

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



SHENZHEN HEPALINK PHARMACEUTICAL GROUP CO., LTD.
(深圳市海普瑞藥業集團股份有限公司)

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock code: 9989)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED DECEMBER 31, 2025
AND
PROPOSED CHANGE IN USE OF UNUTILIZED NET PROCEEDS

The board of directors (the “**Board**”) of Shenzhen Hepalink Pharmaceutical Group Co., Ltd. (the “**Company**”) is pleased to announce the consolidated annual results of the Company and its subsidiaries (the “**Group**”) for the year ended December 31, 2025 (the “**Reporting Period**”), together with comparative figures for the year ended December 31, 2024.

RESULTS HIGHLIGHTS

1. The revenue was approximately RMB5,438.3 million (2024: approximately RMB5,258.9 million);
2. Gross profit was approximately RMB1,677.6 million (2024: approximately RMB1,739.3 million); gross profit margin was approximately 30.8% (2024: approximately 33.1%);
3. The sales revenue of the finished dose pharmaceutical products business was approximately RMB3,500.4 million (2024: approximately RMB2,986.1 million); gross profit margin was approximately 33.6% (2024: approximately 31.8%);
4. The sales revenue of the API business was approximately RMB784.8 million (2024: approximately RMB1,065.7 million); gross profit margin was approximately 24.8% (2024: approximately 38.6%);
5. The sales revenue of the CDMO business was approximately RMB1,033.0 million (2024: approximately RMB1,033.8 million); gross profit margin was approximately 34.1% (2024: approximately 32.9%);
6. The profit attributable to equity holders of the parent was approximately RMB349.5 million (2024: approximately RMB646.7 million); and
7. The Board proposed the distribution of a final cash dividend of RMB1.45 (tax inclusive) per ten ordinary shares of the Company (2024: RMB2.50); proposed dividend payout ratio 60.9% (2024: 56.7%).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended December 31, 2025

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
REVENUE	4	5,438,256	5,258,919
Cost of sales		<u>(3,760,613)</u>	<u>(3,519,605)</u>
Gross profit		1,677,643	1,739,314
Other income, gains/(losses), net	5	89,435	531,444
Selling and distribution expenses		(428,458)	(389,441)
Administrative expenses		(671,234)	(638,465)
Impairment losses on financial and contract assets		(82,868)	(58,542)
Impairment losses on property, plant and equipment and other intangible assets		(17,390)	(55,365)
Impairment losses on associates		(80,910)	(85,517)
Other expenses		(10,787)	(30,174)
Finance costs	6	(74,732)	(145,205)
Share of gains/(losses) of associates		<u>1,541</u>	<u>(141,820)</u>
PROFIT BEFORE TAX	7	402,240	726,229
Income tax expense	8	<u>(59,604)</u>	<u>(101,311)</u>
PROFIT FOR THE YEAR		<u>342,636</u>	<u>624,918</u>
Attributable to:			
Owners of the parent		349,486	646,742
Non-controlling interests		<u>(6,850)</u>	<u>(21,824)</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9		
Basic and diluted			
– for profit for the year		<u>RMB0.24</u>	<u>RMB0.44</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended December 31, 2025

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
PROFIT FOR THE YEAR	342,636	624,918
OTHER COMPREHENSIVE INCOME		
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods (net of tax):		
Exchange differences on translation of foreign operations	(158,875)	93,016
Share of other comprehensive income of associates	—	14,905
Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods	(158,875)	107,921
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods (net of tax):		
Change in fair value of equity investments designated at fair value through other comprehensive income	63,891	(34,452)
Remeasurement (loss)/income on defined benefit pension schemes	(4,188)	6,284
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods	59,703	(28,168)
Other comprehensive (loss)/income for the year, net of tax	(99,172)	79,753
Total comprehensive income for the year, net of tax	243,464	704,671
Attributable to:		
Owners of the parent	250,384	726,452
Non-controlling interests	(6,920)	(21,781)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2025

	<i>Notes</i>	December 31, 2025 RMB'000	December 31, 2024 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		2,426,032	2,668,337
Right-of-use assets		153,249	185,585
Goodwill		2,304,702	2,357,034
Other intangible assets		240,167	306,676
Investments in associates		223,669	350,320
Equity investments designated at fair value through other comprehensive income		622,509	580,134
Financial assets at fair value through profit or loss		920,165	893,040
Deferred tax assets		320,441	282,510
Other non-current assets		89,402	98,614
Time deposits – non-current		180,507	–
		<hr/>	<hr/>
Total non-current assets		7,480,843	7,722,250
CURRENT ASSETS			
Inventories		4,446,648	5,393,947
Trade and bills receivables	<i>10</i>	1,367,519	1,182,797
Contract assets		–	4,018
Prepayments, other receivables and other assets		415,661	431,252
Due from related parties		–	51,802
Financial assets at fair value through profit or loss		1,481,105	867,895
Derivative financial instruments		2,893	521
Pledged deposits		7,008	80
Time deposits		241,583	267,135
Cash and cash equivalents		1,188,503	1,421,827
		<hr/>	<hr/>
Total current assets		9,150,920	9,621,274
CURRENT LIABILITIES			
Trade payables	<i>11</i>	257,067	299,692
Other payables and accruals		636,301	519,076
Contract liabilities		227,596	264,283
Interest-bearing bank and other borrowings		2,605,055	2,367,161
Tax payable		107,317	120,264
Due to related parties		89,939	89,939
Lease liabilities		30,101	38,822
		<hr/>	<hr/>
Total current liabilities		3,953,376	3,699,237

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2025

	<i>Notes</i>	December 31, 2025	December 31, 2024
		<i>RMB'000</i>	<i>RMB'000</i>
NET CURRENT ASSETS		5,197,544	5,922,037
TOTAL ASSETS LESS CURRENT LIABILITIES		12,678,387	13,644,287
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		298,057	1,081,048
Deferred income		42,584	27,285
Deferred tax liabilities		207,071	242,494
Long-term employee benefits		–	23,215
Other non-current liabilities		10,191	10,354
Lease liabilities		40,318	57,770
Total non-current liabilities		598,221	1,442,166
Net assets		12,080,166	12,202,121
EQUITY			
Equity attributable to owners of the parent			
Share capital	<i>13</i>	1,467,296	1,467,296
Reserves		10,563,644	10,681,377
Total equity attributable to owners of the parent		12,030,940	12,148,673
Non-controlling interests		49,226	53,448
Total equity		12,080,166	12,202,121

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

In 2025, although the global economy maintained steady growth amid divergence, trade expansion lagged significantly behind economic growth. According to the January 2026 update of the “World Economic Outlook” report published by the International Monetary Fund (IMF), global gross domestic product (GDP) growth in 2025 was estimated to be 3.3%, essentially unchanged from the 3.2% growth rate recorded in 2024. Meanwhile, the January 2026 edition of the United Nations Conference on Trade and Development (UNCTAD)’s Global Trade Update indicated that global trade volume had surpassed US\$35 trillion for the first time in 2025, representing a 7% year-on-year increase, with growth rate for trade volume recorded at 3.8%. While trade growth (3.8%) was largely in line with economic growth (3.3%), UNCTAD forecasts that trade expansion will decelerate to 2.2% in 2026 due to trade protectionism and policy uncertainties. This projection falls significantly below the 3.3% economic growth expected for the same period. The widening gap underscores the persistent constraints imposed on global business activity by trade protectionism, supply chain restructuring, and geopolitical tensions.

Against a backdrop of challenging trade conditions, major global economies experienced divergent growth trajectories. The United States (“U.S.”) economy demonstrated resilience driven by domestic demand. According to the updated “World Economic Outlook” report published by the IMF on January 19, 2026, U.S. GDP growth was projected to reach 2.1% in 2025. This growth was primarily supported by consumer spending and investments in sectors such as artificial intelligence. However, the U.S. trade policy of imposing widespread tariffs on goods from multiple countries not only directly increased import costs and prices but also triggered adjustments in supply chain structures by trading partners, further affecting the global trade environment. Europe’s economy was affected by the slowdown in global trade and the costs of energy transition. The IMF projected that the European Union (“EU”) area’s estimated GDP growth rate would only reach 1.4% in 2025. Europe’s relatively weak economic performance stems from pressures from both internal and external factors. Externally, the global trade slowdown has weakened external demand, impacting European manufacturing activities. Internally, persistent monetary tightening has dampened the impetus of corporate investment and expansion, reducing the overall growth momentum in Europe. While facing external challenges, China continued to strengthen its foundations for growth by advancing internal structural reforms. According to the “2025 National Economic and Social Development Statistical Bulletin” released by the National Bureau of Statistics in February 2026, China’s 2025 GDP growth rate reached 5.0%, with annual GDP exceeding RMB140 trillion for the first time. The proportion of value added from high-tech manufacturing enterprises above a certain designated size threshold increased to 17.1% of the total value added from industrial enterprises above such threshold, and the final consumption expenditure contributed to 52% of China’s economic growth. China’s total imports and exports of goods increased by 3.8% year-on-year, and the real growth of per capita disposable income was 5.0%. The growth during the year not only demonstrates another leap in China’s economic scale but also adds certainty and momentum into the global economic recovery. In 2025, the global economy entered a phase characterized by slow growth, persistent inflationary pressure and rising policy

uncertainty. Supply chain restructuring and ongoing geopolitical disruptions drove up business costs. Meanwhile, divergent monetary policies among major central banks further complicated the difficulty in global economic coordination. The potential growth momentum of the global economy experienced downward pressure in face of multiple challenges.

During the year, the Group achieved significant breakthroughs in global market expansion. Despite the challenges from changes in international trade environment and intensified market competition, the Group successfully delivered double-digit growth in global sales for its finished dose pharmaceutical products business. The Group has consistently positioned the European market as a core strategic pivot, continuously reinforcing its strategic importance within its global business layout. By deepening collaborations with key channel partners across various European regions and actively participating in EU pharmaceutical tendering projects, the Group has further expanded its market coverage and sales volume across various European markets. At the same time, the Group has proactively expanded into global markets outside of Europe. In non-European and non-American overseas markets such as Asia, Latin America, the Middle East, and Africa, the Group has effectively driven sales growth through efforts in proactive registrations, regional partnerships, and customized local marketing strategies. In certain markets with trade barriers, the Group effectively navigated policy changes through flexible production networks and supply chain optimization, ensuring business continuity and developing resilience. Through these initiatives, the Group continues to build and refine its diversified, globally-reaching sales network. During the year, the newly launched pre-filled formulation production line at the Group's Pingshan production base increased annual capacity by 330 million units, synergizing with Techdow Pharmaceutical's existing production lines to establish a robust supply capability of 550 million enoxaparin sodium finished doses annually. The Pingshan production base successfully obtained European Good Manufacturing Practice (GMP) certification and the European Medicines Agency (EMA) production approval, demonstrating that its quality management system fully complies with EU standards as well as laying a solid foundation for product entry into regulated markets worldwide. The 5G digital intelligence factory at the Pingshan production base further enhanced production flexibility and supply chain stability through whole process quality traceability and intelligent manufacturing systems. In operational management, the Group continued to advance and refine its supply chain management. Through regional coordination mechanisms and digital operation platforms, the Group's responsiveness to rapidly changing market conditions across diverse sales environments has significantly improved. In financial management, the Group has actively optimized its capital structure and further strengthened cash flow management, achieving sustained improvement in operating cash flow. During the year, the Group systematically reduced debt levels, with overall borrowing continuing to decline effectively. With steady decrease in financial expenditure, the capital structure has become more robust. Through flexible capital allocation and pragmatic capital management, the Group maintained ample liquidity reserves while expanding its global operations, and further consolidated the foundation of its financial structure.

During the year, the Group achieved an operating revenue of approximately RMB5,438.3 million in total, representing a year-on-year increase of approximately 3.4%, with a gross profit of approximately RMB1,677.6 million, representing a year-on-year decrease of approximately 3.5%, and a gross margin of approximately 30.8%, which was down by approximately 2.3 percentage points year-on-year. The Group's net profit was approximately RMB342.6 million and the net profit attributable to equity holders of the Company was approximately RMB349.5 million, representing a year-on-year decrease of 46.0%. The decrease was mainly due to the positive impact of the significant one-time investment income during the same period in 2024, resulting in a relatively significant effect on the net profit attributable to equity holders of the Company in 2024.

Sales

The Group primarily operates through three main business segments: (i) the heparin supply chain business; (ii) the Contract Development and Manufacturing Organization (CDMO) business; and (iii) the innovative drugs and innovation business.

Heparin Supply Chain Business

During the year, the Group's heparin supply chain business achieved a sales revenue of approximately RMB4,285.2 million, representing a year-on-year increase of approximately 5.8%. Global finished dose pharmaceutical products sales grew by over 30%, achieving a revenue of approximately RMB3,500.4 million, representing a year-on-year increase of 17.2% and accounting for 64.4% of the Group's revenue. The gross profit was approximately RMB1,174.5 million, representing a year-on-year increase of approximately 23.6%, with a gross margin of approximately 33.6%, representing a year-on-year increase of 1.8 percentage points. During the year, market environments across various global regions showed significant differences, with intensified market competition in certain areas. Based on strategic considerations to strengthen the market competitiveness of formulation products and to promote business expansion, the Group conducted a prudent assessment and implemented strategic adjustments to sales prices in specific regional markets, effectively offsetting the impact on business operations due to changes in U.S. tariff policies and improving the gross profit margin of finished dose enoxaparin sodium pharmaceutical products during the year.

During the year, the Group continued to promote the business expansion of its finished dose enoxaparin sodium pharmaceutical products across major global markets. Notably, Europe, non-European and non-American overseas markets delivered outstanding performance, achieving significant sales growth and solidifying the success of the Group's global strategy.

In the European market, the Group further consolidated its leading position for finished dose enoxaparin sodium pharmaceutical products across various European countries, maintaining a top market share with significant sales growth during the year. The Group deepened strategic collaborations with core sales channels, actively participated in tenders across countries and continuously enhanced product competitiveness, so as to expand market coverage and increase tender success rates. In the meantime, the Company strengthened brand building at key medical conferences and professional platforms, systematically showcasing the clinical advantages and quality management systems of its products. At the operational level, the Group further optimized the development of local European teams and established market monitoring and response mechanisms, thus significantly improving policy adaptability and regional execution capabilities.

In the U.S. market, the Group faced external challenges such as trade policy changes and tariff barriers during the year. A stronger market share was maintained through a dual-track “self-operated and agency-driven” operating model. The Group implemented flexible supply chain adjustments and tariff optimization strategies to minimize the impact of trade environment changes on operations. Meanwhile, the Group’s direct sales team continued to optimize channel distribution and deepened collaborations with multiple leading healthcare groups, laying a stable foundation for long-term business development. Furthermore, the Group actively advanced the commercialization of diversified products, further enriching product portfolio and enhancing the resilience of its business.

In the Chinese market, the Group maintained a strategy of steady growth. Against the backdrop of the continued national centralized procurement, the Group actively participated in such tenders and secured successful bids. Building on this foundation, the Group continued to expand market coverage, proactively explored opportunities to increase sales volumes, and effectively expanded its sales channels. This further consolidated the Group’s leading position in the domestic heparin formulations sector and enhanced its overall competitiveness in the Chinese pharmaceutical market. In 2025, it continued to maintain the top market share position for enoxaparin sodium products in China.

In non-European and non-American overseas markets, the Group achieved remarkable business expansion, with significant surge in sales volume during the year. In established markets, the Group continuously consolidated its market position through refined operations and deep channel cultivation. In emerging markets, the Group successfully gained market access in a number of countries including South Africa and Argentina, progressively advancing product registrations and sales implementation. The Group prioritized strategic collaboration with high-quality local partners, and customized differentiated promotion strategies to suit regional market characteristics. Simultaneously, the Group actively explored development opportunities in potential markets such as the Association of Southeast Asian Nations (ASEAN), continuously injecting new growth momentum into the Group’s global expansion.

During the year, the Group's active pharmaceutical ingredients (“API”) business faced significant challenges: as export prices for heparin APIs remained persistently low, while intensifying industry competition continued to compress overall profit margins. In response to these market headwinds, the Group maintained its strategic resolve and steadily advanced sales, achieving annual revenue of RMB784.8 million with a gross profit margin maintained at 24.8%. In face of structural market shifts, the Group proactively adjusted its business positioning, establishing the API business as a strategically supportive segment. While synergizing with the globalization of its finished dose pharmaceutical products business, the Group optimized the API segment's structural weight within its overall operations. Centering on technological innovation and quality systems, the Group persistently advances process optimization and lean manufacturing enhancements. By introducing intelligent manufacturing systems and refined cost control mechanisms, the Group enhanced production efficiency and cost competitiveness while ensuring product quality meets the highest international standards. The Group adheres to a value-driven market strategy, supports the industry pricing framework, avoids inefficient price competition, and consolidates its brand reputation and market position in the high-end API sector. The Group believes that with the structural adjustment of heparin market demand and the orderly revelation of the industrial chain landscape, the Group's API business, underpinned by solid technology and stringent quality control, can demonstrate stronger competitive advantages across different industry cycles, providing robust support for the Group's sustainable development.

CDMO Business

During the year, the Group's CDMO business achieved sales revenue of RMB1,033 million, basically similar with that of last year. The gross profit margin increased 1.2 percentage points compared to last year, representing a slight improvement compared to the same period last year as a result of the effectiveness of the Group's project management. In terms of client relationships, the Group further deepened its strategic partnership with existing core clients. Through customized solutions and long-term cooperation agreements, the Group ensured business stability and sustained growth. Meanwhile, the Group actively expanded new client groups, intensified marketing efforts and brand building, extended its business reach, and covered broader industrial sectors. In operational management, the Group comprehensively implemented a digital project management mechanism. Through process reengineering and efficiency enhancements, the Group shortened project delivery cycles and continuously improved customer satisfaction. Furthermore, to strengthen long-term competitiveness, the Group focused on internal resource integration and capability building, forming a diversified commercial capability system encompassing process development, analytical testing, large-scale production, and supply chain support. The Group's two specialized platforms, Cytovance Biologics, Inc. (“**Cytovance**”) and SPL Acquisition Corp. (“**SPL**”), achieve efficient resource allocation and flexible deployment through complementary technologies and synergistic production capacities. This collaborative mechanism not only strengthens the Group's project execution capabilities but also delivers more efficient and reliable services to customers, injecting sustainable growth momentum into the high-quality development of its CDMO business.

Innovative Drugs and Innovation Business

The continuous expansion of the Group's innovative business ventures reflects its unwavering commitment to its internationalization strategy and determination to promote Chinese pharmaceuticals into mainstream markets in Europe and the U.S.. Currently, the Group has established self-operating teams and localized sales channels in five European countries (the United Kingdom, Italy, Spain, Germany, and Poland) as well as the U.S., all of which possess the capabilities to drive sales in key markets. Leveraging its international layout, the Group is actively identifying and evaluating projects with high market potential that synergize with its existing operations. The Group is proactively cultivating new growth opportunities while continuously exploring strategic collaborations with domestic and international partners to expand its global pharmaceutical market presence. These efforts aim to further enhance the Group's overall competitiveness and brand influence in overseas markets.

At the same time, the Group's self-operating team in the U.S. continued to advance the commercialization of fosaprepitant dimeglumine, a product under Chia Tai Tianqing Pharmaceutical Group Co. Ltd., in the U.S. market, including marketing, promotion, sales, and distribution of the product.

H1710

H1710 is a candidate drug independently developed by the Group, and the Group owns the global rights to develop and commercialize H1710. During the year, the Group received the Notice of Approval for Clinical Trial (《藥物臨床試驗批准通知書》) issued by the National Medical Products Administration (NMPA) in February 2025, which approved the clinical trial of H1710 for injection. The Group completed the enrollment of the first subject and administered the first dose in the Phase I clinical trial of the H1710 injection in July 2025. The Phase I study is currently progressing smoothly, indicating good safety and tolerability.

H1710 is a novel compound that targets heparanase, a heparin-degrading enzyme. It has a suitable chain length and a unique flexible structure, and competitively binds to heparanase with heparan sulfate proteoglycans or heparin, making it a highly efficient and selective heparanase inhibitor. Heparanase is overexpressed in various tumors and is associated with tumor growth and metastasis. Studies have shown that targeting heparanase is a new anticancer strategy of cancer treatment. The Group's preclinical research has demonstrated that H1710 exhibits anti-tumor pharmacological activity by inhibiting the activity and expression of heparanase. H1710 has shown significant anti-tumor effects in various tumor animal models.

Oregovomab

Oregovomab, a murine monoclonal antibody, is an anti-CA125 immunotherapy drug candidate being developed by an associate of the Company, OncoQuest Inc. It has completed a Phase II clinical trial as a standard treatment combined with chemotherapy in patients with advanced primary ovarian cancer. The Group has exclusive development and commercial rights for Oregovomab in the Greater China region. An interim analysis

of Oregovomab Phase III clinical trial suggested that the study did not meet its intended objectives and a patient follow-up on survival statistics is being conducted as recommended by the Data and Safety Monitoring Board (DSMB). The Group will actively explore options to advance the development of new drugs for Oregovomab. One of the Group's non-wholly-owned subsidiary, Shenzhen OncoVent Biomedical Technology Co., Ltd., has also entered into a licensing agreement for Oregovomab with Orient EuroPharma Co., Ltd. (a biotechnology company). The Group will continue to explore cooperation opportunities, accelerate the strategic layout of innovative drugs and build up diversified commercialization capabilities.

AR-301 (Salvecin)

AR-301 is a fully human monoclonal IgG1 antibody (mAb) that specifically targets *S. aureus* alpha-toxin. It is being developed by a non-controlling company of the Company, Aridis Pharmaceuticals, Inc. (“**Aridis**”). The Group has exclusive development and commercial rights in the Greater China region. AR-301 was granted Fast Track Designation by the United States Food and Drug Administration (the “**FDA**”) and Orphan Drug Designation by the European Medicines Agency (“**EMA**”). The Global Phase III Study of Tosatoxumab (AR-301) in Combination with Antibiotics (SOC) for the Treatment of Staphylococcus aureus Ventilator-associated Pneumonia did not reach the primary study endpoint. However, the study data revealed that Tosatoxumab significantly improves outcomes for patients aged over 65 with ventilator-associated pneumonia, and also demonstrates efficacy against Methicillin-resistant Staphylococcus aureus (MRSA) infections. Based on this finding, Aridis has discussed with and obtained guidance from the FDA and the EMA on the design of a second Phase III study for the treatment of hospitalized patients who are diagnosed with pneumonia caused by Staphylococcus aureus and require mechanical ventilation by combining Tosatoxumab with standard-of-care antibiotics.

RVX-208 (Apabetalone)

RVX-208 is a selective inhibitor of bromodomain and BET proteins with selectivity for the second bromodomain. It is the first small molecule drugs being developed by an associate of the Company, Resverlogix Corp (a public company listed on the Toronto Stock Exchange, stock code: RVX). The Group has exclusive development and commercial rights in the Greater China region. RVX-208 has completed phase III clinical trial (BETonMACE) in combination with standard-of-care antibiotics to reduce the incidence of major adverse cardiovascular events among high-risk cardiovascular disease patients with type II diabetes mellitus, recent acute coronary syndrome, and low levels of high-density lipoprotein (HDL). RVX-208 was granted Breakthrough Therapy Designation by the FDA in February 2020 and the clinical plan for pivotal phase III was approved by the FDA in June 2020. Apabetalone, the first drug in its class to receive the FDA Breakthrough Therapy approval for a major cardiovascular indication, will further advance its drug development progress, including planned clinical trials and the implementation of an accelerated development strategy. The Group has exclusive development and commercial rights for RVX-208 in the Greater China region.

Outlook

Under the backdrop of multiple challenges, including a complex and volatile global economic landscape, spreading uncertainties surrounding trade protection policies, intensifying industry competition, and periodic pressures within the heparin supply chain, the Group faces a challenging external environment and structural pressures. In response to the current situation, the Group will adhere to prudent and stable business principles, firmly maintain a strategic focus on high-quality development, and enhance resilience against market fluctuations by continuously optimizing its business portfolio, deepening operational management, and strengthening cost and risk controls. Additionally, the Group will further concentrate on technological innovation and resource integration, promote industrial chain synergy and value enhancement, consolidate and strengthen its core competitiveness, and reinforce its resilience to navigate industry cycles. The objective is to provide a solid foundation for achieving long-term shared value for the enterprise.

The Group will continue to focus its core strategy on the formulation business, aiming to achieve greater scale advantages and market share in the global heparin formulation market. Leveraging its market presence in Europe, the Group will further integrate its global sales system, optimize resource allocation and regional coordination, and strengthen its cost advantages based on economies of scale and lean management, providing robust operational support for global market expansion. To advance expansion in the U.S., China, non-European and non-American overseas markets, the Group will consolidate and broaden its cost advantages through continuous optimization of production technology, enhanced operational efficiency, and optimized supply chain management. Building upon this foundation, the Group will establish a more competitive pricing strategy while maintaining reasonable profit margins, thereby effectively supporting the sustained and stable growth of market share. The Group will closely monitor global trade policies and market dynamics, continuously refine our global pricing mechanism and sales network, and steadily enhance its comprehensive competitiveness and industry influence in the global heparin formulations sector. These efforts are aimed to drive the high-quality development of the Group's formulations business worldwide.

For its API business, the Group will maintain a prudent and flexible operational strategy. The current market supply-demand environment remains in an adjustment phase, with ample industry supply in general and product prices at cyclical lows, while customers remain cautious in their procurements. The Group will enhance its capabilities in monitoring the industrial chain and assessing demand, dynamically optimize production and sales rhythms, inventory structures, strengthen business resilience and risk mitigation capacity. The Group actively optimizes its customer structure and diversifies its market layout, focusing on expanding strategic collaborations with high-quality domestic and international formulation enterprises while accelerating channel

development in emerging markets. Meanwhile, leveraging process improvements and operational efficiency gains, the Group further solidifies its advantages in cost control and quality systems, enhancing the overall competitiveness of its products. The Group will continuously improve its responsiveness to industry policies, competitive dynamics, and supply chain changes, while maintaining strategic flexibility and operational resilience to build structural advantages throughout the cyclical evolution.

The Group's dual platforms, Cytovance and SPL, will continue to deepen their strategic synergies, driving the comprehensive development of CDMO operations. By coordinating resources and optimizing operational processes, the Group will establish a more efficient business management system, which will enable flexible responses to client service needs across critical stages (including R&D, clinical trials, and commercialization), providing robust support for sustained growth in business scale. In business development, the Group will optimize its customer-centric mechanisms, deepen insights into industry trends and client growth trajectories, and improve its ability to nurture existing clients while expanding new customer acquisition. At the same time, the Group will advance operational refinement and digital infrastructure development to improve resource allocation efficiency and project management effectiveness, laying a more robust foundation for the long-term growth of its CDMO business. Furthermore, the Group will continue to intensify its technological platform development, focusing on enhancing professional capabilities in critical areas such as process development, quality research, and production optimization. Through technological innovation and service system optimization, the Group will deliver integrated, full-cycle solutions to clients, thereby consolidating the Group's service advantages and industry competitiveness in the CDMO business.

Under the global strategic framework, the Group will leverage the digital intelligence manufacturing system established at its Pingshan production base as a strategic focal point. Building upon its scaled production capacity advantage of 550 million units of enoxaparin sodium finished doses annually, the Group will continue to deepen the development of its internationalization strategy. By establishing a sales network covering major global markets and actively exploring diversified business cooperation models such as CSO and CMO, the Group will further enhance production synergy and elevate its comprehensive commercial capabilities in the global market. Meanwhile, the Group will persistently enhance brand value development and market penetration in key regions, continuously consolidating and elevating the Group's leading position in the global heparin supply chain. In response to shifts in the international trade environment, the Group has established proactive policy monitoring and market response mechanisms. The Group dynamically assesses tariff policies and market dynamics across regions, promptly adjusts operational strategies, effectively addresses challenges arising from external environmental changes, and ensures the sustainable development of its global operations.

For internal operational management, the Group is continuously advancing the optimization and upgrading of its organizational structure, with a focus on enhancing cross-departmental collaboration efficiency and rapid decision-making capabilities. Meanwhile, operational cost optimization will be achieved by establishing a rolling procurement and inventory review mechanism, dynamically assessing supply-demand structures, cost-benefit ratios, and related financial risks. In the area of financial management, the Group continuously refines its budget control mechanisms, enhancing its ability to dynamically allocate capital, and optimizing structural costs to improve overall capital utilization efficiency and resource allocation effectiveness. Furthermore, by establishing a financial risk assessment and early warning system, the Group is strengthening the stability and sustainability of its profits, thereby providing robust financial support for the Group's long-term development.

Financial Review

Revenue

	For the year ended December 31,				Year-on-year increase/ decrease (%)
	2025	2025	2024	2024	
	Sales amount	% of Revenue	Sales amount	% of Revenue	
	<i>RMB'000</i>		<i>RMB'000</i>		
Sale of goods	4,322,807	79.5%	4,157,537	79.0%	4.0%
Finished dose pharmaceutical products	3,500,376	64.4%	2,986,129	56.8%	17.2%
API	784,826	14.4%	1,065,692	20.2%	(26.4%)
Others ⁽¹⁾	37,605	0.7%	105,716	2.0%	(64.4%)
CDMO services	1,032,991	19.0%	1,033,790	19.7%	(0.1%)
Others ⁽²⁾	82,458	1.5%	67,592	1.3%	22.0%
Total	5,438,256	100%	5,258,919	100%	3.4%

Notes:

- (1) Other products mainly include Pancreatin API.
- (2) Other business mainly includes manufacture and marketing services, processing services, technical support services and other services.

Revenue from manufacturing and sales of goods increased by approximately RMB165.3 million to approximately RMB4,322.8 million, accounting for approximately 79.5% of the total revenue during the Reporting Period, as compared with approximately RMB4,157.5 million or accounting for approximately 79.0% of the Group's revenue in 2024. The increase in revenue from manufacturing and sales of goods was mainly due to the significant increase in sales volume of finished dose pharmaceutical products during the Reporting Period.

Cost of sales

During the Reporting Period, cost of sales increased by approximately RMB241.0 million to approximately RMB3,760.6 million, as compared with approximately RMB3,519.6 million in 2024. The cost of sales increased mainly due to (i) the significant increase in sales volume of major products during the Reporting Period and (ii) the increase in inventory write-down provisions for APIs during the Reporting Period.

Gross Profit

	For the year ended December 31,			
	2025	2025	2024	2024
	Gross profit		Gross profit	
	Gross profit	margin	Gross profit	margin
	RMB'000	(%)	RMB'000	(%)
Sale of goods	1,303,878	30.2%	1,357,356	32.6%
Finished dose pharmaceutical products	1,174,506	33.6%	950,329	31.8%
API	194,775	24.8%	411,058	38.6%
Others ⁽¹⁾	(65,403)	(173.9%)	(4,031)	(3.8%)
CDMO services	352,255	34.1%	340,298	32.9%
Others ⁽²⁾	21,510	26.1%	41,660	61.6%
Total	1,677,643	30.8%	1,739,314	33.1%

Notes:

- (1) Other products mainly include Pancreatin API.
- (2) Other business mainly includes manufacture and marketing services, processing services, technical support services and other services.

During the Reporting Period, gross profit decreased by approximately RMB61.7 million to approximately RMB1,677.6 million, as compared with approximately RMB1,739.3 million in 2024. During the Reporting Period, gross profit margin decreased by approximately 2.3 percentage points to approximately 30.8%, as compared with approximately 33.1% in 2024. The decrease in gross profit margin was mainly due to (i) cost of sales, which included a provision for inventory write-downs, increased from RMB7.6 million last year to RMB36.5 million; and (ii) market conditions which led to the downward trend in unit price of APIs.

Finance Costs

The Group's finance costs mainly consist of interest on bank borrowings and corporate bonds and other finance costs. During the Reporting Period, finance costs decreased by approximately RMB70.5 million to approximately RMB74.7 million, as compared with approximately RMB145.2 million in 2024, representing a decrease of approximately 48.5%. The decrease in finance costs was mainly due to a decrease in interest bearing debt and a decrease in borrowing interest rates.

Taxation

During the Reporting Period, income tax expense was approximately RMB59.6 million, as compared with an income tax expense of approximately RMB101.3 million in 2024.

Profit Attributable to Equity Holders of the Company

During the Reporting Period, profit attributable to equity holders of the Company was approximately RMB349.5 million, as compared with profit attributable to equity holders of the Company of approximately RMB646.7 million in 2024.

Earnings per Share

The basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares of the Company in issue for the Reporting Period. The diluted earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares of the Company in issue for the Reporting Period (with adjustments made for all potential dilution effect of the ordinary shares).

For the Reporting Period, both basic earnings per share and diluted earnings per share were RMB0.24, as compared with both basic earnings per share and diluted earnings per share of RMB0.44 in 2024.

Liquidity and Financial Resources

Treasury Policies

The primary objective of the Group's capital management is to maintain its ability to continue to operate so that the Group can constantly provide returns for shareholders of the Company and benefits for other stakeholders by implementing proper product pricing and securing access to financing at reasonable costs. The Group actively and regularly reviews and manages its capital structure and makes adjustments by taking into consideration of the changes in economic conditions, its future capital requirements, prevailing and expected profitability and operating cash flows, expected capital expenditures and expected strategic investment opportunities. The Group closely monitors its debt-to-asset ratio, which is defined as total borrowings divided by total assets.

Liquidity and Financial Resources

The Group's liquidity remains strong. During the Reporting Period, the Group's funds was primarily from its ordinary business. As at December 31, 2025, the Group's cash and cash equivalents were approximately RMB1,188.5 million (December 31, 2024: approximately RMB1,421.8 million).

Capital Structure

As at December 31, 2025, the Group recorded short-term loans of approximately RMB2,605.1 million (December 31, 2024: approximately RMB2,367.2 million) and long-term loans of approximately RMB298.1 million (December 31, 2024: approximately RMB1,081.0 million).

Pledge of Assets

As at December 31, 2025, the Group's assets of approximately RMB811.7 million were pledged to banks and other financial institutions to secure the credit facilities granted to the Group (December 31, 2024: approximately RMB2,922.0 million).

Contingent Liabilities

As at December 31, 2025, neither the Group nor the Company had material contingent liabilities (December 31, 2024: nil).

Asset-liability Ratio

As at December 31, 2025, the Group's total assets amounted to approximately RMB16,631.8 million (December 31, 2024: approximately RMB17,343.5 million), whereas the total liabilities amounted to approximately RMB4,551.6 million (December 31, 2024: approximately RMB5,141.4 million). The asset-liability ratio (i.e., total liabilities divided by total assets) was approximately 27.4% (December 31, 2024: approximately 29.6%).

Interest Rate Risk

The Group's exposure to the risk of changes in interest rates relates to the interest-bearing bank and other borrowings with floating interest rates. The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts. As at December 31, 2025, the Group had approximately 63.7% interest-bearing borrowings bearing interest at fixed rates (December 31, 2024: approximately 69.6%).

Indebtedness

	As at December 31, 2025 RMB'000	As at December 31, 2024 RMB'000
<u>Interest-bearing bank and other borrowings</u>	2,903,112	3,448,209
<u>Lease liabilities</u>	70,419	96,592
Total financial indebtedness	2,973,531	3,544,801
<u>Pledged bank deposits</u>	(7,008)	(80)
Net financial indebtedness	2,966,523	3,544,721

The maturity profile of the Group's interest-bearing bank and other borrowings is set out as follows:

	As at December 31, 2025 RMB'000	As at December 31, 2024 RMB'000
Repayable:		
Within one year or on demand	2,605,055	2,367,161
After one year but within two years	100,710	567,118
After two years but within five years	–	335,213
After five years	197,347	178,717
Total	2,903,112	3,448,209

The Group's bank borrowings as at December 31, 2025 was approximately RMB1,638.1 million (December 31, 2024: approximately RMB2,604.2 million). As at December 31, 2025, the Group had no remaining corporate bond (December 31, 2024: Nil). As at December 31, 2025, the Group's total amount of other borrowings was approximately RMB1,265.0 million (December 31, 2024: approximately RMB844.0 million).

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

December 31, 2025

1. Corporate Information

The Company is a joint stock company with limited liability established in the People's Republic of China (hereafter, the “**PRC**”) on April 21, 1998. With the approval of the China Securities Regulatory Commission, the Company completed its initial public offering and was listed on the Shenzhen Stock Exchange (stock code: 002399.SZ) on May 6, 2010. The Company completed its public offering in Hong Kong and its H shares were listed on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) (stock code: 9989) on July 8, 2020. The registered address of the office of the Company in the PRC is No.21 Langshan Road, Nanshan District, Shenzhen. The Company's principal place of business in Hong Kong is at Room 4724, 47/F, Sun Hung Kai Centre, 30 Harbour Road, Wan Chai, Hong Kong. The Company is ultimately controlled by Mr. Li Li and Ms. Li Tan who are acting in concert.

The Group is principally engaged in biopharmaceutical production, biopharmaceutical services, biopharmaceutical trading and biopharmaceutical research and development in Asia, Europe, North America and Australia, and investment business in Asia and North America.

2.1 Basis of Preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRSs**”), (which include all International Financial Reporting Standards, International Accounting Standards (“**IASs**”) and Interpretations) 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 equity investments designated at fair value through other comprehensive income, derivative financial instruments and 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 (RMB'000) except when otherwise indicated.

Basis of consolidation

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

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

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

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

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

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

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

2.2 Changes in Accounting Policies and Disclosures

The Group has adopted the following new and revised IFRSs for the first time for the current year's financial statements.

Amendments to IFRS 21

Lack of Exchangeability

The nature and the impact of the new and revised IFRSs that are applicable to the Group are described below:

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

3. Operating Segment Information

For management purposes, the Group is organised into business units based on their products and services and has four reportable operating segments as follows:

- (a) The finished dose pharmaceutical products segment mainly includes enoxaparin sodium injection products.
- (b) The active pharmaceutical ingredient segment includes standard heparin sodium active pharmaceutical ingredients, and enoxaparin sodium active pharmaceutical ingredients.
- (c) The CDMO segment includes R&D, manufacturing, quality management, program management and commercial manufacture under customers' specific orders.
- (d) The "others" segment.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax from continuing operations. The adjusted profit/loss before tax from continuing operations is measured consistently with the Group's profit before tax except that other income and gains, selling and distribution expenses, administrative expenses, impairment losses on financial and contract assets, other expenses, finance costs and share of profits and losses of associates are excluded from such measurement.

Segment assets exclude cash and cash equivalents, pledged deposits, deferred tax assets, equity investments designated at fair value through other comprehensive income, derivative financial instruments, financial assets at fair value through profit or loss and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank and other borrowings, tax payable, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

For the year ended December 31, 2025

Segments	Finished dose pharmaceutical				Total RMB'000
	products RMB'000	API RMB'000	CDMO RMB'000	Others RMB'000	
Segment revenue:					
Sales to external customers	3,500,376	784,826	1,032,991	120,063	5,438,256
Intersegment sales	4,192,563	2,403,401	48	140,588	6,736,600
	<u>7,692,939</u>	<u>3,188,227</u>	<u>1,033,039</u>	<u>260,651</u>	<u>12,174,856</u>
<u>Reconciliation:</u>					
Elimination of intersegment sales					<u>(6,736,600)</u>
Revenue from contracts with customers					<u>5,438,256</u>
Segment results:	1,218,170	407,340	376,336	110,852	2,112,698
<u>Reconciliation:</u>					
Elimination of intersegment results					(435,055)
Other income, gains/(losses), net					89,435
Selling and distribution expenses					(428,458)
Administrative expenses					(671,234)
Impairment losses on financial and contract assets					(82,868)
Impairment losses on an investment in associates					(80,910)
Impairment losses on property, plant and equipment and other intangible assets					(17,390)
Other expenses					(10,787)
Finance costs					(74,732)
Share of income of associates					<u>1,541</u>
Group's profit before tax					<u><u>402,240</u></u>

For the year ended December 31, 2025 (continued)

Segments	Finished dose pharmaceutical				Total
	products	API	CDMO	Others	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment assets	5,174,992	9,440,694	3,297,646	3,726,815	21,640,147
<u>Reconciliation:</u>					
Elimination of intersegment receivables					(11,756,072)
Corporate and other unallocated assets					<u>6,747,688</u>
Total assets					<u><u>16,631,763</u></u>
Segment liabilities	3,663,777	3,549,669	399,308	2,569,759	10,182,513
<u>Reconciliation:</u>					
Elimination of intersegment payables					(6,600,966)
Corporate and other unallocated liabilities					<u>970,050</u>
Total liabilities					<u><u>4,551,597</u></u>
Other segment information					
Impairment losses recognised in the statement of profit or loss, net	13,614	110,617	7,071	49,866	181,168
Depreciation and amortisation	58,282	127,712	170,545	20,182	376,721
Investments in associates					223,669
Capital expenditure*	9,413	65,976	58,356	1,575	135,320

For the year ended December 31, 2024

Segments	Finished dose pharmaceutical				Total <i>RMB'000</i>
	products <i>RMB'000</i>	API <i>RMB'000</i>	CDMO <i>RMB'000</i>	Others <i>RMB'000</i>	
Segment revenue:					
Sales to external customers	2,986,129	1,065,692	1,033,790	173,308	5,258,919
Intersegment sales	4,158,483	2,320,102	128	241,719	6,720,432
	<u>7,144,612</u>	<u>3,385,794</u>	<u>1,033,918</u>	<u>415,027</u>	<u>11,979,351</u>
<u>Reconciliation:</u>					
Elimination of intersegment sales					<u>(6,720,432)</u>
Revenue from contracts with customers					<u>5,258,919</u>
Segment results:	1,007,545	551,056	370,455	118,971	2,048,027
<u>Reconciliation:</u>					
Elimination of intersegment results					(308,713)
Other income, gains/(losses), net					531,444
Selling and distribution expenses					(389,441)
Administrative expenses					(638,465)
Impairment losses on financial and contract assets					(58,542)
Impairment losses on an investment in associates					(85,517)
Impairment losses on property, plant and equipment and other intangible assets					(55,365)
Other expenses					(30,174)
Finance costs					(145,205)
Share of losses of associates					<u>(141,820)</u>
Group's profit before tax					<u>726,229</u>

For the year ended December 31, 2024 (continued)

Segments	Finished dose pharmaceutical				Total
	products	API	CDMO	Others	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Segment assets	5,080,997	10,525,204	2,975,840	3,958,088	22,540,129
Reconciliation:					
Elimination of intersegment receivables					(12,216,851)
Corporate and other unallocated assets					7,020,246
Total assets					<u>17,343,524</u>
Segment liabilities	2,913,351	3,650,387	363,242	2,684,770	9,611,750
Reconciliation:					
Elimination of intersegment payables					(6,636,193)
Corporate and other unallocated liabilities					2,165,846
Total liabilities					<u>5,141,403</u>
Other segment information					
Impairment losses recognised in the statement of profit or loss, net	4	51,178	76,342	71,900	199,424
Depreciation and amortisation	51,402	93,261	171,041	19,205	334,909
Investments in associates					350,320
Capital expenditure*	12,051	213,356	78,338	1,691	305,436

* As at 31 December 2025 and 2024, capital expenditure consists of additions to property, plant and other intangible assets.

Geographical information

(a) Revenue from external customers

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Hong Kong	7,912	7,204
United States of America	1,335,953	1,430,427
Europe	2,727,951	2,372,846
Mainland China	370,887	339,157
Other countries/regions	995,553	1,109,285
	<hr/>	<hr/>
Total Revenue	5,438,256	5,258,919
	<hr/> <hr/>	<hr/> <hr/>

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	As at December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Mainland China	2,230,412	2,570,952
United States of America	3,111,445	3,291,361
Europe	92,606	100,856
Hong Kong	2,758	3,397
	<hr/>	<hr/>
Total	5,437,221	5,966,566
	<hr/> <hr/>	<hr/> <hr/>

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about major customers

During the year ended December 31, 2025, revenue derived from sales to a single external customer, including sales to a group of entities which are known to be under common control with that customer, which accounted for more than 10% of the total revenue was approximately RMB718,589,000.

During the year ended December 31, 2024, revenue derived from sales to a single external customer, including sales to a group of entities which are known to be under common control with that customer, which accounted for more than 10% of the total revenue was approximately RMB561,367,000.

4. Revenue

Revenue from contracts with customers

(i) Disaggregated revenue information

For the year ended December 31, 2025

Segments	Finished dose pharmaceutical products <i>RMB'000</i>	API <i>RMB'000</i>	CDMO <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Types of goods or services					
Sale of products	3,500,376	784,826	-	37,605	4,322,807
CDMO services	-	-	1,032,991	-	1,032,991
Others	-	-	-	82,458	82,458
	<u>3,500,376</u>	<u>784,826</u>	<u>1,032,991</u>	<u>120,063</u>	<u>5,438,256</u>
Timing of revenue recognition					
Products transferred at a point in time	3,500,376	784,826	-	37,605	4,322,807
Services transferred at a point in time	-	-	615,530	29,907	645,437
Services transferred over time	-	-	417,461	52,551	470,012
	<u>3,500,376</u>	<u>784,826</u>	<u>1,032,991</u>	<u>120,063</u>	<u>5,438,256</u>

For the year ended December 31, 2024

Segments	Finished dose pharmaceutical products <i>RMB'000</i>	API <i>RMB'000</i>	CDMO <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Types of goods or services					
Sale of products	2,986,129	1,065,692	–	105,716	4,157,537
CDMO services	–	–	1,033,790	–	1,033,790
Others	–	–	–	67,592	67,592
Total	<u>2,986,129</u>	<u>1,065,692</u>	<u>1,033,790</u>	<u>173,308</u>	<u>5,258,919</u>
Timing of revenue recognition					
Products transferred at a point in time	2,986,129	1,065,692	–	105,716	4,157,537
Services transferred at a point in time	–	–	574,739	21,761	596,500
Services transferred over time	–	–	459,051	45,831	504,882
Total	<u>2,986,129</u>	<u>1,065,692</u>	<u>1,033,790</u>	<u>173,308</u>	<u>5,258,919</u>

The following table shows the amounts of revenue recognised during the current Reporting Period that were included in the contract liabilities at the beginning of the Reporting Period and recognised from performance obligations satisfied in previous periods:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue recognised that was included in the contract liabilities balance at the beginning of the year:		
Sale of products	53,003	22,859
CDMO services	211,006	344,743
	<hr/>	<hr/>
Total	264,009	367,602
	<hr/> <hr/>	<hr/> <hr/>

(ii) Performance obligations

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

Sale of products

The performance obligation is satisfied at the point when control of asset is transferred to the customer.

CDMO services

For services under the FFS model, revenue is recognised over time and the performance obligation is a part of a contract that has an original expected duration of one year or less. Therefore, under practical expedients allowed by IFRS 15, the Group does not disclose the value of unsatisfied performance obligations under the FFS model.

For certain CDMO services, the directors of the Company have determined that performance obligations are satisfied upon acceptance of the deliverable products under customers' specific orders, and therefore, the performance obligation is recognised as revenue at a point in time.

The transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at December 31 are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within one year	608,191	364,935
	<hr/> <hr/>	<hr/> <hr/>

All the performance obligations are expected to be recognised within one year. The amounts disclosed above do not include variable consideration which is constrained.

5. Other Income, Gains/(Losses), Net

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Other income		
Bank interest income	38,270	44,375
Interest income from debt investment	3,910	3,384
Government grants related to		
– Assets*	3,610	2,195
– Income**	10,625	7,537
Dividend income from financial assets at fair value through profit or loss	12,161	56,440
Total other income	68,576	113,931
Other gains/(losses)		
Foreign exchange gains, net	140,601	–
Gains on disposal of financial assets at fair value through profit or loss	3,398	2,209
Fair value gains/(losses), net:		
Financial assets at fair value through profit or loss	(73,482)	131,138
Derivative instruments	(13,624)	8,486
Gains on disposal of investment in associates	–	267,236
Loss on disposal of a subsidiary	(46,229)	–
Others	10,195	8,444
Total other gains	20,859	417,513
Total other income and gains/(losses)	89,435	531,444

* The Group has received certain government grants related to assets to invest in laboratory equipment and plant. The grants related to assets were recognised in profit or loss over the useful lives of the relevant assets.

** The government grants and subsidies related to income have been received to compensate for the Group's research and development costs. Certain grants related to income have future related costs expected to be incurred and require the Group to comply with conditions attached to the grants and the government to acknowledge the compliance of these conditions. These grants related to income are recognised in the statement of profit or loss on a systematic basis over the periods that the costs, for which they are intended to compensate, are expensed.

Other government grants related to income that are receivables as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivables.

6. Finance Costs

An analysis of finance costs is as follows:

	2025	2024
	RMB'000	RMB'000
Interest expenses on:		
Bank borrowings	68,343	129,878
Corporate bonds	–	6,612
Lease liabilities	3,096	4,695
Other finance costs	3,293	4,020
	<u>74,732</u>	<u>145,205</u>

7. Profit before Tax

The Group's profit before tax is arrived at after charging/(crediting):

	2025	2024
	RMB'000	RMB'000
Cost of inventories sold	3,018,928	2,800,180
Cost of services provided	741,685	719,425
Depreciation of property, plant and equipment	279,543	240,864
Depreciation of right-of-use assets	38,892	38,547
Amortisation of other intangible assets	58,286	55,498
Research and development costs*	226,158	212,036
Impairment losses on property, plant and equipment and other intangible assets	17,390	55,365
Auditor's remuneration	6,030	6,410
Employee benefit expenses (including directors' and supervisors' remuneration) :		
Salaries and other benefits	696,418	566,562
Pension scheme contributions, social welfare and other welfare**	95,743	74,331
	<u>792,161</u>	<u>640,893</u>
Total	<u>792,161</u>	<u>640,893</u>

	2025	2024
	RMB'000	RMB'000
Lease payment not included in the measurement of lease liabilities	2,997	2,734
Finance costs	74,732	145,205
Foreign exchange (gains)/losses, net	(140,601)	12,840
Write-down of inventories to net realisable value	36,508	7,607
Impairment losses on associates	80,910	85,517
Impairment losses/(written back) on financial and contract assets:		
Impairment losses/(written back) on trade receivables	17,976	(7,745)
Impairment losses on financial assets included in prepayments, other receivables and other assets and due from related parties	64,892	66,287
	<u>64,892</u>	<u>66,287</u>
Total	<u>82,868</u>	<u>58,542</u>

* Research and development costs are included in “Administrative expenses” in the consolidated statement of profit or loss.

** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

8. Income Tax Expense

The major components of the income tax expense for the year are as follows:

	2025	2024
	RMB'000	RMB'000
Current tax expense	115,577	53,851
Deferred tax (credit)/expense	(55,973)	47,460
Total tax charge for the year	<u>59,604</u>	<u>101,311</u>

9. Earnings per Share Attributable to Ordinary Equity Holders of the Parent

The calculation of the basic and diluted earnings per share amounts is based on the profit attributable to ordinary equity holders of the parent, and the weighted average number of 1,467,296,204 ordinary shares (2024: 1,467,296,204) in issue during the year. The Group had no potentially dilutive ordinary shares in issue during the years ended December 31, 2025 and 2024.

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

The calculation of basic and diluted earnings per share are based on:

	2025	2024
	RMB'000	RMB'000
<u>Earnings</u>		
Profit attributable to ordinary equity holders of the parent	349,486	646,742
	Year ended December 31,	
	2025	2024
<u>Number of shares</u>		
Weighted average number of ordinary shares in issue during the year, used in the basic and diluted earnings per share calculation	1,467,296,204	1,467,296,204

10. Trade and Bills Receivables

	2025	2024
	RMB'000	RMB'000
Trade receivables	1,407,874	1,204,481
Bills receivable	91	4,243
Allowance for expected credit losses	(40,446)	(25,927)
Net carrying amount	1,367,519	1,182,797

The Group's trading terms with its customers are mainly on credit. The credit period is generally from one month to three months. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. The balances of trade receivables are non-interest-bearing.

An ageing analysis of the trade and bills receivables as at the end of each reporting period, based on the invoice date and net of allowance for expected credit losses, is as follows:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	1,347,935	1,173,191
1 year to 2 years	40,702	18,964
2 years to 3 years	7,421	5,496
Over 3 years	11,907	11,073
	1,407,965	1,208,724
Less: Allowance for expected credit losses	40,446	25,927
	1,367,519	1,182,797

The movements in the allowance for expected credit losses of trade receivables are as follows:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
At beginning of year	25,927	40,039
Impairment losses/(written back), net	17,976	(7,745)
Amount written off as uncollectible	(5,630)	(6,164)
Exchange realignment	2,173	(203)
At end of year	40,446	25,927

11. Trade Payables

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables	257,067	299,692

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

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	242,739	290,366
1 year to 2 years	8,131	8,592
2 years to 3 years	5,869	201
Over 3 years	328	533
	<u>257,067</u>	<u>299,692</u>

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 90 days.

12. Dividends

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Proposed final dividend – RMB14.5 cents per ordinary share (2024: Proposed final dividend – RMB25.0 cents per ordinary share)	212,758	366,824
	<u>212,758</u>	<u>366,824</u>

The proposed final dividend for 2025 is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

13. Share Capital

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Issued and fully paid:		
1,467,296,204 (2024: 1,467,296,204) ordinary shares	1,467,296	1,467,296
	<u>1,467,296</u>	<u>1,467,296</u>

Use of Proceeds from the H Share Listing of the Company

The H shares of the Company were listed on the Main Board of the Hong Kong Stock Exchange on July 8, 2020, and the Company obtained net proceeds from such H shares offering (“**Net Proceeds**”) of approximately RMB3,538.4 million. According to the planned use of Net Proceeds as set out in the prospectus of the Company dated June 24, 2020 (the “**Prospectus**”), approximately 30% of the Net Proceeds (or approximately RMB1,061.5 million) is intended to be used for improving capital structure and repaying the existing debt; approximately 30% of the Net Proceeds (or approximately RMB1,061.5 million) is intended to be used for expansion of the sales and marketing network and infrastructure in the European Union and other global markets, such as the PRC; approximately 20% of the Net Proceeds (or approximately RMB707.7 million) is intended to be used for expanding the Group’s development and manufacturing capacity and broadening its product and services offering of Cytovance; and approximately 20% of the Net Proceeds (or approximately RMB707.7 million) is intended to be used for investment in innovative drugs.

On November 20, 2023, the Group announced a change in use of the remaining Net Proceeds, which would be utilized in accordance with, among others, the business needs of the Group and the market conditions (the “**November 2023 Announcement**”). The change in use of the remaining Net Proceeds was approved by the Shareholders at the extraordinary general meeting of the Company held on December 15, 2023.

As at December 31, 2025, the unutilized Net Proceeds amounted to approximately RMB52.8 million. Details are set out in the following table:

Business objectives	Unutilized Net Proceeds as at December 31, 2024 (RMB million)	Utilized Net Proceeds during the year ended December 31, 2025 (RMB million)	Cumulative utilization of Net Proceeds as of December 31, 2025 (RMB million)	Unutilized Net Proceeds as at December 31, 2025 (RMB million)
(1) Improving capital structure and repaying the existing debt	–	–	1,034.4	–
(2) Expansion of the sales and marketing network and infrastructure in the European Union and other global markets, such as the PRC; in expanding production scale and organization, increasing procurement and reserves of production resources	177.3	177.3	1,013.8	–
(3) Expanding the Group’s development and manufacturing capacity and broadening the Group’s product and services offering of Cytovance	36.5	36.5	311.6	–
(4) Investment in innovative drugs	80.0	27.2	117.5	52.8
(5) General working capital of the Company or, subject to permission under the PRC laws and regulations, the balance to be placed with PRC financial institutions as short-term deposits	–	–	1,008.3	–
Total:	293.8	241.0	3,485.6	52.8

As at December 31, 2025, an accumulative amount of RMB1,034.4 million had been used by the Company to improve capital structure and repay the existing debt; an accumulative amount of RMB1,013.8 million had been used to expand the Group’s sales and marketing network and infrastructure in the European Union and other global markets such as the PRC, and in expanding production scale and organization, increasing procurement and reserves of production resources; an accumulative amount of RMB311.6 million had been used to enhance the Group’s development and production capabilities and to expand the Group’s product and service offerings of Cytovance; an accumulative amount of RMB117.5 million had been used for investments in innovative drugs; an accumulative amount of RMB1,008.3 million had been used for general working capital of the Company; and the remaining unutilized Net Proceeds (the “**Unutilized Net Proceeds**”) of RMB52.8 million were deposited with licensed financial institutions as deposits.

As of the date of this announcement and prior to the proposed change in use of the Unutilized Net Proceeds as described below, the Net Proceeds have been utilized in a manner consistent with that disclosed in the Prospectus and the November 2023 Announcement.

Proposed Change in Use of Unutilized Net Proceeds

The table below sets forth the Unutilized Net Proceeds and the proposed allocation of the Unutilized Net Proceeds (the “**Proposed Change in Use of Unutilized Net Proceeds**”):

Business objectives	Unutilized Net Proceeds as at December 31, 2025 (RMB million)	Proposed allocation of the Unutilized Net Proceeds after the change in use of Net Proceeds (RMB million)	Expected date of full utilisation of the Unutilized Net Proceeds
(4) Investment in innovative drugs	52.8	–	–
(5) General working capital of the Company or, subject to permission under the PRC laws and regulations, the balance to be placed with PRC financial institutions as short-term deposits	–	52.8	On or before December 31, 2026
Total:	<u>52.8</u>	<u>52.8</u>	

Reasons for the Proposed Change in Use of Unutilized Net Proceeds

Since its H-share listing, the Company has consistently utilized the proceeds from offering in accordance with the plans disclosed in the Prospectus and the November 2023 Announcement. As more than five years have passed since the Company's listing in July 2020, during this period, in the selection and investment process of innovative drug projects, the Company has continuously evaluated the clinical value, market prospects, and R&D risks of the projects, and prudently controlled the pace of fund allocation based on a comprehensive analysis of R&D progress and return on investment. As of the date of this announcement, approximately RMB52.8 million of the raised funds remain unused. In light of changes in the market environment, business development needs and efficiency of capital allocation, in order to further optimize the Company's capital structure, enhance the efficiency of fund utilization, and more effectively support the sustainable development of its core business, the Board proposes to reallocate the unutilized proceeds (approximately RMB52.8 million) to supplement the Company's general working capital, thereby supporting the operations of its core business and future business growth. The Company will continue to invest and fund innovative drugs by its internal resources where required.

The Board confirms that there are no material changes in the nature of the business of the Group as set out in the Prospectus. The Board considers that the Proposed Change in Use of Unutilized Net Proceeds is in line with the Group's business strategy and is fair and reasonable as this would allow the Company to deploy its financial resources more effectively to enhance the profitability of the Group. The Board considers that the reallocation will not have any material adverse impact on the Group's existing business and operations, and is in the overall best interests of the Company and its Shareholders as a whole. The Board will continuously review and assess the plan for the use of the Unutilized Net Proceeds and may revise or amend such plan when necessary to respond to the evolving market conditions and strive for better business performance of the Group.

The Board considers that the development direction of the Company is still in line with the disclosures in the Prospectus and the November 2023 Announcement despite the Proposed Change in Use of Unutilized Net Proceeds as stated above.

According to the Articles and the relevant laws and regulations in the PRC, the Proposed Change in Use of Unutilized Net Proceeds is subject to the approval of the Shareholders by way of an ordinary resolution at the general meeting of the Company. A circular containing, among other things, details of the Proposed Change in Use of Unutilized Net Proceeds together with a notice convening the AGM to approve, among other matters, the resolution in respect of the Proposed Change in Use of Unutilized Net Proceeds, will be despatched to the Shareholders in due course.

Significant Investments Held

During the Reporting Period and as of December 31, 2025, the Group did not hold significant investments with a value of 5% or more of the Company's total assets. As at the date of this announcement, the Group does not have any plan for material investments or purchase of capital assets.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

During the Reporting Period, the Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures.

Employee and Remuneration Policy

As of December 31, 2025, the Group had 2,163 employees, where their salaries and allowances were determined based on their performance, experience and the then prevailing market rates. Other employee benefits include the Mandatory Provident Fund, insurance and medical care, subsidized training, and employee share incentive schemes. During the Reporting Period, the total staff costs (including director's emoluments) were approximately RMB792.2 million (2024: approximately RMB640.9 million).

Purchase, Sale or Redemption of Listed Securities

During the Reporting Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company (including sale of treasury shares). As of December 31, 2025, the Company did not hold any treasury shares.

Compliance with Corporate Governance Code

The Company is committed to ensuring high standards of corporate governance and has adopted the code provisions set out in the Part 2 of the Corporate Governance Code (the "**Corporate Governance Code**") as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "**Listing Rules**"). During the Reporting Period, the Company has complied with all the applicable code provisions in the Corporate Governance Code.

The Board currently comprises four executive directors and three independent non-executive directors, with the independent non-executive directors representing more than one-third of the number of the Board members. Having such a proportion of independent non-executive directors on the Board can ensure their views carry significant weight and reflect the independence of the Board.

Final Dividend

Relevant resolution has been passed at a meeting of the Board held on March 30, 2026, and the Board proposed the distribution of a final dividend (the "**Final Dividend**") of RMB1.45 (tax inclusive) per ten ordinary shares of the Company for the year ended December 31, 2025.

If such profit distribution plan is reviewed and approved by shareholders of the Company at the 2025 annual general meeting to be held on Friday, May 22, 2026 (the “**2025 AGM**”), the Final Dividend will be distributed no later than Wednesday, July 22, 2026 to H shares shareholders whose names appear on the register of members of the Company’s H shares on Friday, May 29, 2026. The Final Dividend is denominated and declared in Renminbi. The Final Dividend payable to the holders of the Company’s H shares shall be paid in Hong Kong dollars. The amount of Hong Kong dollars payable shall be calculated on the basis of the average closing exchange rates for Hong Kong dollars as announced by the Foreign Exchange Trading Centre of the PRC one calendar week prior to the approval of the Final Dividend at the 2025 AGM.

Annual General Meeting

The 2025 AGM will be held on Friday, May 22, 2026. A notice convening the 2025 AGM will be published on the websites of the Hong Kong Stock Exchange and the Company and made available to the H shares shareholders of the Company in due course.

Closures of Register of Members

i. For attending and voting at the 2025 AGM

The register of members of the Company’s H shares will be closed from Saturday, May 16, 2026 to Friday, May 22, 2026, both days inclusive, during which period no transfer of H shares will be registered. In order to be eligible for attending and voting at the forthcoming annual general meeting, all transfer of shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company’s H shares share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Friday, May 15, 2026.

ii. For entitlement of proposed Final Dividend

The register of members of the Company’s H shares will be closed from Wednesday, May 27, 2026 to Friday, May 29, 2026, both days inclusive, during which period no transfer of H shares will be registered. In order to qualify for the proposed Final Dividend, all transfer of shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company’s H shares share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Tuesday, May 26, 2026.

Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers

The Company has devised its own code of conduct for the trading of securities by its directors, supervisors and members of senior management of the Group (who are likely to possess inside information about the securities of the Company due to their offices or employments in the Group) on terms that no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 to the Listing Rules (the “**Model Code**”). Having made specific enquiry by the Company, all directors, supervisors and members of senior management of the Group have confirmed that they have complied with the required standard set out in the Model Code during the Reporting Period and up to the date of this announcement. The Company continues and will continue to ensure the compliance with the corresponding provisions set out in the Model Code.

Review of Annual Results by the Audit Committee

The audit committee of the Board (the “**Audit Committee**”) has considered and reviewed the consolidated annual results of the Group for the year ended December 31, 2025 and the accounting principles and practices adopted by the Group, and has discussed with management issues in relation to internal control, risk management and financial reporting. The Audit Committee of the Board is of the opinion that the consolidated annual results of the Group for the year ended December 31, 2025 are in compliance with the relevant accounting standards, laws and regulations and have been officially disclosed in due course.

Scope of Work of Ernst & Young

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended December 31, 2025 as set out in the preliminary announcement have been agreed by the Group’s auditor, Ernst & Young, 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 and consequently no opinion or assurance conclusion has been expressed by Ernst & Young on the preliminary announcement.

Events after the Reporting Period

The Company has no events after the Reporting Period that need to be brought to the attention of the shareholders of the Company.

Publication of Annual Report

This announcement is published on the websites of the Company (<http://www.hepalink.com/>) and the Hong Kong Stock Exchange (<http://www.hkexnews.hk>). The Company’s Annual Report 2025 containing all the information required by the Listing Rules will be made available to the H shares shareholders and published on the websites of the Company and the Hong Kong Stock Exchange in due course.

Appreciation

On behalf of the Board, I would like to express my gratitude to all shareholders for their trust, support and understanding, as well as to all the staff of the Group for their unremitting efforts.

By order of the Board
Shenzhen Hepalink Pharmaceutical Group Co., Ltd.
Li Li
Chairman

Shenzhen, the PRC
March 30, 2026

As at the date of this announcement, the executive directors of the Company are Mr. Li Li, Ms. Li Tan, Mr. Shan Yu and Mr. Zhang Ping; and the independent non-executive directors of the Company are Mr. Huang Peng, Mr. Yi Ming and Mr. Pu Hong.