For the year ending 31 December		
	2026	**2027**	**2028**
		(RMB'000)	
Proposed annual caps	210,000	378,000	432,000

In determining and assessing the fairness and reasonableness of the Promotional Services Proposed Annual Caps, we have discussed with the Management and obtained the relevant calculation workings for review. Based on the discussion and our review of the relevant workings, we noted that the Promotional Services Proposed Annual Caps are mainly derived from the estimated costs to be incurred by Kelun Jiaxun in providing the promotional services, after taking into account the expected growth in sales volume of Cetuximab N01 Injection. To assess the fairness and reasonableness of the Promotional Services Proposed Annual Caps, we have conducted the following steps.

Firstly, we noted that the Promotional Services Proposed Annual Caps in respect of the fee for Promotional Service payable to Kelun Jiaxun for the three years ending 31 December 2028 (the "**2026 Promotion Service Fees**") were determined after arm's-length negotiations with Kelun Jiaxun and were based on the projected sales volume of Cetuximab N01 Injection for that period with a cost-plus-margin methodology. More specifically, the anticipated fees for Promotional Service (on which the Promotional Services Proposed Annual Caps are based) are calculated by (i) aggregating the estimated costs to be incurred by Kelun Jiaxun in providing the Promotional Services (including, but not limited to, its staff costs and related expenses) in accordance with the projected sales volume of Cetuximab N01 Injection. In particular, the estimated costs are calculated by reference to the actual number of personnel and level of promotional activities (e.g. medical conferences and academic events) required to achieve the projected sales volume of Cetuximab N01 Injection in each year, multiplied by related personnel expenses per headcount. We have obtained the estimated costs charged by independent third parties for similar promotional services and we noted that the estimated costs incurred by Kelun Jiaxun are comparable to those charged by the independent third

parties for similar promotional activities; and (ii) adding a margin which is in line with the margin applied for the actual service fees charged by Kelun Jiaxun from February 2025 to September 2025.

Secondly, to assess the fairness and reasonableness of the projection of the sales volume of Cetuximab N01 Injection, we have reviewed the calculations provided by the Company and noted the factors below considered by the Company.

(i) the Management first estimated the entire market size of Cetuximab-based treatments (including for Cetuximab N01 Injection and its competing products) based on:

(a) the number of colorectal cancer patients in China in 2022 according to the data provided by the Journal of National Cancer Center in China, a journal supervised by the National Health Commission of China and sponsored by the National Cancer Center of China that publishes articles in all areas of cancer research, along with the combination of colorectal cancer disease staging and patient recurrence rates based on the market research conducted by the Company to estimate the number of treatable RAS wile-type colorectal cancer patients in 2026, which approximated to 59,000 patients.

(b) given that Cetuximab-based treatments are currently commonly adopted and market-accepted treatments for the RAS wild-type mCRC, and that there are two existing market players (exclusive of the Company) whose Cetuximab-based products have been included in the National Reimbursement Drug List for colorectal cancer treatments, and based on the market research conducted by the Company, the Management estimated that for the three years ending 31 December 2028, there will be approximately 65% of RAS wile-type colorectal cancer patients in China who are expected to be prescribed with Cetuximab-based treatments, resulting in a market size of about 39,000 patients per year.

(ii) the Management then predicted its forecasted annual sales for Cetuximab N01 Injection for the three years ending 31 December 2028, which is based on (a) the assumptions that for the years 2026 to 2028, the market share of the Group's product Cetuximab N01 Injection of the aforesaid 39,000 colorectal cancer patients treatable with Cetuximab-based treatment for the year ending 31 December 2026 will be more than 20% and such market share will progressively increase in each year for the two years ending 31 December 2028, given that Cetuximab N01 Injection has been successfully included into the National Reimbursement Drug List with effect from 1 January 2026; (b) the estimated average number of injections required by each patient per year based on the historical number of injections required by each patient for Cetuximab N01 Injection as well as the number of injections required by each patient for competing products; and (c) the average price per injection which is based on

the current price per injection and assuming a price reduction of up to 50% after inclusion of Cetuximab N01 Injection in the National Reimbursement Drug List in accordance with the relevant guidance from the national medical insurance authorities.

We have reviewed the supporting documents provided by the Management and noted that Cetuximab N01 Injection has been successfully included into the National Reimbursement Drug List with effect from 1 January 2026. As there are currently two other competitors who are already in the National Reimbursement Drug List, there will be three market players (inclusive of the Company) providing Cetuximab-based treatment for certain colorectal cancer. Given that the Company's Cetuximab N01 Injection will be relatively newer to the National Reimbursement Drug List, we are of the view that it is reasonable for Management to assume a lower market share of less than 33.3% during the initial period after being inducted into the aforesaid National Reimbursement Drug List. Thereafter, the Group's market share can be expected to increase as the Management believes that with adequate marketing efforts, Cetuximab N01 Injection can achieve higher market share as its presence is progressively established.

Lastly, to assess the fairness and reasonableness of the agreed upon 2026 Promotion Service Fees, for illustrative purpose, we have reviewed the Company's proposed fees for Promotional Services as a proportion of the forecasted yearly sales (the "**Promotional Services Fees Proportion**") by dividing the relevant estimated fees for Promotional Services Fees for the year by the respective forecasted yearly sales amount. We noted that such Promotional Services Fees Proportion is consistent with the relevant historical proportion for the period February 2025 to 30 September 2025. Moreover, we observed that the Promotional Services Fees Proportion is expected to moderately decrease further into the years due to economies of scale.

Based on the above, we are of the view that the proposed Promotional Services Proposed Annual Caps are fair and reasonable.

3.2 2026 Auxiliary R&D Services Framework Agreement

To assess the fairness and reasonableness of the Auxiliary R&D Services Framework Agreement for the three years ending 31 December 2028, we have considered the following.

Principal terms and pricing policy of the 2026 Auxiliary R&D Services Framework Agreement

The principal terms of the 2026 Auxiliary R&D Services Framework Agreement are summarized below. For details, please refer to the paragraph headed "Principal Terms of the CCT Agreements" in the "Letter from the Board" of the Circular.

Date of agreement 15 December 2025

Parties	(1) the Company; and (2) Sichuan Kelun Pharmaceutical Co., Ltd. (四川科倫藥業股份有限公司) (for and on behalf of the Remaining Kelun Group)
Term	January 1, 2026 to December 31, 2028
Subject matter	(1) The Company shall engage Kelun Pharmaceutical and/or the Remaining Kelun Group to carry out auxiliary R&D services, including but not limited to process development and optimization, sample purification, crystallization screening, GMP batch release testing, packing material releasing testing and production of raw materials and formulation. (2) Kelun Pharmaceutical and/or the Remaining Kelun Group shall engage the Company to provide auxiliary R&D services, including but not limited to preclinical toxicology, pharmacology studies (including toxicology, pharmacokinetics, pharmacodynamic and other screening studies), clinical biostatistics, data management, quality control and clinical audit. In respect of the terms of engagement of the Auxiliary R&D Services contemplated under the 2026 Auxiliary R&D Services Framework Agreement, the Company and Kelun Pharmaceutical may enter into individual Auxiliary R&D Services agreements. In the event that the terms of an individual Auxiliary R&D Services agreement and the 2026 Auxiliary R&D Services Framework Agreement conflict, the terms of the 2026 Auxiliary R&D Services Framework Agreement shall prevail. The 2026 Auxiliary R&D Services Framework Agreement further provides that all transactions contemplated thereunder shall be conducted in compliance with the terms of the 2026 Auxiliary R&D Services Framework Agreement, the Listing Rules and the applicable laws and regulations.

Consideration and Pricing Policies	The services fees of the procurement and provision of the Auxiliary R&D Services will be based on cost-plus basis according to (i) the actual cost of provisions of such services (such as the labor cost and the cost of consumables used for providing the services); plus (ii) the agreed margin rates. The margin rates are determined through arm's length negotiation with reference to the range between the lower quartile and the upper quartile of the three-year weighted average cost-plus-margins of comparable companies offering similar services as stated in a transfer pricing analysis report prepared by an independent certified public accountant.
Payment terms	The services fees payable under the 2026 Auxiliary R&D Services Framework Agreement shall be payable on a quarterly basis, depending on the terms of the individual Auxiliary R&D Services agreements.

We have compared the payment terms of the procurement and provision of Auxiliary R&D Services with that of the independent third parties. In this regard, we have obtained one sample for each of the two years ended 31 December 2024 and the ten months ended 31 October 2025 in respect of procurement and provision of Auxiliary R&D Services, which primarily include the corresponding contract, journal voucher and invoices, and compared to the payment terms offered to the independent third parties during the same period. We noted that the payment terms of the procurement and provision of Auxiliary R&D Services is consistent with or no less favourable than the payment terms offered to the Group by independent third-party service providers or offered by independent third-party customers to the Group.

In assessing the fairness and reasonableness of the pricing policy of the procurement and provision of Auxiliary R&D Services to and from the Remaining Kelun Group (the "**Auxiliary R&D Services Pricing Policy**"), we have obtained the full list of transactions in respect of the Auxiliary R&D Services entered into between the Company and the Remaining Kelun Group for the two years ended 31 December 2024 and the ten months ended 31 October 2025 and have randomly selected two samples for each of the aforementioned year/period for review in respect of both the procurement and the provision of Auxiliary R&D Services (except where there was only one transaction during the specific period). Considering the similarities in terms of nature of transactions and the pricing policy where the agreed margin rates (as detailed below) charged by the Group or the Remaining Kelun Group are pre-determined for all the applicable Auxiliary R&D Services, we are of the view that the samples reviewed are sufficient.

Based on our review of the underlying documents, and our communication with the Management, we noted that the services fees of Auxiliary R&D Services were determined on a cost-plus basis according to (i) the actual cost of provisions of such services (such as the labour cost and the cost of consumables used for providing the services). Based on discussions with the Management and the breakdown of the actual costs obtained, we noted that the actual costs were determined based on prevailing market prices or market salary rates; plus (ii) the agreed margin rates depending on the types of the drugs (the "**Agreed Margin Rates**"). We noted that such agreed margin rates were determined by the Company with reference to the lower quartile and the upper quartile of the three-year weighted average cost-plus-margins of comparable companies offering similar services as stated in a transfer pricing analysis report prepared by an independent certified public accountant (the "**Transfer Pricing Analysis Report**"), and are set at rates near to the median of such range. We noted that the independent certified public accountant is one of the Big Four professional firms, which is independent and has extensive experience in transfer pricing analysis. We have conducted interview with the independent certified public accountant and obtained their engagement letter to understand their experience, the methodology adopted and their working scope. During the course of our discussion with the independent certified public accountant, we have not identified any major factors which would lead us to cast doubt on the fairness and reasonableness of the methodology used in the Transfer Pricing Analysis Report.

We have obtained and reviewed the Transfer Pricing Analysis Report, and noted that in determining the margin rates for the procurement and provision of Auxiliary R&D Services to and from the Remaining Kelun Group, the independent certified public accountant has adopted the use of electronic commercial database published by Moody's to identify seven to 13 different companies in each of the following four distinctions: (i) local innovative and generic drug R&D; (ii) local innovative drug R&D; (iii) local biopharmaceutical manufacturing; or (iv) overseas biopharmaceutical R&D. The Transfer Pricing Analysis Report had taken into account the upper and lower quartile of the three-year weighted average cost-plus-margin of comparable companies in (i) local innovative and generic drug R&D; and (ii) local innovative drug R&D, which are applicable to the Auxiliary R&D Services. This provided a reference range in which the Company could make reference to when negotiating with the Remaining Kelun Group.

Based on our review of the Transfer Pricing Analysis Report and our interview with the independent certified public accountant, the Company's representation to the independent certified public accountant is aligned with our understanding.

According to the Transfer Pricing Analysis Report, the Agreed Margin Rates are within the range of the aforementioned lower-quartile and the upper-quartile for local innovative and generic drug R&D and local innovative drug R&D respectively, and are comparable to the median margin rates. Considering that this report is prepared by a Big Four professional firms, which is independent and has extensive experience in transfer pricing analysis, and based on our interview with the independent certified public accountant as well as our review of their engagement letter, we are of the view that (i) the independent certified public accountant is suitably qualified; (ii) the methodology adopted as described above is reasonable; and (iii) it is reasonable and appropriate that the Transfer Pricing Analysis

Report be used as a reference to determine the pricing of the service fees. We also consider the aforementioned cost-plus basis to determine the services fees and the Agreed Margin Rates to be fair and reasonable.

Based on the above, we are of the view that (i) the pricing policy for Auxiliary R&D Services had been adhered to; and (ii) the terms of the 2026 Auxiliary R&D Services Framework Agreement (including the pricing policy) are on normal commercial terms and are fair and reasonable.

Historical transaction amounts of the Original Auxiliary R&D Services Framework Agreement

The following table sets out the historical transaction amounts in respect of procurement or provision of Auxiliary R&D Services from or to the Remaining Kelun Group under the Original Auxiliary R&D Services Framework Agreement for the two years ended 31 December 2024 and from 1 January 2025 to 31 October 2025.

	From the Listing Date to 31 December 2023	**For the year ended 31 December 2024**	**From 1 January 2025 to 31 October 2025**
		(RMB'000)	
Procurement of Auxiliary R&D Services from the Remaining Kelun Group			
Historical transaction amounts	11,369	17,003	9,631
Annual caps	22,000	19,000	17,000
Utilisation rates	51.7%	89.5%	56.7%
Provision of Auxiliary R&D Services to the Remaining Kelun Group			
Historical transaction amounts	2,597	6,738	6,021
Annual caps	16,000	17,000	18,000
Utilisation rates	16.2%	39.6%	33.5%

We understand from the Management that the relatively low utilisation for the provision of Auxiliary R&D Services to the Remaining Kelun Group was due to the Company's focus on the R&D of its own innovative drugs, resulting in its limited spare capacity to provide Auxiliary R&D services to the Remaining Kelun Group as initially planned. As advised by the Management, the aforesaid historical annual caps have included both (i) amounts for procurement and/or provision Auxiliary R&D Services; and (ii) amounts for procurement and/or sales of auxiliary R&D equipment. Meanwhile, the actual transaction amounts stated above were related to the portion of Auxiliary R&D Services only, which distorted the historical utilisation rate.

Proposed annual caps of the 2026 Auxiliary R&D Services Framework Agreement

The following table sets out the proposed annual caps of the Auxiliary R&D Services Framework Agreement for the three years ending 31 December 2028 (the "**Auxiliary R&D Services Proposed Annual Caps**").

	For the year ending 31 December		
	2026	**2027**	**2028**
		(RMB'000)	
Proposed annual caps for the procurement of Auxiliary R&D Services from the Remaining Kelun Group	14,000	15,000	16,000
Proposed annual caps for the provision of Auxiliary R&D Services to the Remaining Kelun Group	12,000	13,000	14,000

In assessing the fairness and reasonableness of the procured Auxiliary R&D Services Annual Caps from the Remaining Kelun Group (the "**Procured R&D Services Proposed Annual Caps**") and the provisioned Auxiliary R&D Services Annual Caps to the Remaining Kelun Group (the "**Provisioned R&D Services Proposed Annual Caps**"), we have discussed with the Management and obtained the working for review. Based on our discussion with the Management and our review of relevant working, we noted the Procured R&D Services Proposed Annual Caps and Provisioned R&D Services Proposed Annual Caps are mainly arrived at after considering the following factors:

(i) the historical transaction amounts in respect of procurement or provision of Auxiliary R&D Services from or to the Remaining Kelun Group under the Original Auxiliary R&D Services Framework Agreement for the two years ended 31 December 2024 and the ten months ended 31 October 2025; and

The Company's procurement of Auxiliary R&D Services from the Remaining Kelun Group had increased by 49.5% from RMB11.37 million in 2023 to RMB17.0 million in 2024. For the ten months ended 31 October 2025, the procured amount of Auxiliary R&D Services from the Remaining Kelun Group

was RMB9.6 million. Annualising this figure for analysis, the full year amount for 2025 would be approximately RMB11.56 million, resulting in a compound annual growth rate (CAGR) for the Company's procurement of Auxiliary R&D Services from the Remaining Kelun Group being of around 1% between 2023 and 2025.

The Company's provision of Auxiliary R&D Services to the Remaining Kelun Group had increased by 159.4% from RMB2.6 million in 2023 to RMB6.7 million in 2024. For the ten months ended 31 October 2025, the amount of Auxiliary R&D Services provided to the Remaining Kelun Group was RMB6.0 million. Annualising this figure for analysis, the full year amount for 2025 would represent 7.2% growth as compared to that in 2024. The CAGR for the Company's provision of Auxiliary R&D Services to the Remaining Kelun Group between 2023 and 2025 was approximately 67%.

(ii) the projected growth in transaction amounts of the Auxiliary R&D Services for the three years ending 31 December 2028.

For the Company's procurement of Auxiliary R&D Services, the Management expects that Procured R&D Services Proposed Annual Caps in terms of transaction amounts will grow at an annual rate of around 8% for the three years ending 31 December 2028. This was determined with reference to (i) the CAGR for the Company's procurement of Auxiliary R&D Services from the Remaining Kelun Group between 2023 and 2025 being approximately 1%; (ii) the Group's historical growth rate of research and development expenses in recent years. We noted that the Group's research and development expenses increased by 21.9% for the year ended 31 December 2023 as compared to the year ended 31 December 2022 and further increased by 17.0% for the year ended 31 December 2024; and (iii) factors such as the increasing need for Auxiliary R&D Services by the Group in the event of discovery of new and potential pharmaceutical products. Based on the above, we consider that the adopted growth rate of 8% is fair and reasonable.

For the Company's provision of Auxiliary R&D Services, the Management expects that Provisioned R&D Services Proposed Annual Caps in terms of transaction amounts for the year ending 31 December 2026 will increase by 50% as compared to the respective historical transaction amounts for the year ending 31 December 2025 with reference to the historical growth rates of the transaction amounts between 2023 and 2025. We noted that the CAGR for the Company's provision of Auxiliary R&D Services to the Remaining Kelun Group between 2023 and 2025 was around 67%. The Management further proposed that the Provisioned R&D Services Proposed Annual Caps shall be increased by about 8% from the 2026 amounts for the two years ending 31 December 2028. This was determined with reference to the Group's historical growth rate of research and development expenses in recent years as mentioned above. Apart from considering the historical growth rates, the Management also took into account factors such as the historical annual caps utilisation rate and

the Company's spare capacity to render Auxiliary R&D Services to others. In light of the above, we consider that the adoption of 50% and 8% as the growth rate to arrive at the amounts between 2026 and 2028 of the Procured R&D Services Proposed Annual Caps and the Provisioned R&D Services Proposed Annual Caps is fair and reasonable.

Based on our assessments above, we are of the view that the Procured R&D Services Proposed Annual Caps and Provisioned R&D Services Proposed Annual Caps have been fairly and reasonably determined.

3.3 2026 Procurement and Sale of Equipment and Materials Framework Agreement

To assess the fairness and reasonableness of the 2026 Procurement and Sale of Equipment and Materials Framework Agreement, we have considered the following.

Principal terms and pricing policy of the 2026 Procurement and Sale of Equipment and Materials Framework Agreement

The principal terms of the 2026 Procurement and Sale of Equipment and Materials Framework Agreement are summarized below. For details, please refer to the paragraph headed "Principal Terms of the CCT Agreements" in the "Letter from the Board" of the Circular.

Date of agreement	15 December 2025
Parties	(1) the Company; and (2) Sichuan Kelun Pharmaceutical Co., Ltd. (四川科倫藥業股份有限公司) (for and on behalf of the Remaining Kelun Group)
Term	January 1, 2026 to December 31, 2028

Subject matter

The Company shall (1) procure from Kelun Pharmaceutical and/or the Remaining Kelun Group or (2) provide Kelun Pharmaceutical and/or the Remaining Kelun Group with the R&D and other miscellaneous equipment and materials, including but not limited to laboratory equipment, instruments and machines, engineering materials, reagents and consumables (collectively, the "**Auxiliary R&D Equipment**").

These Auxiliary R&D Equipment could be broadly categorized into (1) equipment and machines, and (2) materials and consumables. The Group will make the purchases/sales based primarily on the Group's commercial needs.

For equipment and machines, the Company sells those equipment and machines that are no longer expected to be required for the Group's business. On the other hand, when the Group is looking to acquire some equipment or machines, and the Remaining Kelun Group happens to have such equipment or machines that it no longer needs, the Group may consider acquiring such equipment or machines from the Remaining Kelun Group, provided that the Group is satisfied with the conditions of such equipment or machines, which are believed to be suitable for Group's business needs.

For materials and consumables, since the materials and consumables usually have an expiry date, there are circumstances when certain materials or consumables are not in immediate use and may expire and be wasted if not resold. As such, the Company will consider selling such materials or consumables if they are suitable for the needs of the Remaining Kelun Group, or on the other way around, the Group will purchase such materials or consumables from the Remaining Kelun Group at terms no less favourable to the Group.

Consideration and Pricing Policies

The prices of the purchase of the Auxiliary R&D Equipment by the Group from the Remaining Kelun Group will be determined with reference to:

(1) to the extent available to the Group, the book value of the Auxiliary R&D Equipment as recorded in the latest accounts of the Remaining Kelun Group;

(2) the prices of similar equipment and/or materials in comparable transactions conducted by the Group with independent third parties during the same period (if any), to ensure that price to be paid by the Company for the Auxiliary R&D Equipment to the Remaining Kelun Group will not be higher than the price paid by the Company in comparable transactions; and

(3) the recent market prices of comparable transactions, by making enquiries on market prices of similar materials and/or equipment with industry players and conducting researches on industry websites, and then compare the references with the prices quoted by Remaining Kelun Group to ensure that the price to be paid by the Company for the Auxiliary R&D Equipment to the Remaining Kelun Group will not be higher than the price offered by independent suppliers to the Company. To implement this policy, the management of the Company would solicit at least two other contemporaneous transactions with independent third parties for the materials or equipment in similar quantities for comparison.

The prices of the sale of the Auxiliary R&D Equipment by the Group to the Remaining Kelun Group will be determined with reference to:

(1) the book value of the R&D equipment and/or materials as recorded in the latest accounts of the Group;

(2) the prices of similar equipment and/or materials in comparable transactions conducted by the Group with independent third parties during the same period (if any), to ensure that the price to be received by the Company for the Auxiliary R&D Equipment from the Remaining Kelun Group will not be lower than the price received by the Company in comparable transactions; and

(3) the recent market prices of comparable transactions, by making enquiries on market prices of similar materials and/or equipment with industry players and conducting researches on industry websites, to ensure that the price to be received by the Company for the Auxiliary R&D Equipment from the Remaining Kelun Group will not be lower than the price offered by independent third party purchasers to the Company (if any).

Payment terms

In respect of the procurement/sale of large equipment and machines, the fees payable under the 2026 Procurement and Sale of Equipment and Materials Framework Agreement shall be paid on a payment-on-delivery basis. In respect of the procurement/sale of small equipment and devices, materials and consumables, the fees payable under the 2026 Procurement and Sale of Equipment and Materials Framework Agreement shall be payable on a quarter basis, subject to the terms of the individual Auxiliary R&D Equipment agreements.

We have compared the payment terms of the procurement and sale of Auxiliary R&D Equipment with that of the independent third parties. In this regard, we have obtained the specific contract governing the procurement and sale of Auxiliary R&D Equipment which outlines the payment terms for the procurement and sale of Auxiliary R&D Equipment between the Remaining Kelun Group, and compared to the payment terms offered to the independent third parties during the comparable period. We noted that the payment terms of the procurement and provision of Auxiliary R&D Services is consistent with or no less favourable than the payment terms offered to the Group by independent third-party service providers or offered by independent third-party customers to the Group.

In assessing the fairness and reasonableness of the pricing policy of the procurement and sale of Auxiliary R&D Equipment to and from the Remaining Kelun Group, we have obtained the full list of transactions in respect of sale and purchase of Auxiliary R&D equipment between the Company and the Remaining Kelun Group for the year ended 31 December 2024 and the ten months ended 31 October 2025 and have randomly selected two samples for each of the aforementioned year/period for review in respect of both the procurement and the sale of Auxiliary R&D Equipment.

Based on our review of selected samples and discussions with Management, we noted that the purchase and sale prices of the idle/surplus Auxiliary R&D Equipment were determined based on their book value as recorded in the latest accounts of the selling entity (either the Remaining Kelun Group or the Group, as the case may be). The Auxiliary R&D Equipment is either idle or surplus assets for both entities, and the book value had accounted for accumulated depreciation based on their useful life and any impairments needed. These would be reasonable estimates of the recoverable amount from such Auxiliary R&D Equipment. Accordingly, the Management consider and we concur that the pricing methodology based on the book value to be fair and reasonable. For the purchase of Auxiliary R&D Equipment from the Remaining Kelun Group, we obtained the quotations provided by independent third parties in respect of equipment or materials of similar nature, and noted that the pricing of Auxiliary R&D Equipment was no less favourable to the Group than those available from independent third parties. For the sale of Auxiliary R&D Equipment to the Remaining Kelun Group, since the idle assets held by the Group are no longer expected to be required for the Group's business and would otherwise remain unused, disposal at book value enables the Company to recover the carrying amount of such Auxiliary R&D Equipment promptly, which is beneficial to the Group as a whole. Based on the above, we consider that the pricing of Auxiliary R&D Equipment is fair and reasonable. Considering the homogeneous nature of transactions and the pricing policy where purchase or sale prices of all the Auxiliary R&D Equipment are based on their book value, we are of the view that the samples reviewed for cross-checking the pricing policy are sufficient.

Considering the above, we are of the view that (i) the pricing policy for Auxiliary R&D Equipment had been adhered to; and (ii) the terms of the 2026 Procurement and Sale of Equipment and Materials Framework Agreement (including the pricing policy) are on normal commercial terms and are fair and reasonable.

Historical transaction amounts of the Amended Auxiliary R&D Services Framework Agreement

The following table sets out the historical transaction amounts in respect of procurement or sale of Auxiliary R&D Equipment from or to the Remaining Kelun Group under the Amended Auxiliary R&D Services Framework Agreement for the year ended 31 December 2024 and the ten months ended 31 October 2025.

	For the year ended 31 December 2024	From 1 January 2025 to the 31 October 2025
	(RMB'000)	
Procurement of Auxiliary R&D Equipment from the Remaining Kelun Group		
Historical transaction amounts	332	299
Annual caps	19,000	17,000
Utilisation rates	1.7%	1.8%
Sale of Auxiliary R&D Equipment to the Remaining Kelun Group		
Historical transaction amounts	532	30
Annual caps	17,000	18,000
Utilisation rates	3.1%	0.2%

As advised by the Management, the aforesaid historical annual caps have included both (i) amounts for procurement and/or provision Auxiliary R&D Services; and (ii) amounts for procurement and/or sales of Auxiliary R&D Equipment. Meanwhile, the actual transaction amounts stated above were related to the portion of Auxiliary R&D Equipment only, resulting in the historical low utilisation rate. We understand from the Management that these historical annual caps could not be separated into two amounts as they were previously determined holistically. The historical utilization rates presented above are therefore for information purposes only.

Proposed annual caps of the 2026 Procurement and Sale of Equipment and Materials Framework Agreement

The following table sets out the proposed annual caps of the 2026 Procurement and Sale of Equipment and Materials Framework Agreement for the three years ending 31 December 2028 (the "**Procurement and Sale of Equipment and Materials Proposed Annual Caps**").

	For the year ending 31 December		
	2026	**2027**	**2028**
		(RMB'000)	
Proposed annual caps for the procurement of Auxiliary R&D Equipment from the Remaining Kelun Group	3,160	3,160	3,160
Proposed annual caps for the sale of Auxiliary R&D Equipment to the Remaining Kelun Group	1,500	1,500	1,500

In assessing the fairness and reasonableness of the procured Auxiliary R&D Equipment Annual Caps from the Remaining Kelun Group (the "**Procured R&D Equipment Proposed Annual Caps**") and the sale of Auxiliary R&D Equipment Annual Caps to the Remaining Kelun Group (the "**Sold R&D Equipment Proposed Annual Caps**"), we have discussed with the Management and obtained the working for review. Based on our discussion with the Management and our review of relevant working, we noted the Procured R&D Equipment Proposed Annual Caps and Sold R&D Equipment Proposed Annual Caps are mainly arrived at after considering the following factors:

For Procured R&D Equipment Proposed Annual Caps:

(i) the historical transaction amounts in respect of the Group's procurement of the Auxiliary R&D Equipment from the Remaining Kelun Group for the year ended 31 December 2024 and the ten months ended 31 October 2025; and

(ii) the anticipated demand for the Auxiliary R&D Equipment from the Group and the anticipated availability of Auxiliary R&D Equipment of the Remaining Kelun Group over the next three years ending 31 December 2028.

We noted that the Procured R&D Equipment Proposed Annual Caps comprise caps for (a) auxiliary R&D equipment and (b) auxiliary R&D consumables.

In determining the portion relating to auxiliary R&D equipment, Management made reference to the equipment that is currently leased by the Company from the Remaining Kelun Group, which is idle for the Remaining Kelun Group, with an aggregate value of approximately RMB9.0 million. It is expected that the Company will gradually purchase these leased assets from the Remaining Kelun Group, which are anticipated to be utilised by the Company over the three years ending 31 December 2028, resulting in an average purchasing amount of approximately RMB3.0 million per year. While in determining the portion relating to auxiliary R&D consumables, Management utilized the average annual procurement amount of approximately RMB210,000 over the year ended 31 December 2024 and the ten months ended 31 October 2025 as the base reference. In addition, the Management has considered other factors such as the anticipated demand from the Group driven by its R&D progress of its product candidates through 2025, considering the strengths, limitations and anticipated improvement of the Group's existing R&D capabilities.

We have obtained detailed calculation worksheets from Management and noted that the basis adopted was consistent with Management's representations as described above.

For Sold R&D Equipment Proposed Annual Caps:

(i) the historical transaction amounts in respect of the Group's provision of the Auxiliary R&D Equipment to the Remaining Kelun Group for the year ended 31 December 2024 and the ten months ended 31 October 2025; and

(ii) the anticipated demand for the Auxiliary R&D Equipment from the Remaining Kelun Group and the anticipated availability of Auxiliary R&D Equipment of the Group over the next three years ending 31 December 2028.

We noted that the Sold R&D Equipment Proposed Annual Caps comprise caps for (a) auxiliary R&D equipment; and (b) auxiliary R&D consumables.

In determining the portion relating to auxiliary R&D equipment, Management used the highest historical sales amount to the Remaining Kelun Group during the year ended 31 December 2024 and the ten months ended 31 October 2025 (approximately RMB424,000) as the base reference. In addition, the Management has considered other factors such as the potential disposal by the Group of certain assets expected to become idle, to determine the annual caps for sales of auxiliary R&D equipment of RMB1,000,000. For the portion relating to auxiliary R&D consumables, Management noted that the Group currently holds surplus consumables with an aggregate book value of approximately RMB1.9 million. After considering potential additional surplus quantities arising from future operations and the expected demand from the Remaining Kelun Group, Management plans to gradually dispose of these consumables over the next three years and has accordingly set the annual caps for sales of auxiliary R&D consumables at RMB500,000.

We have obtained detailed calculation worksheets from Management and noted that the basis adopted was consistent with Management's representations as described above.

Based on our assessments above, we are of the view that the Procurement and Sale of Equipment and Materials Proposed Annual Caps have been fairly and reasonably determined.

INTERNAL CONTROL MEASURES

We have obtained and reviewed the Company's internal control measures in relation to the CCT Agreements and noted that the finance department will closely monitor the actual transaction amounts under the CCT Agreements and closely and continuously review such amounts against the applicable annual caps.

Furthermore, the internal audit department of the Company and the departments responsible for the CCT of the Company will monitor the transactions under the CCT Agreements, in particular to monitor that the Company is paying the relevant connected parties the applicable service fees stipulated in the relevant individual agreements.

Lastly, the external auditors of the Company and the independent non-executive Directors will conduct an annual review on the transactions contemplated under the CCT Agreements pursuant to the requirements of Chapter 14A of the Listing Rules. For details of the Company's internal control measures, please refer to the paragraph headed "Internal control measures" in the "Letter from the Board" of the Circular.

To assess whether the internal control measures described above have been properly established and effectively implemented in practice, we have performed the following procedures:

(i) discussed with the Management the operation and monitoring procedures in respect of the continuing connected transactions under the CCT Agreements, and obtained and reviewed the internal workflow and review records showing the internal audit department of the Company monitors each type of the transactions under the CCT Agreements, as well as the monthly reporting records showing the finance department will closely monitor the actual transaction amounts under the CCT Agreements and closely and continuously review such amounts against the applicable annual caps for each type of the transactions contemplated under the CCT Agreements;

(ii) to assess the pricing terms of the transactions contemplated under the CCT Agreements, we have conducted the following procedures:

a. for the Promotional Services, we have obtained the proposed service fee structures from Kelun Jiaxun and four independent third parties, as well as the assessment conducted by the Management to ensure whether Kelun Jiaxun provides more favourable terms to the Group compared to the four independent third parties prior to and after entering into the relevant framework agreement, and we noted that Kelun Jiaxun continues to provide more favourable terms to the Group compared to the four independent third parties (for more details, please refer to the section headed "Principal terms and pricing policy of the 2026 Promotional Services Framework Agreement" of this letter);

b. for the procurement and provision of Auxiliary R&D Services, we have obtained the underlying documents listing out the breakdown of services fees of Auxiliary R&D Services for the two years ended 31 December 2024 and the ten months ended 31 October 2025. Based on our review of the underlying documents and our discussion with the Management, we noted that the services fees of Auxiliary R&D Services were determined on a cost-plus basis according to (i) the actual cost of provisions of such services (such as the labour cost and the cost of consumables used for providing the services) which are determined based on prevailing market prices or market salary rates; plus (ii) the Agreed Margin Rates. We noted that the Company and the Remaining Kelun Group would respectively obtain the detailed breakdowns of the

actual costs incurred by each of them on a monthly basis. As reported in the 2024 Annual Report, the Company's external auditors had conducted annual review of the transactions under the CCT Agreements (which included this procurement and provision of Auxiliary R&D Services) and there were no adverse findings during such annual review. We have obtained and reviewed the Transfer Pricing Analysis Report, and noted that the Agreed Margin Rates are within the range of the lower-quartile and the upper-quartile stated in the Transfer Pricing Analysis Report, and are comparable to the median margin rates of such range (for more details, please refer to the section headed "Principal terms and pricing policy of the 2026 Auxiliary R&D Services Framework Agreement" of this letter);

c. for the procurement and sale of Auxiliary R&D Equipment, we noted that the purchase and sale prices of Auxiliary R&D Equipment were determined based on their book value as recorded in the latest accounts of the selling entity (either the Remaining Kelun Group or the Group, as the case may be). For the purchase of Auxiliary R&D Equipment from the Remaining Kelun Group, we obtained the quotations provided by independent third parties in respect of equipment or materials of a similar nature, and noted that the pricing of Auxiliary R&D Equipment was no less favourable to the Group than those available from independent third parties. For the sale of Auxiliary R&D Equipment to the Remaining Kelun Group, since the idle assets held by the Group are no longer expected to be required for the Group's business and would otherwise remain unused, disposal at book value enables the Company to recover the carrying amount of such Auxiliary R&D Equipment promptly, which is beneficial to the Group as a whole (for more details, please refer to the section headed "Principal terms and pricing policy of the 2026 Procurement and Sale of Equipment and Materials Framework Agreement" of this letter); and

Considering the above, we are of the view that adequate procedures are in place to safeguard the Company and the Shareholders' interests in terms of pricing terms of the transactions contemplated under the CCT Agreements.

(iii) reviewed the 2024 Annual Report and noted that the external auditors of the Company and the independent non-executive Directors had conducted an annual review of the Company's transactions with Kelun Jiaxun and the Remaining Kelun Group in relation to the CCT Agreements and there were no adverse findings under such annual review.

Based on the above, the Management is of the view, and we concur, that the internal control measures in relation to the CCT Agreements are adequate and reasonable.

RECOMMENDATION

Having considered the above principal factors, we are of the view that (i) entering into of the CCT Agreements and the transactions contemplated thereunder is in the ordinary and usual course of business of Group; and (ii) the terms of the CCT Agreements are fair and reasonable so far as the Shareholders (including the Independent Shareholders) are concerned, and the CCT Agreements and the transactions contemplated thereunder are on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders, as well as the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the resolutions to be proposed at the EGM to approve the CCT Agreements and the Transactions (including the Proposed Annual Caps).

Yours faithfully,
For and on behalf of
Altus Capital Limited
Chang Sean Pey
Responsible Officer

*Mr. Chang Sean Pey ("**Mr. Chang**") is a Responsible Officer of Altus Capital Limited licensed to carry on Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO and permitted to undertake work as a sponsor. He is also a Responsible Officer of Altus Investments Limited licensed to carry on Type 1 (dealing in securities) regulated activity under the SFO. Mr. Chang has over 25 years of experience in banking, corporate finance advisory and investment management. In particular, he has participated in sponsorship work for initial public offerings and acted as financial adviser or independent financial adviser in various corporate finance advisory transactions.*

I. RESPONSIBILITY STATEMENT

This circular, for which the Directors (as defined herein) collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules (as defined herein) for the purpose of giving information with regard to the Company. The Directors (as defined herein), having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement here in or this circular misleading.

II. DISCLOSURE OF INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

(a) Interests of Directors and Chief Executive of the Company

As at the Latest Practicable Date, the interests or short positions of the Directors and chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Directors and chief executive of the Company are taken or deemed to have under such provisions of the SFO) or which were required to be entered in the register required to be kept by the Company pursuant to Section 352 of the SFO or which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules (the "**Model Code**") were as follows:

(i) Interest in the Shares of the Company

Name of Director or chief executive	Position	Nature of Interest	Number and types of Shares held[1]	Approximate percentage of shareholding in the relevant class of Shares[1] *(%)*	Approximate percentage of shareholding in the total issued Shares[1] *(%)*
LIU Gexin	Chairman of the Board and non-executive Director	Interest in controlled corporation[2]	91,589,543 H Shares (L)[2]	56.27	39.28
		Interest in controlled corporation[3]	62,201,712 Unlisted Shares (L)[3]	88.33	26.67
GE Junyou	Executive Director, general manager and chief executive officer	Other[4]	2,221,430 H Shares (L)[4]	1.36	0.95
LAI Degui	Non-executive Director	Other[5]	465,000 H Shares (L)[5]	0.29	0.20
FENG Hao	Non-executive Director	Other[6]	465,000 H Shares (L)[6]	0.29	0.20
LIAO Yihong	Non-executive Director	Other[7]	170,000 H Shares (L)[7]	0.10	0.07

Notes:

(1) As at the date of the Latest Practicable Date, the Company had a total of 233,185,969 issued Shares, consisting of (i) 70,415,990 Unlisted Shares, comprising 65,773,800 Domestic Shares and 4,642,190 Unlisted Foreign Shares, and (ii) 162,769,979 H Shares.

(2) Mr. LIU Gexin is deemed as the actual controller of Sichuan Kelun Pharmaceutical Co., Ltd. ("**Kelun Pharmaceutical**"). Kelun Pharmaceutical is interested in a total of 91,589,543 H Shares, comprising (i) 57,777,843 H Shares directly held as beneficial owner; (ii) 4,567,700 H Shares held by Kelun International Development Co., Limited ("**Kelun International**"), a wholly-owned subsidiary of Kelun Pharmaceutical and (iii) 29,244,000 H Shares held by the four Employee Incentive Platforms, the general partner of which is Chengdu Kelun Jingchuan Technology Co., Ltd. ("**Kelun Jingchuan**"), a wholly-owned subsidiary of Kelun Pharmaceutical.

(3) Mr. LIU Gexin is deemed as the actual controller of Kelun Pharmaceutical. Kelun Pharmaceutical directly held 62,201,712 Unlisted Shares as beneficial owner.

(4) Dr. GE Junyou has been granted share awards under the Pre-IPO Employee Incentive Scheme held by Chengdu Kelun Huicai Enterprise Management Center Limited Partnership (成都科倫匯才企業管理中心(有限合夥)) ("**Kelun Huicai**") and Chengdu Kelun Huizhi Enterprise Management Center Limited Partnership (成都科倫匯智企業管理中心(有限合夥)) ("**Kelun Huizhi**"). Dr. GE Junyou held a total of 2,221,430 H shares.

(5) Mr. LAI Degui has been granted share awards under the Pre-IPO Employee Incentive Scheme held by Kelun Huicai. Mr. LAI Degui held a total of 465,000 H Shares.

(6) Mr. FENG Hao has been granted share awards under the Pre-IPO Employee Incentive Scheme held by Kelun Huicai. Mr. FENG Hao held a total of 465,000 H Shares.

(7) Ms. LIAO Yihong has been granted share awards under the Pre-IPO Employee Incentive Scheme held by Kelun Huicai. Ms. LIAO Yihong held a total of 170,000 H Shares.

(L) Long position.

(ii) Interest in the shares of associated corporations

Name of associated corporation	Name of Director	Position	Nature of Interest	Number of shares held in the associated corporation	Approximate percentage of shareholding in the total issued share capital of the associated corporation *(%)*
Kelun Pharmaceutical[2]	LIU Gexin	Chairman of the Board and non-executive Director	Beneficial owner	379,128,280 (L)	23.72[1]
	GE Junyou	Executive Director and general manager	Beneficial owner	295,000 (L)	0.02[1]
	LIU Sichuan	Non-executive Director	Beneficial owner	8,346,286 (L)	0.52[1]
	LAI Degui	Non-executive Director	Beneficial owner	446,699 (L)	0.03[1]
	FENG Hao	Non-executive Director	Beneficial owner	431,534 (L)	0.03[1]
	LIAO Yihong	Non-executive Director	Beneficial owner	121,667 (L)	0.01[1]
Zhejiang Keyun[3]	LAI Degui	Non-executive Director	Beneficial owner	2,000,000 (L)	10.00[5]
			Interest in controlled corporation[4]	3,200,000 (L)[4]	16.00[5]
	FENG Hao	Non-executive Director	Beneficial owner	2,000,000 (L)	10.00[5]
			Interest in controlled corporation[4]	3,200,000 (L)[4]	16.00[5]

Notes:

(1) As at the date of the Latest Practicable Date, Kelun Pharmaceutical had a total of 1,598,053,372 issued shares.

(2) Kelun Pharmaceutical is the holding company of the Company and therefore an associated corporation of the Company.

(3) Zhejiang Keyun IOT Technology Co., Ltd. (浙江科運物聯科技有限公司) ("**Zhejiang Keyun**") is a subsidiary of Kelun Pharmaceutical and therefore an associated corporation of the Company.

(4) Each of Lishui Keyun Yaotong Logistics Technology Limited Partnership (麗水市科運耀通物流科技合夥企業(有限合夥)) ("**Keyun Yaotong**") and Lishui Keyun Rentong Logistics Technology Limited Partnership (麗水市科運仁通物流科技合夥企業(有限合夥)) ("**Keyun Rentong**") held RMB1,600,000 registered capital of Zhejiang Keyun. Mr. LAI Degui and Mr. FENG Hao each held 50% partnership interest in each of Keyun Yaotong and Keyun Rentong and is therefore deemed to be interested in the registered capital of Zhejiang Keyun held by Keyun Yaotong and Keyun Rentong.

(5) As at the date of the Latest Practicable Date, Zhejiang Keyun had a total of RMB20,000,000 registered capital.

(L) Long position.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO or which were required to be entered in the register required to be kept by the Company pursuant to Section 352 of the SFO or which was required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

(b) Interests of Substantial Shareholders

To the best knowledge of the Company based on public information, as at the Latest Practicable Date, the interests or short positions of the following persons (other than the Directors and chief executive of the Company) in the shares, underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO (including interests or short positions which any such persons other than the Directors and chief executive of the Company are taken or deemed to have under such provisions of the SFO), or which were required to be entered in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Name of Shareholder	Nature of Interest	Number and class of Shares held[1]	Approximate percentage of shareholding in the relevant class of Shares[1] *(%)*	Approximate percentage of shareholding in the total share capital of our Company[1] *(%)*
Kelun Pharmaceutical	Beneficial owner	57,777,843 H Shares (L)	35.50	24.78
	Interest in controlled corporations[2]	33,811,700 H Shares (L)[2]	20.77	14.50
	Beneficial owner[3]	62,201,712 Unlisted Shares (L)[3]	88.33	26.67
Kelun Jingchuan	Interest in controlled corporations[4]	29,244,000 H Shares (L)[4]	17.97	12.54
Merck & Co., Inc.[5]	Interest in controlled corporation[5]	13,443,693 H Shares (L)	8.26	5.77
Merck Sharp & Dohme LLC[5]	Beneficial owner	13,443,693 H Shares (L)	8.26	5.77

Notes:

(1) As at the date of the Latest Practicable Date, the Company had a total of 233,185,969 issued Shares, consisting of (i) 70,415,990 Unlisted Shares, comprising 65,773,800 Domestic Shares and 4,642,190 Unlisted Foreign Shares, and (ii) 162,769,979 H Shares.

(2) Kelun Pharmaceutical is interested in a total of 91,589,543 H Shares, comprising (i) 57,777,843 H Shares directly held as beneficial owner; (ii) 4,567,700 H Shares held by Kelun International, a wholly-owned subsidiary of Kelun Pharmaceutical and (iii) 29,244,000 H Shares held by the four Employee Incentive Platforms, the general partner of which is Kelun Jingchuan, a wholly-owned subsidiary of Kelun Pharmaceutical.

(3) Kelun Pharmaceutical directly held 62,201,712 Unlisted Shares as beneficial owner.

(4) Kelun Jingchuan is the general partner of the four Employee Incentive Platforms, which in aggregate held 29,244,000 H Shares.

(5) Merck Sharp & Dohme LLC is a wholly-owned subsidiary of Merck & Co., Inc., a company listed on the New York Stock Exchange (stock code: MRK).

(L) Long position.

Save as disclosed above, as at the Latest Practicable Date, no person (other than the Directors and chief executive of the Company as set out in the sub-section headed "(a) Interests of Directors and Chief Executive of the Company" in this appendix) had any interests or short positions in the shares, underlying shares of the Company which were required to be notified to the Company or the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or which were required to be entered in the register required to be kept by the Company pursuant to Section 336 of the SFO.

III. DIRECTORS' COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or their respective close associates had any interest in any business apart from the Group's business which competed or would be likely to compete, either directly or indirectly, with the Group's business.

IV. DIRECTORS' SERVICE CONTRACTS

Pursuant to Rules 19A.54 and 19A.55 of the Listing Rules, our Company has entered into a service agreement or an appointment letter with each of the Directors which contains provisions in relation to, among other things, compliance of relevant laws and regulations, observation of the Articles of Association and provisions on arbitration.

The principal particulars of these service agreements and appointment letters are: (a) each of the agreements or the appointment letters is for a term commencing from the date of appointment to the expiry of the term of office of the current session of the Board; and (b) each of the agreements or the appointment letters is subject to termination in accordance with their respective terms. The service agreements and appointment letters may be renewed in accordance with the Articles of Association and the applicable rules.

Save as disclosed above, none of the Directors had any existing or proposed service contract with any member of the Group, excluding service contracts expiring or determinable by such member of the Group within one year without payment of compensation (other than statutory compensation).

V. DIRECTORS' AND EXPERT'S INTERESTS IN ASSETS

None of the Directors or the expert (as named in this circular) had any interest, direct or indirect, in any asset which had, since December 31, 2024 (being the date to which the latest published audited consolidated financial statements of the Group were made up) and up to the Latest Practicable Date, been acquired or disposed of by or leased to any member of the Group or which were, as at the Latest Practicable Date, proposed to be acquired or disposed of by or leased to any member of the Group.

VI. DIRECTORS' INTERESTS IN CONTRACT OR ARRANGEMENT SIGNIFICANT TO THE GROUP

Save as disclosed in this circular and the sub-section headed "Connected Transactions" in the 2024 Annual Report, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group.

VII. EXPERT QUALIFICATION AND CONSENT

The qualification of the experts who have been named in this circular and have given opinions or advice which are contained herein is set out below:

Name	Qualification
Altus Capital	A corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO

The letter from the Independent Financial Adviser is given as of the date of this circular for incorporation herein.

Altus Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and/or references to its name, in the form and context in which they appear.

As at the Latest Practicable Date, Altus Capital was not beneficially interested in the share capital of any member of the Group nor had any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group, nor did it have any interest, directly or indirectly, in any asset which had been, since December 31, 2024, being the date to which the latest published audited financial statements of the Group were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

VIII. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, save as disclosed in the Company's 2025 interim report, the Directors were not aware of any material adverse change in the financial or trading position of the Group since December 31, 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up.

IX. DOCUMENTS ON DISPLAY

Copies of the following documents will be available on the website of the Stock Exchange (http://www.hkexnews.hk) and the website of the Company (https://kelun-biotech.com) for a period of not less than 14 days before the date of the EGM:

(a) the 2026 Promotional Services Framework Agreement;

(b) the 2026 Auxiliary R&D Services Framework Agreement;

(c) the 2026 Procurement and Sale of Equipment and Materials Framework Agreement;

(d) the written consent from the expert referred to under the paragraphs headed "VII. EXPERT QUALIFICATION AND CONSENT" in this appendix; and

(e) the 2025 Share Incentive Scheme.

In addition, such copies of the 2025 Share Incentive Scheme will be made available for inspection at the EGM.

The following is a summary of the principal terms of the 2025 Share Incentive Scheme proposed to be adopted at the EGM. It does not form part of, nor is it intended to be part of, the rules of the 2025 Share Incentive Scheme and it should not be taken as affecting the interpretation of the rules of the 2025 Share Incentive Scheme. The Directors reserve the right at any time prior to the EGM to make such amendments to the 2025 Share Incentive Scheme as they may consider necessary or appropriate provided that such amendments do not conflict with any material aspects with the summary in this Appendix.

1. PURPOSE OF THE 2025 SHARE INCENTIVE SCHEME

The purpose of the 2025 Share Incentive Scheme is to establish and improve a long-term incentive mechanism for the Company, attract and retain Participants to promote the development and success of the business of the Group, effectively aligning the interests of shareholders, the Company, and Participants, fostering a shared focus on the Company's long-term development, and driving the continuous achievement of the Company's strategic and operational goals.

2. DURATION AND ADMINISTRATION

The 2025 Share Incentive Scheme shall be valid and effective for the period of ten years commencing on the Adoption Date (the "**Scheme Period**"). After the expiry of the Scheme Period (being tenth (10th) anniversary of the Adoption Date), no further Share Awards shall be offered or granted, but in all other respects the provisions of the 2025 Share Incentive Scheme shall remain in full force and effect to the extent necessary to give effect to the settlement of any Share Awards granted prior thereto or otherwise as may be required in accordance with the provisions of the 2025 Share Incentive Scheme.

The 2025 Share Incentive Scheme shall be administered by the Board or its Delegate(s) and/or the Trustee (if the Trustee is appointed by the Company) in accordance with the rules of the 2025 Share Incentive Scheme and the terms of the Trust Deed, and the decision of the Board or its Delegate(s) regarding the administration and operation of the 2025 Share Incentive Scheme shall be final and binding on all parties. To the extent permitted under the Listing Rules, the Board or its Delegate(s) may also delegate the authority to administer the 2025 Share Incentive Scheme to other person(s)/committee(s) as deemed appropriate at its sole discretion.

The Board or its Delegate(s) shall be authorized to handle matters in relation to the 2025 Share Incentive Scheme with full authority, including, without limitation, taking steps or actions to give effect to the terms and intent of the scheme rules and/or the Share Awards, including but not limited to amending the Articles and applying to register the change in registered capital of the Company.

3. PARTICIPANTS OF THE SHARE AWARD SCHEME AND THE BASIS OF DETERMINING THE ELIGIBILITY OF PARTICIPANTS

The eligible persons who may be selected to become a participant of the 2025 Share Incentive Scheme include any director and employee (whether full-time or part-time) of the Company or any of its subsidiaries.

In assessing the eligibility of Participants, the Board or its Delegate(s) will consider, in its sole discretion, on a case-by-case basis, the following factors, including but not limited to (i) the individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; (ii) the length of engagement with the Group; (iii) the individual contribution or potential contribution to the development and growth of the Group; and (iv) the amount of support, assistance, guidance, advice or efforts that has been given or will be given towards the Group's success.

4. GRANT OF SHARE AWARDS

On and subject to the terms of the 2025 Share Incentive Scheme, the Board or its Delegate(s) shall be entitled (but shall not be bound) at any time within the Scheme Period to make an Offer to any Participant, as the Board or its Delegate(s) may in its absolute discretion select, of a Share Award consisting of RSUs as set forth in the Offer documentation and on and subject to such terms and conditions as the Board or its Delegate(s) may determine and impose and inform the Trustee and the Grantee accordingly. For the purposes of and in accordance with the 2025 Share Incentive Scheme, Share Awards may be granted to any company wholly owned by one or more Participants. The Offer shall specify the terms and conditions on which the Share Award is to be granted. Such terms and conditions may include (a) the number of H Shares underlying the Share Awards, (b) the vesting period and any conditions, restrictions or limitations that must be satisfied in order for the Share Award to vest in whole or in part, (c) any minimum period(s) for which a Share Award must be held, (d) if applicable, any minimum period(s) for which the Grantee must be employed or in service to the Group and/or any minimum performance target(s) that must be achieved such as linking its vesting to the attainment of program milestones and market capitalization milestones by the Group, (e) any clawback mechanism in respect of the Share Awards as described in section 9, and (f) may include at the discretion of the Board or its Delegate(s) such other terms either on a case-by-case basis or generally, provided such terms shall not be inconsistent with any other terms and conditions of the 2025 Share Incentive Scheme. An RSU is a non-voting unit of measurement which is deemed for bookkeeping purposes to be equivalent to one outstanding Share solely for purposes of the 2025 Share Incentive Scheme and Share Awards granted hereunder, such units to be used solely as a device for the determination of the payment to eventually be made to a Participant upon vesting of the applicable award (and not to be treated as property or as a trust fund of any kind).

Each grant of Share Awards to any Director, chief executive or substantial shareholder of the Company (or any of their respective associates) shall be subject to the prior approval of the independent non-executive Directors of the Company (excluding any independent non-executive Director who is a proposed recipient of the grant of Share Awards).

Where any grant of awards (excluding grant of options (if any)) to a Director (other than an independent non-executive Director) or chief executive of the Company (or any of their associates) would result in the number of Shares issued and to be issued in respect of all awards involving issue of new H Shares (including the Shares to be allotted and issued using treasury shares) already granted under the 2025 Share Incentive Scheme and any other share scheme(s) (if any) of the Company (excluding any awards lapsed in accordance with the terms of the 2025 Share Incentive Scheme or any other share scheme(s) (if any) of the Company) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of the total number of Shares in issue as at the Date of Grant (excluding treasury shares (if any)), such further grant of Share Awards shall be subject to prior approval by the Shareholders (voting by way of poll) in general meeting.

Where any grant of awards or options to a substantial shareholder or an independent non-executive Director of the Company (or any of their respective associates) would result in the number of Shares issued and to be issued in respect of all awards and options (if any) involving issue of new H Shares (including the Shares to be allotted and issued using treasury shares) already granted under the 2025 Share Incentive Scheme and any other share scheme(s) (if any) of the Company (excluding any awards or options (if any) lapsed in accordance with the terms of the 2025 Share Incentive Scheme or any other share scheme(s) (if any) of the Company) to such person in the 12- month period up to and including the date of such grant representing in aggregate over 0.1% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of the total number of Shares in issue as at the Date of Grant (excluding treasury shares), such further grant of Share Awards shall be subject to prior approval by the Shareholders (voting by way of poll) in general meeting.

5. SCHEME MANDATE LIMIT

The maximum number of the Shares which will be issued in respect of all Share Awards involving issue of new H Shares (including the Shares to be allotted and issued using treasury shares) that may be granted under the 2025 Share Incentive Scheme adopted by the Company must not in aggregate exceed 3,500,000 H Shares, which is expected to represent approximately 1.5% of the total number of Shares in issue ((excluding treasury shares (if any)) as at the Adoption Date.

The Company may seek the approval of its Shareholders at general meeting to refresh the scheme mandate limit after three years from the Adoption Date or the date of Shareholders' approval for the last refreshment (as the case may be), such that the total number of Shares which may be issued in respect of all awards and options (if any) involving issue of new H Shares that may be granted under the 2025 Share Incentive Scheme and any other share scheme(s) (if any) of the Company under the scheme mandate limit as refreshed must not exceed 10% of the Shares in issue as at the date of the aforesaid approval for refreshment by the Shareholders in general meeting (excluding treasury shares (if any)). Awards and options (if any) lapsed in accordance with the terms of the 2025 Share Incentive Scheme and any other share scheme(s) (if any) of the Company will not be regarded as utilized for the purpose of calculating the limit as refreshed. The Company shall send a circular to the Shareholders containing the number of awards and options (if any) that were already granted under the existing scheme mandate limit, and the reason for the refreshment.

Any refreshment within any abovementioned three year period must be approved by the Shareholders subject to: (i) any controlling shareholder(s) of the Company and their respective associates or if there is no controlling shareholder(s), Directors (excluding independent non-executive Directors) and the chief executive(s) of the Company and their respective associates must abstain from voting in favor of the relevant resolution at the general meeting; and (ii) the Company must comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules. The requirements under (i) and (ii) above do not apply if the refreshment is made immediately after an issue of securities by the Company to its Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the scheme mandate limit (as a percentage of the Shares in issue) upon refreshment is the same as the unused part of the scheme mandate limit immediately before the issue of securities, rounded to the nearest whole Share.

Unless approved by the Shareholders in the manner set out in this section, the total number of Shares issued and to be issued in respect of all awards and options (if any) granted under the 2025 Share Incentive Scheme and any other share scheme(s) (if any) of the Company to each Participant in any 12-month period shall not exceed 1% of the total number of Shares in issue (excluding treasury shares (if any)) (the "**Individual Limit**"). Where any grant of Share Awards under the 2025 Share Incentive Scheme to a Participant would result in the aggregate number of Shares issued and to be issued in respect of all awards and options granted under the 2025 Share Incentive Scheme and any other share scheme(s) (if any) of the Company to such Participant (excluding any options and awards lapsed in accordance with the terms of the 2025 Share Incentive Scheme and any other share scheme(s) (if any) of the Company) in the 12-month period up to and including the date of such grant exceeding the Individual Limit, such grant shall be subject to separate approval of the Shareholders in general meeting with such Participant and his/her close associates (or his/her associates if the Participant is a connected person of the Company) abstaining from voting. A circular shall be sent to the Shareholders disclosing the identity of such Participant, the number and terms of the Share Awards to be granted (and those options and awards previously granted to such Participant in the 12-month period), the purpose of granting the Share Awards to the Participant and an explanation as to how the terms of the Share Awards serve such purpose, and all other information as required under the Listing Rules. The number and terms of the Share Awards to be granted to such Participant shall be fixed before the Shareholders' approval is sought.

6. PURCHASE PRICE

Unless otherwise determined by the Board or its Delegate(s) at its sole discretion or as required by applicable law, the Purchase Price (if any) of any particular Share Award which shall be stated in the Offer documentation, is RMB1.00 per H Share.

7. VESTING OF SHARE AWARDS

The vesting period in respect of any Share Award shall be vested in four (4) years, subject to the satisfaction of the vesting schedule, 1/4 of which shall be vested on each anniversary of the Date of Grant or shall be vested in other vesting schedule at the sole discretion of the Board or its Delegate(s) specified in the Offer documentation. Solely in the following exhaustive circumstances at the sole discretion of the Board or its Delegate(s), the vesting period in respect of any Share Award may be subject to a shorter vesting period including a vesting period less than 12 months from the Date of Grant:

(a) grants of "make-whole" Share Awards to new joiners to replace the share awards or options they forfeited when leaving their previous employers;

(b) grants to a Participant whose employment is terminated due to death or disability or occurrence of any out of control event. In those circumstances the vesting of share awards may accelerate;

(c) grants to a Participant that are subject to a vesting schedule incorporating both time-based and performance-based conditions may be eligible for accelerated vesting, in whole or in part, in the event that the applicable performance targets are achieved or materially exceeded ahead of the originally prescribed timeline;

(d) grants that are made in batches during a year for administrative or compliance reasons, which include Share Awards that should have been granted earlier if not for such administrative or compliance reasons but had to wait for a subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Share Awards would have been granted;

(e) grants with a mixed or accelerated vesting schedule such as where the Share Awards may vest evenly over a period of twelve (12) months, or where the Share Awards may vest by several batches with the first batch to vest within twelve (12) months of the Date of Grant and the last batch to vest twelve (12) months after the Date of Grant;

(f) grants with performance-based vesting conditions provided in the 2025 Share Incentive Scheme or as specified in the Offer in lieu of time-based vesting criteria; and

(g) grants with a total vesting period of more than twelve (12) months.

Subject to the terms of the 2025 Share Incentive Scheme and the Offer documentation, the Board or its Delegate(s) may decide at its sole and absolute discretion (subject to, including but not limited to, the execution of any transfer documents, the payment of any purchase price or the provision of any transfer or sale direction by the Grantee as may be required by the Board or its Delegate(s) and/or the Trustee, and in accordance with the provisions stated in the Offer documentation to the Grantee) to:

(a) procure the Company to allot and issue the number of the Shares or transfer the treasury shares underlying the Share Awards to the Grantee (as new H Shares (including the Shares to be allotted and issued using treasury shares) under the scheme mandate limit) as fully paid-up Shares directly; and/or

(b) direct the Trustee to transfer the number of the H Shares underlying the Share Awards to the Grantee which the Trustee has acquired by making purchases of existing H Shares (on-market) which are held pending the vesting of the relevant Share Award(s).

for the purpose of satisfying the relevant Share Awards of the Grantee upon vesting. In circumstances set out in (a) and (b) above, the Board or its Delegate(s) may instruct the Share Registrar to issue the share certificates of the relevant Shares at no cost to the relevant Grantees (or his/her estate in the event of an issuance to his/her personal representative(s), as the case may be).

The Trustee will hold any Shares underlying the Share Awards so purchased in accordance with the terms of the 2025 Share Incentive Scheme and the provisions of the Trust Deed. Unless otherwise agreed under the Offer documentation, such Shares so acquired and/or subscribed for will, subject to the receipt by the Trustee of a confirmation from the Company that all vesting conditions have been fulfilled, be transferred to the Grantee.

Notwithstanding the foregoing, if the Company, the Trustee or any Grantee would or might be prohibited from dealing in the Shares by the Listing Rules (where applicable) or by any other applicable laws, regulations or rules, the date on which the relevant Shares shall be transferred to the Grantee shall occur as soon as possible after the date when such dealing is permitted by the Listing Rules or by any other applicable laws, regulations or rules.

If a Grantee fails to execute the relevant transfer documents or pay the purchase price, give the relevant direction to transfer or sell required by the Board or its Delegate(s) and/or the Trustee, the relevant part of the Share Award made to such Grantee shall automatically lapse and the relevant Shares shall not vest on the relevant vesting date but shall become Returned Shares for the purposes of the 2025 Share Incentive Scheme, unless the Board or its Delegate(s) determines otherwise.

The H Shares to be allotted and issued pursuant to any Share Award granted hereunder shall be identical to the then existing issued shares of the Company and subject to all the provisions of the memorandum of association and the Articles for the time being in force and will rank pari passu in all respects with the other fully paid Shares in issue on the date the name of the Grantee is registered on the register of members of the Company or if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date the name of the Grantee is registered on the register of members of the Company or if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members, save that the Grantee shall not have any voting rights, or rights to participate in any dividends or distributions (including those arising on a liquidation of the Company) declared or recommended or resolved to be paid to the Shareholders on the register on a date prior to such registration.

No Grantee shall enjoy any rights of a Shareholder (including but not limited to any rights to any cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions from any Award Shares) by virtue of the grant of a Share Award pursuant to the 2025 Share Incentive Scheme, unless and until the Shares are actually issued or transferred to the Grantee pursuant to the vesting of a Share Award. The Share Awards do not carry any right to vote in general meeting of the Company, or the right to dividend and other rights, including those arising on a liquidation of the Company until such Share Awards have been vested as Shares.

8. PERFORMANCE TARGET

Vesting of Share Award shall be subject to the performance targets, if any, to be satisfied by the Grantees as determined by the Board or its Delegate(s) from time to time. The Board or its Delegate(s) shall have the authority, after the grant of any Share Award which is performance-linked, to make fair and reasonable adjustments to the prescribed performance targets during the vesting period if there is a change in circumstances, provided that any such adjustments shall be less onerous than the prescribed performance targets and are considered fair and reasonable by the Board or its Delegate(s) (as the case may be). The performance targets may vary among the Grantees. The Board or its Delegate(s) (as the case may be) will conduct assessment from time to time by comparing the performance with the pre-set targets to determine whether and the extent to which such targets have been met. If, after the assessment, the Board or its Delegate(s) determines that any prescribed performance targets have not been met, the unvested Share Award(s) shall lapse automatically.

9. CLAWBACK MECHANISM

In the event that:

1. Where a Grantee experiences any of the following circumstances of a non-culpable exit, unvested incentive Shares shall automatically lapse; for vested incentive Shares, in accordance with relevant foreign exchange regulatory requirements, the Grantee (or their legal representative) shall realise the Shares on the secondary market within 180 days from the date of termination or cessation of the labour relationship/service relationship/employment relationship (hereinafter collectively referred to as the "**Employment Relationship**") is terminated or dissolved, which facilitates the Company's smooth assistance in completing foreign exchange reporting and profit settlement for the Grantee. Should the Grantee (or his/her legal representative) fail to realise the Shares on the secondary market within 180 days of the termination or cessation of the Employment Relationship, the Company shall arrange for the exit of relevant equity interests in the following circumstances (the "**Non-culpable Exit Circumstances**"): 1) death, or being declared dead or missing by the People's Court; 2) reaching statutory retirement age, or reaching statutory retirement age where the Company offers re-employment but no agreement is reached; 3) loss of working capacity due to work-related injury; 4) illness or non-work-related injury where, after the prescribed medical leave expires, the individual cannot perform his/her original role nor any alternative role arranged by the Company; 5) upon expiry of the employment contract (or service agreement, consultancy agreement or similar arrangement) which the Company elects not to renew; 6) inability to perform duties, persisting after training or reassignment; 7) submission of a resignation application to the Company; 8) termination of the employment contract (or service agreement, consultancy agreement, etc.) by mutual agreement with the Company; 9) termination of the employment contract (or service agreement, consultancy agreement, etc.) by the Company due to its downsizing; 10) termination or cessation of the Employment Relationship arising from circumstances other than those constituting culpable exit; and 11) other circumstances recognised by the equity incentive management committee as constituting non-culpable exit.

2. Where a Grantee experiences any of the following circumstances of a culpable exit, unvested incentive Shares shall automatically lapse; vested incentive Shares shall be subject to mandatory clawback in accordance with the Company's requirements, with related gains recovered. The Company reserves the right to terminate the employment contract (or service agreement, consultancy agreement or similar arrangement). Where losses are incurred by the Company, the Company further reserves the right to seek compensation from the Grantee for damages to the Company's interests or reputation in the following circumstances (the "**Culpable Exit Circumstances**"): 1) during employment, involvement in illegal or disciplinary violations such as accepting bribes, soliciting bribes, misappropriation, theft, or disclosure of business or technical secrets, causing damage to the Company or adversely

affecting its reputation; 2) serious dereliction of duty, misconduct, or fraud for personal gain, causing substantial damage to the Company; 3) being subject to criminal liability for criminal acts and being unable to perform duties; 4) violation of the Company's non-competition restrictions; 5) material breach of the Company's labour discipline or regulations; 6) other circumstances recognised by the equity incentive management committee as constituting culpable exit.

Should a Grantee undergo a job change (without a demotion) due to work requirements while remaining an active employee of the Company or any of its subsidiaries, both vested and unvested incentive Shares shall, in principle, remain unaffected. In the event of a demotion, the Company reserves the right to make appropriate adjustments to the Grantee's unvested incentive Shares, with no adjustments made to vested Shares.

10. LAPSE OF SHARE AWARDS

A Share Award shall lapse automatically (to the extent not already vested) on the earliest of:

(a) Non-culpable Exit Circumstances;

(b) Culpable Exit Circumstances;

(c) the date of the commencement of the winding-up, change in control, merger, division or other significant change circumstances of the Company; and

(d) unless the Company otherwise determines, the date the Grantee ceases to be a Participant for any other reason.

Notwithstanding anything in this section, the Board or its Delegate(s) may, at its absolute discretion, decide that any person of the unvested Share Awards shall continue to vest in accordance with the original vesting schedule of such unvested Share Awards.

11. CANCELLATION

Save for the circumstances of lapse as set out in the 2025 Share Incentive Scheme, the Board or its Delegate(s) may at any time at its sole and absolute discretion cancel any Award granted but not vested or lapse without payment.

12. REORGANIZATION OF CAPITAL STRUCTURE

In the event of an alteration in the capital structure of the Company whilst any Share Award remains outstanding by way of capitalization of profits or reserves, rights issue, subdivision or consolidation of shares, or reduction of the share capital of the Company in accordance with legal requirements and requirements of the Stock Exchange, such corresponding alterations (if any) shall be made to the number or nominal amount of Shares comprised in each Share Award to the extent outstanding as the Auditors or an independent financial advisor engaged by the Company for such purpose shall, at the request of the Company, certify in writing to the Board or its Delegate(s), either generally or as regards any particular Grantee, to be in their opinion fair and reasonable, provided always that any such adjustments should give each Grantee the same proportion of the equity capital, rounded to the nearest whole Share, of the Company as that to which that Grantee was previously entitled prior to such adjustments, and no adjustments shall be made which will enable a H Share to be issued at less than its nominal value. The capacity of the Auditors or independent financial advisor (as the case may be) in this section is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on the Company and the Grantees. The costs of the Auditors or independent financial advisor (as the case may be) shall be borne by the Company.

The method of adjustment of number of Award Shares so far as outstanding is set out as below:

Capitalization issue

$$Q = Q_0 \times (1 + n)$$

Where: "Q_0" represents the number of Award Shares before the adjustment; "n" represents the ratio of the capitalization issue; "Q" represents the number of Award Shares after the adjustment.

Rights issue

$$Q = Q_0 \times P_1 \times (1 + n) \div (P_1 + P_2 \times n)$$

Where: "Q_0" represents the number of Award Shares before the adjustment; "P_1" represents the closing price as at the record date; "P_2" represents the exercise price of the rights issue; "n" represents the ratio of allotment; "Q" represents the number of Award Shares after the adjustment.

Consolidation of Shares or share subdivision or reduction of the share capital

$$Q = Q_0 \times n$$

Where: "Q_0" represents the number of Award Shares before the adjustment; "n" represents the ratio of share consolidation or share subdivision or reduction of share capital; "Q" represents the number of Award Shares after the adjustment.

The method of adjustment of the Purchase Price of Share Award is set out as below:

Capitalization issue

$$P = P_0 \div (1 + n)$$

Where: "P_0" represents the Purchase Price before the adjustment; "n" represents the ratio of the capitalization issue; "P" represents the Purchase Price after the adjustment.

Rights issue

$$P = P_0 \times (P_1 + P_2 \times n) \div (P_1 \times (1 + n))$$

Where: "P_0" represents the Purchase Price before the adjustment; "P_1" represents the closing price as at the record date; "P_2" represents the exercise price in respect of the rights issue; "n" represents the ratio of allotment; "P" represents the Purchase Price after the adjustment.

Consolidation of Shares or share subdivision or reduction of the share capital

$$P = P_0 \div n$$

Where: "P_0" represents the Purchase Price before the adjustment; "n" represents the ratio of share consolidation or share subdivision or reduction of share capital; "P" represents the Purchase Price after the adjustment.

In above circumstances, other than any made on a capitalization of profits or reserves, the Auditors or the independent financial advisor, as the case may be, shall confirm to the Board or its Delegate(s) in writing that the adjustments satisfy the requirements set out in Rule 17.03(13) of the Listing Rules and the note thereto and/or such other requirement prescribed under the Listing Rules and such other applicable guidance and/or interpretation of the Listing Rules from time to time.

13. ALTERATION

The Board or its Delegate(s) may amend any of the provisions of the 2025 Share Incentive Scheme (including without limitation amendments in order to comply with changes in legal or regulatory requirements and amendments in order to waive any restrictions, imposed by the provisions of the 2025 Share Incentive Scheme) at any time (but not so as to affect adversely any rights which have accrued to any Grantee at that date).

Any alterations to the terms and conditions of the 2025 Share Incentive Scheme which are of a material nature, or any alterations to the provisions relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of Participants, must be approved by Shareholders in general meeting. Any change to the terms of Share Awards granted to a Participant, must also, to be effective, be approved by the Board or its Delegate(s), the independent non-executive Directors of the Company and/or the Shareholders in general meeting(as the case may be) if the initial grant of the Share Awards was approved by the Board or its Delegate(s), the independent non-executive Directors of the Company and/or the Shareholders (as the case may be), except where the alterations take effect automatically under the existing terms of the 2025 Share Incentive Scheme. The 2025 Share Incentive Scheme so altered must comply with Chapter 17 of the Listing Rules. Any change to the authority of the Board or its Delegate(s), the Trustee or other administrator of the 2025 Share Incentive Scheme in relation to any alternation to the terms of the 2025 Share Incentive Scheme must be approved by the Shareholders in general meeting.

Notwithstanding any provisions to the contrary in the 2025 Share Incentive Scheme, if on the relevant date of vesting of a Share Award there are restrictions or conditions imposed by the relevant laws and regulations to which the Grantee is subject and the Grantee has not obtained approval, exemption or waiver from the relevant regulatory authorities for the receipt of and dealing in the Shares, the Grantee may sell the Share Awards to such transferee, subject to the approval by the Company, which shall not unreasonably withhold or delay such approval. In the event that the Share Awards are transferred to a connected person of the Company, no Shares shall be allotted and issued or transferred upon the vesting of the Share Awards by a connected person of the Company unless the Board or its Delegate(s) is satisfied that the allotment and issue or transfer of Shares will not trigger any breach of the Listing Rules, the Articles or the Takeovers Code.

14. TRANSFERABILITY

A Share Award shall be personal to the Grantee and shall not be transferable or assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest in favor of or enter into any agreement with any other person over or in relation to any Share Award or any property held by the Trustee on trust for the Grantees. Any breach of the foregoing shall entitle the Company to cancel an outstanding Share Awards without payment of any consideration therefor.

15. RESTRICTIONS ON THE TIME OF GRANT OF SHARE AWARDS

No Share Awards shall be granted by the Board where dealings in the H Shares are prohibited under any code or requirement of the Listing Rules (including but not limited to Rule 17.05 of the Listing Rules, and the Model Code for Securities Transactions by Directors of Listed Issuers under Appendix C3 to the Listing Rules), all applicable laws and any internal code of conduct in securities dealing adopted by the Company from time to time. Without limiting the generality of the foregoing, no such Share Awards shall be granted:

(a) during the period commencing 30 days immediately before the earlier of:

(i) the date of board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the Company's results for any year, half-year or any other interim period (whether or not required under the Listing Rules); and

(ii) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or any other interim period (whether or not required under the Listing Rules),

and ending on the date of results announcement;

(b) during any period of delay in publishing a results announcement of the Company; and

(c) in any circumstance where such Share Award is prohibited under the Listing Rules or any other applicable law or regulation or where any requisite approval from any governmental or regulatory authority has not been granted.

16. TERMINATION

The Company by special resolution in general meeting or the Board or its Delegate(s) may at any time resolve to terminate the operation of the 2025 Share Incentive Scheme prior to the expiry of the Scheme Period, and in such event no further Share Awards will be offered or granted but the provisions of the 2025 Share Incentive Scheme shall remain in full force to the extent necessary to give effect to the settlement of any Share Awards granted prior thereto or otherwise as may be required in accordance with the provisions of the 2025 Share Incentive Scheme.

Sichuan Kelun-Biotech Biopharmaceutical Co., Ltd.
四川科倫博泰生物醫藥股份有限公司

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

(Stock Code: 6990)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the extraordinary general meeting (the "**EGM**") of Sichuan Kelun-Biotech Biopharmaceutical Co., Ltd. (the "**Company**") will be held at Meeting Room 1, 2/F, K1 Building, Sichuan Kelun-Biotech Biopharmaceutical Co., Ltd., No. 666 Xinhua Avenue, Chengdu Cross-Strait Science and Technology Industry Development Park, Wenjiang District, Chengdu, Sichuan Province, the PRC at 9:00 a.m. on December 31, 2025 for the following purposes (unless otherwise indicated, capitalized terms used in this notice shall have the same meanings as those defined in the circular of the Company dated December 15, 2025 (the "**Circular**"):

ORDINARY RESOLUTIONS

For the Independent Shareholders to consider, and, if thought fit, pass the following resolutions:

1. "**THAT**

   (a) The 2026 Promotional Services Framework Agreement entered into between the Company and Kelun Jiaxun dated December 15, 2025, a copy of which is tabled at the meeting, the terms thereof and the transactions contemplated thereunder together with the proposed annual caps, be and are hereby approved, confirmed and ratified; and

   (b) any one or more of the Directors be and are hereby authorised for and on behalf of the Company to sign, seal, execute, perfect, perform and deliver all such documents, instruments, deeds and agreements, to do all such acts, matters or things and take all such steps as he/she/they may in their discretion consider to be necessary, desirable, appropriate or expedient to give effect to and/or to implement the 2026 Promotional Services Framework Agreement and the transactions contemplated thereunder."

2. "**THAT**

   (a) the 2026 Auxiliary R&D Services Framework Agreement entered into between the Company and Kelun Pharmaceutical dated December 15, 2025, a copy of which is tabled at the meeting, the terms thereof and the transactions contemplated thereunder together with the proposed annual caps, be and are hereby approved, confirmed and ratified; and

(b) any one or more of the Directors be and are hereby authorised for and on behalf of the Company to sign, seal, execute, perfect, perform and deliver all such documents, instruments, deeds and agreements, to do all such acts, matters or things and take all such steps as he/she/they may in their discretion consider to be necessary, desirable, appropriate or expedient to give effect to and/or to implement the 2026 Auxiliary R&D Services Framework Agreement and the transactions contemplated thereunder."

3. "**THAT**

(a) the 2026 Procurement and Sale of Equipment and Materials Framework Agreement entered into between the Company and Kelun Pharmaceutical dated December 15, 2025, a copy of which is tabled at the meeting, the terms thereof and the transactions contemplated thereunder together with the proposed annual caps, be and are hereby approved, confirmed and ratified; and

(b) any one or more of the Directors be and are hereby authorised for and on behalf of the Company to sign, seal, execute, perfect, perform and deliver all such documents, instruments, deeds and agreements, to do all such acts, matters or things and take all such steps as he/she/they may in their discretion consider to be necessary, desirable, appropriate or expedient to give effect to and/or to implement the 2026 Procurement and Sale of Equipment and Materials Framework Agreement and the transactions contemplated thereunder."

SPECIAL RESOLUTIONS

To consider and, if thought fit, pass the following resolutions as special resolutions:

1. "**THAT**:

(a) subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") granting the approval for the listing of, and permission to deal in, the Shares which may fall to be allotted and issued (and/or transferred out of treasury) pursuant to the vesting of the awards (the "**Share Awards**") that may be granted under the 2025 Share Incentive Scheme (the rules of which are contained in the document marked "A" produced to the EGM and initialed by the chairman of the EGM for the purpose of identification) (the "**2025 Share Incentive Scheme**"), the 2025 Share Incentive Scheme be and is hereby approved and adopted and the Directors and its Delegate(s) be and are hereby authorized to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the 2025 Share Incentive Scheme including without limitation:

(i) to administer the 2025 Share Incentive Scheme;

(ii) to modify and/or amend the 2025 Share Incentive Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the 2025 Share Incentive Scheme relating to modification and/or amendment and subject to Chapter 17 of the Listing Rules;

(iii) to allot and issue from time to time such number of Shares as may be required to be allotted and issued and to procure the transfer of and deal with the Shares (including treasury shares, as the case may be) pursuant to the vesting of the Share Awards granted under the 2025 Share Incentive Scheme;

(iv) to make application at the appropriate time or times to the Stock Exchange for the listing of, and permission to deal in any Shares (or transferred out of treasury) which may thereafter from time to time be allotted and issued pursuant to the vesting of the Share Awards granted under the 2025 Share Incentive Scheme; and

(v) to consent, if they deem fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the 2025 Share Incentive Scheme."

2. "**THAT**:

the scheme mandate limit of the 2025 Share Incentive Scheme (being 3,500,000 H Shares) be and is hereby approved and adopted."

By order of the Board
Sichuan Kelun-Biotech Biopharmaceutical Co., Ltd.
LIU Gexin
Chairman of the Board and Non-executive Director

Hong Kong, December 15, 2025

Notes:

1. All resolutions at the EGM will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The results of the poll will be published on the websites of the Company at https://kelun-biotech.com and Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk after the EGM.

2. Any Shareholder entitled to attend and vote at the EGM convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a Shareholder of the Company.

3. In order to be valid, the instrument appointing a proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power of attorney or authority, must be completed and returned to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares), at least 24 hours before the EGM (i.e. before 9:00 a.m. on December 30, 2025) or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude a Shareholder from attending and voting at the EGM or any adjourned meeting thereof should he/she so wish.

4. For the purpose of determining the list of Shareholders who are entitled to attend the EGM, the register of members of the Company will be closed from December 24, 2025 to December 31, 2025, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the EGM, unregistered Shareholders shall ensure all transfer documents accompanied by the relevant share certificates are lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on December 23, 2025 for registration.

5. In the case of joint Shareholders, the vote of the senior joint Shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint Shareholder(s) and for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint shareholding.

6. Shareholders who attend the EGM in person or by proxy shall bear their own travelling and accommodation expenses.

7. A Shareholder or his/her proxy should produce proof of identity when attending the EGM.

8. Contact information of the meeting:

Contact person:	Zhuo Chen
Telephone:	+86–18084866369
Email:	yfchengz@kelun.com
Address:	No. 666 Xinhua Avenue Chengdu Cross-Strait Science and Technology Industry Development Park Wenjiang District, Chengdu, Sichuan Province, PRC

9. Further details of the resolutions are set out in the circular of the Company dated December 15, 2025. Unless otherwise indicated, capitalized terms used in this notice shall have the same meanings as those defined in the circular.

10. References to dates and time in this notice are to Hong Kong dates and time.

11. The English text of this notice shall prevail over the Chinese text for the purpose of interpretation.

12. References herein to an allotment, issue or dealing with securities or shares shall include a sale or transfer of treasury shares listed on the Stock Exchange.

As at the date of this notice, the Board comprises Mr. LIU Gexin as the chairman of the Board and non-executive Director, Dr. GE Junyou as executive Director, Mr. LIU Sichuan, Mr. LAI Degui, Mr. FENG Hao, Ms. LIAO Yihong and Mr. ZENG Xuebo as non-executive Directors, and Dr. ZHENG Qiang, Dr. TU Wenwei, Dr. JIN Jinping, and Dr. LI Yuedong as independent non-executive Directors.