Xuanzhu Biopharmaceutical Co., Ltd.
軒竹生物科技股份有限公司

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

(Stock Code: 2575)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2025

The Board is pleased to announce the consolidated results of the Group for the year ended December 31, 2025, together with the comparative figures for the year ended December 31, 2024, which have been reviewed by the Audit Committee as follows:

FINANCIAL HIGHLIGHTS

- Revenue for the year ended December 31, 2025 amounted to approximately RMB51.8 million, representing an increase of approximately 72.0% as compared with the year ended December 31, 2024.
- Operating expenses (including the selling and distribution expenses, research and development expenses and administrative expenses) for the year ended December 31, 2025 amounted to approximately RMB251.3 million, representing a decrease of approximately 56.6% as compared with the year ended December 31, 2024.
- The operating performance of the Group continued to improve, with the loss for the year ended December 31, 2025 narrowing by approximately 55.9%.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December

	Notes	**2025**	2024
		RMB'000	*RMB'000*
Revenue	3	**51,772**	30,094
Cost of sales		**(18,403)**	(13,602)
Gross profit		**33,369**	16,492
Other income and gains		**16,347**	15,349
Selling and distribution expenses		**(49,265)**	(52,354)
Research and development expenses		**(124,192)**	(186,395)
Administrative expenses		**(77,817)**	(339,669)
Other expenses		**(35,966)**	(9,469)
Impairment of financial assets, net		**(7,855)**	(74)
Finance costs		**(124)**	(304)
Loss before tax		**(245,503)**	(556,424)
Income tax expense	4	**(6)**	(6)
Loss and total comprehensive loss for the year		**(245,509)**	(556,430)
Attributable to:			
Owners of the parent		**(245,509)**	(556,430)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	5		
Basic and diluted *(RMB)*		**(0.53)**	(1.23)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December

	Notes	**2025** ***RMB'000***	2024 *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**100,271**	117,289
Right-of-use assets		**15,457**	54,865
Intangible assets	6	**657,916**	610,564
Prepayments, other receivables and other assets – non-current		**34,289**	44,904
Total non-current assets		**807,933**	827,622
CURRENT ASSETS			
Inventories	7	**86,520**	57,185
Trade receivables	8	**16,035**	189
Prepayments, other receivables and other assets – current		**42,639**	35,237
Financial assets at fair value through profit or loss		**–**	110,584
Cash and cash equivalents	9	**652,233**	135,249
Pledged deposits		**34,985**	30,553
Total current assets		**832,412**	368,997
CURRENT LIABILITIES			
Trade and bills payables	10	**113,571**	98,887
Other payables and accruals	11	**107,573**	79,543
Lease liabilities		**647**	832
Total current liabilities		**221,791**	179,262
Net current assets		**610,621**	189,735
Total assets less current liabilities		**1,418,554**	1,017,357
NON-CURRENT LIABILITIES			
Other payables and accruals	11	**48,300**	59,996
Lease liabilities		**–**	647
Total non-current liabilities		**48,300**	60,643
NET ASSETS		**1,370,254**	956,714
EQUITY			
Equity attributable to owners of the parent			
Share capital	12	**517,948**	450,614
Reserves		**852,306**	506,100
TOTAL EQUITY		**1,370,254**	956,714

SELECTED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

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

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

3. REVENUE

An analysis of revenue is as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Revenue from contracts with customers	**51,772**	30,094

Revenue from contracts with customers

(a) Disaggregated revenue information

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Types of goods or services		
Sale of pharmaceutical products	**50,685**	30,094
Rendering of research and development services	**1,087**	–
Geographical market		
Chinese mainland	**51,772**	30,094
Timing of revenue recognition		
Goods transferred at a point in time	**51,772**	30,094

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period		
Sale of pharmaceutical products	**15,588**	7,253

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of pharmaceutical products

The performance obligation is satisfied upon delivery of the pharmaceutical products and payment in advance is normally required.

4. INCOME TAX

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Current tax:		
Charge for the year	**6**	6
Deferred tax	**–**	–
Total tax charge for the year	**6**	6

United States of America

Pursuant to the Tax Cuts and Jobs Act ("**TCJA**") enacted on 22 December 2017, the USA federal statutory income tax rate for the subsidiary is 21%. The subsidiary in the USA was incorporated in the state of California and the state income tax rate is 8.84%. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries (or jurisdictions) in which the Group operates.

Hong Kong

The subsidiary incorporated in Hong Kong is subject to Hong Kong profits tax at the statutory rate of 16.5% on any estimated assessable profits arising in Hong Kong during the year.

Chinese mainland

Pursuant to the Corporate Income Tax Law of the People's Republic of China and the respective regulations (the "**CIT Law**"), the subsidiaries which operate in the Chinese mainland are subject to CIT at a rate of 25% on the taxable income during the year.

One of the Group's Chinese mainland subsidiaries, Shandong Xuanzhu Pharma Co., Ltd, was accredited as a "High and New Technology Enterprise" under the relevant tax rules and regulations in December 2022 and December 2025, and accordingly, it was entitled to a reduced preferential CIT rate of 15% from 1 January 2022 to 31 December 2024 and is entitled to a reduced preferential CIT rate of 15% from 1 January 2025 to 31 December 2027.

One of the Group's Chinese mainland subsidiaries, Xuanzhu (Beijing) Biopharmaceutical Co., Ltd, was accredited as a "High and New Technology Enterprise" under the relevant tax rules and regulations in October 2024, and accordingly, it is entitled to a reduced preferential CIT rate of 15% from 1 January 2024 to 31 December 2026.

The above qualifications are subject to review by the relevant tax authority in the Chinese mainland every three years.

A reconciliation of the tax credit applicable to loss before tax at the statutory rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax expense at the effective tax rate, is as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Loss before tax	**(245,503)**	(556,424)
Tax at the statutory tax rate (25%)	**(61,376)**	(139,106)
Lower tax rate enacted by local authority	**6,204**	3,951
Expenses not deductible for tax purposes	**404**	114
Tax losses and temporary differences not recognised	**63,522**	160,722
Additional deductible allowance for research and development expenses	**(8,748)**	(21,965)
Tax losses utilised from previous periods	**–**	(3,710)
Tax charge at the Group's effective rate	**6**	6

5. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 464,819,000 (2024: 450,614,000) outstanding during the year.

The Group had no potentially dilutive shares in issue during the years ended 31 December 2025 and 2024.

The calculation of basic and diluted loss per share is based on:

	Year ended 31 December	
	2025	2024
Loss		
Loss attributable to ordinary equity holders of the parent, used in the basic loss per share calculation *(RMB'000)*	**(245,509)**	(556,430)
Ordinary shares *('000)*		
Weighted average number of ordinary shares outstanding during the year used in the basic loss per share calculation	**464,819**	450,614
Loss per share *(RMB per share)*	**(0.53)**	(1.23)

6. INTANGIBLE ASSETS

	Software *RMB'000*	Patents and licences *RMB'000*	Deferred development costs *RMB'000*	Total *RMB'000*
31 December 2025				
Cost at 1 January 2025, net of accumulated amortisation	**1,160**	**65,701**	**543,703**	**610,564**
Additions	**235**	**–**	**59,646**	**59,881**
Amortisation provided during the year	**(413)**	**(11,881)**	**–**	**(12,294)**
Disposal	**(235)**	**–**	**–**	**(235)**
Transfer	**–**	**282,701**	**(282,701)**	**–**
At 31 December 2025	**747**	**336,521**	**320,648**	**657,916**
At 31 December 2025:				
Cost	**3,375**	**348,402**	**320,648**	**672,425**
Accumulated amortisation	**(2,628)**	**(11,881)**	**–**	**(14,509)**
Net carrying amount	**747**	**336,521**	**320,648**	**657,916**

	Software *RMB'000*	Patents and licences *RMB'000*	Deferred development costs *RMB'000*	Total *RMB'000*
31 December 2024				
Cost at 1 January 2024, net of accumulated amortisation	1,976	72,345	459,482	533,803
Additions	–	–	98,179	98,179
Amortisation provided during the year	(581)	(6,644)	–	(7,225)
Disposal	(235)	–	(13,958)	(14,193)
At 31 December 2024	1,160	65,701	543,703	610,564
At 31 December 2024:				
Cost	4,039	74,550	543,703	622,292
Accumulated amortisation	(2,879)	(8,849)	–	(11,728)
Net carrying amount	1,160	65,701	543,703	610,564

7. INVENTORIES

	2025	2024
	RMB'000	*RMB'000*
Raw materials	**62,535**	52,434
Work in progress	**615**	2,822
Finished goods	**23,136**	1,572
Others	**234**	357
Total	**86,520**	57,185

8. TRADE RECEIVABLES

	2025	2024
	RMB'000	*RMB'000*
Trade receivables	**16,426**	190
Impairment allowance	**(391)**	(1)
Net carrying amount	**16,035**	189

The Group's trading terms with its customers are mainly payment in advance, except for certain customers who make small-volume purchases on an urgent basis. The payment term generally ranges from 30 to 60 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the transaction dates and net of loss allowance, is as follows:

	2025	2024
	RMB'000	*RMB'000*
Within 3 months	**15,468**	189
3 to 6 months	**567**	–
Total	**16,035**	189

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The Group uses the simplified method to calculate the credit impairment losses on trade receivables. Management's estimate of the expected loss rate is based on the expected loss rate calculated by establishing the default rate of the corporate bonds over the past three years and combining with forward-looking factors.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2025

	Within 3 months	**3 to 6 months**	**6 to 12 months**	**More than 1 year**	**Total**
Gross carrying amount *(RMB'000)*	**15,845**	**581**	**–**	**–**	**16,426**
Expected credit loss rate	**2.38%**	**2.38%**	**–**	**–**	**–**
Expected credit losses *(RMB'000)*	**377**	**14**	**–**	**–**	**391**

As at 31 December 2024

	Within 3 months	3 to 6 months	6 to 12 months	More than 1 year	Total
Gross carrying amount *(RMB'000)*	190	–	–	–	190
Expected credit loss rate	0.53%	–	–	–	0.53%
Expected credit losses *(RMB'000)*	1	–	–	–	1

9. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	2025	2024
	RMB'000	*RMB'000*
Cash and bank balances	**687,218**	162,717
Time deposits	**–**	3,085
Subtotal	**687,218**	165,802
Less: Pledged time deposits:		
Pledged for bills payables	**(34,985)**	(30,553)
Cash and cash equivalents	**652, 233**	135,249

The RMB is not freely convertible into other currencies, however, under the Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one month and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

10. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	2025	2024
	RMB'000	*RMB'000*
Within 1 year	**112,536**	95,508
1 year to 2 years	**480**	2,802
2 years to 3 years	**553**	6
Over 3 years	**2**	571
Total	**113,571**	98,887

Trade and bills payables are non-interest-bearing and are normally settled on terms of 30 to 180 days.

11. OTHER PAYABLES AND ACCRUALS

		2025	2024
	Notes	***RMB'000***	*RMB'000*
Non-current:			
Contract liabilities	*(a)*	**34,989**	41,627
Other payables	*(b)*	**11,459**	15,001
Other tax payables		**1,852**	3,368
Total		**48,300**	59,996
Current:			
Contract liabilities	*(a)*	**18,272**	17,800
Other payables	*(b)*	**51,914**	40,352
Payroll payables		**32,552**	14,826
Other tax payables		**4,530**	1,764
Deferred income		**170**	1,366
Amounts due to related parties		**135**	3,435
Total		**107,573**	79,543

(a) Details of contract liabilities are as follows:

	2025	2024
	RMB'000	*RMB'000*
Short-term advances received from customers:		
Sale of medicines	**13,033**	9,496
Distribution rights	**40,228**	49,931
Total	**53,261**	59,427

Contract liabilities include advances received for the sale of pharmaceutical products and deferred revenue for distribution rights.

(b) Other payables are non-interest-bearing and unsecured.

12. SHARE CAPITAL

Shares

	2025	2024
	RMB'000	*RMB'000*
Issued and fully paid:		
517,947,790 (2024: 450,614,290) ordinary shares of RMB1.00 each	**517,948**	450,614

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	**Share capital**
	'000	*RMB'000*
As at 1 January 2024 and 31 December 2024	450,614	450,614
Shares from initial public offering	67,334	67,334
As at 31 December 2025	517,948	517,948

The Company was officially listed on the Hong Kong Stock Exchange on October 15, 2025, issuing 67,334,000 shares at an offer price of HKD11.6 per share, with total proceeds amounting to approximately RMB721,622,000. The total issuance expenses were approximately RMB62,573,000. Among this, the par value of the issued shares, RMB67,334,000, was recognised as share capital, while the net proceeds after deducting issuance expenses, RMB591,715,000, were recognised as capital reserve.

COMPANY OVERVIEW

The Company is a commercialization-stage, innovation-driven biopharmaceutical company rooted in China, dedicated to developing and delivering innovative therapies based on profound insights into the Chinese pharmaceutical market and unique clinical needs.

The Company has established integrated discovery and development capabilities covering both small molecules and biologics based on a forward-looking proprietary R&D platform, which serves as the Company's core engine driving the long-term growth. Relying on this platform, the Company have efficiently advanced a diverse pipeline comprising more than ten drug candidates, covering areas such as digestive diseases, oncology, and metabolic diseases.

As of the Latest Practicable Date, the Company has successfully obtained approval for marketing of three proprietary innovative drugs, formally establishing a commercial product portfolio covering two major therapeutic areas of digestive diseases and oncology, marking the entry of the Company's innovative value into an accelerated realization phase. Meanwhile, multiple proprietary or in-licensed early-stage pipeline candidates have also achieved new milestone progress, injecting strong momentum into the Company's sustained future development.

In 2025, China's biopharmaceutical industry presented a complex landscape characterized by increasingly stringent policy regulation, intensified market competition, and accelerating technological iteration. The dynamic adjustment of the National Reimbursement Drug List (NRDL) has raised the entry threshold for innovative drugs. While unmet clinical needs in areas such as oncology and digestive diseases present opportunities, the Company also faces multi-dimensional competition from multinational pharmaceutical companies and local enterprises. Technological breakthroughs in targeted therapy, ADC, and other areas, along with accelerating industry consolidation, require enterprises to sustain R&D investment and flexibly adapt to market changes.

The Company's long-term goal is to build a globally competitive differentiated innovative drug pipeline, focusing on digestive diseases, oncology, and NASH areas, leveraging three core technology platforms, a diversified pipeline, and a comprehensive intellectual property system to build core competitive advantages. In the short term, the Company focuses on advancing the R&D of core products and their commercialization. In the medium to long term, through the dual drivers of proprietary R&D and external collaboration, the Company aims to enrich the product portfolio, strengthen competitiveness in niche areas, and achieve the release of innovative value.

Product Pipeline

BUSINESS REVIEW

In 2025, the global biotechnology sector continued to evolve amidst the interplay of rational capital and innovative passion, while China's pharmaceutical industry underwent a profound value reassessment. The competitive logic of the industry has undergone a fundamental transformation, from relying on "narratives" to focusing on "product capability verification", from homogenized involution to pursuing source innovation and global value. Against this backdrop, the Group ushered in a milestone year since its establishment. The Group not only successfully listed on the Main Board of the Stock Exchange, but also welcomed the dense conversion of the R&D pipeline into commercial value with the approval of two blockbuster oncology innovative drugs during the year, marking the full formation of the Company's proprietary commercialization system. For the Group, 2025 was a "convergence year" of dual capital and oncology product listings, and even more so, an "inaugural year of value" when innovative value faced market validation.

In 2025, the Group recorded revenue of approximately RMB51.8 million, representing an increase of 72.0% compared to the same period last year. The strong growth in revenue was mainly attributable to the contribution of two approved oncology products and their rapid commercialization to sales revenue growth. Meanwhile, the Group continued to maintain strategic investment in R&D and commercialization systems. The net loss for the Reporting Period was RMB245.5 million, narrowing by 55.9% compared to last year. With the Company's completion of its initial public offering and listing during the year, as of December 31, 2025, the Group held cash and cash equivalents amounting to approximately RMB652.2 million, providing ample financial assurance for advancing long-term strategies.

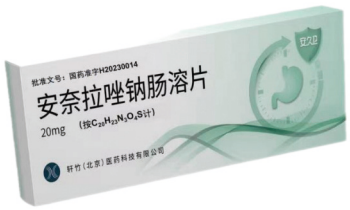
During the Reporting Period, the Group's product commercialization landscape and development achieved a milestone leap: two proprietary innovative oncology drugs, the CDK2/4/6 inhibitor Xuan Yue Ning (Bireociclib Tablets) and the next-generation ALK inhibitor Xuan Fei Ning (Dirozalkib Tablets), were successively approved for marketing in China; combined with the digestive disease product An Jiu Wei (Anaprazole Sodium Enteric-coated Tablets), which was approved for marketing in 2023, the Company successfully established a "commercialization troika" covering two core therapeutic areas of digestive diseases and oncology, upgrading the product portfolio from "single pillar" to "diversified synergy". During the year, the Group continued to build a professional and efficient commercialization system, under which the Group successfully drove significant progress in NRDL access for core products: Xuan Yue Ning (Bireociclib Tablets) was successfully included in the National Basic Medical Insurance Drug Catalog of China (2025) for the first time, significantly enhancing the accessibility and market competitiveness of this innovative drug; meanwhile, An Jiu Wei (Anaprazole Sodium Enteric-coated Tablets) successfully passed the NRDL renewal negotiation while maintaining the NRDL payment price unchanged, preserving its market advantage in the digestive disease field. The commercial network covering key markets continued to expand and consolidate, injecting strong momentum into the rapid volume growth of these products included in medical insurance coverage and the subsequent launch of pipeline products. During the Reporting Period, the Group strived to facilitate indication expansions for its marketed core products to reach broader patient populations. Specifically, An Jiu Wei initiated a Phase III clinical study in China for the treatment of reflux esophagitis, while the IND application for Xuan Fei Ning as adjuvant therapy for ALK-positive NSCLC patients following surgery was approved in January 2025. Meanwhile, the Group advanced clinical development of key pipeline products including XZP-7797 and XZP-6924, achieving significant milestones such as the launch of Phase I clinical trials for XZP-7797 during the Reporting Period. Additionally, substantial progress was made in business development, R&D platform construction, and other fields.

I. COMMERCIALIZATION CAPABILITY BUILDING AND KEY PROGRESS

During the Reporting Period, the Group adopted a flexible and targeted commercial strategy to maximize the advantages of each marketed product and target market, achieving remarkable results. As of the end of the Reporting Period, regarding the commercialization layout of the digestive system disease drug An Jiu Wei, the Group adopted a distribution model combining provincial agency and refined investment promotion, establishing an internal sales team of 48 people and building a sales network covering over 90 distributors and reaching more than 2,000 medical institutions nationwide; regarding the commercialization promotion of oncology drugs Xuan Yue Ning and Xuan Fei Ning, the Group implemented a direct sales strategy driven by both marketing and medical affairs, building a specialized commercial team of over 150 people, and proceeding in an orderly manner with the commercialization process of marketed products in the PRC.

Anaprazole Sodium Enteric-coated Tablets (Chinese Trade Name: An Jiu Wei)

Product Overview



- Anaprazole Sodium Enteric-coated Tablets (An Jiu Wei) is an innovative drug independently developed by the Group with global intellectual property rights, and is also the first and only PPI independently developed by a domestic enterprise in China. Anaprazole Sodium features an innovative structural design with characteristics including non-enzymatic plus multi-enzymatic metabolism and balanced intestinal-renal dual-channel excretion, with only 3.5% metabolized through CYP2C19, making it unaffected by CYP2C19 gene polymorphism. Compared with previous generations of PPIs, Anaprazole Sodium has lower risk of drug-drug interactions, making it a safer choice for patients on multiple medications and those with renal impairment, and is a PPI more suitable for the Chinese population. As a Class 1 innovative drug in China, Anaprazole Sodium fills the gap in domestically developed PPIs, bringing treatment options with both superior efficacy and safety to Chinese patients.

Approved Indications and NRDL Coverage

- In June 2023, it was approved for marketing by the NMPA of China for the treatment of duodenal ulcer.

- In December 2023, it was included in the National Basic Medical Insurance Drug Catalog of China for the first time, effective from January 1, 2024.

- During the Reporting Period, through the simplified NRDL renewal procedure with the NMPA of China, Anaprazole Sodium Enteric-coated Tablets (An Jiu Wei) successfully renewed its inclusion in the National Basic Medical Insurance Drug Catalog of China (2025), effective from January 1, 2026, with the renewed NRDL payment price remaining unchanged.

Data Publication and Evidence-based Medicine

- In June 2025, the "Standardized Treatment of Gastroesophageal Reflux Disease in the Elderly" published in the Chinese Journal of Geriatrics explicitly stated that elderly patients and patients with renal impairment may benefit more from using An Jiu Wei for the treatment of reflux esophagitis.

Marketing System and Strategy

- In 2025, the Group focused on deepening product commercialization and market expansion, continuously improving the marketing system and optimizing strategic layout to achieve effective extensive terminal coverage and enhanced team efficiency.

- Regarding terminal coverage, as of December 31, 2025, An Jiu Wei had successfully covered over 2,000 medical institutions; the medical institution access work in various provinces is proceeding steadily. Combined with the implementation of new national negotiation policies, the Company further strengthened marketing team performance management, laying a solid foundation for subsequent expansion of terminal coverage and improvement of overall coverage rate.

- Regarding the sales strategy, the Company advanced four key initiatives centered on enhancing efficiency and refining systems: Firstly, it has optimized marketing team development by focusing on improvement of efficiency and labor productivity, successfully completing team integration to strengthen overall capabilities; secondly, it has reinforced performance metrics by increasing the weighting of market development and pure sales activities in assessments which drive terminal coverage expansion while establishing a robust KPI evaluation system for marketing teams to enable quantitative performance management; thirdly, it has refined customer management mechanisms by building a provincial-level periodic customer evaluation system. This system dynamically adjusts cooperation strategies based on core comprehensive metrics such as development progress, thereby enhancing partnership quality; fourthly, it has leveraged policy initiatives to empower product promotion by actively advancing the application for Anaprazole Sodium's inclusion in the National Essential Medicine List while vigorously facilitating An Jiu Wei's inclusion in the primary healthcare guidelines for reflux and gastritis-related diagnoses and treatments, so as to provide robust support for market penetration.

Bireociclib Tablets (Chinese Trade Name: Xuan Yue Ning)

Product Overview

- Xuan Yue Ning is a novel CDK2/4/6 inhibitor with complete intellectual property rights developed by the Group, used for HR+/HER2- advanced breast cancer. Xuan Yue Ning is a novel molecular entity designed by the Group based on the analysis of CDK4 and CDK6 protein crystal structures. It has higher selectivity for CDK4 and moderate inhibitory effect on CDK6, which can reduce the risk of neutropenia associated with strong CDK6 inhibitors. Additionally, Xuan Yue Ning also demonstrates inhibitory effect on CDK2 enzyme, and because it can exert partial therapeutic effect through CDK2 inhibition, it demonstrates outstanding therapeutic effect as monotherapy, successfully filling the gap in later-line monotherapy for advanced HR+/HER2- breast cancer in China.

Approved Indications and NRDL Coverage

- In May 2025, Bireociclib Tablets (Xuan Yue Ning) was approved by the NMPA in combination with fulvestrant for adult patients with HR+/HER2- advanced or metastatic breast cancer who have experienced disease progression following prior endocrine therapy.

- In May 2025, Bireociclib Tablets (Xuan Yue Ning) was approved by the NMPA as monotherapy for adult patients with HR+/HER2- advanced or metastatic breast cancer who have experienced disease progression after receiving two or more endocrine therapies and one chemotherapy regimen during the metastatic stage.

- In December 2025, the National Basic Medical Insurance Drug Catalog of China (2025) was officially released, and Bireociclib Tablets (Xuan Yue Ning) was included in the National Basic Medical Insurance Drug Catalog of China for the first time with both approved indications included therein. The National Basic Medical Insurance Drug Catalog of China (2025) became officially effective.

- In March 2026, the third indication of Bireociclib Tablets (Xuan Yue Ning), in combination with aromatase inhibitor (AI) for first-line treatment of HR+/HER2- advanced or metastatic breast cancer, was approved by the NMPA. With this, Bireociclib officially became the first and only drug of its kind in China covering the entire treatment course of first-line, second-line, and later-line monotherapy for HR+/HER2- advanced breast cancer, highlighting its comparative advantage of broad indication coverage.

Data Publication and Evidence-based Medicine

- During the Reporting Period, multiple key clinical research results of the Group's self-developed CDK2/4/6 inhibitor Bireociclib Tablets (Xuan Yue Ning) were progressively published or disclosed:

    1. Results of the Phase II BRIGHT-1 study were published in *Cancer Communications*. For Bireociclib monotherapy in the treatment of HR+/HER2- advanced breast cancer patients with disease progression after multiple-line treatment, the Independent Review Committee (IRC) assessed an objective response rate (ORR) of 29.8%, a median progression-free survival (mPFS) of 11.0 months, and a median overall survival (mOS) of 29.0 months, demonstrating significant efficacy.

    2. The interim analysis of the Phase III BRIGHT-2 study was published in *Nature Communications*, with the final analysis announced at the 2025 AACR Annual Meeting. For Bireociclib combined with Fulvestrant in the treatment of HR+/HER2- advanced breast cancer patients with disease progression following previous endocrine therapy, the mPFS was 14.7 months, significantly superior to the control group's 7.3 months (HR=0.542, $p<0.0001$), with particularly notable benefits observed in patients with primary endocrine resistance and those with bone-only metastasis.

    3. The interim analysis of the Phase III BRIGHT-3 study was announced at the 2025 ESMO Congress. For Bireociclib combined with letrozole/anastrozole for first-line treatment of HR+/HER2- advanced breast cancer, the mPFS had not yet been reached, significantly outperforming the control group. The ORR was 63.5% versus 42.5%, showing durable efficacy and a favorable safety profile.

- In December 2025, Bireociclib was successfully included in the "Guidelines for Diagnosis and Treatment of Breast Cancer (2026 Edition)" jointly compiled by the China Anti-Cancer Association and the Oncology Branch of the Chinese Medical Association, and was listed as a core standard treatment drug for advanced HR+/HER2- breast cancer.

Marketing System and Strategy

- In 2025, the Group focused on building and implementing the commercialization system of Bireociclib, making solid progress in various aspects and achieving breakthroughs in team building, medical insurance access, and terminal coverage, laying a solid foundation for long-term product volume growth;

- Regarding team development, the Group has established an efficient execution team tailored for the direct sales model. As of December 31, 2025, the sales team comprised a total of 153 personnel;

- Key progress has been made in medical insurance access. Through early arrangement and systematic pharmacoeconomic research, the Group successfully secured inclusion of two indications – Bireociclib monotherapy and combination therapy with fulvestrant – into the NRDL, supported by robust clinical data, differentiated indications and compelling value propositions, which significantly enhances product accessibility and market competitiveness.

- Terminal coverage and supply chain assurance were simultaneously implemented and yielded results. As of December 31, 2025, the product has reached 500 hospitals and 206 DTP pharmacies, achieving nationwide coverage across all 31 provinces, municipalities, and autonomous regions. Meanwhile, listing on provincial-level transparent procurement platforms nationwide has been fully completed, establishing a comprehensive terminal distribution and promotion network that provides robust support for stable market supply and accelerated terminal penetration.

Dirozalkib Tablets (Chinese Trade Name: Xuan Fei Ning)

Product Overview

- Dirozalkib Tablets (Xuan Fei Ning) is a next-generation oral ALK inhibitor independently developed by the Group, specifically designed for the treatment of ALK-rearranged advanced non-small cell lung cancer (NSCLC). Dirozalkib has a novel molecular structure with stronger affinity to the ATP-binding site within the ALK kinase domain. It demonstrates potent inhibitory activity against common resistance mutations including first-generation and most second-generation ALK-TKIs such as G1202R and I1171N, and can achieve significant intracranial anti-tumor effects through highly efficient blood-brain barrier penetration.

Approved Indications

- In August 2025, Dirozalkib Tablets (Xuan Fei Ning) was approved by the NMPA for the treatment of patients with anaplastic lymphoma kinase (ALK)-positive advanced non-small cell lung cancer (NSCLC).

Data Publication and Evidence-based Medicine

- On September 12, 2025, at the 2025 CSCO Annual Academic Conference, Professor Wu Chunjiao, the principal investigator (PI), presented key data from the Phase III registration clinical trial (DIAMOND-2) for Dirozalkib (Xuan Fei Ning), a novel ALK inhibitor independently developed by the Group. This study was a multicenter, randomized, open-label Phase III clinical trial involving 52 centers nationwide, with a total of 275 patients enrolled. The results showed that Dirozalkib significantly prolonged median progression-free survival to 31.3 months compared with the control group treated with Crizotinib (HR=0.46, P<0.0001). The drug demonstrated an outstanding advantage in intracranial efficacy: the intracranial objective response rate (IC-ORR) reached 91.7% in patients with measurable intracranial lesions at baseline, and the intracranial median progression-free survival (IC-mPFS) has not yet been reached (HR=0.15), demonstrating excellent blood-brain barrier penetration and the ability to suppress brain metastases.

- At the end of 2025, Dirozalkib was successfully included in the "Chinese Guidelines for Treatment of Stage IV Primary Lung Cancer (2026 Edition)" jointly compiled by the Oncologist Branch of the Chinese Medical Doctor Association and the Oncology Branch of the China International Exchange and Promotion Association for Healthcare, becoming an important reference drug for clinical diagnosis and treatment in this field.

Marketing System and Strategy

- Following the successful approval and launch of Xuan Fei Ning in August 2025, the Group focused on commercialization and market deployment. As of December 31, 2025, Xuan Fei Ning had reached 200 hospitals. Leveraging shared distribution channels with Xuan Fei Ning at DTP pharmacies, the product's coverage expanded to core provinces and municipalities including Beijing, Tianjin, Chongqing, Shanghai, Guangdong, Sichuan, Jiangsu, Zhejiang, and Fujian, establishing an initial key region-focused distribution network;

- To maximize resource efficiency of the sales team, Dirozalkib and Bireociclib currently share the same sales team; and

- To better advance the commercialization of Xuan Fei Ning, the Company prioritized medical insurance access as a key objective. During the Reporting Period, it systematically advanced preparatory work, including refining the product's core value proposition, initiating pharmacoeconomic studies, and generating targeted evidence required for medical insurance access. This aims to secure Xuan Fei Ning's inclusion in the NRDL by 2026, thereby laying a foundation for insurance coverage and significantly enhancing patient accessibility.

II. R&D INNOVATION AND PIPELINE PROGRESS

During the Reporting Period, the Group upheld the mission and philosophy of "innovation-driven, promoting the development of new drugs in China", and advanced the development of the pipeline drug candidates by designing and executing efficient and focused clinical development plans. In 2025, the Group actively pursued indication expansion for core products to cover more patient populations and indications, while concentrating resources to drive the clinical development of key products.

Clinical Trial Progress of Core Products

Anaprazole Sodium Enteric-coated Tablets (Chinese Trade Name: An Jiu Wei)

- On April 30, 2025, the Centre for Drug Evaluation (CDE) granted approval for the multi-centre, randomized, double-blind, double-dummy, active-drug parallel-controlled Phase III clinical trial evaluating the efficacy and safety of Anaprazole Sodium Enteric-coated Tablets for the treatment of reflux esophagitis. The study is planned to enroll 500 subjects. In July 2025, the Phase III clinical study in China (CTR20252165) of Anaprazole Sodium Enteric-coated Tablets for the treatment of reflux esophagitis completed the enrollment of the first patient at the Second Affiliated Hospital of Wenzhou Medical University.

- As of December 31, 2025, the Phase III clinical trial of An Jiu Wei for the treatment of reflux esophagitis has opened 25 trial centers and completed the enrollment of 262 subjects. As of the date of this announcement, the Phase III clinical trial has completed the enrollment of all subjects.

- The Company plans to submit the domestic marketing application for the indication of An Jiu Wei for the treatment of reflux esophagitis in China in the second quarter of 2026.

- Preparations are underway for a Phase III clinical trial of bismuth quadruple therapy containing Anaprazole Sodium Enteric-coated Tablets for the eradication of Helicobacter pylori. The IND application is scheduled to be submitted in January 2026, and the study is expected to commence in mid-2026.

Warning Statement under Rule 18A.08(3) of the Listing Rules: Anaprazole Sodium Enteric-coated Tablets, which has not been approved for the treatment of other indications, may not ultimately be successfully developed and marketed.

Bireociclib Tablets (Chinese Trade Name: Xuan Yue Ning)

- To further expand patient coverage, during the Reporting Period, the Group actively explored the clinical development plan for Xuan Yue Ning in combination with endocrine therapy as adjuvant treatment for HR+/HER2- early breast cancer. Adjuvant therapy is treatment given in addition to primary treatment (usually surgery) for the purpose of preventing cancer recurrence.

Warning Statement under Rule 18A.08(3) of the Listing Rules: Bireociclib Tablets, which has not been approved for the treatment of other indications, may not ultimately be successfully developed and marketed.

Dirozalkib Tablets (Chinese Trade Name: Xuan Fei Ning)

- The Group is exploring the use of Xuan Fei Ning for adjuvant treatment after surgery in ALK-positive NSCLC patients to further broaden the clinical and commercial value of the products.

- In November 2024, the Group submitted to the NMPA the IND application of Xuan Fei Ning for adjuvant treatment after surgery in ALK-positive NSCLC patients, which was approved in January 2025.

Warning Statement under Rule 18A.08(3) of the Listing Rules: Dirozalkib Tablets, which has not been approved for the treatment of other indications, may not ultimately be successfully developed and marketed.

Clinical Trial Progress of Key Products

1. XZP-7797

XZP-7797 is a potent, highly selective, brain-penetrant poly ADP-ribose polymerase 1 (PARP1) inhibitor independently developed by the Group. The Group is developing XZP-7797 as a highly selective PARP1 inhibitor. PARP1 inhibitors are expected to reduce hematological adverse reactions associated with PARP2 inhibition while maintaining desired efficacy. Meanwhile, as approximately 20% of advanced cancer patients develop brain metastases, XZP-7797 demonstrates advantages over most first-generation PARP inhibitors through its ability to reach brain lesions.

Clinical Progress

- In February 2025, XZP-7797 obtained IND approval from the NMPA of China.

- On December 24, 2025, XZP-7797 initiated a Phase I clinical study and completed the enrollment of the first subject at Peking University Cancer Hospital. The Phase I clinical trial of XZP-7797 plans to complete patient recruitment by the end of 2026, with a cumulative enrollment of approximately 56 subjects.

Warning Statement under Rule 18A.08(3) of the Listing Rules: The Group cannot guarantee that XZP-7797 will ultimately be successfully developed and marketed.

2. KM501

KM501 is a potential first-in-class HER2/HER2 bispecific ADC in China independently developed by the Group, designed for the treatment of HER2-low expressing solid tumors, including breast cancer, gastric cancer, and lung cancer. KM501 is a bispecific antibody ADC product targeting the HER2 extracellular domains II and IV. During the Reporting Period, the Group continued to advance the Phase I clinical trial of KM501 in China.

Warning Statement under Rule 18A.08(3) of the Listing Rules: The Group cannot guarantee that KM501 will ultimately be successfully developed and marketed.

3. KM602

KM602 is a next-generation tumor immunotherapy drug, a fusion protein consisting of an engineered human CD80 extracellular domain and a human IgG1 Fc domain, largely preserving the natural CD80 structure with low immunogenicity. In addition, KM602 has immune memory function, with sustained anti-tumor activity. As a novel immunomodulatory drug, KM602 utilizes the pleiotropic characteristics of the CD80-Fc fusion protein to participate in T lymphocyte activation through stimulating the CD28 co-stimulatory signaling pathway and inhibiting PD-L1/PD-1 and B7-CTLA-4 mediated inhibitory signals. During the Reporting Period, the Group continued to advance the Phase I clinical trial of KM602 in China.

Warning Statement under Rule 18A.08(3) of the Listing Rules: The Group cannot guarantee that KM602 will ultimately be successfully developed and marketed.

4. XZP-6924

XZP-6924 is a potent and highly selective USP1 inhibitor. Preclinical study data show that XZP-6924 significantly enhances the activity of PARP inhibitors in olaparib-resistant HRD tumor cells, with activity increases of more than 10-fold demonstrated in multiple cell lines. In multiple CDX and PDX tumor models, XZP-6924 in combination with olaparib demonstrated sustained tumor regression, significantly delayed tumor recurrence, and prolonged animal survival, indicating the potential for developing combination therapies using currently marketed PARP inhibitors or the next-generation PARP inhibitor XZP-7797.

Warning Statement under Rule 18A.08(3) of the Listing Rules: The Group cannot guarantee that XZP-6924 will ultimately be successfully developed and marketed.

Research Progress of Other Drug Candidates

During the Reporting Period, the Group continued to advance the R&D of multiple early-stage drug candidates, covering several cutting-edge therapeutic areas such as oncology and non-alcoholic steatohepatitis (NASH). Among them:

- XZP-6877, as a selective DNA-dependent protein kinase inhibitor, enhances anti-tumor efficacy through a dual mechanism of blocking DNA double-strand break repair pathways and disrupting telomere DNA stability;

- XZP-5610 is a novel non-steroidal farnesol X receptor agonist. Preclinical studies have validated its potential in regulating downstream gene expression and improving the histopathological characteristics of NASH. During the Reporting Period, Phase I clinical trials have been completed.

- XZP-6019 is a potential first-in-class ketohexokinase inhibitor. Preclinical data show that it can significantly improve NASH-related indicators and possesses good pharmacokinetic and safety characteristics.

Warning Statement under Rule 18A.08(3) of the Listing Rules: The Group cannot guarantee that XZP-6877, XZP-5610 and XZP-6019 will ultimately be successfully developed and marketed.

Innovative Technology Platforms

As a company possessing dual capabilities in both small molecule and biologic drug R&D, the Group has established two preclinical development technology platforms centered on small molecule drugs and biologics. The small molecule drug development platform of the Group encompasses comprehensive preclinical evaluation capabilities including drug design, pharmacology screening, ADME profiling, toxicity assessment, and drug optimization. The biologics R&D platform leverages innovative antibody expression systems to specifically design antibodies with superior drugability.

During the Reporting Period, the Group deepened breakthroughs in platform development, particularly strengthening its AIDD and next-generation T-cell engager (TCE) platforms. The AIDD platform, with advanced computing and AI technologies at its core, adheres to a "self-built + external collaboration" strategy, establishing an integrated computational support system covering AI-driven molecule generation and optimization, protein structure prediction, and other dimensions. This platform provides computational-driven R&D and ADMET property prediction for small molecule projects, while offering target feature analysis, efficient antibody molecular optimization capabilities, and de novo antibody sequence generation for large molecule projects. It empowers the entire drug development process, accelerating the advancement of new drug candidates. The next-generation T-cell engager technology platform leverages the acidic microenvironment characteristic of tumor tissues, achieving tumor-site-specific

activation of effector T cells while avoiding T-cell activation and killing caused by low antigen expression in normal tissues. This effectively reduces off-target toxicity and CRS risks, enhancing drug safety and therapeutic windows.

During the Reporting Period, the Group initiated the establishment of a small nucleic acid technology platform to advance the development of small nucleic acid products. Leveraging its existing technical foundation and the advantages of the domestic industrial chain, the Company is synchronously advancing platform construction and product development at a rapid pace.

III. BD PROJECTS

The Group believes that BD is a key engine to achieve strategic complementarity, accelerate pipeline layout, and maximize asset value. With an open and win-win approach, the Group actively seeks multi-level cooperation with leading biotechnology companies, research institutions, and pharmaceutical enterprises globally. During the Reporting Period, the Group is actively advancing research on in-licensed projects and assessing prospective license-in projects, while also actively promoting out-licensing of the pipeline and achieving phased results.

In-licensing Project Progress

NG-350A Progress

- NG-350A is a clinical-stage intravenously administered oncolytic immunotherapy developed based on Akamis' proprietary tumor-specific immunogene therapy platform (T-SIGn), designed to drive expression of a monoclonal antibody with CD40 agonist activity within tumor tissue, thereby initiating antigen-presenting cells (APCs) in solid tumors and their draining lymph nodes, recruiting T cells and eliciting potent anti-tumor immune responses. In December 2024, the Group entered into an agreement with Akamis Bio Ltd., obtaining exclusive rights for the development, manufacturing, and commercialization of the NG-350A product in Greater China.

- During the Reporting Period, NG-350A received Fast Track designation from the U.S. Food and Drug Administration for the treatment of locally advanced rectal cancer (LARC) with proficient mismatch repair (pMMR).

- During the Reporting Period, the Group continued to advance the filing work for conducting clinical trials of NG-350A in China.

Warning Statement under Rule 18A.08(3) of the Listing Rules: The Group cannot guarantee that NG-350A will ultimately be successfully developed and marketed.

XZB-0004 Progress

- XZB-0004 is a potent selective oral small molecule Anexelekto (AXL) inhibitor. In September 2021, the Group obtained a license from SignalChem Lifesciences Corporation, which granted the Group exclusive rights to develop, manufacture, and commercialize XZB-0004 in Greater China.

- During the Reporting Period, the Group was conducting a Phase I clinical trial in China to evaluate the safety, PK/PD, and efficacy of XZB-0004 in patients with advanced solid tumors, and have completed the dose-escalation phase study.

Warning Statement under Rule 18A.08(3) of the Listing Rules: The Group cannot guarantee that XZB-0004 will ultimately be successfully developed and marketed.

Out-licensing Project Progress

In 2025, the Group advanced global BD layout around its product pipeline, implementing differentiated strategies based on factors such as the R&D stage and innovation of the product pipeline. Regarding domestically commercialized mature products, the Group focused on emerging markets such as the Eurasian Economic Union region and Southeast Asia. Currently, Bireociclib has signed an exclusive licensing agreement with a partner for the five countries of the Eurasian Economic Union, achieving a breakthrough in overseas licensing. Early innovative pipeline focused on mainstream markets in Europe, the United States, Japan, and South Korea, such as XZP-7797 (PARP1 inhibitor) and other pipeline candidates with potential differentiated competitive advantages.

Bireociclib Tablets (Chinese Trade Name: Xuan Yue Ning)

- Bireociclib is a novel CDK2/4/6 inhibitor independently developed by the Group and approved for marketing in China, for which the Company holds global IP. To further maximize asset value, during the Reporting Period, the Company focused on communicating with pharmaceutical companies in emerging markets such as the Eurasian Economic Union region, Southeast Asia, the Middle East and North Africa region, and Latin America regarding commercial licensing of Bireociclib, and achieved positive substantive results.

XZP-5849 Progress

- XZP-5849 is a PDE5 inhibitor candidate independently developed by the Group. In June 2024, the Company entered into an out-licensing and technology transfer agreement with Livzon Pharmaceutical Factory Inc. ("**Livzon Pharmaceutical**"), granting Livzon certain patents, know-how, and rights related to the PDE5 inhibitor candidate drug XZP-5849. At that time, according to the agreement, the Group would receive an upfront payment and be entitled to milestone payments and tiered royalties up to double digits.

- During the Reporting Period, Livzon Pharmaceutical advanced XZP-5849 to Phase II clinical stage, and completed the enrollment of the first subject in the Phase II clinical trial in March 2025, with the primary indication being benign prostatic hyperplasia with lower urinary tract symptoms (BPH-LUTS).

IV. 2026 OUTLOOK

In 2026, the Group will continue to be guided by clinical needs, deeply cultivate core tracks in oncology, digestive diseases, and other areas, focus on three core objectives of commercialization expansion, deepening innovative R&D, and refined cost management, strive to explore AI technology to empower drug R&D and functional support, strengthen the synergistic efficiency of R&D, production, and sales, and steadily transform into a Biopharma with sustainable profitability.

1. Anchoring NRDL Access Opportunities to Expand Coverage and Accelerating the Conversion of Innovative Advantages into Performance Value

In 2026, the Group will leverage the differentiated innovative advantages of its products and take NRDL access as an opportunity to efficiently advance the commercialization process, thereby benefiting more clinical patients. In the oncology field, the Company will accelerate the connection of Xuan Yue Ning with NRDL systems and hospital access in various regions, leverage a channel network covering nearly 300 core tertiary hospitals to drive rapid volume growth of the product in core markets, and further consolidate differentiated competitive advantages in the CDK2/4/6 inhibitor field by building a "first-line + second-line + later-line monotherapy" full-scenario treatment regimen. As a next-generation ALK inhibitor approved in 2025, Xue Fei Ning will welcome its first full sales year in 2026. The Group will focus on promoting the negotiation of NRDL access and continue to deepen academic promotion efforts at medical institutions. Through clinical awareness education, the Company will actively cultivate market awareness and customer base during the self-pay stage, laying a solid foundation for rapid market penetration after subsequent NRDL implementation.

In the digestive disease field, leveraging the favorable conditions of An Jiu Wei's successful NRDL renewal with unchanged price, in 2026, the Group will promote phased improvement in commercialization results by strengthening evidence-based medicine support and expanding sales channels. Specifically, in terms of strengthening evidence-based medicine support, the Company will accelerate the publication of consensus on geriatric use of An Jiu Wei and guidelines for the treatment of reflux and gastritis in primary care, and facilitate the application for the National Essential Medicine List, further strengthening clinical recognition of the product. In terms of sales channel expansion, the Company will improve product coverage at various levels of medical institutions by optimizing the assessment mechanism for marketing teams and agents and strengthening efficiency management, and deeply expand the terminal sales network of An Jiu Wei.

2. Expanding Core Product Coverage and Optimizing Subsequent Pipeline Development

In 2026, the Group will continue to actively explore indication expansions for marketed products to open up room for future product growth, further broadening the clinical and commercial value of the products. Among these, the indication for Xuan Yue Ning combined with AI for first-line treatment of HR+/HER2- advanced breast cancer was approved for launch in March 2026. Following this approval, Xuan Yue Ning becomes the only CDK4/6 inhibitor in China currently covering first-line, second-line, and monotherapy multi-line treatments for HR+/HER2- advanced breast cancer, further consolidating its leading position in the niche segment. Key efforts will focus on advancing the submission of a listing approval application for the adult reflux esophagitis indication of An Jiu Wei. Additionally, a clinical trial application for the additional Helicobacter pylori eradication indication will be submitted in 2026, facilitating the gradual broadening of the product's application scenarios in the digestion field. Regarding early-stage R&D, focusing on promising fields such as oncology, metabolism, and digestion, the Company relies on its large molecule and small molecule drug R&D platforms to develop innovative drug products with BIC potential, optimize the candidate pipeline structure, and accelerate the advancement of advantageous early-stage projects. The Company will also continue to promote the construction and updates of the small nucleic acid, cell therapy, and AI technology platforms to lay a solid technical foundation for sustainable innovation and R&D.

3. Advancing Commercialized Product Supply Assurance and Refined Cost Management in Parallel

In accordance with the product commercialization process, the Group will proactively ensure production capacity as well as manage product and sales costs to provide strong support for commercialized sales and performance realization of the product. In 2026, the Group will advance the compliance filing of new production sites for core products An Jiu Wei and Xuan Yue Ning and the registration of new API suppliers, building a multi-source capacity supply system. This will not only strengthen the stability and risk resistance of commercial supply, but also optimize cost structure through economies of scale and competitive mechanisms. In terms of expense control, the Group will promote the refined production management model for preparation products, driving each entrusted production enterprise to improve product yield as planned to further reduce production costs. Meanwhile, the Company will continue the positive trend of steady decline in marketing and operation expenses, continuously optimize marketing input-output efficiency, and drive precise allocation of resources to high-potential markets to maximize resource allocation efficiency.

MAJOR RISKS AND UNCERTAINTIES

If the Company fails to successfully complete clinical development, obtain regulatory approvals, or achieve commercialization of the drugs and drug candidates, or if any of the foregoing activities experience significant delays or cost overruns, the business and prospects of the Company may be materially adversely affected.

The revenue and profitability depend substantially on the ability to complete the development of drug candidates, obtain necessary regulatory approvals, and successfully commercialize the drugs and drug candidates. The Company have invested significant effort and capital resources in the development of existing drugs and drug candidates, and the Company expects to incur substantial and increasing expenses in the future for the development and commercialization of drugs and drug candidates. If the Company encounters delays in developing drug candidates or obtaining regulatory approvals, the costs will also increase, which may result in us having to delay or suspend trials before obtaining sufficient funding, or the Company may have to abandon the development of drug candidates altogether. Significant delays in preclinical studies or clinical trials may also allow the competitors to bring products to market before the Group and harm the ability to successfully commercialize drug candidates. Any of the foregoing adverse developments could have a material adverse effect on the business, financial condition, and results of operations.

The Company may face intense competition and rapid technological change, and competitors may develop therapies similar to the Company but more advanced or effective, which could have an adverse effect on the financial condition and the ability to successfully commercialize the drugs and drug candidates.

The pharmaceutical industry in which the Company operates is highly competitive and subject to rapid and significant technological change. Although the Company primarily focuses on developing drug candidates with the potential to become novel or highly differentiated drugs, the Company faces competition relating to existing drugs and drug candidates as well as any drug candidates the Company may seek to develop or commercialize in the future.

The drugs and drug candidates of the Company may face adverse insurance policies or reimbursement practices, either of which could harm the business, and the Company may also face adverse pricing regulations.

The Company is actively pursuing approval for marketing the drugs and drug candidates in China. In China, the pricing of certain drugs and biologics is subject to government regulation, and even after regulatory approval has been obtained, pricing may still require significant time. The ability to successfully commercialize any approved drug candidates will also depend in part on the proportion of reimbursement amounts that such drugs and related therapies can obtain from government healthcare administrations, private medical insurance companies, and other organizations.

In China, the Ministry of Human Resources and Social Security of the PRC, together with other government departments, periodically reviews the drugs to be included in or removed from the National Reimbursement Drug List for Basic Medical Insurance, Work-Related Injury Insurance, and Maternity Insurance (the "**NRDL**"), as well as the classification levels of drugs, both of which affect the amount that plan participants can be reimbursed for purchasing such drugs. The Company cannot guarantee that any approved drug candidates the Company commercializes will be reimbursable, and if reimbursable, the Company cannot guarantee the proportion of reimbursement. Reimbursement status may affect the demand for or price of any approved drug candidates the Company commercializes. If reimbursement is unavailable or only partially available, the Company may not be able to successfully commercialize any drug candidates the Company successfully develops.

Intellectual Property

Intellectual property rights are important to the success of the business. The Group's future commercial success depends, in part, on the ability to obtain and maintain patent and other intellectual property and proprietary protection for commercially important technologies, inventions and know-how related to the Group's business, defend and enforce the patents, preserve the confidentiality of Group's trade secrets, and operate without infringing, misappropriating or otherwise violating the valid, enforceable intellectual property rights of third parties.

As of the date of this announcement, the Group (i) owned 93 issued patents in China, and 89 issued patents in the U.S. and other jurisdictions, and (ii) filed 51 published patent applications in China, and 24 published patent applications in the U.S. and other jurisdictions relating to certain of the Group's drug assets and platform technologies, which the Group considers material to the business operations. The patents granted to, or under application by, the Company cover all material aspects of the Core Products.

As of the date of this announcement, with respect to the three Core Products, An Jiu Wei, Xuan Yue Ning and Xuan Fei Ning, the Group owned 15 issued patents in China, 30 issued patents in the U.S. and other jurisdictions, as well as 26 patent applications, including 17 in China and 9 in the U.S. and other jurisdictions.

During the Reporting Period, the Group was not a party to any material legal or administrative proceedings in connection with intellectual property rights or otherwise, and the Group is not aware of any claims or proceedings contemplated by governmental authorities or third parties which would materially and adversely affect the business of the Group.

FINANCIAL REVIEW

Overview

The following discussion is based on, and should be read in conjunction with, the financial information and notes included elsewhere in this announcement.

Revenue

During the Reporting Period, the revenue generated was from the sales of the Group's commercialized drug product – An Jiu Wei (Anaprazole Sodium Enteric-coated Tablets), Xuan Yue Ning (Bireociclib Tablets) and Xuan Fei Ning (Dirozalkib Tablets). For the year ended December 31, 2025, the revenue of the Group was RMB51.8 million, representing an increase of 72.0% as compared to RMB30.1 million for the year ended December 31, 2024. This growth was primarily attributable to the market approval of Xuan Yue Ning and Xuan Fei Ning in 2025. Benefiting from the continuous marketing efforts and expanded distribution network, these two newly launched products generated considerable revenue during the Reporting Period.

Both Xuan Yue Ning and Xuan Fei Ning are still in the early stage of commercialization. The Group is currently intensifying the market development initiatives and broadening the sales channels to establish a solid foundation for future sales growth. As for An Jiu Wei, the Phase III clinical trial for its second indication, reflux esophagitis, is progressing steadily. The Group is also actively advancing clinical trials for other indications to further drive the continuous growth of An Jiu Wei sales in the future.

Cost of sales

The cost of sales primarily consists of payments to contract development and manufacturing organizations ("**CDMOs**") for the manufacturing of An Jiu Wei, Xuan Yue Ning and Xuan Fei Ning and amortization of intangible assets. For the year ended December 31, 2025, the cost of sales of the Group was RMB18.4 million, representing an increase of 35.3% as compared to RMB13.6 million for the year ended December 31, 2024, primarily due to an increase in product sales volume.

Gross Profit and Gross Profit Margin

For the year ended December 31, 2024 and 2025, the gross profit of the Group was RMB16.5 million and RMB33.4 million, respectively. For the year ended December 31, 2024 and 2025, the gross profit margin was 54.8% and 64.5%, respectively. The increase in gross profit and gross profit margin was primarily attributable to the market approval and subsequent sales of Xuan Yue Ning and Xuan Fei Ning in 2025.

Other Income and Gains

The other income primarily includes (i) bank interest income, (ii) government grants, and (iii) other miscellaneous income. The gains primarily include (i) investment income on wealth management products, (ii) gain on fair value changes of financial assets at fair value through profit or loss ("**FVTPL**"), representing the increase in the market value of the financial assets at FVTPL, and (iii) gain on disposal of items of right-of-use assets. The other income and gains of the Group remained steady at RMB15.3 million for the year ended December 31, 2024 and RMB16.3 million for the year ended December 31, 2025.

Selling and Distribution Expenses

The selling and distribution expenses primarily consist of (i) employee compensation and benefits for sales and marketing staff, (ii) labour costs for non-employee personnel, (iii) travel expenses, (iv) share-based compensation for sales and marketing staff, (v) consulting service fees, and (vi) others. The selling and distribution expenses of the Group remained steady at RMB52.4 million for the year ended December 31, 2024 and RMB49.3 million for the year ended December 31, 2025.

Research and Development Expenses

The research and development expenses primarily consist of (i) technology transfer consideration, representing the payments made to license in R&D and commercialization rights of drug candidates, (ii) expenses for clinical trial services, representing costs associated with conducting clinical trials to test the safety, efficacy and overall performance of the Group's drug assets, (iii) employee compensation and benefits for R&D personnel, including salaries, social security, housing provident fund and benefits, (iv) share-based compensation for R&D personnel, (v) raw materials and processing fees, representing costs associated with acquiring and processing necessary components to develop and test Group's drug candidates, (vi) depreciation and amortization expenses, representing such expenses for right-of-use assets, property and equipment used for R&D purposes, (vii) daily operating expenses, representing expenses used to support Group's daily R&D activities, and (viii) others, representing various expenses related to R&D activities, such as rent, database usage and retrieval fees, consulting service fees, registration and patent fees, testing and analysis fees, and travel expenses. The research and development expenses of the Group decreased by 33.4% from RMB186.4 million for the year ended December 31, 2024 to RMB124.2 million for the year ended December 31, 2025, primarily due to (i) a significant increase in technology transfer consideration compared to the year ended December 31, 2024, mainly including upfront fees and technology licensing fees paid to the counterparty for the in-licensing of NG-350A; (ii) a decrease in clinical trial service expenses, mainly due to the fact that the R&D of Xuan Yue Ning and Xuan Fei Ning are at the NDA approval and additional indication stages. This has led to a reduction in the expensed portion of R&D expenditure as the number of patients undergoing treatment decreased and the scale of clinical trial sites was reduced; and (iii) a decrease in share-based compensation resulting from the Share Incentive Scheme.

Administrative Expenses

The administrative expenses primarily consist of (i) employee compensation and benefits, (ii) listing expenses, (iii) depreciation and amortization expenses, (iv) taxes and surcharges, (v) professional service fees, representing payments made to external professionals, such as legal professionals, finance experts and financing consultants, (vi) office expenses, and (vii) share-based compensation for management and administrative staff. The administrative expenses of the Group decreased from RMB339.7 million for the year ended December 31, 2024 to RMB77.8 million for the year ended December 31, 2025, primarily due to primarily due to a decrease in share-based compensation resulting from the Share Incentive Scheme, partially offset by an increase in listing expenses.

Other Expenses

Other expenses primarily include (i) asset impairment losses, representing inventory write-downs, (ii) foreign exchange losses, net, (iii) loss on disposal of items of intangible assets, representing the difference between the deferred development costs related to such intangible assets and the payment received or are entitled to receive for such intangible assets at the time of disposal, (iv) loss on disposal of items of property, plant and equipment, (v) loss on disposal of items of right-of-use assets, and (vi) loss on obsolescence of inventories. The other expenses of the Group increased from RMB9.5 million for the year ended December 31, 2024 to RMB36.0 million for the year ended December 31, 2025, primarily due to the provision for write-down of long-aged inventories and bad debts for long-aged other receivables.

Finance Costs

The finance costs represent interest on lease liabilities, and the interest on lease liabilities refers to interests charged to profit or loss over the lease period for the lease of offices for which the Group made fixed or minimum rental payments. The difference between the actual amount of fixed rental payments made and amount of principal portion of fixed rental payments is recorded as interest on lease liabilities under finance costs. The finance costs of the Group decreased by 59.2% from RMB0.3 million for the year ended December 31, 2024 to RMB0.1 million for the year ended December 31, 2025, primarily due to the termination of leases for certain office areas at the end of 2024.

Income Tax Expense

The income tax expense remains steady at RMB6.0 thousand for the year ended December 31, 2024 and 2025.

Loss and Total Comprehensive Loss for the Reporting Period

For the reasons discussed above, the loss and total comprehensive loss decreased by 55.9% from RMB556.4 million for the year ended December 31, 2024 to RMB245.5 million for the year ended December 31, 2025.

Property, Plant and Equipment

The property, plant and equipment primarily consist of leasehold improvements, buildings, laboratory equipment, office equipment, and electronic equipment. The property, plant and equipment of the Group decreased by 14.5% from RMB117.3 million as of December 31, 2024 to RMB100.3 million as of December 31, 2025, primarily due to (i) the provision for depreciation of property, plant and equipment; and (ii) the disposal of construction in progress.

Right-of-Use-Assets

The right-of-use assets represent the land use right obtained from the PRC local government authorities with limited terms and offices leased from third parties. The right-of-use assets of the Group decreased by 71.8% from RMB54.9 million as of December 31, 2024 to RMB15.5 million as of December 31, 2025, primarily due to the land use right with a limited term being returned.

Intangible Assets

The intangible assets primarily consist of deferred development costs, patents and licenses, and software. The research and development expenditure can only capitalized when the Group demonstrates (i) the technical feasibility of completing the intangible asset so that it will be available for use or sale, (ii) the intention to complete and the ability to use or sell the asset, (iii) how the asset will generate future economic benefits, (iv) the availability of resources to complete the project, and (v) the ability to measure reliably the expenditure during the development. The intangible assets of the Group increased by 7.8% from RMB610.6 million as of December 31, 2024 to RMB657.9 million as of December 31, 2025, primarily driven by the increase in research and development expenses during the Reporting Period due to the continuous investment in R&D activities to optimize the diversified and balanced drug asset pipeline of the Group. This includes: (i) the relevant indications for Xuan Yue Ning and Xuan Fei Ning received marketing approval during 2025, and the related research and development expenses were transferred to patents and licenses; and (ii) development expenditure primarily represents R&D costs incurred for pipelines such as An Jiu Wei, Xuan Yue Ning and Xuan Fei Ning, for new indications (excluding those already commercialized) that have entered the Phase III clinical trial stage and are incurred prior to obtaining marketing approval.

The following table sets forth the details of the intangible assets as of the dates indicated:

	As of December 31,	
	2025	2024
	RMB('000)	*RMB('000)*
Deferred development costs	**320,648**	543,703
Patents and licenses	**336,521**	65,701
Software	**747**	1,160
Total	**657,916**	610,564

Prepayments, Other Receivables and Other Assets

The non-current portion of prepayments, other receivables and other assets primarily consists of (i) deductible VAT, representing the input VAT, (ii) rental deposits, representing the deposits placed for the leases, and (iii) prepayment for property, plant and equipment, representing the advance payments for construction costs. The non-current portion of prepayments, other receivables and other assets of the Group decreased by 23.6% from RMB44.9 million as of December 31, 2024 to RMB34.3 million as of December 31, 2025, primarily due to the non-current portion of deductible VAT decreasing as a result of the reclassification of excess input VAT credits based on working capital adjustments according to sales forecasts.

The current portion of prepayments, other receivables and other assets primarily consists of (i) other receivables, representing the receivables under out-licensing arrangements with business partners, (ii) prepayments, representing advance payments for clinical trial and technical service fees, processing fees associated with drugs used for R&D purposes, and equipment purchase fees, (iii) deferred listing expenses and (iv) deductible VAT. The current portion of prepayments, other receivables and other assets of the Group increased by 21.0% from RMB35.2 million as of December 31, 2024 to RMB42.6 million as of December 31, 2025, primarily due to (i) the current portion of deductible VAT increasing as a result of the reclassification of excess input VAT credits based on working capital adjustments according to sales forecasts; and (ii) the Company's listing during the year, resulting in all deferred listing expenses being transferred to equity.

Inventories

The inventories primarily consist of (i) raw materials, (ii) work in progress, and (iii) finished goods. The inventories of the Group increased by 51.3% from RMB57.2 million as of December 31, 2024 to RMB86.5 million as of December 31, 2025, primarily due to an increase in raw materials to meet the incremental demand arising from the expansion of production scale.

Trade Receivables

The trade receivables represent amounts owed to the Group by customers for the purchase of the Group's commercialized products. The trade receivables of the Group increased by 8,384.1% from RMB0.2 million as of December 31, 2024 to RMB16.0 million as of December 31, 2025, primarily due to the sustained sales of Xuan Yue Ning and Xuan Fei Ning following their commercialization.

Financial Assets at Fair Value through Profit or Loss ("FVTPL")

The financial assets at FVTPL represent wealth management products that the Group purchased from creditworthy commercial banks in mainland China. These wealth management products, which are low-risk and redeemable on demand, offer relatively strong liquidity. The financial assets at FVTPL decreased by 100.0% from RMB110.6 million as of December 31, 2024 to nil as of December 31, 2025, primarily due to all wealth management products having matured and been redeemed in 2025.

Trade and Bills Payables

The trade and bills payables primarily consist of the payments for clinical trial and technical services and payments for the purchase of raw materials and other materials. The trade and bills payables of the Group increased by 14.8% from RMB98.9 million as of December 31, 2024 to RMB113.6 million as of December 31, 2025, primarily due to primarily due to the procurement of raw materials to meet the increased market supply demand following the launch of the Company's new commercialized products.

Other Payables and Accruals

The non-current portion of other payables and accruals represents advances the Group received for sales of pharmaceutical products and consideration the Group received in advance from distributors for granting them exclusive distribution rights. The non-current portion of other payables and accruals of the Group decreased by 19.5% from RMB60.0 million as of December 31, 2024 to RMB48.3 million as of December 31, 2025, primarily due to a decrease in advances received for sales of pharmaceutical products and consideration received in advance from distributors for granting them exclusive distribution rights, resulting from the progression of normal sales activities.

The current portion of other payables and accruals primarily consists of (i) employee compensation and benefits payable, representing amounts related to wages, bonuses, social security, and union funds, (ii) other payables, mainly including deposits received from pharmaceutical distributors, (iii) contract liabilities, mainly including advances received for sales of pharmaceutical products and consideration the Group received in advance from distributors for granting them exclusive distribution rights, (iv) accrued litigation compensation, (v) consultation service fee, (vi) tax payables, and (vii) other payables. The current portion of other payables and accruals of the Group increased by 35.2% from RMB79.5 million as of December 31, 2024 to RMB107.6 million as of December 31, 2025, primarily due to an increase in employee compensation and benefits payable resulting from the increase in new hires during the Reporting Period.

Lease Liabilities

The lease liabilities represent the present value of the lease payments that the Group is contractually obligated to make over the remaining lease term. The lease liabilities of the Group decreased by 56.3% from RMB1.5 million as of December 31, 2024 to RMB0.6 million as of December 31, 2025, primarily due to (i) the termination of leases for certain office areas; and (ii) amortization.

Capital Structure

The total assets of the Group increased from RMB1,196.6 million as of December 31, 2024 to RMB1,640.3 million as of December 31, 2025. The total liabilities of the Group increased from RMB239.9 million as of December 31, 2024 to RMB270.1 million as of December 31, 2025. Liabilities-to-assets ratio decreased from approximately 20.0% as of December 31, 2024 to approximately 16.5% as of December 31, 2025.

Liquidity and Capital Resources

As of December 31, 2025, the total amount of cash and cash equivalents of the Group was RMB652.2 million, while the amount of cash and cash equivalents was RMB135.2 million as of December 31, 2024. As of December 31, 2025, the Group's cash and bank balances were mainly denominated in USD and RMB.

During the Reporting Period, the primary uses of cash were to fund the preclinical and clinical development of the drug candidates, sales and distribution expenses, commercial manufacturing, administrative expenses and other operating expenses. During the Reporting Period and up to the date of this announcement, the Group primarily funded its working capital requirements through proceeds from equity financing.

The management will continue closely monitor uses of cash and cash balances and strive to maintain a healthy liquidity for the operations of the Group to ensure the liquidity requirements will be satisfied by a combination of existing cash and cash equivalents, sales from commercialized drug products, and net proceeds from the Global Offering. With the continuing expansion of the Group's business, further funding may be required through equity offerings, debt financing, license and collaboration arrangements, and other sources.

During the Reporting Period, the Group did not use any financial instrument for hedging purposes, did not have any outstanding hedging instruments and did not consider necessary to hedge in order to manage the liquidity and capital resources.

Indebtedness

The indebtedness of the Group mainly consists of lease liabilities. The following table sets forth a breakdown of the indebtedness as of the dates indicated:

	As of December 31,	
	2025	2024
	RMB('000)	*RMB('000)*
Current lease liabilities	**647**	832
Non-current lease liabilities	**–**	647
Total	**647**	1,479

Save as disclosed above, the Group did not have, as of December 31, 2025, any bank loans or any loan capital issued and outstanding or agreed to be issued, bank overdraft, borrowing or similar indebtedness, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, hire purchases, or finance lease commitments or guarantees.

Capital Expenditure

The capital expenditures relate to the purchases of property, plant, and equipment and the purchases are primarily for the R&D and business operations. The capital expenditures increased from RMB0.5 million for the year ended December 31, 2024 to RMB0.6 million for the year ended in December 31, 2025, primarily for R&D and business operations.

The Group funded the capital expenditure requirements during the Reporting Period mainly from existing cash as well as net proceeds from the Global Offering. The Group may reallocate the funds to be utilized on capital expenditures based on ongoing business needs.

Contingent Liabilities

As of December 31, 2025, the Group was involved in an arbitration proceeding initiated by a third party, which sought compensation of RMB32.7 million.

Save as disclosed above, the Group did not have any material contingent liabilities, guarantees any litigations or claims of material importance, pending or threatened against any member of the Group that is likely to have a material and adverse effect on the business, financial condition or results of operations.

Pledge of Assets

As of December 31, 2025, the Group did not pledge any Group assets.

Gearing Ratio

Gearing ratio is calculated by dividing total liabilities by total equity and multiplying the product by 100%. The gearing ratio of the Group decreased from approximately 25.1% as of December 31, 2024 to approximately 19.7% as of December 31, 2025, which was primarily due to an increase in equity resulting from the Global Offering.

Key Financial Ratios

The following table sets forth the key financial ratio of the Group:

	As of the year ended December 31,	
	2025	2024
Current ratio[(1)]	**3.8 times**	2.1 times

Notes:

(1) The calculation of current ratio is based on current assets divided by current liabilities as of year end.

Foreign Exchange Risk and Hedging

As the Group's operations are conducted by the subsidiaries of the Group in Chinese mainland, the Group's presentation and functional currency is RMB. The proceeds from the Global Offering were received in HKD. As a result, the Group faces risk resulting from currency exchange rate fluctuations, particularly, the RMB against HKD.

During the Reporting Period, the Group has not hedged its foreign currency exchange risks but has closely managed its foreign currency risk by performing regular reviews of its net foreign currency exposures and may enter into currency forward contracts, when necessary, to manage its foreign exchange exposure.

Significant Investment, Material Acquisitions and Disposal of Subsidiaries, Associates and Joint Ventures

For the year ended December 31, 2025, the Group did not have any material acquisitions and disposals of subsidiaries, associates or joint ventures. As of December 31, 2025, the Group did not hold any significant investment.

The Board confirmed that the Group's transactions in financial assets during the Reporting Period, on a standalone basis and aggregate basis, did not constitute notifiable transactions under Chapter 14 of the Listing Rules.

OTHER INFORMATION

Use of Net Proceeds from the Global Offering

The H Shares of the Company were listed on the Main Board of the Stock Exchange on October 15, 2025. The net proceeds from the Global Offering (after deducting the underwriting commission and other expenses payable by the Company) amounted to approximately HKD679.9 million. The Company intends to use the net proceeds in the same matter and proportion as set out in the section headed "Future Plans and Use of Proceeds" of the Prospectus and there has been no change in the intended use of the net proceeds. The

following table sets forth the status of the use of the net proceeds from the Global Offering as of December 31, 2025:

Intended use of net proceeds	**Percentage of intended use of net proceeds** *(%)*	**Net proceeds from the Global Offering** *(In HKD millions)*	**Amount utilized as of December 31, 2025** *(In HKD millions)*	**Amount unutilized as of December 31, 2025** *(In HKD millions)*	**Expected timeline of full utilization of the net proceeds**
Research and development of core products, namely, An Jiu Wei, Xuan Yue Ning and Xuan Fei Ning	45.0	305.9	6.4	299.5	By the end of 2028
Research and development of key products, namely, KM602, KM501, XZP-7797 and XZP-6924	14.0	95.2	0.6	94.6	By the end of 2029
Research and development of other drug candidates, including XZB-0004, XZP-5610, XZP-6019 and XZP-6877	11.0	74.8	0	74.8	By the end of 2029
Strengthening commercialization and marketing capabilities	20.0	136.0	39.6	96.4	By the end of 2026
Working capital and other general corporate purposes	10.0	68.0	15.5	62.5	By the end of 2026
Total	**100.0**	**679.9**	**62.1**	**617.8**	

The current expected timeframe for utilizing the remaining unused net proceeds in full are based on the best estimation by the Directors barring any unforeseen circumstances and may be subject to change based on the Group's operating conditions and prevailing and future development of market conditions. The Directors will assess the plans for the use of the unutilized net proceeds on an ongoing basis and may revise or modify such plans where necessary to respond to the changing market conditions with a view to promoting a better growth and development of the Group. The Group will continue to evaluate the use of the unutilized net proceeds cautiously and monitor the market conditions closely to adjust the use of the unutilized net proceeds from the fund raising activities by the Group where necessary for the long-term development of the Group. The Company will make appropriate announcement(s) in due course in accordance with and if required under the Listing Rules should there be any material change in the intended use of the unutilized net proceeds.

Employee and Remuneration Policies

As of December 31, 2025, the Group had 342 employees (including outsourced and dispatched personnel), as compared with 169 employees as of December 31, 2024. The remuneration package of the employees includes salary and bonus, which are generally determined by their qualifications, performance review, and seniority. The Group reviews the remuneration policies and packages on a regular basis and will make necessary adjustment commensurate with the pay level in the industry.

The Group enters into individual employment contracts with employees covering matters such as salaries, bonuses, employee benefits, workplace safety, confidentiality obligations, work product assignment clause and grounds for termination. The Group also enters into separate confidentiality agreements, which contain non-competition clauses, with senior management and certain key members of the R&D team and other employees who have access to trade secrets or confidential information about the Group's business and may be considered possible, directly or indirectly, to compete with the Group.

The Group conducts induction programs and periodic professional training for all employees. The Group believes it has maintained good relationships with its employees. As of the date of this announcement, the Group did not experience any strikes or any labour disputes with its employees which have had or are likely to have a material effect on its business.

In compliance with PRC regulations, the Group participates in various employee social insurance plans that are organized by applicable local municipal and provincial governments, including maternity, pension, medical, work-related injury and unemployment benefit plans, as well as housing provident funds. The Group is required under PRC laws to make contributions to employee benefit plans.

In order to further enhance corporate governance, establish the long-term incentive mechanism, strengthen corporate cohesion, uphold the direction of the Company's long-term development, and align the interests of the Company and employees, the Company adopted Share Incentive Scheme (as defined under the Prospectus) in April 2021 which was subsequently amended in January 2022 and November 2024.

The maximum number of Shares underlying the Incentive Awards (as defined under the Prospectus) that may be granted under the Share Incentive Scheme is 80,826,844. As of the date of this announcement, all Incentive Awards have been granted and vested to 55 grantees, including five Directors, two Supervisors, three senior management members, and two external consultants, and are not subject to any additional lock-up restrictions other than those provided in applicable laws and regulations. The Share Incentive Scheme does not involve any grant of share options or awards after the Listing and therefore is not subject to the provisions of Chapter 17 of the Listing Rules. For the details the Share Incentive Scheme, please refer to "Appendix VI – Statutory and General Information – Further Information about Our Directors, Supervisors, Chief Executive and Substantial Shareholders – Share Incentive Scheme" in the Prospectus.

Changes in Directors' Information

Reference is made to the announcement of the Company dated January 2, 2026 that Dr. Li Jia Kui ("**Dr. Li**") tendered his resignation as an executive Director and general manager of the Company. His resignation from the position of executive Director shall only take effect upon the appointment of a new executive Director by the general meeting of the Company.

The Board now proposes to adjust the composition of the Board by appointing one employee representative Director to replace one executive Director position. The proposed adjustment is subject to: (i) the approval of the amendments to the articles of association of the Company regarding the establishment of an employee representative Director position at the general meeting; and (ii) upon such amendments becoming effective, the election of the employee representative Director by the employees' representative conference of the Company.

Accordingly, Dr. Li's resignation as an executive Director will become effective immediately upon the appointment of the employee representative Director.

Save as disclosed above, there has been no change in the information of Directors which is required to be disclosed pursuant to Rule 13.51B (1) of the Listing Rules during the Relevant Period and up to the date of this announcement.

Purchase, Sale or Redemption of the Company's Listing Securities

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities (including sales of treasury shares) of the Company in the Stock Exchange.

As of December 31, 2025, the Company did not hold any Shares as treasury shares (as defined in the Listing Rules).

Pursuant to the announcement made by the Company dated November 14, 2025 and November 17, 2025 (the "**Announcements**"), an aggregate of 357,245,794 Unlisted Shares will be converted into H Shares on a one-for-one basis and the converted H Shares will be listed and traded on the Stock Exchange. For the details of the shareholding structure of the Company upon completion of the H Share Full Circulation and the Conversion and Listing, please refer to the disclosures in the Announcements. The Company will make further announcement(s) on the progress of the H Share Full Circulation and the Conversion and Listing in compliance with the Listing Rules as and when appropriate.

Sufficiency of Public Float

Rule 13.32B(2) of the Listing Rules requires that at least a minimum prescribed percentage of the class of securities, specifically 24.96% of the total number of issued shares in the class to which the listed shares belong (excluding treasury shares), must be held by the public at the time of listing. From the information that is publicly available to the Company and within the knowledge of Directors, at the date of this announcement, the applicable public float requirement has been complied with.

Future Plans for Material Investments and Capital Assets

The Company actively monitors the cutting-edge developments and technological advancements in global pharmaceutical research and development, and continuously seeks cooperation opportunities with internationally leading research institutions or enterprises to enhance its core technological capabilities, expand its product pipeline, and drive long-term value growth. During the Reporting Period and up to the date of this announcement, except for the expansion strategies disclosed in sections "Business" and "Future Plans and Use of Proceeds" in the Prospectus, the Group does not have any specific plans for significant investments or acquisition of material capital assets or other businesses.

CORPORATE GOVERNANCE RELATED INFORMATION

Compliance with the Corporate Governance Code

The Company recognizes the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the Shareholders as a whole. The Company has adopted corporate governance practices based on the principles and code provisions as set out in the CG Code as its own code of corporate governance practices.

The Board is of the view that during the Relevant Period and up to the date of this announcement, the Company has complied with the code provisions as set out in the CG Code. The Board will continue to review and monitor the code of corporate governance practices of the Company with an aim to maintaining a high standard of corporate governance.

Compliance with the Model Code

The Company has adopted the Model Code as its code of conduct regarding dealings in the securities of the Company by the Directors. The Board has also established written guidelines on terms no less exacting than the Model Code (the "**Guidelines**") for securities transactions by relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of securities in the Company as referred to in code provision C.1.3 of the CG Code.

Specific enquiries have been made to all Directors and Supervisors and they have confirmed that they have complied with the Model Code throughout the Relevant Period. No incident of non-compliance with the Guidelines by the Company's relevant employees has been noted during the Relevant Period after making reasonable enquiry.

Material Litigation

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

AUDIT COMMITTEE AND REVIEW OF ANNUAL RESULTS

As of the date of this announcement, the Audit Committee comprises one non-executive Director and two independent non-executive Directors, namely Ms. Chen Yanling, Ms. Wang Yu and Mr. Fan Chi Chiu. Mr. Fan Chi Chiu, being the chairperson of the Audit Committee, holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The Audit Committee has reviewed with the management, the accounting principles and policies adopted by the Company and discussed internal control and financial reporting matters (including the review of the audited consolidated financial statements of the Group for the year ended December 31, 2025, which has been agreed by the independent auditor of the Company) of the Group. The Audit Committee and the independent auditor considered that the annual results are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof. Accordingly, the Audit Committee has recommended for the Board's approval for the annual results of the Group for the year ended December 31, 2025.

SCOPE OF WORK OF AUDITOR ON THE ANNUAL RESULTS ANNOUNCEMENT

The figures set out in this preliminary results announcement for the year ended December 31, 2025 have been compared by the Group's independent auditor, Ernst & Young, Certified Public Accountants in Hong Kong, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance on this preliminary results announcement has been expressed by Ernst & Young.

NO MATERIAL CHANGE

During the Relevant Period and up to the date of this announcement, there has been no material change to the Group's business.

EVENTS AFTER THE REPORTING PERIOD

There was no significant event which could have a material impact on the operating and financial performance of the Group from the end of the Reporting Period to the date of this announcement.

ROUNDING

Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments. Any discrepancies in any table between totals and sums of amounts listed therein are due to rounding.

FINAL DIVIDEND

The Board has resolved not to recommend the payment of a final dividend for the year ended December 31, 2025 (2024: Nil).

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.xuanzhubio.com).

The annual report of the Company for the year ended December 31, 2025 containing all the information required by the Listing Rules will be despatched to the Company's Shareholders on request and published on the respective websites of the Stock Exchange and the Company in due course.

"AACR"	American Association for Cancer Research
"ADC"	antibody drug conjugate
"ADME"	absorption, distribution, metabolism, excretion
"AIDD"	artificial intelligence drug discovery
"ALK"	anaplastic lymphoma kinase
"associates"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of the Board
"AXL"	anexelekto, a receptor tyrosine kinase
"BD"	business development
"BIC"	best-in-class
"Board"	the board of Directors of the Company
"CDMO"	contract development and manufacturing organization, which is a pharmaceutical company that develops and manufactures drugs for other pharmaceutical companies on a contractual basis
"CDK"	cyclin-dependent kinase
"CDX"	cell-derived xenograft
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"China" or "PRC"	the People's Republic of China, but for the purpose of this announcement and for geographical reference only, references herein to "China" and the "PRC" do not apply to Hong Kong, the Macau Special Administrative Region and Taiwan

"Company"	Xuanzhu Biopharmaceutical Co., Ltd. (軒竹生物科技股份有限公司), a limited liability company established in the PRC on September 5, 2018, and converted into a joint stock company with limited liability on November 22, 2021, formerly known as Xuanzhu Biopharmaceutical Limited Liability Company (軒竹生物科技有限公司)
"Conversion and Listing"	the conversion of 357,245,794 Unlisted Shares into H Shares and their subsequent listing and permission to deal on the Main Board of the Stock Exchange, upon obtaining of all relevant approvals and compliance with all applicable laws, regulations and rules by the Company
"Core Product(s)"	has the meaning ascribed to it in Chapter 18A of the Listing Rules; for the purpose of this announcement, the Core Products refers to An Jiu Wei (KBP-3571), Xuan Yue Ning (XZP-3287) and Xuan Fei Ning (XZP-3621)
"CRS"	cytokine release syndrome
"CSCO"	Chinese Society of Clinical Oncology
"Director(s)"	the director(s) of the Company
"DNA-PK"	DNA-dependent protein kinase
"DTP"	direct to patient
"ESG"	environmental, social and governance
"ESMO"	European Society for Medical Oncology
"EU"	the European Union
"FXR"	farnesoid X receptor
"Global Offering"	the global offering of the H Shares, comprising the Hong Kong public offering of 6,733,500 Shares and the international offering of 60,600,000 H Shares
"Group"	the Company together with its subsidiaries
"HER-"	human epidermal growth factor receptor-

"H Share(s)"	shares of the Company for which an application has been made for listing and permission to trade on the Stock Exchange
"H Share Full Circulation"	a proposal approved by the Board on November 14, 2025 to convert 357,245,794 Unlisted Shares held by six Shareholders into H shares
"HKD" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"HR"	hazard ratio
"HR+"	hormone receptor+
"HRD"	homologous recombination deficiency
"IC-ORR"	intracranial objective response rate
"IND"	investigational new drug
"KHK"	ketohexokinase
"Listing"	listing of the Shares on the Main Board of the Stock Exchange
"Listing Date"	October 15, 2025, on which the H Shares are listed and from which dealings therein are permitted to take place on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"Main Board"	the Main Board of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
"NASH"	non-alcoholic steatohepatitis
"NDA"	new drug application

"NMPA"	National Medical Products Administration
"NRDL"	National Reimbursement Drug List
"PARP"	poly ADP-ribose polymerase
"PDE5"	phosphodiesterase 5
"PDX"	patient-derived xenograft
"PK/PD"	pharmacokinetics/pharmacodynamics
"PPI"	proton pump inhibitor
"Prospectus"	the prospectus of the Company published on October 6, 2025
"R&D"	research and development
"Relevant Period"	from the Listing Date up to the end of the Reporting Period
"Reporting Period"	twelve months from January 1, 2025 to December 31, 2025
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholder(s)"	holder(s) of the Share(s)
"sq.m."	square meters
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed thereto under section 15 of the Companies Ordinance
"Supervisor(s)"	supervisor(s) of the Company
"United States," "US," "USA" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"Unlisted Share(s)"	ordinary share(s) issued by the Company, with a nominal value of RMB1.00 each, which is/are not listed on any stock exchange
"USD"	United States dollars, the lawful currency of the United States

"USP1"	ubiquitin-specific protease 1
"VAT"	value added tax
"%"	per cent

By order of the Board
Xuanzhu Biopharmaceutical Co., Ltd.
Ms. Xu Yanjun
Chairperson of the Board and executive Director

Hong Kong, March 30, 2026

As of the date of this announcement, the Board comprises (i) Ms. Xu Yanjun, Dr. Li Jia Kui and Dr. Shih Cheng-Kon as executive Directors; (ii) Ms. Li Huiying, Mr. Yu Lifeng and Ms. Chen Yanling as non-executive Directors; and (iii) Mr. Liu Shuo, Ms. Wang Yu and Mr. Fan Chi Chiu as independent non-executive Directors.